

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	§ 27.3	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation (except for injunctive relief) in Los Angeles, California (subject to applicable state law). The Franchise Agreement contains several provisions that may affect your legal rights, including a waiver of a jury trial, limitations on when claims may be raised, and a waiver of punitive or exemplary damages. See Sections 27.6, 27.7 and 27.8 in the Franchise Agreement.
v. Choice of forum	§ 27.2	If we ever litigate, you must do so in the courts that have jurisdiction over New York County, New York (subject to applicable state law).
w. Choice of law	§ 27.1	New York law applies (subject to applicable state law).

## **ITEM 18 PUBLIC FIGURES**

We do not use any public figure to promote your franchise or the System, but we reserve the right to do so 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.

Presented below are historical financial operating results for three franchised ScoliCare Clinics in Arizona, Colorado and Florida that operated for the entire 2024-2025 fiscal year (July 1, 2024 to June 30, 2025). One Clinic that opened during the fiscal year and did not operate for the full fiscal year was excluded. We obtained this information from reports submitted to us by franchisees. This information has not been audited or independently verified by us or an accountant.

Please review the following table together with all of the notes that follow.

## Part A – Clinic Financial Performance Information

	Average	Median	High	Low
<b>Gross Sales</b>	\$889,959	\$698,633	\$1,280,774	\$690,470
<b>Cost of Goods Sold (as a % of Gross Sales)</b>	23.07%	21.83%	26.33%	21.06%
<b>Local Area Marketing (as % of Gross Sales)</b>	5.51%	6%	6.63%	3.92%

### Notes to Part A:

1. The figures are based on three franchised Clinics that operated for the full 2024-2025 fiscal year (July 1, 2024, to June 30, 2025) in Arizona, Colorado and Florida.
2. “Gross Sales” means all revenue from the sale of all Products and services and all other income of every kind and nature related to, derived from, or originating from the Clinic, and excludes: (a) any legitimate and reasonable discounts and/or refunds that provided to patients; and (b) sales taxes or other taxes that collected from patients and actually paid to the appropriate taxing authorities.
3. Cost of Goods Sold” is the cost of Products purchased for resale by the Clinics expressed as a percentage of Gross Sales. Cost of Goods Sold excludes all other costs of operating the Franchised Business, such as, and including, labor, rent, royalties, and other operating expenses.
4. “Local Area Marketing” is the local area marketing and promotional expenditure incurred directly by the Clinics in their territories, expressed as a percentage of Gross Sales.

## Part B – Additional Operational Data

	Average	Median	High	Low
<b>New Patients Per Month</b>	12.8	11.5	23	5
<b>% of New Patients Who Purchased Bracing</b>	58.1%	43.8%	91.3%	39.2%
<b>% of New Patients Enrolled in ScoliBalance</b>	67.7%	68.9%	73.3%	60.8%

### Notes to Part B:

1. The operational metrics in Part B are averages across the three franchised Clinics that operated for the full 2024-2025 fiscal year (July 1, 2024, to June 30, 2025) in Arizona, Colorado and Florida.
2. “New Patients Per Month” is the average monthly number of new patient consultations at the Clinics.
3. “% of New Patients Who Purchased Bracing” is the average percentage of new patients who purchased a brace measured against those who do not at the Clinics.

4. "% of New Patients Enrolled in ScoliBalance" is the average percentage of new patients who enrolled in ScoliBalance (exercise rehabilitation services) measured against those who do not at the Clinics.
5. Actual results vary significantly by location, operator, and market. Your results will differ. We do not guarantee that you will achieve similar outcomes.

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

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Melanie Ward at Level 5, 15 Kensington Street, Kogarah, New South Wales, Australia 2217, tel:1300 883 884, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1  
System wide Outlet Summary  
For 2023 – 2025 Fiscal Years

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	1	1	0
	2024	1	3	+2
	2025	3	4	+1
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	1	1	0
	2024	1	3	+2
	2025	3	4	+1