

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 Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item 19 presents information about the financial performance during Fiscal Year 2025 (the fiscal year ended December 31, 2025) of Massage Envy Businesses that commenced initial operations before the start of Fiscal Year 2025 and reported sales in all 52 weeks of Fiscal Year 2025, unless the Massage Envy Business temporarily ceased operations in Fiscal Year 2025 (e.g., due to weather events, relocation, or premise maintenance issues) but subsequently resumed operations in Fiscal Year 2025 (collectively, such Massage Envy Businesses are referred to as the “**Network**”). The Network does not include any Massage Envy Businesses that were not actively operating at the end of Fiscal Year 2025.

As of the end of Fiscal Year 2025, there were a total of 989 Massage Envy Businesses in the Network. The Network did not include two Massage Envy Businesses that had their initial opening during Fiscal Year 2025 and two Massage Envy Businesses that were temporarily closed as of December 31, 2024 and reopened during Fiscal Year 2025, and therefore did not operate as a franchise for the entirety of Fiscal Year 2025. Accordingly, the total number of Massage Envy Businesses open and operating at the end of Fiscal Year 2025 was 993.

Of the 989 Massage Envy Businesses in the Network, 189 reflect the current size and layout for Massage Envy Businesses (ranging in size from 2,300 to 2,800 square feet) that we recommend to prospective franchisees as the best size for a Massage Envy Business (collectively, such a Massage Envy Business is referred to as “**Current Format Business**”).

For the purposes of the Tables below, “**Gross Sales**” means the total of all revenue and receipts derived from the operations of the Network, including, but not limited to, all amounts received at or away from the physical location of the Massage Envy Business, or through or by means of the business conducted at the Massage Envy Business, such as fees for massage services, facial services, membership fees, fees for optional member services and charges, gift card sales, and revenue derived from product sales, whether in cash or by check, credit card, debit card, barter or exchange, or other credit transactions, but excluding only (1) sales taxes collected from customers and paid to the appropriate taxing authority, (2) all customer refunds and credits, (3) and tips received by massage therapists and estheticians. Without limited the generality of the foregoing, “**Gross Sales**” includes all amounts that third party marketing agencies, such as, for example, Groupon, receive and retain from customers of the Network for marketing products or services that the customers purchase from a Massage Envy Business.

TABLE 1
AVERAGE GROSS SALES BY QUARTILES
FOR THE NETWORK FOR
FISCAL YEAR 2025

MESSAGE ENVY BUSINESSES	AVERAGE GROSS SALES	NUMBER AND PERCENTAGE OF BUSINESSES ATTAINING OR EXCEEDING AVERAGE GROSS SALES PER QUARTILE IN 2025	LOWEST GROSS SALES	MEDIAN GROSS SALES	HIGHEST GROSS SALES	AVERAGE SQUARE FOOTAGE
Top Quartile	\$ 1,879,331	92/247 (37.2%)	\$ 1,484,743	\$ 1,783,790	\$ 3,300,481	3,387
2nd Quartile	\$ 1,291,657	120/247 (48.6%)	\$ 1,136,925	\$ 1,289,491	\$ 1,480,185	3,262
3rd Quartile	\$ 996,112	120/247 (48.6%)	\$ 853,274	\$ 990,647	\$ 1,136,666	3,183
Bottom Quartile	\$ 678,916	143/248 (57.7%)	\$ 145,352	\$ 711,972	\$ 852,665	3,177
Total:	\$ 1,210,966	429/989 (43.4%)	\$ 145,352	\$ 1,136,666	\$ 3,300,481	3,252

Table 1 presents Gross Sales information from Fiscal Year 2025 for the Network.

