

## 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.

#### Crunch Fitness Format Gyms

This financial performance representation only includes information relating to Crunch health clubs operated under the Crunch Fitness model.

As of December 31, 2024, 483 Crunch franchised locations were open or engaged in presale activities. Of these locations, 422 locations were located domestically in the United States, and 61 locations were located internationally. Of the 422 domestic locations, 405 had completed their first workout and had initiated member billing activities. Of these 422 locations, 8 locations were affiliate related and operated within the holding structure of the Company. Locations excluded from this analysis include 61 international locations, 8 affiliate related and operated within the holding structure of the Company, 17 locations which were in presale and not open, one location which permanently closed in Q1 2025, 58 locations which were not fully operational for an entire calendar year, 10 locations which changed ownership, and 26 locations that did not submit financials. Of the 483 open locations, 303 franchise locations are represented in the table(s) of operating activity below, representing 92% of those not excluded per the above.

“Gross Revenue” means all revenues the franchisee received from the performance of all services and the sale of all products from or related to the Franchised Business, including membership revenue, both recurring dues and cash sales, personal training sales and retail sales, less any sales taxes, refunds to customers and discounts.

Franchise	Upper Third	Middle Third	Bottom Third
Average Gross Revenue	\$4,307,728	\$2,506,012	\$1,481,919
Club Sample	101	101	101

Of the 101 locations in the upper third of the Franchise clubs, 58 locations, or 57% are below the average and 43 locations, or 43%, are above the average. The median for this group was \$4,209,655. Of the 101 locations in the middle third of the Franchise clubs, 56 locations, or 55%, are below the average and 45 locations, or 45%, are above the average. The median for this group was \$2,451,690. Of the 101 locations in the bottom third of the Franchise clubs, 44 locations, or 44%, are below the average and 57 locations, or 56%, are above the average. The median for this group was \$1,516,085. Of the 303 operating locations included in the chart above, the Gross Revenue of the highest performing location was \$7,284,170

and the Gross Revenue of the lowest performing location was \$560,266.

The following table provides a summary of 2024 financial performance for 143 clubs in operation between 12 and 60 months, largely considered to be the period that clubs develop and stabilize. Results vary based upon a club's operating size and age. Of the 143 locations engaged in operating activities, 55 locations or 39% were open between 12 and 24 months, 34 locations or 24% were open between 25 and 36 months, 19 locations or 13% were open between 37 and 48 months, and 35 locations or 24% were open between 49 and 60 months. For each category, the table shows revenue and expenses of the median club in the category.

	Median Performing Club Open 12-24 Months	Median Performing Club Open 25-36 months	Median Performing Club Open 37-48 months	Median Performing Club Open 49-60 months
<b>Average Monthly Revenue</b>	\$314,289	\$261,828	\$371,090	\$204,308
<b>Median Square Footage</b>	27,000	31,220	34,000	40,000
<b>Average Square Footage</b>	34,155	32,624	32,517	28,433
<b>Months in Operation</b>	14	36	43	49
<b>Clubs in Grouping</b>	55	34	19	35
<b>Revenue</b>				
Membership Revenue	\$2,358,470	\$2,253,292	\$2,901,235	\$2,009,630
Other Revenue	\$1,413,002	\$888,647	\$1,551,847	\$442,060
<b>Total Revenue</b>	<b>\$3,771,472</b>	<b>\$3,141,938</b>	<b>\$4,453,082</b>	<b>\$2,451,690</b>
<b>Total Cost of Goods Sold</b>	<b>\$68,264</b>	<b>\$32,459</b>	<b>\$56,509</b>	<b>\$50,062</b>
<b>Operating Expenses</b>				
Payroll & Benefits	\$1,306,331	\$938,389	\$1,592,272	\$592,299
Sales & Marketing	\$286,379	\$176,959	\$242,299	\$135,760
Club Expense	\$727,460	\$565,890	\$781,052	\$397,212
Rent	\$659,981	\$544,943	\$893,901	\$767,655
<b>Total Operating Expense</b>	<b>\$2,980,151</b>	<b>\$2,226,180</b>	<b>\$3,509,524</b>	<b>\$1,892,926</b>
<b>AVERAGE COP* (EBITDAR)</b>	<b>\$1,537,438</b>	<b>\$1,671,433</b>	<b>\$1,536,452</b>	<b>\$1,434,077</b>
<b>MEDIAN COP* (EBITDAR)</b>	<b>\$1,451,302</b>	<b>\$1,460,700</b>	<b>\$1,837,459</b>	<b>\$1,326,420</b>
<b>AVERAGE COP* (EBITDA)</b>	<b>\$925,171</b>	<b>\$1,056,120</b>	<b>\$901,077</b>	<b>\$837,057</b>
<b>MEDIAN COP* (EBITDA)</b>	<b>\$791,321</b>	<b>\$915,758</b>	<b>\$943,558</b>	<b>\$558,764</b>

