

Provision	Section in Area Development Agreement	Summary
v. Choice of forum	Section 17	All disputes will be resolved in accordance with the terms and conditions of the initial franchise agreement. All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Houston, Texas), subject to applicable state law.
w. Choice of law	Section 15	Texas law applies, subject to applicable state law.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our Franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC’s Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

As of the December 31, 2024, there were eight affiliate (“Affiliate Clinics”) and six franchised NexGenEsis Healthcare Businesses (“Franchised Clinics”) in operation.

The Affiliate Clinics consist of a location in Honolulu, Hawaii that has three Satellite Franchises in Wailuku, Kona and Hilo (“Hawaii Reporting Location”), one location in Bellaire, Texas that has two Satellite Franchises in Conroe and Jersey City (“Houston Reporting Location”), and one location in Gulfport, Mississippi (“Gulfport Reporting Location”) that doesn’t operate a Satellite Franchise. Even though the Hilo and Jersey City Satellite Franchises opened in 2024, their financial information is included in this Item 19 because we were unable to segregate their financial information from the main locations. The “Affiliate Reporting Group” consists of the Hawaii Reporting Location, the Houston Reporting Location and the Gulfport Reporting Location. Three affiliate-owned NexGenEsis Healthcare Businesses closed in 2024 and are not included in the Affiliate Reporting Group.

The Affiliate Clinics differ from the franchises offered under this disclosure document. The Affiliate Clinics do not pay the Brand Fund Contributions. The Affiliate Clinics and their Satellite Franchises pay the Technology Fee and a reduced Royalty Fee equal to 2% of Gross Revenue. The Affiliate Clinics also differ in territory sizes from franchised NexGenEsis Healthcare Franchises. The Affiliate Clinics and their Satellite Franchises are not subject to the same local advertising requirements that apply to franchised Satellite Franchises; however, we require the Affiliate Clinics to conduct certain advertising and marketing at our direction. All advertising for the Affiliate Clinic’s Satellite Franchises is conducted by the primary Affiliate Clinic. Franchised NexGenEsis Healthcare Franchises are granted territories that

contain a population of approximately 175,000 to 200,000 persons. The territories of the Affiliate Clinics are as follows:

Affiliate Clinic	Total Number of NexGenEsis Healthcare Businesses including in the Affiliate Reporting Group (including Satellite Franchises)	Total Territory Size
Hawaii Reporting Location	4	1,400,000 (approximately 450,000 per Affiliate Clinic)
Houston Reporting Location	3	1,000,000 (approximately 350,000 per Affiliate Clinic)
Gulfport Reporting Location	1	200,000

The “Franchise Reporting Group” consists of one Franchised Clinic located in Clearwater, Florida that does not operate a Satellite Franchise. Five Franchised Clinics opened in 2024 and one Franchised Clinic that temporarily closed in 2024 are not included in the Franchise Reporting Group. The Clearwater franchised location does not pay the Brand Fund Contributions, but they do pay the Technology Fee and a reduced Royalty equal to 3% of Gross Revenue. Franchised Satellite Franchises are required to operate one day each week. The reporting Affiliate Clinic’s Satellite Franchises operated for a minimum of four hours per week during the 2024 calendar year.

This Item 19 presents financial information for Affiliate Reporting Group and the Franchise Reporting Group (together the “Reporting Group”) for the 2024 calendar year. All numbers in this Item 19 have been rounded to the nearest dollar. The tables below include information about the Reporting Group for the periods from January 1, 2024 to December 31, 2024 (“Reporting Period”). The financial information is based on actual revenue and expenses and was prepared from sales records and reports. The numbers have not been audited but we have no reason to doubt their accuracy.