TABLE 2
AVERAGE GROSS SALES BY QUARTILE FOR FISCAL
YEAR 2025 FOR CURRENT FORMAT BUSINESSES

MESSAGE ENVY BUSINESSES	AVERAGE GROSS SALES	NUMBER AND PERCENTAGE OF BUSINESSES ATTAINING OR EXCEEDING AVERAGE GROSS SALES PER QUARTILE IN 2025	LOWEST GROSS SALES	MEDIAN GROSS SALES	HIGHEST GROSS SALES
Top Quartile	\$1,860,951	19/47 (40.4%)	\$1,424,682	\$1,767,664	\$2,792,847
2nd Quartile	\$1,244,297	21/47 (44.7%)	\$1,106,332	\$1,227,929	\$1,421,451
3rd Quartile	\$947,991	26/47 (55.3%)	\$804,966	\$954,402	\$1,098,105
Bottom Quartile	\$624,123	29/48 (60.4%)	\$145,352	\$674,571	\$801,460
Total:	\$1,166,456	82/189 (43.4%)	\$145,352	\$1,098,105	\$2,792,847

Table 2 presents Gross Sales information from Fiscal Year 2025 for the Current Format Businesses.

TABLE 3
AVERAGE GROSS SALES FOR THE NETWORK BY OPERATING YEAR
CATEGORY FOR FISCAL
YEAR 2025

YEARS SINCE OPENING DATE FOR MESSAGE ENVY BUSINESSES AS OF THE END OF FISCAL YEAR 2025	AVERAGE GROSS SALES	NUMBER AND PERCENTAGE OF BUSINESSES ATTAINING OR EXCEEDING AVERAGE GROSS SALES PER OPERATING YEAR CATEGORY IN 2025	LOWEST GROSS SALES	MEDIAN GROSS SALES	HIGHEST GROSS SALES
20+	\$1,427,576	29/62 (46.8%)	\$531,521	\$1,394,932	\$2,810,716
15 - <20	\$1,293,484	220/495 (44.4%)	\$493,175	\$1,227,929	\$3,188,684
10 - <15	\$1,147,447	134/332 (40.4%)	\$204,020	\$1,073,655	\$3,300,481
5 - <10	\$920,072	33/80 (41.3%)	\$145,352	\$849,229	\$2,355,414
2 - <5	\$715,147	11/20 (55.0%)	\$187,797	\$756,732	\$1,331,150
1 - <2	-	0/0 (0.0%)	-	-	-

Table 3 presents Gross Sales information for the Network by the total number of years the Massage Envy Businesses were open and operational as of the end for Fiscal Year 2025.

TABLE 4
AVERAGE PERCENTAGE OF GROSS SALES OF THE NETWORK
FOR FISCAL YEAR 2025 DERIVED FROM
SOURCE OF REVENUE

Part A:

FRANCHISED MESSAGE ENVY BUSINESSES	AVERAGE PERCENTAGE OF GROSS SALES FROM PACKAGES AND MEMBERSHIP	BUSINESSES ATTAINING OR EXCEEDING AVERAGE PERCENTAGE OF GROSS SALES FROM MEMBERSHIP DUES	LOWEST AVERAGE PERCENTAGE OF GROSS SALES FROM MEMBERSHIP DUES	MEDIAN AVERAGE PERCENTAGE OF GROSS SALES FROM MEMBERSHIP DUES	HIGHEST AVERAGE PERCENTAGE OF GROSS SALES FROM MEMBERSHIP DUES
989	76.6%	497/989 (50.3%)	55.6%	76.7%	90.4%

Part B:

FRANCHISED MESSAGE ENVY BUSINESSES	AVERAGE PERCENTAGE OF GROSS SALES FROM RETAIL SALES	BUSINESSES ATTAINING OR EXCEEDING AVERAGE PERCENTAGE OF GROSS SALES FROM RETAIL SALES	LOWEST AVERAGE PERCENTAGE OF GROSS SALES FROM RETAIL SALES	MEDIAN AVERAGE PERCENTAGE OF GROSS SALES FROM RETAIL SALES	HIGHEST AVERAGE PERCENTAGE OF GROSS SALES FROM RETAIL SALES
989	2.8%	385/989 (38.9%)	0.1%	2.4%	16.8%

Part C:

