

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide 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 if 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 possible performance at a particular location or under particular circumstances.

As of December 31, 2024, there were (i) 87 franchised Suites, (ii) three (3) corporate Suites, (iii) six (6) franchised Flagships, and (iv) twelve (12) corporate Flagships in operation.

This Financial Performance Representation sets forth historical financial performance information in connection with (i) 44 franchised Suites, (ii) one corporate Suite, (iii) two franchised Flagships, and (iv) five corporate Flagships.

This Financial Performance Representation excludes information in connection with (i) 32 franchised Suites that opened during the 2024 calendar year, (ii) five franchised Suites and two corporate Suites that reported abnormal expenses that are not indicative of standard operational costs during the 2024 calendar year and otherwise did not report their financial information to us in the correct manner, (iii) four franchised Suites that relocated during the 2024 calendar year and had an interruption in operations during the 2024 calendar year, and (iv) two franchised Suites that transferred owners during the 2024 calendar year where the financial books and records were inconsistent between the old owner and the new owner.

This Financial Performance Representation also excludes information in connection with (i) two franchised Flagships and one corporate Flagship that opened during the 2024 calendar year, (ii) one franchised Flagship and one corporate Flagship that converted from a suite to a Flagship during the 2024 calendar year, (iii) one franchised Flagship and four corporate Flagships that reported abnormal expenses that are not indicative of standard operational costs during the 2024 calendar year and otherwise did not report their financial information to us in the correct manner, and (iv) one corporate Flagship that operates in a non-traditional location and serves as our training center.

Franchised financial data was extracted directly from franchisee QuickBooks accounts via our data aggregator, which consolidates information based on our standardized chart of accounts, mandatory for all franchisees. Please note that discrepancies in the data may occur due to variations or errors in franchisee bookkeeping practices.

For purposes of this Financial Performance Representation, corporate locations are operated by our affiliates.

Chart 1 of this Item sets forth the average, median, high, and low Net Revenue during the 2024 calendar year for all corporate and franchised flagships, split into flagships open four or more years and flagships that opened in 2022 or 2023.

Chart 2 of this Item sets forth the Net Revenue minus Certain Expenses for all corporate and franchised flagships during the 2024 calendar year.

Chart 3 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate and franchised flagships that have been open for four or more years.

Chart 4 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate and franchised flagships that opened in 2022 or 2023.

Chart 5 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate and franchised flagships.

Chart 6 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate flagships that have been open for four or more years.

Chart 7 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate flagships.

Chart 8 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all franchised flagships.

Chart 9 of this Item sets forth the average, median, high, and low Net Revenue and Net Revenue minus Certain Expenses during the 2024 calendar year for all suites open for one year, two years, three+ years, and four or more years.

Chart 10 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all franchised and corporate suites.

Chart 11 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all franchised and corporate suites, split into quintiles.

Chart 12 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for Quintile #1 (top 20%) for franchised and corporate suites.

Chart 13 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for Quintile #2 for franchised and corporate suites.

Chart 14 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for Quintile #3 for franchised and corporate suites.

Chart 15 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for Quintile #4 for franchised and corporate suites.

Chart 16 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for Quintile #5 (bottom 20%) for franchised and corporate suites.

Chart 17 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate and franchised suites open for four or more years

Chart 18 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate and franchised suites open for three+ years.

Chart 19 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate and franchised suites open for two years.

Chart 20 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2024 calendar year for all corporate and franchised suites open for one year.

Chart 21 of this Item sets forth the membership conversion rate as well as the average, median, high, and low conversion rate for all franchised and corporate flagships during the 2024 calendar year.

Chart 22 of this Item sets forth the membership conversation rate as well as the average, median, high, and low conversion rate for all corporate flagships during the 2024 calendar year.

Chart 23 of this Item sets forth the membership conversation rate as well as the average, median, high, and low conversion rate for all franchised flagships during the 2024 calendar year.

Chart 24 of this Item sets forth the membership conversion rate as well as the average, median, high, and low conversion rate for all franchised and corporate suites during the 2024 calendar year.

Chart 25 of this Item sets forth the total return on advertising expenditures for all franchised and corporate flagships during the 2024 calendar year.

