

	Provision	Section in Development Agreement	Summary
s.	Modification of the agreement	Section 10	No modifications unless agreed to in writing by both parties.
t.	Integration/merger clause	Section 12	Only the terms of the Development Agreement and the initial Franchise Agreement are binding (subject to state law). Any other promises outside this Disclosure Document, the Development Agreement, or the initial Franchise Agreement may not be enforceable. Nothing in the Development Agreement or in any other related written agreement is intended to disclaim representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 10	Prior to filing most proceedings, a party must submit the dispute to non-binding mediation. Except for disputes arising under the Lanham Act, disputes that otherwise relate to the validity or ownership of any of the Intellectual Property, disputes that involve enforcement of our intellectual property rights or protection of our Proprietary Information, and disputes related to payments of amounts that you owe to us or our affiliates, all disputes will be resolved by binding arbitration at the American Arbitration Association's offices or other suitable office that we select in the metropolitan area in which our principal place of business is then located (currently, Newport Beach, California) (subject to state law).
v.	Choice of forum	Section 10	Subject to arbitration obligations, with limited exception, litigation is in the United States District Court for the district in which we have our principal place of business at the time of the filing (currently, Newport Beach, California) (or if, federal jurisdiction cannot be obtained, the state court in such city) (subject to state law).
w.	Choice of law	Section 10	Except for Federal Arbitration Act and other federal law, the laws of the State of Delaware apply to all claims (subject to state law).

ITEM 18 PUBLIC FIGURES

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

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 this disclosure document. Financial

performance information that differs from that included in this 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.

This Item 19 presents an historic financial performance representation regarding a subset of the franchise system's existing outlets, providing information about the financial performance during the 12-month period starting on March 1, 2024 and ending on February 28, 2025 (the "**Reporting Period**") of Studios that were open throughout the entire Reporting Period ("**Covered Studios**").

As of February 28, 2025, there were 44 Studios in operation, including 43 franchised Studios and one Studio operated by Predecessor's affiliates (we have categorized Studios operated by Predecessor's affiliates in this Item 19 as "**Affiliate-Owned Studios**"). In this Item 19, we have included data from all six Covered Studios, including five of the 43 franchised Studios and the only Affiliate-Owned Studio. 38 franchised Studios were excluded because they opened during the Reporting Period and were not open for all of the Reporting Period. No Affiliate-Owned Studios were excluded. No Studios permanently closed during the Reporting Period.

**TABLE 1: ANNUAL GROSS SALES
FOR ALL COVERED STUDIOS
DURING THE REPORTING PERIOD**

Table 1 presents total annual Gross Sales (also known as Annual Unit Volume or AUV) data for all Covered Studios during the Reporting Period. The Covered Studios have been sorted into franchised Studios and Affiliate-Owned Studios. For each subset, the average, median, highest, and lowest Average Monthly Gross Sales for the Covered Studios in such subset have been calculated and disclosed.

	#	Average Gross Sales	# Met or Surpassed Average	% Met or Surpassed Average	Highest Gross Sales	Lowest Gross Sales	Median Gross Sales
Franchised Studios	5	\$438,096	1	20%	\$710,640	\$303,108	\$408,420
Affiliate-Owned Studios	1	\$605,076	1	100%	\$605,076	\$605,076	\$605,076
All Covered Studios	6	\$465,924	2	33%	\$710,640	\$303,108	\$408,540

**TABLE 2: NUMBER OF ACTIVE MEMBERS
FOR ALL COVERED STUDIOS
AS OF FEBRUARY 28, 2025**

Table 2 presents the total Active Members as of February 28, 2025 for Covered Studios. An "**Active Member**" is a member with a recurring membership agreement that was in effect as of February 28, 2025. The Covered Studios have been sorted into franchised Studios and Affiliate-Owned Studios. For each subset, the average, median, highest, and lowest number of Active Members for the Covered Studios in such subset have been calculated and disclosed.

	#	Average Active Members	# Met or Surpassed Average	% Met or Surpassed Average	Highest Active Members	Lowest Active Members	Median Active Members
Franchised Studios	5	208	3	60%	253	149	213
Affiliate-Owned Studios	1	218	1	100%	218	218	218
All Covered Studios	6	210	4	67%	253	149	216

**TABLE 3: AVERAGE MONTHLY NEW MEMBERS
FOR ALL COVERED STUDIOS
DURING THE REPORTING PERIOD**

Table 3 presents the average monthly number of new members acquired (the “**Average Monthly New Members**”) for each Covered Studio during the Reporting Period. The Average Monthly New Members for each Covered Studio was calculated by: (a) aggregating the total number of new members acquired by the Studio in the Reporting Period, then (b) dividing that number by 12 (the total number of months in the Reporting Period). The Covered Studios have been sorted into franchised Studios and Affiliate-Owned Studios. For each subset, the average, median, highest, and lowest Average Monthly Gross Sales for the Covered Studios in such subset have been calculated and disclosed.

