

Provision		Section	Summary
x.	Conversion-Addendum	Attachment K to Franchise Agreement	Studio Barre franchisees that sign our franchise agreement in connection with re-branding their studios as barre3@ studios must sign a form of our conversion addendum, which will include the specific terms offered to Studio Barre franchisees described in this disclosure document, as well a mutual release of claims related to the Studio Barre franchise agreement.

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote our franchises.

**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.

Overview

Provided in this Item 19, is Gross Revenue (defined below) data from franchisee-owned outlets and company-owned outlets operating in the U.S. from February 1, ~~2024~~2025 to January 31, ~~2025~~2026 (the “Reporting Period”). The data used for the calculations presented in this Item 19 was collected from the point of sale software system we require franchisees to use and use ourselves. The figures reported to our point of sale system by franchisees have not been audited.

There were ~~432~~165 franchisee-owned outlets open in the U.S. during some or all of the Reporting Period. Charts 1(a), 1(c), 1(d), and 2 include data on the ~~422~~145 franchisee-owned outlets that were open all 12 months of the Reporting Period, and excludes ~~40~~20 franchisee-owned outlets that operated their studios for less than 12 months in the Reporting Period ~~either~~ due to the fact that these outlets either opened, temporarily closed, or permanently closed during the Reporting Period. The number of franchisee-owned outlets that closed during the Reporting Period was 6, including 0 outlets that closed after being open less than 12 months.

There were 6 company-owned outlets open and operating in the U.S. during some or all of the Reporting Period. Charts 1(b) and 2 include data on the ~~5~~6 company-owned outlets that were open all 12 months of the Reporting Period. The number of company-owned outlets that closed during the Reporting Period was 0, and 0 outlets closed after being open less than 12 months.

All franchisee-owned outlets and company-owned outlets for which data is presented in this Item 19 are called “Reporting Units.”

Gross Revenue

Gross Revenues means the total of all receipts derived from all sales of products or services at or through a Reporting Unit; insurance claims for lost profits to the extent a claim is paid by the insurer; and all other products and services sold or provided by or through the Reporting Unit, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, payment coupons, services, property or other means of exchange.

Gross Revenue does not include: the amount of any tax imposed by any governmental authority directly on sales collected from customers, provided that the amount of any such tax is shown separately and in fact paid by the Reporting Unit to the appropriate governmental authority. Gross Revenues are deemed received by a Reporting Unit at the time the services or products from which they were derived, delivered, or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether final payment (e.g., collection on a customer's personal check) actually has been received by the Reporting Unit.

Gross Revenue data used for purposes of the calculations presented in this Item 19 was obtained for each Reporting Unit from our required point-of-sale software system. ~~However, assumptions were made for franchisees who own more than one outlet, because our required point of sale software system aggregates revenue generated from online sales across all outlets under common ownership. To attribute Gross Revenue for a Reporting Unit owned by a franchisee who owns multiple Reporting Units, the combined revenue attributed to service (not product) revenue for all Reporting Units under such common ownership was multiplied by the percentage of customers attending classes at the particular Reporting Unit relative to the total number of customers attending classes at all commonly owned Reporting Units during the Reporting Period; the product of that equation was then attributed to the Reporting Unit.~~

Because franchisee-owned Reporting Units may have one or two classrooms, charts 1(a) first report figures for those Reporting Units with one classroom, then for those Reporting Units with two classrooms, and then for all Reporting Units combined. Of these Reporting Units with one classroom, the student capacity of such classrooms ranges from 18 to 31 per class. Of these Reporting Units with two classrooms, the student capacity in the first classroom ranges from 23 to 30 per class and the student capacity in the second classroom ranges from 8 to 15 per class; however, many studios were not operating the second classroom during the reporting period.

Chart 1a: Gross Revenue for Franchisee-Owned Reporting Units in the Reporting Period

The following chart displays the monthly average Gross Revenue, median Gross Revenue, minimum Gross Revenue, and maximum Gross Revenue for the franchisee-owned Reporting Units during the Reporting Period. The chart also displays the number and percentage of franchisee-owned Reporting Units within the group that achieved or surpassed the reported average Gross Revenue during the particular Reporting Period month. The average Gross Revenue (annualized) for all franchisee-owned Reporting Units during the Reporting Period was nearly \$414,000 and represents a 10% increase over the prior 12 months.