Chart 26 of this Item sets forth the total return on advertising expenditures for the corporate flagships during the 2024 calendar year.

Chart 27 of this Item sets forth the total return on advertising expenditures for the franchised flagships during the 2024 calendar year.

Chart 28 of this Item sets forth the total return on advertising expenditures for the franchised and corporate suites during the 2024 calendar year.

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Charts	Description / Chart Title
1	All Flagship Locations: Overview - Average / Median / High / Low
2	All Flagship Locations: Itemized - Net Revenue minus Certain Expenses
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4	All Flagship Locations: Opened in 2022 or 2023 - Average / Median / High / Low
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21	All Flagships: Membership Conversion
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ALL FLAGSHIPS

CHART #1

ALL FLAGSHIP LOCATIONS: OVERVIEW - AVERAGE / MEDIAN / HIGH / LOW

DATA SET	LOCATIONS	2024 NET REVENUE		HIGH REVENUE	LOW REVENUE	ABOVE AVERAGE	BELOW AVERAGE
		AVERAGE REVENUE	MEDIAN REVENUE				
FLAGSHIPS - OPEN 4+ FULL YEARS	4	\$903,943	\$844,498	\$1,361,116	\$565,659	2 OF 4	50.00%
FLAGSHIPS - OPENED IN 2022 OR 2023	3	\$472,221	\$450,658	\$547,614	\$418,390	1 OF 3	33.33%
ALL FLAGSHIPS	7	\$718,919	\$565,659	\$1,361,116	\$418,390	3 OF 7	42.86%

DATA SET	FLAGSHIPS OPEN 4+ FULL YEARS	FLAGSHIPS OPENED IN 2022 OR 2023	ALL FLAGSHIPS
2024 NET REVENUE	\$903,943	\$472,221	\$718,919
2024 CERTAIN EXPENSES	\$654,936	\$355,666	\$526,678
2024 NET REVENUE MINUS CERTAIN EXPENSES	\$249,006	\$116,555	\$192,241
2024 NET REVENUE MINUS CERTAIN EXPENSES %	27.55%	24.68%	26.74%

CHART #2

ALL FLAGSHIP LOCATIONS

ITEMIZED

NET REVENUE minus CERTAIN EXPENSES

CATEGORY	CORPORATE LOCATION #1	CORPORATE LOCATION #2	CORPORATE LOCATION #3	CORPORATE LOCATION #4	FRANCHISE LOCATION #1	CORPORATE LOCATION #5	FRANCHISE LOCATION #2	TOTALS
ROOMS	6	4	5	4	4	4	4	31
NET REVENUE PER ROOM	\$226,853	\$237,368	\$147,905	\$141,415	\$136,904	\$112,664	\$104,598	\$162,337
LASER ACTIVATION DATE	10/7/2024	9/23/2024	11/7/2024	N/A	10/1/2024	9/23/2024	11/18/2024	
CORPORATE / FRANCHISE	CORPORATE	CORPORATE	CORPORATE	CORPORATE	FRANCHISE	CORPORATE	FRANCHISE	
ITEM 2 / OWNER					1			1
2023					1	1		2
2022							1	1
2021 OR BEFORE	1	1	1	1				4
TOTALS	1	1	1	1	1	1	1	7

CATEGORY	CORPORATE LOCATION #1	CORPORATE LOCATION #2	CORPORATE LOCATION #3	CORPORATE LOCATION #4	FRANCHISE LOCATION #1	CORPORATE LOCATION #5	FRANCHISE LOCATION #2	TOTALS
OPENING DATE	9/30/2021	12/15/2017	11/30/2018	1/1/2015	9/25/2023	8/12/2023	3/22/2022	