Table 1
Affiliate Reporting Group

Gross Revenue Gross Profit EBITDA And Adjusted EBITDA - 2024			
	Gulfport, Mississippi	Honolulu, Hawaii	Bellaire, Texas
Gross Revenue ⁽¹⁾	\$944,630	\$4,115,337	\$964,048
COGS ⁽²⁾	\$89,322	\$521,822	\$117,940
Gross Profit ⁽³⁾	\$855,308	\$3,593,515	\$846,108
Expenses			
Advertising ⁽⁴⁾	\$338,650	\$439,277	\$361,185
Rent	\$30,000	\$132,954	\$40,710
Payroll	\$202,417	\$981,816	\$231,683
Other Expenses	\$246,087	\$422,984	\$84,050
Hawaii General Excise Tax	-	\$176,032	-
Total Expenses	\$817,154	\$2,153,063	\$717,628
EBITDA ⁽⁴⁾	\$38,154	\$1,440,452	\$128,480

Gross Revenue Gross Profit EBITDA And Adjusted EBITDA - 2024			
Franchise Related Adjustments ⁽⁵⁾			
Royalties	\$66,124	\$288,074	\$67,483
Brand Marketing	\$9,446	\$41,153	\$9,640
Local Advertising Adjustment	-	-	-
Adjusted EBITDA ⁽⁶⁾	-\$37,416	\$1,111,225	\$51,357

Table 2
Franchised Reporting Group

Clearwater, Florida	
Gross Revenue ⁽¹⁾	\$178,883
COGS ⁽²⁾	\$18,153
Gross Profit ⁽³⁾	\$160,730
Expenses	
Advertising ⁽⁴⁾	\$113,225
Rent	\$23,641
Payroll	\$33,863
Other Expenses	\$39,922
Total Expenses	\$210,651
EBITDA ⁽⁵⁾	-\$49,921
Franchise Related Expenses ⁽⁶⁾	
Royalties	\$12,544
Brand Marketing	\$1,789
Adjusted EBITDA ⁽⁷⁾	-\$64,254

Table 1 and 2 Notes:

1. Gross Revenue. means the total revenue derived from the sale of goods or services less sales tax, discounts, allowances, and returns.
2. The term “COGS” means the cost of sales including medical supplies and products used in the performance of earning revenue.
3. The term “Gross Profits” means Gross Sales minus COGS.
4. Advertising. The advertising expense of the Franchised Clinic did not meet the minimum requirements because it was closed two months of the year due to weather issues in Florida. If it were open these two months, it would have had to spend an additional \$6,775. The Affiliate Reporting Group exceeded the Local Advertising Requirement.

5. The term “EBITDA” is defined as earnings before interest, taxes, depreciation, and amortization. The EBITDA numbers include the gross profit minus all ordinary and recurring operating expenses, except interest, income taxes, depreciation, and amortization.
6. “Franchise Related Adjustments.” Franchisees are required to pay a Royalty of 7% of Gross Sales and Brand Fund Contributions of 1% of Gross Sales. The Franchised Location pays a reduced Royalty of 3% and does not pay a Brand Fund Contribution. We have imputed an additional 4% to the Royalty to bring it up to the 7% and imputed a Brand Fund Contribution of 1%. The Affiliate Clinics pay a reduced Royalty of 2% and do not pay a Brand Fund Contribution. We have imputed an additional 5% to the Royalty to bring it up to the 7% and imputed a Brand Fund Contribution of 1%.
7. “Adjusted EBITDA” equals EBITDA less Franchise Related Adjustments. Adjusted EBITDA is not equal to Net Income and excludes other operating expenses and non-operating expenses including federal taxes, depreciation and amortization, that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business.
8. Satellite Franchises. Because the figures above for the Hawaii Reporting Location and the Houston Reporting Location include aggregate totals that include the Satellite Franchises. Because of this, the revenue and EBITDA may be higher than the typical franchisee would generate operating a single NexGenEsis Healthcare Franchise.

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets, outside of the information provided above. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dr. Greg Picou, 5420 Dashwood St. Suite 206, Houston, Texas 77081, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2022 - 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	0	0	0
	2023	0	2	+2
	2024	2	6	+4
Company-Owned	2022	2	5	+3
	2023	5	10	+5
	2024	10	8	-2
Total Outlets*	2022	2	5	+3
	2023	5	12	+7
	2024	12	14	+2

*Satellite Franchises are counted as individual outlets

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 - 2024

State	Year	Number of Transfers
Totals	2022	0
	2023	0
	2024	0

Table No. 3

Status of Franchised Outlets
For Years 2022 - 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Florida	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1