(Modified)															
One Room Studios															
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Current 12-Month Avg.	Previous 12-Month	YoY % Change
Number of Franchisee-Owned Reporting Units	137	137	137	137	137	137	137	137	137	137	137	137			
Average Gross Revenue	\$ 32,118	\$38,639	\$ 43,040	\$32,297	\$32,658	\$ 34,788	\$38,467	\$38,596	\$38,406	\$ 42,559	\$34,303	\$ 34,165	\$ 416,019	\$ 380,080	8%
Median Gross Revenue	\$ 30,669	\$31,360	\$ 40,059	\$30,012	\$28,910	\$ 31,996	\$28,400	\$28,998	\$33,216	\$ 37,907	\$31,409	\$ 30,785	\$ 360,842	\$ 358,063	6%
Min. Gross Revenue	\$ 5,228	\$ 5,920	\$ 6,423	\$ 5,089	\$ 4,666	\$ 3,453	\$ 4,207	\$ 3,582	\$ 3,738	\$ 4,066	\$ 4,654	\$ 4,510	\$ 58,396	\$ 58,092	-3%
Max. Gross Revenue	\$ 90,786	\$85,681	\$119,838	\$76,156	\$87,687	\$ 81,252	\$86,202	\$80,333	\$85,592	\$118,331	\$90,388	\$ 90,219	\$1,056,022	\$ 862,483	10%
Number and % that Achieved Average*	58(42%)	58(41%)	60(44%)	58(42%)	55(40%)	58(42%)	55(40%)	58(39%)	58(40%)	54(39%)	54(39%)	60(44%)			
Two Room Studios															
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Current 12-Month Avg.	Previous 12-Month	YoY % Change
Number of Franchisee-Owned Reporting Units	81	81	81	81	81	81	81	81	81	81	81	81			
Average Gross Revenue	\$ 52,990	\$57,650	\$ 83,092	\$94,486	\$58,787	\$ 69,812	\$50,760	\$54,289	\$58,848	\$ 70,606	\$56,682	\$ 56,237	\$ 716,108	\$ 648,897	10%
Median Gross Revenue	\$ 52,469	\$53,853	\$ 83,695	\$94,483	\$50,398	\$ 72,397	\$50,198	\$58,086	\$56,426	\$ 80,303	\$58,208	\$ 56,816	\$ 716,272	\$ 622,891	15%
Min. Gross Revenue	\$ 25,548	\$25,486	\$ 36,121	\$26,046	\$26,720	\$ 30,240	\$27,895	\$27,594	\$27,703	\$ 34,616	\$27,700	\$ 28,592	\$ 344,892	\$ 252,476	-34%
Max. Gross Revenue	\$ 72,977	\$88,216	\$121,102	\$76,062	\$69,907	\$ 95,289	\$67,160	\$68,947	\$75,964	\$115,075	\$81,326	\$ 76,717	\$ 888,029	\$ 878,120	10%
Number and % that Achieved Average*	4(50%)	4(50%)	4(50%)	4(50%)	4(50%)	4(50%)	4(50%)	4(50%)	4(50%)	4(50%)	4(50%)	5(63%)			
All Studios															
	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Current 12-Month Avg.	Previous 12-Month	YoY % Change
Number of Franchisee-Owned Reporting Units	145	145	145	145	145	145	145	145	145	145	145	145			
Average Gross Revenue	\$ 33,269	\$34,964	\$ 45,290	\$33,527	\$33,797	\$ 36,506	\$32,926	\$38,614	\$38,701	\$ 48,658	\$35,599	\$ 35,047	\$ 432,576	\$ 396,652	8%
Median Gross Revenue	\$ 31,038	\$31,806	\$ 40,703	\$30,699	\$29,964	\$ 32,519	\$28,985	\$30,166	\$30,007	\$ 38,188	\$31,619	\$ 31,686	\$ 398,080	\$ 362,089	8%
Min. Gross Revenue	\$ 5,228	\$ 5,920	\$ 6,423	\$ 5,089	\$ 4,666	\$ 3,453	\$ 4,207	\$ 3,582	\$ 3,738	\$ 4,066	\$ 4,654	\$ 4,510	\$ 58,396	\$ 58,092	-3%
Max. Gross Revenue	\$ 90,786	\$85,681	\$121,102	\$76,156	\$87,687	\$ 85,284	\$86,202	\$80,333	\$85,592	\$118,331	\$90,388	\$ 90,219	\$1,056,022	\$ 862,483	10%
Number and % that Achieved Average*	58(40%)	59(41%)	58(40%)	62(43%)	59(41%)	58(40%)	55(38%)	58(38%)	54(37%)	56(39%)	56(39%)	62(43%)			

