

	Provision	Section in Development Agreement	Summary
			Development Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.
v.	Choice of forum	Section 22(A)	Subject to Sections 21(B)-(C) of the Development Agreement, all claims and causes of action arising out of the Development Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to our then-current headquarters or, if appropriate, the United States District Court for the District of Colorado. (subject to state law).
w.	Choice of law	Section 21(A)	The Development Agreement is governed by the laws of the state of Colorado, without reference to this state's conflict of laws principles. (subject to state law).

## ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote our franchise, but we reserve the right to use one in the future.

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATION

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 by, for example, providing information about possible performance at a particular location or under particular circumstances.

## BACKGROUND

As of December 31, 2024, there were 59 franchised locations (each, a "**Franchised Location**") and zero affiliate-owned locations in operation. This Financial Performance Representation excludes financial information in connection with the four (4) Franchised Locations that opened during the 2024 calendar year (the "**Measurement Period**").

In Part I of this Item, we disclose the average, median, high, and low monthly Gross Sales generated by the 55 Franchised Locations over the Measurement Period.

In Part II of this Item, we disclose the total, average, and median annual gross revenue generated by the 55 Franchised Locations over the Measurement Period.

In Part III of this Item, we disclose the selected financial data which includes cash receipts and cash disbursements for the operations of a Franchised Location over the Measurement Period, as reported by 32 Franchised Locations that submitted this financial data to us by the deadline.

The figures and information presented in this Item 19 are based on the actual and historical performance of the Franchised Locations, and such information was either (a) reported to us by the owners of each Franchised Location, and/or (b) pulled from reports generated by certain of the Required Software (POS) utilized by a given Franchised Location.

Written substantiation of the data used in preparing this information will be made available upon reasonable request. We have not audited this information or independently verified this information, which was provided to us by the Franchised Location at issue.

**Some Franchised locations have sold these amounts. Your individual results may differ. There is no assurance that you'll sell or earn as much.**

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ITEM 19 CONTINUES ON THIS FOLLOWING PAGE]***

**PART I: AVERAGE, MEDIAN, HIGH, AND LOW MONTHLY GROSS SALES GENERATED BY THE FRANCHISED LOCATIONS OVER THE MEASUREMENT PERIOD**

<b>Number of Franchised Locations Comprising the Group</b>	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>	<b>Number that Met or Exceeded Average</b>
55	\$90,529	\$87,992	\$161,941	\$42,449	25 (46%)

**PART II: ANNUAL GROSS SALES GENERATED BY EACH FRANCHISED LOCATION OVER THE MEASUREMENT PERIOD**

<b>Franchised Location</b>	<b>Gross Sales Generated over Measurement Period</b>
Franchised Location 1	\$1,943,295
Franchised Location 2	\$1,857,385
Franchised Location 3	\$1,670,279
Franchised Location 4	\$1,646,887
Franchised Location 5	\$1,617,271
Franchised Location 6	\$1,609,670
Franchised Location 7	\$1,572,657
Franchised Location 8	\$1,560,423
Franchised Location 9	\$1,508,751
Franchised Location 10	\$1,489,086
Franchised Location 11	\$1,462,473
Franchised Location 12	\$1,452,613
Franchised Location 13	\$1,407,040
Franchised Location 14	\$1,388,234
Franchised Location 15	\$1,373,555
Franchised Location 16	\$1,315,612
Franchised Location 17	\$1,259,150
Franchised Location 18	\$1,248,138
Franchised Location 19	\$1,243,811

Franchised Location 20	\$1,229,773
Franchised Location 21	\$1,215,368
Franchised Location 22	\$1,171,549
Franchised Location 23	\$1,165,912
Franchised Location 24	\$1,156,283
Franchised Location 25	\$1,111,550
Franchised Location 26	\$1,074,718
Franchised Location 27	\$1,062,631
Franchised Location 28	\$1,049,180
Franchised Location 29	\$1,024,244
Franchised Location 30	\$956,220
Franchised Location 31	\$935,531
Franchised Location 32	\$925,771
Franchised Location 33	\$915,655
Franchised Location 34	\$912,052
Franchised Location 35	\$862,751
Franchised Location 36	\$855,226
Franchised Location 37	\$834,837
Franchised Location 38	\$830,012
Franchised Location 39	\$800,081
Franchised Location 40	\$782,953
Franchised Location 41	\$782,518
Franchised Location 42	\$764,698
Franchised Location 43	\$738,221
Franchised Location 44	\$727,619
Franchised Location 45	\$719,479
Franchised Location 46	\$718,092
Franchised Location 47	\$687,340
Franchised Location 48	\$662,967