	#	Average of Average Monthly New Members	# Met or Surpassed Average	% Met or Surpassed Average	Highest Average Monthly New Members	Lowest Average Monthly New Members	Median Average Monthly New Members
Franchised Studios	5	25	3	60%	36	19	25
Affiliate-Owned Studios	1	24	1	100%	24	24	24
All Covered Studios	6	25	3	50%	36	19	24

Note to Table 3:

1. The table presents the Average Monthly New Members during the Reporting Period for each of the six Covered Studios. The lowest actual number of new members reported in any month by a Covered Studio was 0 and the highest actual number of new members reported in any month by a Covered Studio was 151.

**TABLE 4: AVERAGE MONTHLY ATTRITION RATES
FOR ALL COVERED STUDIOS
DURING THE REPORTING PERIOD**

Table 4 presents the average monthly member attrition rate (the “**Average Monthly Attrition Rate**”) for each Covered Studio during the Reporting Period. The Average Monthly Attrition Rate was calculated for each Covered Studio by: (a) calculating the monthly attrition rate for each Covered Studio for each month in the Reporting Period by taking the number of cancelled Studio memberships in each month and dividing it by the total number of members at the beginning of such month (the “**Monthly Attrition Rate**”), (b) aggregating the Monthly Attrition Rate for each Covered Studio for each of the 12 months of the Reporting Period, and (c) dividing the aggregate

Monthly Attribution rate for each Covered Studio by 12 (the total number of months in the Reporting Period). The Covered Studios have been sorted into franchised Studios and Affiliate-Owned Studios. For each subset, the average, median, highest, and lowest Average Monthly Attrition Rate for the Covered Studios in such subset have been calculated and disclosed.

	#	Average of Average Monthly Attrition Rate	# Met or Surpassed Average	% Met or Surpassed Average	Highest Average Monthly Attrition Rate	Lowest Average Monthly Attrition Rate	Median Average Monthly Attrition Rate
Franchised Studios	5	8.7%	2	40%	10.8%	6.1%	9.4%
Affiliate-Owned Studios	1	11.4%	1	100%	11.4%	11.4%	11.4%
All Covered Studios	6	9.2%	2	33%	11.4%	6.1%	10.0%

Notes to Table 4:

1. The table presents the Average Monthly Attrition Rate during the Reporting Period for each of the six Covered Studios. The lowest actual Monthly Attrition Rate reported in any month by a Covered Studio was 0% and the highest actual Monthly Attrition Rate reported in any month by a Covered Studio was 42.4%.
2. The “# Met or Surpassed Average” and “% Met or Surpassed Average” means the number and percentage of Covered Studios that had an Average Monthly Attrition Rate that was lower than the average of the Average Monthly Attrition Rate disclosed in the table, because lower attrition rates are considered better than higher attrition rates.

NOTES TO ITEM 19:

1. **Some Studios have sold or earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.**
2. **“Gross Sales”** means all revenue that is received or otherwise derived from operating a Studio, whether from cash, check, credit or debit card, gift card or gift certificate, or other credit transactions, and regardless of collection or when the Studio operator actually provides the products or services in exchange for the revenue. Gross Sales includes promotional allowances or rebates paid to the Studio operator in connection with your purchase of products or supplies or your referral of customers. Gross Sales does not include (i) any bona fide returns and credits that are actually provided to customers and (ii) any sales or other taxes that are collected from customers and pay directly to the appropriate taxing authority.
3. These sales figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit.
4. We calculated the figures in the tables in these financial performance representations using financial reports submitted to Predecessor by franchisees and Predecessor's affiliates.

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

Other than in this Item 19, 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 receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Executive Officer, Ryan Junk, 4000 MacArthur Blvd STE#800, Newport Beach, California 92660 (Tel: (949) 629-4333), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Our fiscal year ends on December 31 of each year. As we acquired the franchise system in January 2025, Predecessor was the franchisor for fiscal years 2022, 2023, and 2024. In that period, Predecessor's affiliates owned and operated Studios, which we have categorized as "Affiliate-Owned Studios" in this Item 20. After our acquisition of the system, those Affiliate-Owned Studios became Franchised Studios operated under an arms-length agreement with us.

Table No. 1
Systemwide Outlet Summary
For years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	2	+2
	2023	2	5	+3
	2024	5	38	+33
Affiliate-Owned	2022	1	2	+1
	2023	2	2	0
	2024	2	1	-1
Total Studios	2022	1	4	+3
	2023	4	7	+3
	2024	7	39	+32