

## **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.

### **Definitions Used Throughout Item 19**

- “Gross Revenue” means the total revenue generated by a given Studio, including all revenue generated from the sale and provision of any and all approved services at, from, or otherwise through, that Studio. Gross Revenue excludes (i) sales tax (that the Studio owner must pay directly to the appropriate taxing authority), and (ii) revenue the Studios may have generated by providing the Flexologist Training Program. Please note, Gross Revenue is defined differently than how “Gross Sales” is defined in the Franchise Agreement, and as such, the amount of Royalty fees you pay under the Franchise Agreement may be different than if applied to Gross Revenue data provided below.
- “Measurement Period” means the period beginning on January 1, 2024, and ending on December 31, 2024.
- “Non-Traditional Site” means any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, “big box” gyms and/or fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, hotels, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations).
- A “Qualified Studio” means a Studio that was owned and operated by a franchisee for the entire Measurement Period. Qualified Studios do not include Studios that operated at Non-Traditional Sites.

### **General Notes**

The data presented in the charts below is historical data related to Qualified Studios that we obtained by polling the information directly from the franchisees’ studio management software systems and/or from profit and loss reports provided to us by franchisees. In all cases, the data used was the franchisees’ data. We do not anticipate that the characteristics of the Studios included in this Item 19 will materially differ from Studios operated by new franchisees.

In each instance in which we show an average in this Item 19, we also show the range of the data points and the median data point. The range is the space between the lowest and highest points in the data set. The median is the middle data point; that is, the data point in the center of all data points. Where the number of data points is an even number, there is no middle data point, so the median is the average of the two middle data points.

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## **Part A - Qualified Studios During the Measurement Period**

As of December 31, 2024, there were a total of 485 Studios in operation in the United States, all of which were owned and operated by third-party franchisees. Of the 485 Studios, 417 were Qualified Studios, and therefore, 68 Studios were excluded below because they did not operate for the entire Measurement Period.

### **Part A-1: Gross Revenue of Qualified Studios**

In this Part A-1, we sorted the 417 Qualified Studios, ranked (highest to lowest) by the amount of Gross Revenue reported by the Qualified Studios for the Measurement Period, into four (4) quartiles, with the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Quartiles each comprising 105 Qualified Studios and the 4<sup>th</sup> Quartile comprising 102 Qualified Studios.

The chart below provides, for the 417 Qualified Studios, the average, median, and range of Gross Revenue during the Measurement Period for each quartile along with the same information for the complete set of 417 Qualified Studios.

	<b>Number of Qualified Studios</b>	<b>Average</b>	<b>Median</b>	<b>Range (Min)</b>	<b>Range (Max)</b>	<b>Number / Percentage of Qualified Studios that Met or Exceeded the Average</b>
<b>Top Quartile</b>	105	\$842,342	\$798,951	\$666,912	\$1,535,958	43 / 41%
<b>2<sup>nd</sup> Quartile</b>	105	\$596,598	\$593,536	\$530,855	\$662,622	52 / 50%
<b>3<sup>rd</sup> Quartile</b>	105	\$466,475	\$468,385	\$401,243	\$528,881	56 / 53%
<b>Bottom Quartile</b>	102	\$312,680	\$333,101	\$12,406	\$401,155	65 / 64%
<b>Total</b>	417	\$556,263	\$535,521	\$12,406	\$1,535,958	187 / 45%

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## Part A-2: Monthly Active Members of Qualified Studios

In this Part A-2, we sorted the 417 Qualified Studios, ranked (highest to lowest) by the amount of Monthly Active Members reported by the Qualified Studios for the Measurement Period, into four (4) quartiles, with the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Quartiles each comprising 105 Qualified Studios and the 4<sup>th</sup> Quartile comprising 102 Qualified Studios. “Monthly Active Members” means Studio members who were party to an effective studio membership agreement with a Qualified Studio for a particular calendar month.

We calculated the average Monthly Active Members as follows: (a) we totaled the number of Monthly Active Members for each calendar month during the Measurement Period for each Qualified Studio; then (b) we calculated a simple average of the Monthly Active Members for the entire Measurement Period to determine the average Monthly Active Members during the Measurement Period for each such Qualified Studio; then (c) we calculated a simple average of all such Qualified Studios’ average Monthly Active Members to determine the average Monthly Active Members for all 417 Qualified Studios noted above. We also show the range and median of Monthly Active Members for all 417 Qualified Studios.

