

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.

FPR #1-Historic Financial Performance Representation-2023-2025

FPR #1-Table 1-Gross Sales for 2023 - 2025

The following table shows the historical reported information for the Gross Sales (defined in the notes below FPR #2) for the 3 affiliate owned locations and for the 9 franchisee owned locations that opened in 2023, 2024 or 2025. None of our franchised locations operated for the full 2023 calendar year. 3 franchised outlets operated for the full 2024 calendar year (the Tucson,, AZ outlet was reacquired in 2025), as noted further in below. For 2025, 4 franchised outlets operated for the entire calendar year. However, we include the results for 5 outlets that operated partially in 2025.

Location	Date Opened	2023 Revenue	2024 Revenue	2025 Revenue
Oro Valley, AZ ^{(1)*}	2014	\$202,439.08	\$314,638	\$248,185
Midtown, AZ ^{(1)*}	2018	\$506,663.48	\$454,120	\$457,739
Centennial Hills, NV	8/19/2023	\$103,869.94	\$346,757	\$345,817
San Diego, CA	8/19/2023	\$145,819.05	\$445,302	\$583,195
South Tucson, AZ ^{(2)*}	7/1/2023	\$78,467.27	\$157,597	\$133,439
San Antonio, TX ⁽³⁾	1/29/2024	\$11,859.00	\$319,412	\$318,810
Henderson, NV	7/20/2024	N/A	\$78,153	\$264,516
Hayward, CA	5/25	N/A	N/A	\$320,043
St. Augustine, FL	6/25	N/A	N/A	\$125,621
Northwest Indiana	8/25	N/A	N/A	\$114,765
Chandler, AZ	9/25	N/A	N/A	\$130,785
Salt Lake City, UT	9/25	N/A	N/A	\$126,829

*Affiliate owned locations

Note 1 – Our affiliate owned studios operated as “Tucson Pole” branded locations through 2022. The Midtown location converted to “Vertica Fitness” in September of 2022, while the Oro Valley studio converted to “Vertica Fitness” in February of 2023. These studios are operated by our affiliate, Centre Stage Dance Studio, LLC.

Note 2 – The South Tucson, AZ location was originally a franchisee-owned outlet. During 2025 the Franchisor acquired this outlet, and it has continued to operate as a company-owned outlet for the remainder of 2025. The 2025 revenue figure reflects combined activity across both periods.

Note 3 – The franchisee owned location in San Antonio officially opened its doors on January 29, 2024. Revenues represent pre-sale monies earned in December of 2023 as part of pre-opening activities.

FPR #2-Historic Financial Performance Representation-2022-2025

We had two affiliate outlets, one in Tucson, AZ founded in 2018 and one in Oro Valley, AZ which has operated since 2014. The Tucson outlet operated as Tucson Pole from its inception until September 2022, at which time it was converted to the Vertica brand. The Oro Valley affiliate operated as Tucson Pole all of 2022. Both operated the entirety of 2022 through 2025 calendar years. In addition, we reacquired the South Tucson, AZ outlet from a franchisee in 2025, and that affiliate’s results are stated in the prior representation.

Here, we set forth an historic financial performance representation of the 2022-2025 income and expense data for our affiliate outlets.

Midtown, AZ	2022	2023	2024	2025
Gross Revenue	\$233,561	\$506,663	\$454,120	\$457,739
Total Expenses	(\$120,680)	(\$195,276)	(\$201,805)	(\$206,330)
Additional Marketing over Franchise Required Expenses			(\$14,700)	(\$1,200)
Net Profit	\$112,881	\$311,387	\$237,615	\$250,209
<i>Less Expense Adjustments that would be incurred if this were a franchised outlet:</i>				
<i>Royalties (8.25%)</i>	(\$19,269)	(\$41,800)	(\$37,465)	(\$37,763)
<i>Local Advertising (\$24,000)</i>	(\$24,000)	(\$24,000)	(\$24,000)	(\$24,000)
Total Franchisee Expenses	(\$43,269)	(\$65,800)	(\$61,465)	(\$61,763)
Adjusted Net Profit as if a Franchised Outlet*	\$69,612	\$245,587	\$176,150	\$188,445
* Number & Percent (# / %) of Outlets that attained or surpassed the stated result (Adjusted Net Profit):	1 / 50%	1 / 50%	1 / 50%	1 / 50%

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Oro Valley, AZ	2022	2023	2024	2025
Gross Revenue	\$155,708	\$202,439	\$314,638	\$248,185
Total Expenses	(\$101,392)	(\$120,489)	(\$142,960)	(\$162,182)
Additional Marketing over Franchise Required Expenses	\$0	\$0	(\$8,700)	\$0
Net Profit	\$54,316	\$81,950	\$162,978	\$86,003
<i>Less Expense Adjustments that would be incurred if this were a franchised outlet:</i>				
<i>Royalties (8.25%)</i>	(\$12,846)	(\$16,701)	(\$25,958)	(\$20,475)
<i>Local Advertising (\$24,000)</i>	(\$24,000)	(\$24,000)	(\$24,000)	(\$24,000)
Total Franchisee Expenses	(\$36,846)	(\$40,701)	(\$49,958)	(\$40,283)
Adjusted Net Profit as if a Franchised Outlet*	\$17,470	\$41,249	\$113,020	\$41,528
* Number & Percent (# / %) of Outlets that attained or surpassed the stated result (Adjusted Net Profit):	2 / 100%	2 / 100%	2 / 100%	2 / 100%

Notes:

Material financial and operational differences between the affiliated company outlet and a franchised outlet: There are no material operational differences between the company outlets whose results are reported in the table above and an outlet that a franchisee would operate, except the age of outlet. The company outlets and a franchisee outlet would offer the same goods and services to the same client base. However, the company outlets have operated since 2014 (Oro Valley) and 2018 (Tucson).

In addition, there are financial differences. A franchised outlet would incur Royalties (8.25% of Gross Revenues) and Local Advertising (\$2,000 per month). If we elect to implement a National Advertising and Marketing Fund, a franchised outlet would also incur a National Advertising and Marketing Fund Fee up to 1% of Gross Revenues.

Gross Revenue: “Gross Revenue” means total revenue derived from the sale of goods or services less sales tax, discounts, allowances, and returns. We did not include \$1,880 in revenue derived by our affiliate in 2023, \$820.64 in revenue derived in 2024, or \$10,259 in revenue derived in 2025 because that revenue was derived from certain franchisee referrals, which is income not typical for a franchisee outlet.

Total Expenses means all expenses incurred in operating the business.

Net Profit represents Gross Revenue minus Total Expenses.

Adjusted Net Profit as if a Franchised Outlet means the Net Profit less expenses that would have been incurred if this were a franchised outlet, namely Royalties (8.25%) and Local Advertising (\$2,000 per month).

The source of the data used in the above FPR was the books and records of our affiliate outlets.

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

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

Other than the preceding financial performance representation, 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 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 Katrina Wyckoff, 11834 N. Silver Village Place, Oro Valley, AZ 85737; (520) 216-7651; the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1

**System Wide Outlet Summary
For Years 2023 to 2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	3	+3
	2024	3	5	+2
	2025	5	9	+4
Company-Owned	2023	2	2	0
	2024	2	2	0
	2025	2	3	+1
Total Outlets	2023	2	5	+3
	2024	5	7	+2
	2025	7	12	+5

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