\*Cash Operating Profit

Of the 143 clubs operating, 55 locations were open between 12 and 24 months, 34 locations were open between 25 and 36 months, 19 locations were open between 37 and 48 months, and 35 locations were open between 49 and 60 months. Of the 55 open locations between 12 and 24 months, 24 locations, or 44%, reported average Cash Operating Profit (“COP”) greater than the table average while 31 locations or 56% reported averages below those presented in the table. Of the 34 open locations between 25 and 36 months, 14 locations, or 41%, reported average COP greater than the table average while 20 locations or 59% reported averages below those presented in the table. Of the 19 open locations between 37 and 48 months, 10 locations, or 53%, reported average COP greater than the table average while 9 locations or 47% reported averages below those presented in the table. Of the 35 open locations between 49 and 60 months, 12 locations, or 34%, reported average COP greater than the table average while 23 locations or 66% reported averages below those presented in the table.

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	Average Members	Average Monthly Revenue	Average Gross Revenue	Median Gross Revenue	Average Months Open	# clubs
Clubs Open 12-24 Months	8,062	\$274,759	\$3,297,105	\$3,461,131	18	55
Clubs Open 25-36 Months	8,303	\$282,185	\$3,386,224	\$3,234,890	32	34
Clubs Open 37-48 Months	7,842	\$262,493	\$3,149,913	\$2,852,965	43	19
Clubs Open 49-60 Months	7,484	\$250,462	\$3,005,543	\$2,526,891	54	35

Of the total 303 operating locations, 55 were open for 12 to 24 months, 27 or 49% of those reported active members greater than those reported in table above, while 28 or 51% reported active members less than those reported in the table. Of the 34 locations opened 25 to 36 months, 16 or 47% reported active members greater than those reported in the table and 18 or 53% reported active members less than those reported in the table. Of the 19 locations opened 37 to 48 months, 11 or 58% reported active members greater than those reported in the table with 8 or 42% reporting active members less than those reported in the table. Of the remaining 35 locations opened 49 to 60 months, 13 or 37% reported active members greater than those reported in the table and 22 or 63% reported active members less than those reported in the table.

#### Notes:

1. **Revenue** – The principal source of revenue for a Crunch franchise club is its membership revenue. Membership revenue includes any initial enrollment fees, paid in full or as prepaid dues, the members first month's membership fees and the member's monthly dues obligation as well as annual and pro-rated annual fees. In addition to its membership revenue, Crunch franchised facilities also earn a significant percentage of their income through the sale of personal and small group training services to individual members. Fees for this service, which are provided by professional and certified trainers, are incremental to the member's monthly membership expense and there is no limit on the amount of training that may be purchased by individual members. Clubs also receive additional revenue from the sale of retail products such as beverages, nutritional products and supplements, headphones, tanning goggles, lotions and other over the counter items. Babysitting and tanning, if offered, may present incremental revenue opportunities as well.