	<b>Number of Qualified Studios</b>	<b>Average</b>	<b>Median</b>	<b>Range (Min)</b>	<b>Range (Max)</b>	<b>Number / Percentage of Qualified Studios that Met or Exceeded the Average</b>
<b>1st Quartile</b>	105	266	251	216	515	39 / 37%
<b>2nd Quartile</b>	105	191	189	166	215	51 / 49%
<b>3rd Quartile</b>	105	149	150	130	166	58 / 55%
<b>4th Quartile</b>	102	102	106	9	129	59 / 58%
<b>Total</b>	<b>417</b>	<b>177</b>	<b>167</b>	<b>9</b>	<b>515</b>	<b>190 / 46%</b>

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### Part A-3: Monthly New Memberships of Qualified Studios

In this Part A-3, we sorted the 417 Qualified Studios, ranked (highest to lowest) by the amount of Monthly New Memberships reported by the Qualified Studios for the Measurement Period, into four (4) quartiles, with the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Quartiles each comprising 105 Qualified Studios and the 4<sup>th</sup> Quartile comprising 102 Qualified Studios. “Monthly New Memberships” means new Studio members who signed a studio membership agreement with a Qualified Studio for a particular calendar month.

We calculated the average Monthly New Memberships as follows: (a) we totaled the number of Monthly New Memberships for each calendar month during the Measurement Period for each Qualified Studio; then (b) we calculated a simple average of the Monthly New Memberships for the entire Measurement Period to determine the average Monthly New Memberships during the Measurement Period for each Qualified Studio; then (c) we calculated a simple average of all such Qualified Studios’ average Monthly New Memberships to determine the average Monthly New Memberships for all 417 Qualified Studios noted above. We also show the range and median of Monthly New Memberships for all 417 Qualified Studios.

	<b>Number of Qualified Studios</b>	<b>Average</b>	<b>Median</b>	<b>Range (Min)</b>	<b>Range (Max)</b>	<b>Number / Percentage of Qualified Studios that Met or Exceeded the Average</b>
<b>1st Quartile</b>	105	28	26	23	73	40 / 38%
<b>2nd Quartile</b>	105	20	20	18	22	48 / 46%
<b>3rd Quartile</b>	105	15	15	13	18	50 / 48%
<b>4th Quartile</b>	102	10	11	2	13	58 / 57%
<b>Total</b>	<b>417</b>	<b>18</b>	<b>18</b>	<b>2</b>	<b>73</b>	<b>192 / 46%</b>

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## Part B: Member Information for New Studios

*The chart below provides the data relevant to New Studios as of the particular month after it conducted its Soft Opening in calendar year 2024:*

		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
<i>Number of New Studios<sup>1</sup></i>		69	67	60	54	50	44	43	26	24	20	3	2
<i>Gross Revenue</i>	Average	\$12,573	\$36,318	\$44,262	\$43,013	\$43,361	\$44,771	\$42,906	\$47,198	\$46,617	\$43,164	\$63,386	\$57,251
	Number / Percentage of New Studios that met or exceeded the average	29 / 42%	34 / 51%	29 / 48%	26 48%	25 / 50%	21 / 48%	19 / 44%	10 / 38%	10 / 42%	8 / 40%	2 / 67%	1 / 50%
	Median	\$11,128	\$37,756	\$42,149	\$41,291	\$42,364	\$42,549	\$41,224	\$37,408	\$41,570	\$38,788	\$69,019	\$57,251
	Range (Max)	\$37,086	\$115,206	\$116,647	\$86,635	\$90,141	\$82,742	\$88,760	\$96,533	\$105,396	\$95,300	\$78,925	\$72,631
	Range (Min)	\$1,045	\$2,104	\$4,178	\$3,449	\$5,304	\$7,284	\$7,900	\$14,289	\$15,240	\$2,017	\$42,213	\$41,870
<i>Active Members</i>	Average	123	148	167	165	163	162	158	160	147	141	160	132
	Number / Percentage of New Studios that met or exceeded the average	28 / 41%	31 / 46%	27 / 45%	25 / 46%	23 / 46%	19 / 43%	19 / 44%	11 / 42%	11 / 46%	10 / 50%	1 / 33%	1 / 50%
	Median	112	139	157	155	154	152	142	149	137	134	147	132
	Range (Max)	294	311	339	325	332	356	356	359	288	302	201	134
	Range (Min)	3	12	18	18	23	41	47	58	46	7	133	129
<i>New Memberships</i>	Average	33	30	27	23	23	21	17	19	18	15	16	11
	Number / Percentage of New Studios that met or exceeded the average	33 / 48%	26 / 39%	24 / 40%	22 / 41%	22 / 44%	17 / 39%	19 / 44%	10 / 38%	10 / 42%	8 / 40%	1 / 33%	1 / 50%
	Median	31	26	24	23	20	19	16	17	16	13	16	11
	Range (Max)	81	78	66	47	61	48	46	53	55	39	17	15
	Range (Min)	3	3	7	1	4	5	5	5	3	1	15	7

1. Does not include Studios that operated at Non-Traditional Sites.

### **Additional Definitions (Part B)**

- “Active Members” means Studio members who were party to an effective studio membership agreement with a New Studio at the conclusion of the particular calendar month.
- “New Memberships” means the total number of new Studio members who signed a studio membership agreement in the particular calendar month. New Memberships are included in the number of Active Members for that particular calendar month.
- A “New Studio” means a Studio that was owned and operated by a franchisee and that conducted its Soft Opening in calendar year 2024.
- “Soft Opening” means a Studio opened its doors to the general public for participation in regular classes in the physical premises of the Studio.