Chart 1c: Gross Revenue for Franchisee-Owned Fully Scheduled Qualified Studios in the Reporting Period

The following chart displays the monthly average Gross Revenue, median Gross Revenue, and a range of minimum to maximum Gross Revenue for all franchise-owned Reporting Units separated by the number of classes offered during a particular calendar month. A Reporting Unit is considered a Fully Scheduled Qualified Studio if they scheduled at least 140 classes during the respective calendar month. A Reporting Unit that schedules fewer than 140 classes during the respective calendar month is considered a Minimally Scheduled Qualified Studio. The chart also displays the number and percentage of Reporting Units that achieved or surpassed the reported average Gross Revenue during the particular Reporting Period month.

(Modified) The following table provides the data relevant to Fully Scheduled Qualified Studios that were open and operating during the Reporting Period, and offered 140 classes or more, as of the particular calendar month:

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Number of Fully Scheduled/Qualified Studios	48	68	64	66	69	67	64	67	60	53	59	65
Average Gross Revenue	\$ 48,496	\$ 46,309	\$ 62,415	\$ 48,584	\$ 44,785	\$ 48,910	\$ 42,938	\$ 48,457	\$ 48,072	\$ 68,269	\$ 50,934	\$ 46,635
# of Fully Scheduled/Qualified Studios that Met or Exceeded the Average	18 (41.9%)	31 (45.6%)	24 (37.5%)	34 (47.0%)	30 (46.9%)	27 (40.3%)	29 (45.3%)	28 (41.8%)	33 (40.3%)	22 (41.5%)	22 (48.9%)	29 (44.6%)
Median Gross Revenue	\$ 45,703	\$ 44,892	\$ 55,952	\$ 42,831	\$ 41,628	\$ 45,957	\$ 41,442	\$ 43,524	\$ 43,036	\$ 59,596	\$ 49,668	\$ 42,993
Range of Gross Revenue	\$90,796 to \$31,008	\$85,684 to \$24,384	\$121,102 to \$25,812	\$76,455 to \$24,514	\$87,681 to \$26,375	\$95,284 to \$25,966	\$86,202 to \$18,374	\$80,348 to \$16,359	\$83,592 to \$15,631	\$118,830 to \$0,799	\$90,388 to \$20,138	\$90,219 to \$18,872

The following table provides the data relevant to Minimally Scheduled Qualified Studios that were open and operating during the Reporting Period, and offered fewer than 140 classes, as of the particular calendar month:

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Number of Minimally Scheduled/Qualified Studios	102	73	81	79	81	78	81	78	65	92	96	80
Average Gross Revenue	\$ 26,852	\$ 24,950	\$ 32,477	\$ 24,289	\$ 24,984	\$ 25,840	\$ 24,299	\$ 24,304	\$ 23,169	\$ 32,842	\$ 28,676	\$ 26,383
# of Minimally Scheduled/Qualified Studios that Met or Exceeded the Average	50 (59.0%)	39 (50.6%)	42 (52.9%)	40 (50.6%)	40 (59.4%)	41 (52.6%)	32 (45.7%)	41 (52.6%)	32 (49.2%)	49 (53.3%)	40 (52.1%)	38 (47.5%)
Median Gross Revenue	\$ 26,927	\$ 25,168	\$ 32,344	\$ 24,927	\$ 24,564	\$ 26,653	\$ 24,081	\$ 25,875	\$ 23,187	\$ 33,964	\$ 28,049	\$ 25,860
Range of Gross Revenue	\$51,207 to \$9,822	\$88,978 to \$5,920	\$86,888 to \$6,729	\$48,389 to \$5,689	\$51,078 to \$4,666	\$58,437 to \$4,458	\$89,367 to \$4,209	\$50,885 to \$3,892	\$60,381 to \$3,733	\$72,503 to \$4,966	\$61,721 to \$4,655	\$65,594 to \$4,510