With the exception of prepaid activity, membership fees are paid monthly, while fees for personal training programs can range from an “a la carte” point of sale offering to a monthly obligation for packaged services or ongoing training. We currently offer several membership options, with our base membership package priced at \$9.95/month, with a \$29 or \$39 annual fee billed periodically throughout the year; and our Peak membership option priced at \$19.95/month with a \$29 or \$39 annual fee also billed periodically throughout the year. Promotional packages will vary at different times during the year, and franchisees have the ability to tailor the clubs offering, and the club's membership pricing, to their particular market. Pricing may be different in select markets, with several markets now offering price points higher than those listed above. Pricing options throughout the network, which include varying degrees of amenities, now range from \$9.95 per month up to \$49.95 per month, depending upon location.

The performance of your club and your ability to sell memberships will vary based upon a variety of factors including but not limited to the demographics of the market, the location and condition

of your club, the capabilities of your staff and club management, the competitive nature of the market and how much time and effort you dedicate to advertising, sales and community outreach.

2. **Expenses** – The expense information contained in the operating statement(s) include the fixed and variable expenses necessary to operate the club(s). This information will differ on a market-by-market basis and may be higher or lower than information contained in these statements. You may also incur expenses not listed above; however, all of these expenses should be based upon factors within your control and which can be researched prior to making your investment. In comparing the information in columns above, you should note that some of the expenses are fixed and will not change with increases or decreases in membership, while other expenses will increase as membership levels increase.
3. **Purchases:** Retail expenses are generally small and include the cost of retail items such as cooler drinks, tanning products, apparel, nutritional bars and supplements etc. The level of retail expense will vary and will depend largely upon your ability to sell products as part of the membership experience.
4. **Royalty Payments:** Royalties are invoiced and paid monthly based upon the club's gross revenue and point of sales activity, including but not limited to enrollment fee's, pre-paid memberships, first month's dues, the monthly dues tap, personal training, food, beverage, apparel and supplement sales as well as tanning, license fees and any other income.
5. **Online Enrollment:** Online enrollment expenses are invoiced and paid on a monthly basis and represent a \$5 fee paid to the franchisor for every online member that joins the club.
6. **Payroll & Benefits:** The total cost of payroll & benefits activity represents one of the largest expenses associated with operating the club. It includes salary and hourly wage expense for the club and personal training manager(s), front desk staff, marketing, facilities and group fitness personnel as well as commissions and bonus activity paid on various positions. This expense will vary weekly / monthly, depending upon staffing and class schedules and the level of personal training sales.
7. **Sales & Marketing Expense:** Performance of your club is heavily dependent upon your ability to market and sell the value of the product / brand. Crunch Fitness franchisees are required to spend a minimum of the higher of \$10,000 or a set percentage of gross sales (no more than 7%) in monthly advertising. We will help create and position all of your sales and marketing material utilizing channels such as direct mail, social media, billboard, print and radio, but ultimately the level of expense is up to you and will vary on a club-by-club basis. Advertising work is performed by both in-house personnel and outside preferred vendors and is approved by us prior to implementation.
8. **Club Expense:** Club expenses represent the variable expenses necessary to run the day-to-day operations of the club. They include expenses such as outside professional fees (e.g. legal, accounting etc.), travel and non-travel expenses, technology expense related to computer services and the club software, supplies expense for the office and club, repair and maintenance (equipment and building), utilities, credit card processing and other miscellaneous expense. Of these, utilities expense and credit card processing are generally the largest, with travel and non-travel expenses historically representing an insignificant percentage. Of the remaining items, supplies expense includes the paper and cleaning products for necessary to operate and service the club as well as general office supplies for the front desk and staff. Repairs and maintenance expense represents expenses necessary to maintain the physical plant and fitness equipment in the club. As both the

property and equipment age, this expense is likely to increase and will represent a more significant percentage of the club's expenses.