FRANCHISED MESSAGE ENVY BUSINESSES	AVERAGE PERCENTAGE OF GROSS SALES FROM GIFT CARD SALES	BUSINESSES ATTAINING OR EXCEEDING AVERAGE PERCENTAGE OF GROSS SALES FROM GIFT CARD SALES	LOWEST AVERAGE PERCENTAGE OF GROSS SALES FROM GIFT CARD SALES	MEDIAN AVERAGE PERCENTAGE OF GROSS SALES FROM GIFT CARD SALES	HIGHEST AVERAGE PERCENTAGE OF GROSS SALES FROM GIFT CARD SALES
989	5.4%	442/989 (44.7%)	1.2%	5.1%	18.1%

Part D:

FRANCHISED MESSAGE ENVY BUSINESSES	AVERAGE PERCENTAGE OF GROSS SALES FROM OTHER REVENUE SOURCES	BUSINESSES ATTAINING OR EXCEEDING AVERAGE PERCENTAGE OF GROSS SALES FROM OTHER REVENUE SOURCES	LOWEST AVERAGE PERCENTAGE OF GROSS SALES FROM OTHER REVENUE SOURCES	MEDIAN AVERAGE PERCENTAGE OF GROSS SALES FROM OTHER REVENUE SOURCES	HIGHEST AVERAGE PERCENTAGE OF GROSS SALES FROM OTHER REVENUE SOURCES
989	15.2%	501/989 (50.7%)	0.9%	15.3%	36.6%

Table 4, Parts A through D, present the major sources of revenue for the Network for Fiscal Year 2025 and for each source the percentage of Gross Sales derived from that source. “Other Revenue Sources” include revenue derived from fees for guest services and fees for additional services purchased by members.

NOTES - ITEM 19 GENERALLY:

Some Message Envy Businesses have sold or earned this amount. Your individual results may differ. There is no assurance that you will sell or earn as much.

The figures we used to complete the Tables of these financial performance representations were submitted to us by the franchisees operating the Message Envy Businesses represented in the Tables. We have not

audited or independently verified any of the financial reports or information we received from franchisees nor have we asked questions of the submitting franchisees to determine whether they are in fact accurate and complete, although we have no information or other reason to believe that they are unreliable. No certified public accountant has audited these figures or expressed his or her opinion concerning their content or form.

The data shown above is for Massage Envy Businesses throughout the franchise system, which includes various types of real estate locations. Sales, costs and profits can vary widely by location. These figures do not reflect the costs of sales, operating expenses or other costs or expenses that might be deducted from the Gross Sales figures to obtain your net income or profit.

Your sales will be affected by your own operational ability, which may include your experience with managing a business, your capital and financing (including working capital), continual training of you and your staff, customer service orientation, product quality, your business plan, and the use of professional advisors, e.g., an accountant, to assist you with your business plans. Your sales also may be affected by where the Massage Envy Business is located and site criteria, including traffic count, local household income, residential and/or daytime populations, ease of ingress and egress, parking, visibility of your location, physical condition of premises, number and type of other businesses around your location, competition, inflation, economic conditions and brand awareness.

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

We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their Massage Envy Business. Notwithstanding the information set forth in this financial performance representation, our existing franchisees can be a valuable source of information about franchise operations.

Other than in this Item 19, we do not make any additional 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 additional representations either orally or in writing. If you receive any additional financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kristin Paiva, Legal Department, ME SPE Franchising, LLC, 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260, (480) 366-4100, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 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	1083	1053	-30
	2024	1053	1009	-44
	2025	1009	993	-16
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	1083	1053	-30
	2024	1053	1009	-44
	2025	1009	993	-16

1. Our fiscal year ends on December 31st. All references to years in these Tables refer to December 31st of that year.
2. The outlets listed in this Table only refer to Massage Envy Businesses that were open on the relevant dates.

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2023 TO 2025		
State	Year	Number of Transfers
Alabama	2023	0
	2024	1
	2025	0
Arkansas	2023	0
	2024	1
	2025	1
California	2023	4
	2024	28
	2025	3
Colorado	2023	0
	2024	0
	2025	21
Florida	2023	1
	2024	1
	2025	5
Georgia	2023	0
	2024	0
	2025	3