

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 businesses, 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 location 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.

As of December 31, 2025, we had (i) 19 franchisees (each, a “Franchised Location”) operating in 20 territories (each, a “Territory”), and (ii) zero affiliate-owned locations in operation. This Financial Performance Representation excludes data in connection with: (i) eleven Franchised Locations operating in eleven Territories that opened during the 2025 calendar year and otherwise did not operate for the entire 2025 calendar year, and (ii) one Franchised Location operating in one Territory that was acquired from our affiliate since that Franchised Location did not operate as a Franchised Location the entire 2025 calendar year.

Part I of this Item sets forth the Gross Revenue, Labor and Personnel Costs, Facility and Operational Overhead, and other expenses incurred by seven Franchised Locations during the 2025 calendar year that each operate in a single Territory.

Part II of this Item sets forth the Gross Revenue, Labor and Personnel Costs, Facility and Operational Overhead, and other expenses incurred by one Franchised Location during the 2025 calendar year that operates in two Territories and otherwise reports its financial information to us for both Territories together.

[The remainder of this page is intentionally left blank.]

PART I: TOTAL GROSS REVENUE AND CERTAIN EXPENSES FOR SIX FRANCHISED LOCATION OPERATING IN ONE TERRITORY EACH DURING THE 2025 CALENDAR YEAR

January 1, 2025 – December 31, 2025						
	Franchised Location 1 (1 Territory)		Franchised Location 2 (1 Territory)		Franchised Location 3 (1 Territory)	
	Amount (\$)	% of Gross Revenue	Amount (\$)	% of Gross Revenue	Amount (\$)	% of Gross Revenue
Gross Revenue¹	\$239,532.23	100.00%	\$146,038.90	100.00%	\$25,812.29	100.00%
Labor and Personnel Costs (Including Owner Compensation) ²	\$65,654.53	27.41%	\$55,848.81	38.24%	\$10,693.83	41.43%
Facility and Operational Overhead ³	\$2,263.23	0.94%	\$19,508.02	13.36%	\$3,394.16	13.15%
Advertising, Marketing, and Promotions ⁴	\$11,406.72	4.76%	\$2,245.49	1.54%	\$1,500.74	5.81%
Professional Fees (Legal and Accounting) ⁵	\$3,609.00	1.51%	\$5,230.00	3.58%	\$3,610.00	13.99%
Royalty Fee ⁶	\$9,951.98	4.15%	\$2,027.21	1.39%	\$2,500.00	9.69%
Brand Development Fund Contribution ⁷	\$4,800.00	2.00%	\$1,250.00	0.86%	\$2,750.00	10.65%
Strong Growth Platform Fee ⁸	\$8,250.00	3.44%	\$12,000.00	8.22%	\$12,000.00	46.49%
Core Technology Suite Fee ⁹	\$6,000.00	2.50%	\$7,800.00	5.34%	\$4,950.00	19.18%
Total Operating Expenses ¹⁰	\$111,935.46	46.73%	\$105,909.53	72.52%	\$41,398.73	160.38%
Net Operating Income¹¹	\$127,596.77	53.27%	\$40,129.37	27.48%	(\$15,586.44)	(60.38%)

[The remainder of this page is intentionally left blank.]

January 1, 2025 – December 31, 2025						
	Franchised Location 4 (1 Territory)		Franchised Location 5 (1 Territory)		Franchised Location 6 (1 Territory)	
	Amount (\$)	% of Gross Revenue	Amount (\$)	% of Gross Revenue	Amount (\$)	% of Gross Revenue
Gross Revenue¹	\$157,334.50	100.00%	\$186,562.60	100.00%	\$179,280.60	100.00%
Labor and Personnel Costs (Including Owner Compensation) ²	\$81,657.00	51.90%	\$97,748.80	52.39%	\$94,175.50	52.53%
Facility and Operational Overhead ³	\$17,097.41	10.87%	\$17,551.01	9.41%	\$14,609.16	8.15%
Advertising, Marketing, and Promotions ⁴	\$11,633.51	7.39%	\$966.72	0.52%	\$10,554.00	5.89%
Professional Fees (Legal and Accounting) ⁵	\$3,180.00	2.02%	\$2,400.00	1.29%	\$3,879.75	2.16%
Royalty Fee ⁶	\$8,426.90	5.36%	\$2,903.72	1.56%	\$9,443.17	5.27%
Brand Development Fund Contribution ⁷	\$1,500.00	0.95%	\$3,000.00	1.61%	\$2,750.00	1.53%
Strong Growth Platform Fee ⁸	\$12,000.00	7.63%	\$12,000.00	6.43%	\$12,000.00	6.69%
Core Technology Suite Fee ⁹	\$6,900.00	4.39%	\$7,200.00	3.86%	\$4,450.00	2.48%
Total Operating Expenses ¹⁰	\$142,394.82	90.50%	\$143,770.25	77.06%	\$151,861.58	84.71%
Net Operating Income¹¹	\$14,939.68	9.50%	\$42,792.35	22.94%	\$27,419.02	15.29%

[The remainder of this page is intentionally left blank.]