9. **Rent & Occupancy:** Determining the location of your club and managing the cost of your real estate lease is critical to the success of your club. The cost of rent can vary significantly depending upon the size and location of the club and the amount of tenant improvement contributions provided by the landlord. Real estate space located closer to the center of major metropolitan markets is likely to be significantly more expensive than locations located on the periphery of those markets or in more suburban locations. Controlling this expense and keeping the square footage expense within ranges suggested by us will help improve the likelihood of your success. We suggest you negotiate rent / lease space aggressively and commonly see rent deferrals and tenant contributions provided by landlords.
10. **Cash Operating Profit / (Loss):** Cash operating profit represents the income or loss generated after subtracting cost of goods sold and operating expenses from net revenue. This figure relates to the actual performance of the club, once opened, and does not include interest expense on equipment or improvements that may be financed, sales tax expense on profits generated from the business or any non-cash expenses such as depreciation / amortization expense related to the value of equipment or improvements to the property. Similarly, the cost of the initial franchise fee(s), architectural renderings or other initial investment expenses are excluded from this statement. We anticipate that each franchisee will fund its investment differently and, therefore, have made no assumptions on how the investment would be funded or accounted for.

There is no assurance that any Crunch franchise location will attain the revenue or income levels in the ranges stated above. Each market is different, and a club's early-stage sales and earnings performance may be lower or higher than those provided above. Prior to developing any earnings expectations, it is recommended that local market demographics, competition, real estate costs and labor expenses be investigated. Variables such as the location and visibility of the club, local traffic patterns, demographic composition, operator engagement and adherence to the System, market area trends served by the club, the competitive environment, the region and market area in which the club is located, the quality of club management and customer service levels at the club, as well as individual skills of the franchisee and other factors are critical determinants to the clubs overall success.

The performance results included in the operating statements above are for affiliated locations and do not reflect results of independent franchisee activity. Franchisee contact information is disclosed in this filing and you are encouraged to contact our franchisees as a source of information in your due diligence.

You have the sole responsibility for developing your own business plan for the proposed club or market area, including the capital budgets, pro forma financial statements, sales and expense projections and other elements appropriate to the particular circumstances of your location. In developing your business plan, you are cautioned to make necessary allowances for changes in financial results that may occur due to unforeseen circumstances, for any and all ranges of economic conditions that may exist now or in the future, or for any other circumstances that may impact the operation and performance of the business.

We recommend that you perform your own independent analysis to determine whether the franchise may be profitable or worthwhile for your investment. You should use the above information only as a reference in conducting your analysis and preparing your own projected income statements and cash flow projections. We strongly suggest that you consult a financial advisor or accountant concerning financial projections,

federal, state and local income tax obligations and any other applicable taxes that you may incur in operating a Crunch Franchise business.

**Some Crunch Fitness health clubs have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for the financial performance representations in this Item will be made available to you upon reasonable request.

Other than as described in the preceding financial performance representation, we do not make any 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 John D'Anna at 622 Third Avenue, 28<sup>th</sup> Floor, New York, NY 10017, (212) 993-0308, the Federal Trade Commission, and the appropriate state regulatory agencies.

#### **Crunch Select and Crunch Signature Gyms**

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 John D'Anna at 622 Third Avenue, 28<sup>th</sup> Floor, New York, NY 10017, (212) 993-0308, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years 2022 to 2024**

**Crunch Fitness Model**

<b>Column 1</b>  <b>Outlet Type</b>	<b>Column 2</b>  <b>Year</b>	<b>Column 3</b>  <b>Outlets at the Start of the Year</b>	<b>Column 4</b>  <b>Outlets at the End of the Year</b>	<b>Column 5</b>  <b>Net Change</b>
Franchised	2022	281	315	+34
	2023	315	359	+44
	2024	359	415	+56
Company-Owned	2022	22	13	-9
	2023	13	8	-5
	2024	8	8	0
Total Outlets	2022	303	328	+25
	2023	328	367	+39
	2024	367	422	+55

**Note:** All numbers are as of December 31 of each year.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For Years 2022 to 2024**

<b>Column 1</b>  <b>State</b>	<b>Column 2</b>  <b>Year</b>	<b>Column 3</b>  <b>Number of Transfers</b>
Alabama	2022	0
	2023	0
	2024	3
Arizona	2022	0
	2023	0
	2024	0
California	2022	11
	2023	0
	2024	2
Connecticut	2022	1
	2023	0
	2024	0
Florida	2022	0