Chart 1d: Gross Revenue for Franchisee-Owned Reporting Units by Revenue Quartile

The following chart displays the average Gross Revenue, median Gross Revenue, and a range of minimum to maximum Gross Revenue for all franchisee-owned Reporting Units during the reporting period sorted into four (4) Revenue quartiles, with the 1st, 2nd, and 4th quartiles each comprising of 36 Units, and the 3rd quartile comprising 37 Units.

(Add)	Number of Studios	Average	Median	Range (Min)	Range (Max)
1st Quartile	36	\$ 723,143	\$ 657,724	\$ 559,011	\$ 1,056,022
2nd Quartile	36	\$ 461,737	\$ 447,452	\$ 395,641	\$ 548,542
3rd Quartile	37	\$ 356,883	\$ 351,163	\$ 312,684	\$ 393,080
4th Quartile	36	\$ 235,063	\$ 206,847	\$ 56,396	\$ 309,744
Total	145	\$ 432,575	\$ 393,080	\$ 56,396	\$ 1,056,022

Chart 2: Gross Revenue Category as Percentage of Total Gross Revenue for Reporting Units in the Reporting Period

We categorize revenue generated from the sale of services and products at studios in three categories: “non-recurring service revenue,” “recurring service revenue” and “retail revenue.” Chart 2 reports the percentage of each revenue category as compared with the total Gross Revenue receipts for both franchisee-owned and company-owned during the Reporting Period.

Recurring service revenue means receipts from the sale of services that are sold on a membership basis (e.g. monthly membership) where those memberships automatically renew upon expiration. Non-recurring service revenue means receipts for the sale of classes that are not sold on an automatically recurring basis (e.g. individual class sales). Retail revenue means the sale of retail products at the studio (e.g. athletic apparel). To calculate the percentages reported in Charts 2, the amount of Gross Revenue generated in each revenue category was divided by the total revenue for the appropriate group of Reporting Units.

	Number of Reporting Units	Recurring Service Revenue	Non-Recurring Service Revenue	Retail Revenue	Total
Franchisee-Owned Reporting Units	122145	6870%	25%	75%	100%
Company-Owned Reporting Units	56	6160%	3233%	7%	100%
All Reporting Units	127151	6769%	26%	75%	100%

Some outlets have sold the amounts disclosed in this Item 19. Your individual results may vary. There is no assurance that you will earn as much.

We will provide written substantiation for these financial performance representations to you upon reasonable 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 Harper Kalin, Vice President of Operations, B3 Franchising LLC, 25 N. Shaver Street, Portland, Oregon 97227, 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 ~~2022~~2023 to ~~2024~~2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets <u>US</u>	2022	132	126	-6
<u>Franchised Outlets</u> <u>US</u>	2023	126	126	0
	2024	126	151	+25
Franchised International (including Puerto Rico)	2022 2025	914 ²	816	-4 +17
<u>Franchised</u> <u>International</u> <u>(including Puerto</u> <u>Rico)</u>	2023	8	5	-3
	2024	5	5	0
Company Owned ¹	2022 2025	65	65	0
<u>Company</u> – <u>Owned</u> ¹	2023	6	6	0
	2024	6	6	0
<u>Total Outlets</u>	2022 2025	1476	1406	-70
<u>Total Outlets</u>	2023	140	137	-3
	2024	137	162	+25
	<u>2025</u>	<u>160</u> ²	<u>177</u>	<u>+17</u>

¹Outlets owned by our affiliates, B3 Studios, B3 PDX, LLC, and B3 NYC Holdings LLC.

² Outlets at Start of Year for 2025 has been corrected to account for miscalculations in 2024 count.