NET REVENUE	\$1,361,116	\$949,472	\$739,523	\$565,659	\$547,614	\$450,658	\$418,390	\$5,032,433
ESTHETICIAN WAGES	\$365,530	\$268,276	\$173,810	\$142,818	\$159,115	\$122,136	\$118,116	\$1,349,800
RECEPTION	\$83,262	\$56,745	\$40,580	\$33,553	\$31,983	\$28,009	\$25,812	\$299,943
GENERAL MANAGEMENT	\$48,582	\$34,223	\$26,274	\$20,078	\$13,401	\$14,644	\$13,903	\$171,104
SUPPLIES	\$108,414	\$99,775	\$64,634	\$53,019	\$39,146	\$31,354	\$39,297	\$435,638
INVENTORY MANAGEMENT	\$6,132	\$4,261	\$3,229	\$2,609	\$997	\$1,904	\$0	\$19,132
AD MANAGEMENT	\$6,136	\$4,889	\$6,039	\$2,177	\$5,614	\$3,722	\$1,814	\$30,390
DIGITAL AD SPEND	\$38,242	\$29,173	\$27,633	\$14,582	\$20,039	\$16,405	\$11,095	\$157,169
LOCAL MARKETING	\$13,661	\$11,046	\$9,296	\$8,106	\$2,079	\$6,111	\$7,110	\$57,409
ADMIN OPERATIONS	\$38,716	\$27,460	\$23,053	\$17,345	\$2,096	\$12,463	\$8,089	\$129,222
ROYALTY	\$81,667	\$56,968	\$44,371	\$33,940	\$32,860	\$27,039	\$26,032	\$302,877
BRAND FUND	\$13,611	\$9,495	\$7,395	\$5,657	\$5,476	\$4,507	\$4,184	\$50,324
HELLO SUGAR REMOTE	\$20,254	\$15,159	\$11,676	\$9,650	\$1,269	\$7,363	\$2,463	\$67,834
TRAINING EXPENSES	\$22,205	\$14,744	\$10,846	\$8,770	\$3,588	\$6,750	\$4,206	\$71,109
TECH FEE	\$900	\$900	\$900	\$900	\$345	\$900	\$345	\$5,190
SOFTWARE EXPENSES	\$10,355	\$10,355	\$10,355	\$10,355	\$8,047	\$10,355	\$10,075	\$69,897
ACCOUNTING + LICENSES	\$773	\$1,102	\$410	\$331	\$5,486	\$239	\$8,646	\$16,987
RENT	\$73,720	\$50,576	\$56,145	\$56,192	\$42,856	\$66,093	\$25,300	\$370,882
STORAGE UNIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
UTILITIES	\$2,179	\$18,889	\$1,160	\$21,649	\$4,597	\$3,117	\$1,965	\$53,557
INSURANCE	\$4,340	\$3,354	\$2,291	\$1,851	\$4,258	\$1,345	\$10,841	\$28,280

NET REVENUE	\$1,361,116	\$949,472	\$739,523	\$565,659	\$547,614	\$450,658	\$418,390	\$5,032,433
CERTAIN EXPENSES	\$938,679	\$717,389	\$520,096	\$443,582	\$383,251	\$364,455	\$319,292	\$3,686,744
NET REVENUE MINUS CERTAIN EXPENSES	\$422,438	\$232,083	\$219,427	\$122,077	\$164,363	\$86,203	\$99,098	\$1,345,690
NET REVENUE MINUS CERTAIN EXPENSES %	31.04%	24.44%	29.67%	21.58%	30.01%	19.13%	23.69%	26.74%

CHART #3

ALL FLAGSHIP LOCATIONS: 4+ YEARS OLD - AVERAGE / MEDIAN / HIGH / LOW

	ALL FLAGSHIPS OPEN 4+ YEARS AVERAGE	ALL FLAGSHIPS OPEN 4+ YEARS MEDIAN	ALL FLAGSHIPS OPEN 4+ YEARS HIGH	ALL FLAGSHIPS OPEN 4+ YEARS LOW	ABOVE AVERAGE	BELOW AVERAGE
LOCATIONS	4	4	4	4	2 OF 4	50.00%