PART II: TOTAL GROSS REVENUE AND CERTAIN EXPENSES FOR ONE FRANCHISED LOCATION OPERATING IN TWO TERRITORIES DURING THE 2025 CALENDAR YEAR

January 1, 2025 – December 31, 2025		
	Franchised Location 7 (2 Territories)	
	Amount	% of Gross Revenue
Gross Revenue¹	\$336,031.20	100.00%
Labor and Personnel Costs (Including Owner Compensation) ²	\$141,900.46	42.23%
Facility and Operational Overhead ³	\$42,509.47	12.65%
Advertising, Marketing, and Promotions ⁴	\$9,251.03	2.75%
Professional Fees (Legal and Accounting) ⁵	\$5,205.00	1.55%
Royalty Fee ⁶	\$10,274.88	3.06%
Brand Development Fund Contribution ⁷	\$3,000.00	0.89%
Strong Growth Platform Fee ⁸	\$17,450.00	5.19%
Core Technology Suite Fee ⁹	\$12,000.00	3.57%
Total Operating Expenses ¹⁰	\$241,590.84	71.90%
Net Operating Income¹¹	\$94,440.36	28.10%

Notes to Item 19:

- Gross Revenue.** “Gross Revenue” means all revenue derived from the operation of the Franchised Business, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that you, in the normal course of your operations would credit or attribute to the operation of the Franchised Business. It also includes the fair market value of any services or property received as a barter exchange for services. Gross Revenue does not include the amount of any city, county, state or federal sales, luxury or excise tax on all sales that are both (a) added to the selling price or absorbed therein and (b) paid to the taxing authority. Customer refunds may be deducted from Gross Revenue if the charge was previously included in Gross Revenue, for reporting purposes.

2. **Labor and Personnel Costs (Including Owner Compensation).** “Labor and Personnel Costs (Including Owner Compensation)” means the wages, salaries, recruitment costs, payroll taxes, and other employee compensation paid by each Franchised Location. Where applicable, it also reflects owner-operator compensation, which varies in amount, structure, and method among franchisees and is not uniform across the Franchised Locations.
3. **Facility and Operational Overhead.** “Facility and Operational Overhead” means the amount each Franchised Location paid for insurance, merchant and processing fees, and amounts paid to third-party host locations, such as gyms, fitness centers, and schools. Costs vary based on location type, facility size, negotiated terms, and hours of use and are not set or controlled by us.
4. **Advertising, Marketing, and Promotions.** “Advertising, Marketing, and Promotions” means the amount each Franchised Location paid in connection with their Local Advertising Expenditure.
5. **Professional Fees (Legal and Accounting).** “Professional Fees (Legal and Accounting)” means the amount that each Franchised Location paid in connection with legal and accounting services.
6. **Royalty Fee.** “Royalty Fee” means the amount that each Franchised Location paid in Royalty Fees pursuant to their Franchise Agreement with us.
7. **Brand Development Fund Contribution.** “Brand Development Fund Contribution” means the amount that each Franchised Location contributed to the Brand Development Fund.
8. **Strong Growth Platform Fee.** “Strong Growth Platform Fee” was previously named the “Adaptive Fitness Marketing Fee.” In December 2025, this fee was expanded in scope to incorporate technology services previously charged under the Core Technology Suite Fee. The Strong Growth Platform is a proprietary, centralized operating platform used within the SPECIAL STRONG franchise system that supports certain brand, marketing, technology, and administrative functions and is owned and administered by our affiliate, Adaptive Fitness LLC.
9. **Core Technology Suite Fee.** “Core Technology Suite Fee” means the amount that each Franchised Location paid in connection with the Core Technology Suite. Effective December 2025, the Core Technology Suite Fee was discontinued system-wide and is no longer assessed or applicable to any franchisee.
10. **Total Operating Expenses.** “Total Operating Expenses” is calculated by adding together Labor and Personnel Costs (Including Owner Compensation), Facility and Operational Overhead, Advertising, Marketing, and Promotions, Professional Fees (Legal and Accounting), Royalty Fee, Brand Development Fund Contribution, Strong Growth Platform Fee, and Core Technology Suite Fee.
11. **Net Operating Income.** “Net Operating Income” is calculated by taking Gross Revenue and subtracting Total Operating Expenses from it.
12. The Financial Performance Representation information above does not include all expense information, including, without limitation, depreciation and amortization, interest expense and other financing costs, income and other taxes, consulting fees, capital expenditures and equipment purchases, leasehold improvements, office and administrative expenses, insurance not required by us, charitable contributions, optional training or continuing education, travel, meals, fuel, and vehicle-related expenses, and other costs that vary based on individual business practices, accounting methods, tax strategy, capital structure, or personal decisions.

13. **Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.**
14. Written substantiation of the financial performance representation will be provided to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Strong Kingdom, 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 business, however, we may provide you with the actual records of that business. 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 Daniel Stein at 400 N Allen Dr Ste 303, Allen, Texas, 75013 or (833) 543-3496, the Federal Trade Commission, and the appropriate state regulatory agencies.

[The remainder of this page is intentionally left blank.]

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide 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	6	7	+1
	2024	7	9	+2
	2025	9	20	+11
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	0	-1
Total Outlets	2023	7	8	+1
	2024	8	10	+2
	2025	10	21	+11

*The figures in these Item 20 tables represent the total number of outlets operated by our franchisees. Each outlet (or franchise agreement) can include up to three (3) Protected Territories

Table No. 2

**Transfers of Outlets from Franchisee to New Owners (other than the Franchisor)
For Years Ending 2023 to 2025**

State	Year	Number of Transfers
Texas	2023	1
	2024	1
	2025	0
Totals	2023	1
	2024	1
	2025	0

Table No. 3

**Status of Franchised Outlets
For Years Ending 2023 to 2025**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Alabama	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Arizona	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1