Franchised Location 49	\$648,929
Franchised Location 50	\$631,524
Franchised Location 51	\$603,521
Franchised Location 52	\$596,030
Franchised Location 53	\$583,963
Franchised Location 54	\$572,654
Franchised Location 55	\$509,393
Average Gross Sales Reported Amongst this Subset	\$1,080,829
Median Gross Sales Reported Amongst this Subset	\$1,049,180

### **PART III: CASH FLOW FROM DAY SPA OPERATIONS:**

The following is cash flow from day spa operations and selected financial data provided by 32 of the 55 locations open greater than 2 years by the deadline. The information was submitted by franchisees and is intended to represent the cash receipts- revenue and cash disbursements - expenses generated by the physical spa location. It does not include depreciation and amortization, home office expenses, business meals and travel, owner salary or withdrawal, debt or debt interest or managerial expense as these expenses vary significantly by franchisee and by location. The cash disbursement - expenses in the select financial data represents the operations at the physical spa location.

	<b>32 Locations Total</b>	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>Revenue: Cash Receipts</b>	\$36,702,454	\$1,146,952	\$1,163,916	\$1,943,295	\$583,963
<b>Expenses: Cash Disbursements</b>					
<b>Personnel Expenses</b>	\$15,955,280	\$498,602	\$476,955	\$950,077	\$259,221
<b>Facility Cost</b>	\$4,922,511	\$153,828	\$148,966	\$135,554	\$167,322
<b>Marketing &amp; Professional Services</b>	\$1,538,339	\$48,073	\$38,333	\$39,101	\$30,174
<b>Treatment &amp; Retail Product Cost</b>	\$2,008,220	\$62,757	\$54,218	\$160,068	\$32,583
<b>Other Operating Expenses</b>	\$2,218,843	\$69,339	\$62,494	\$133,429	\$21,860
<b>Royalties &amp; Advertising</b>	\$2,500,647	\$78,145	\$77,083	\$136,031	\$40,877

	<b>32 Locations Total</b>	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>Total Cash Disbursements</b>	\$29,143,840	\$910,744	\$858,049	\$1,554,260	\$552,037
<b>Cash Flow from Operations</b>	\$7,558,614	\$236,208	\$305,867	\$389,035	\$31,926
<b>Operating Margin</b>	20.6%	20.6%	26.3%	20.0%	5.5%

**Notes to Item 19:**

1. “Gross Sales” means the total revenue generated by each Franchised Location, including (a) all revenue generated from the sale and provision of any and all gift cards and other Approved Products and Services at or through the Franchised Location, and (b) all insurance proceeds from any business interruption insurance related to the non-operation of the Franchised Location, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. “Gross Sales” does not include (a) tips received by massage therapists, estheticians and other practitioners at the Franchised Location, (b) any sales tax and equivalent taxes that are collected by a Franchised Location for or on behalf of any governmental taxing authority and paid thereto, or (c) the value of any allowance issued or granted to any client of the Franchised Location that is credited in good faith by the Franchised Location in full or partial satisfaction of the price of the Approved Products or Services.
2. Personnel expenses include labor cost to deliver services including massage therapist and estheticians as well as front desk reception and spa attendants. Facility cost includes rent, repairs and maintenance and utilities, it does include capital for repairs. Marketing and professional services includes the cash disbursements for the day spa location, consumer marketing and any professional services deployed by the franchisees to support the operation of the day spa location. Other includes insurance, credit card processing fees and other miscellaneous costs such as spa cleaning.
3. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
4. “Median” means the data point that is in the center of all data points used in a set. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

Other than as set forth above, we do not make any financial performance representations. 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 System Day Spa, 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 our management by contacting our CEO Marty Langenderfer 6200 S. Syracuse Way, Suite #135 Greenwood Village, Colorado 80111, or at (303) 888-0925.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System-wide Outlet Summary**  
**For Years 2022 to 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2022	52	53	+1
	2023	53	55	+2
	2024	55	59	+4
<b>Company-Owned</b>	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
<b>Total Outlets</b>	<b>2022</b>	<b>52</b>	<b>53</b>	<b>+1</b>
	<b>2023</b>	<b>53</b>	<b>55</b>	<b>+2</b>
	<b>2024</b>	<b>55</b>	<b>59</b>	<b>+4</b>

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