

Provision		Section in franchise or other agreement	Summary
	arbitration or mediation	Area Development Agreement – 9.A	Franchise Agreement or Area Development Agreement or our relationship, as subject to state law, must be arbitrated within 50 miles of our then-current principal place of business (currently Denver, Colorado).
v.	Choice of forum	Franchise Agreement – 17.H.	State or federal court in the place where our principal place of business is located (currently Denver, Colorado) (subject to state law).
		Area Development Agreement – 9.C	
w.	Choice of law	Franchise Agreement – 17.G.	The laws of the state in which our principal place of business is located (currently, Colorado) govern (subject to state law), except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) and any arbitration matter will be governed by the United States Federal Arbitration Act (9 U.S.C. Sections 1 et seq.).
		Area Development Agreement – 9.B.	

Notes:

(1) If you abandon or fail to actively operate your Studio, fail to comply with your Franchise Agreement or any System Standard without curing, or your Franchise Agreement is terminated and we are deciding whether to exercise our option to purchase your Studio, we have the right to: 1) enter the Premises to protect the Operating Assets, remove any equipment, signage, or other materials featuring the Marks, cure any defaults under the Lease, and assume your rights under the Lease; and/or 2) enter the Premises and assume your Studio's management for any period of time we deem appropriate, but not to exceed six months. We may assign these rights to any person or entity without your consent.

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit A.

ITEM 18. PUBLIC FIGURES

We do not use any public figures to promote our Franchise System. However, we may use public figures in the future.

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.

Franchised Studios Open as of January 1, 2024 and for One Year and Three Years as of January 1, 2024

Table 1 describes 2024 Average Revenue, Average New Client Trial, Average Conversion Percentage, and Average Number of Members for three categories of franchised Studios in the United States that were open as of January 1, 2024, and operated throughout 2024: (1) all franchised Studios that were open as of January 1, 2024, and operated throughout 2024; (2) franchised Studios that were open for at least one year as of January 1, 2024, and operated throughout 2024; and (3) franchised Studios that were open for at least three years as of January 1, 2024, and operated throughout 2024.

As of December 31, 2024, there were 239 franchised Studios in operation in the United States. Of those 239 franchised Studios: (A) 235 were open as of January 1, 2024, and operated throughout 2024; (B) 228 were open for at least one year as of January 1, 2024, and operated throughout 2024; and (C) 217 were open for at least three years as of January 1, 2024, and operated throughout 2024. Table 1 excludes the data from the 9 Studios that closed in 2024 (none of which had been open less than 12 months).

[Remainder of Page Intentionally Left Blank]

Table 1

FDD item 19 Schedule

Category	All Franchised Studios Open as of January 1, 2024						All Studios Open	All Studios Open
	Top 10	Top 3 rd	Bottom 3 rd	Bottom 10	All Studios	Greater than One Year prior to 2024	Greater than Three Years prior to 2024	
No. of Studios	10	78	80	10	235	226	215	
2024 Average Revenue	\$2,267,849	\$1,384,090	\$557,938	\$309,049	\$936,342	\$955,676	\$972,027	
Number that Met or Exceeded the Average	6	25	47	5	101	98	97	
Percentage that Met or Exceeded the Average	60.0%	32.1%	58.8%	50.0%	43.0%	43.4%	45.1%	
Same Studio Average Revenue Increase (2024 over 2023)	11.7%	7.1%	7.2%	14.2%	6.2%	5.0%	4.6%	
2024 Median Revenue	\$2,303,069	\$1,222,247	\$580,812	\$322,539	\$855,807	\$884,594	\$905,470	
2024 Highest Revenue	\$2,744,305	\$2,744,305	\$723,929	\$357,302	\$2,744,305	\$2,744,305	\$2,744,305	
2024 Lowest Revenue	\$1,770,845	\$1,047,236	\$207,147	\$207,147	\$207,147	\$265,418	\$265,418	
2024 Average New Client Trial	2,240	1,527	653	402	1,055	1,051	1,046	
Number that Met or Exceeded the Average	3	26	42	6	104	99	93	
Percentage that Met or Exceeded the Average	30.0%	33.3%	52.5%	60.0%	44.3%	43.8%	43.3%	
2024 Median New Client Trial	2,034	1,432	658	425	996	976	970	
2024 Highest New Client Trial	3,102	3,102	839	486	3,102	3,102	3,102	
2024 Lowest New Client Trial	1,918	1,175	288	288	288	288	288	
2024 Average Conversion %	47.1%	36.0%	16.3%	9.9%	25.6%	25.5%	25.6%	
Number that Met or Exceeded the Average	4	27	46	6	107	103	101	
Percentage that Met or Exceeded the Average	40.0%	34.6%	57.5%	60.0%	45.5%	45.6%	47.0%	
2024 Median Conversion %	46.0%	34.1%	16.8%	10.3%	23.9%	23.9%	24.3%	
2024 Highest Conversion %	54.5%	54.5%	20.8%	11.8%	54.5%	54.5%	54.5%	
2024 Lowest Conversion %	43.2%	29.4%	6.9%	6.9%	6.9%	6.9%	6.9%	
Average Number of Members as of December 31, 2024	1,259	804	328	185	546	557	567	
Number that Met or Exceeded the Average	4	25	44	6	96	93	88	
Percentage that Met or Exceeded the Average	40.0%	32.1%	55.0%	60.0%	40.9%	41.2%	40.9%	
2024 Median New Client Trial	1,211	746	351	197	509	515	533	
2024 Highest New Client Trial	1,648	1,648	441	234	1,648	1,648	1,648	
2024 Lowest New Client Trial	988	595	110	110	110	139	139	