### **Data Set and Methodology (Part B)**

The chart in this Part B reflects the monthly average, median, and range of Gross Revenue, Active Members, and New Memberships of New Studios during the 12 months after the Studio’s Soft Opening. “Month 1” refers to the calendar month in which the Studio launched its Soft Opening. The Gross Revenue data provided in Month 1 only includes the Gross Revenue generated by the New Studio after its Soft Opening during that calendar month and does not include pre-opening membership sales prior to the New Studio’s Soft Opening during that calendar month. The New Studio’s Soft Opening Month 1 is the calendar month containing its specific Soft Opening date. “Month 2” refers to the calendar month after Month 1, and the same sequence repeats itself through “Month 12.” One New Studio ceased operations during the first 12 months of operation after its Soft Opening.

We calculated the average of each category (Gross Revenue Active Members, and New Memberships) for each month of the New Studios’ monthly opening phase by adding the total monthly amount of the particular category (Gross Revenue Active Members, and New Memberships) generated by the New Studios, then dividing that number by the number of New Studios for that month.

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### **Part C: Average Revenue Mix**

	<b>Memberships</b>	<b>Services</b>	<b>Fees</b>	<b>Products</b>
Average	82%	16%	0%	2%
Number / Percentage of that met or exceeded the average	240 / 58%	177 / 42%	145 / 35%	203 / 49%
Median	83%	15%	0%	2%
Maximum	93%	39%	8%	6%
Minimum	60%	5%	0%	0%

### **Additional Definitions (Part C)**

- “Fees” means Gross Revenue attributed to fees charged by Studios, such as set up fees, cancellation fees, monthly freeze fees, and enhancement fees.
- “Memberships” means Gross Revenue attributed to down payments and recurring dues for Studio memberships and membership add-ons.
- “Products” means Gross Revenue attributed to retail products sold by Studios.
- “Services” means Gross Revenue attributed to services that Studios provide, such as personal training services, drop-in fees, and studio service packages.

### **Data Set and Methodology (Part C)**

The chart above reflects the average Gross Revenue that is attributed to Memberships, Services, Fees, and Products during the Measurement Period for the 417 Qualified Studios. Each category (Memberships, Services, Fees, and Products) are exclusive of each other.

We calculated the average of each category (Memberships, Services, Fees, and Products) for each such Qualified Studio by adding the total amount of annual Gross Revenue generated by such Qualified Studio for each category (Memberships, Services, Fees, and Products, then dividing that number by the annual Gross Revenue generated by such Qualified Studio. Then, we calculated a simple average of those calculations for each category (Memberships, Services, Fees, and Products) to provide the average allocation of Memberships, Services, Fees, and Products for the entire set of 417 Qualified Studios.

**Some Studios have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for these financial performance representations will be made available to the prospective franchisee 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 Studio, 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 our management by contacting our Brand President, Niklaus Kish at Stretch Lab Franchise SPV, LLC, 17877 Von Karman Ave., Suite 100, Irvine, CA 92614, or via telephone at (949) 346-3000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1**  
**Systemwide Outlet Summary**  
**for years 2022 to 2024<sup>1, 2</sup>**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised<sup>2</sup></b>	2022	148	283	+135
	2023	283	428	+145
	2024	428	485	+57
<b>Company-Owned</b>	2022	0	1	+1
	2023	1	2	+1
	2024	2	0	-2
<b>Total Outlets</b>	<b>2022</b>	<b>148</b>	<b>284</b>	<b>+136</b>
	<b>2023</b>	<b>284</b>	<b>430</b>	<b>+146</b>
	<b>2024</b>	<b>430</b>	<b>485</b>	<b>+55</b>

1. The numbers are as of December 31 of each year in each of the tables provided in Item 20.
2. As disclosed in XFI's most recent Form 10-K filed March 14, 2025, with the U.S. Securities and Exchange Commission, XFI deems a Studio no longer operating if (a) the company has reason to believe, after reasonable inquiry, that the Studio is permanently closed with no plans for re-opening or relocation, or (b) it has no sales for nine consecutive months or more, whichever comes first. Thus, the total number of open Studios provided above may not equal the number of open Studios cited in XFI's publicly-filed documents.

**TABLE 2**  
**Transfer of Outlets from Franchisees to New Owners**  
**for years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfer</b>
<b>AL</b>	2022	0
	2023	1
	2024	0
<b>AZ</b>	2022	0
	2023	2
	2024	1
<b>CA</b>	2022	5
	2023	3
	2024	5
	2022	0