NET REVENUE	\$903,943
ESTHETICIAN WAGES	\$237,608
RECEPTION	\$53,535
GENERAL MANAGEMENT	\$32,289
SUPPLIES	\$81,460
INVENTORY MANAGEMENT	\$4,058
AD MANAGEMENT	\$4,810
DIGITAL AD SPEND	\$27,408
LOCAL ADVERTISING	\$10,527
ADMIN OPERATIONS	\$26,644
ROYALTY	\$54,237
BRAND FUND	\$9,039
HELLO SUGAR REMOTE	\$14,185
TRAINING EXPENSES	\$14,141
TECH FEE	\$900
SOFTWARE EXPENSES	\$10,355
ACCOUNTING + LICENSES	\$654
RENT	\$59,158
STORAGE UNIT	\$0
UTILITIES	\$10,969
INSURANCE	\$2,959

NET REVENUE	\$903,943
CERTAIN EXPENSES	\$654,936
NET REVENUE MINUS CERTAIN EXPENSES	\$249,006
NET REVENUE MINUS CERTAIN EXPENSES %	27.55%

CHART #4

ALL FLAGSHIP LOCATIONS: OPENED IN 2022 OR 2023 - AVERAGE / MEDIAN / HIGH / LOW

	ALL FLAGSHIPS OPENED IN 2022 OR 2023 AVERAGE	ALL FLAGSHIPS OPENED IN 2022 OR 2023 MEDIAN	ALL FLAGSHIPS OPENED IN 2022 OR 2023 HIGH	ALL FLAGSHIPS OPENED IN 2022 OR 2023 LOW	ABOVE AVERAGE		BELOW AVERAGE	
LOCATIONS	3	3	3	3	1 OF 3	33.33%	2 OF 3	66.67%

NET REVENUE	\$472,221	\$450,658	\$547,614	\$418,390
ESTHETICIAN WAGES	\$133,122			
RECEPTION	\$28,601			
GENERAL MANAGEMENT	\$13,982			
SUPPLIES	\$36,599			
INVENTORY MANAGEMENT	\$967			
AD MANAGEMENT	\$3,716			
DIGITAL AD SPEND	\$15,846			
LOCAL ADVERTISING	\$5,100			
ADMIN OPERATIONS	\$7,549			
ROYALTY	\$28,644			
BRAND FUND	\$4,722			
HELLO SUGAR REMOTE	\$3,698			
TRAINING EXPENSES	\$4,848			
TECH FEE	\$530			
SOFTWARE EXPENSES	\$9,493			
ACCOUNTING + LICENSES	\$4,790			
RENT	\$44,750			
STORAGE UNIT	\$0			
UTILITIES	\$3,227			
INSURANCE	\$5,481			

NET REVENUE	\$472,221
CERTAIN EXPENSES	\$355,666
NET REVENUE MINUS CERTAIN EXPENSES	\$116,555
NET REVENUE MINUS CERTAIN EXPENSES %	24.68%

CHART #5

ALL FLAGSHIP LOCATIONS: AVERAGE / MEDIAN / HIGH / LOW

	ALL FLAGSHIPS AVERAGE	ALL FLAGSHIPS MEDIAN	ALL FLAGSHIPS HIGH	ALL FLAGSHIPS LOW	ABOVE AVERAGE	BELOW AVERAGE		
LOCATIONS	7	7	7	7	3 OF 7	42.86%	4 OF 7	57.14%

NET REVENUE	\$718,919
ESTHETICIAN WAGES	\$192,829
RECEPTION	\$42,849
GENERAL MANAGEMENT	\$24,443
SUPPLIES	\$62,234
INVENTORY MANAGEMENT	\$2,733
AD MANAGEMENT	\$4,341
DIGITAL AD SPEND	\$22,453
LOCAL ADVERTISING	\$8,201
ADMIN OPERATIONS	\$18,460
ROYALTY	\$43,268
BRAND FUND	\$7,189
HELLO SUGAR REMOTE	\$9,691
TRAINING EXPENSES	\$10,158
TECH FEE	\$741
SOFTWARE EXPENSES	\$9,985
ACCOUNTING + LICENSES	\$2,427
RENT	\$52,983
STORAGE UNIT	\$0
UTILITIES	\$7,651
INSURANCE	\$4,040

NET REVENUE	\$718,919
CERTAIN EXPENSES	\$526,678
NET REVENUE MINUS CERTAIN EXPENSES	\$192,241
NET REVENUE MINUS CERTAIN EXPENSES %	26.74%