Notes to Table 1:

1. Revenue figures in Table 1 are based upon actual data we require our franchisees to submit to us on a monthly basis and are defined in the same manner as Gross Receipts are defined under the Franchise Agreement. Specifically, as described in Item 6, “Gross Receipts” include all of your revenue and receipts, including those taken by cash, credit card, debit card, check, electronic funds transfer, ACH, trade, barter or exchange. Gross Receipts also include: (a) any other means of revenue derived from the operations of your Studio, including the sale of memberships, merchandise, or any products or services that are sold by you, whether sold at the Premises or from an off-Premises location; (b) all revenue from the sale or redemption of gift cards, in accordance with our then-current System Standards; and (c) the gross amount of any business interruption or similar insurance payments. Gross Receipts exclude: (i) sales, use or privilege taxes paid to the appropriate taxing authority; (ii) refunds that are provided to clients (not including chargebacks); and (iii) tips received from clients for payment to your employees.
2. The Same Studio Average Revenue Increase measures the increase in revenue on a same-studio basis, comparing annual revenue for the 2024 calendar year to the 2023 calendar year, for all Studios open at least one year prior to January 1, 2024. Because this category compares year-over-year revenue, we have not included 4 of the 239 franchised Studios that were open as of January 1, 2024, because they did not operate during the entirety of 2023.
3. “New clients” are individuals who have not previously visited a particular Studio.
4. Average Conversion Percentage means the percentage of new clients who sign up for our membership program.
5. Average Number of Members as of December 31, 2024 represents the number of participants in our membership program who paid a monthly membership fee in December 2024.

* * * *

We compiled this data using information submitted to us by our franchisees. We did not audit or otherwise verify the accuracy of the information submitted. These revenue results are based upon historical data.

Some Studios have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

We are unaware of any particular characteristics (such as geographic location) in the Studios listed in the tables above that differ materially from the Studio being offered by this Disclosure Document. However, factors that might adversely impact average revenues for a given Studio include the general public’s perception of the benefits of massage therapy or skincare services, increased competition in the massage and skincare industry, actions by franchisees that are out of our control that could adversely impact the Franchise System, and the status of our general economic environment.

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

Other than the preceding financial performance representations, Elements Therapeutic Massage, LLC does 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 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 Sarah Osborn Hill, V.P., Head of Legal, 1890 Wynkoop Street, Unit 1, Denver, Colorado 80202, (303) 663-0880, the Federal Trade Commission, and appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-wide Outlet Summary
For Years 2022 to 2024⁽¹⁾

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	246	245	-1
	2023	245	244	-1
	2024	244	239	5
Company-Owned Outlets	2022	2	1	-1
	2023	1	1	0
	2024	1	1	0
Total Outlets ⁽²⁾	2022	248	246	-2
	2023	246	245	-1
	2024	245	240	-5

1. The numbers are as of December 31st of each year.
2. Tables 1 through 5 herein focus on Elements Massage® Studios in the United States. As of December 31, 2023, there was additionally one Studio in Canada.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Years 2022 to 2024⁽¹⁾

State	Year	Number of Transfers
Arizona	2022	3
	2023	2
	2024	0
California	2022	1
	2023	1
	2024	2
Colorado	2022	0
	2023	0
	2024	8