

Provision	Section in Agreement ⁽¹⁾	Summary
		Rules or other mediation service mutually agreed upon. Mediation will take place in the county and state where we have our principal place of business.
v. Choice of forum	ADA §13.3 MUDA §13.3	Litigation must be in any state court of general jurisdiction in the county or state, or in the U.S. District Court for the district, in which we have our principal place of business. You will submit to the jurisdiction of those courts. See State Addenda.
w. Choice of law	ADA §14.12 MUDA §14.12	Texas law applies. See State Addenda.

Note:

(1) “ADA” means Area Development Agreement. “MUDA” means Multi-Unit Development Agreement.

There are state specific addenda attached as **Exhibit P** for the states of California, Hawaii, Illinois, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia and Washington. The Michigan Addendum is attached following the state cover page.

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 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, 2025, 536 Crunch franchised locations were open or engaged in presale activities. Of these locations, 486 locations were located domestically in the United States, and 50 locations were located internationally. Of the 486 domestic locations, 470 had completed their first workout and had initiated member billing activities. Of these 486 domestic locations, five locations were affiliate related and operated within the holding structure of the Company. Locations excluded from this analysis include the five affiliate related locations operated within the holding structure of the Company, 16 locations that were in presale and not open, 81 locations that were not fully operational for an entire calendar year, and 31 locations that changed ownership and one location that closed in Q1 2026. Of the 352 qualified domestic locations, 21 locations did not submit financials, resulting in 331 or 94% of qualified franchise locations represented in the table(s) of operating activity below.

“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	\$4,863,524	\$2,898,138	\$1,645,090
Club Sample	110	111	110

Of the 110 locations in the upper third of the Franchise clubs, 65 locations, or 59% are below the average and 45 locations, or 41%, are above the average. The median for this group was \$4,731,483. Of the 111 locations in the middle third of the Franchise clubs, 62 locations, or 56%, are below the average and 49 locations, or 44%, are above the average. The median for this group was \$2,848,462. Of the 110 locations in the bottom third of the Franchise clubs, 54 locations, or 49%, are below the average and 56 locations, or 51%, are above the average. The median for this group was \$1,666,443. Of the 331 operating locations included in the chart above, the Gross Revenue of the highest performing location was \$7,614,726 and the Gross Revenue of the lowest performing location was \$812,737.

The following table provides a summary of 2025 financial performance for 167 clubs in operation between 12 and 59 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 167 locations engaged in operating activities, 58 locations or 35% were open between 12 and 23 months; 53 locations or 32% were open between 24 and 35 months; 32 locations or 20% were open between 36 and 47 months; and 22 locations or 13% were open between 48 and 59 months. For each category, the table shows revenue and expenses of the median club in the category.

	Median Performing Club Open 12-23 Months	Median Performing Club Open 24-35 months	Median Performing Club Open 36-47 months	Median Performing Club Open 48-59 months
Monthly Revenue	\$264,131	\$297,400	\$323,791	\$243,955
Square Footage	36,000	48,703	35,863	45,000
Months in Operation	19	25	47	59
Clubs in Grouping	58	53	32	22
Revenue				
Membership Revenue	\$2,738,206	\$2,921,294	\$2,793,083	\$2,493,953
Personal Training Revenue	\$327,215	\$558,851	\$994,157	\$325,644
Other Revenue	\$104,154	\$88,653	\$98,257	\$107,860
Total Revenue	\$3,169,574	\$3,568,798	\$3,885,497	\$2,927,457
Total Cost of Goods Sold	\$57,231	\$74,461	\$52,437	\$52,022
Operating Expenses				
Payroll & Benefits	\$677,329	\$957,930	\$1,104,295	\$806,771
Sales & Marketing	\$242,138	\$210,205	\$239,067	\$220,168
Club Expense	\$509,850	\$500,713	\$613,427	\$457,059
Rent	\$866,770	\$682,603	\$761,935	\$665,259
Total Operating Expense	\$2,296,087	\$2,351,451	\$2,718,723	\$2,149,256
EBITDAR	\$1,740,258	\$1,899,950	\$1,928,709	\$1,443,460
EBITDA	\$873,488	\$1,217,347	\$1,166,774	\$778,201

Of the 167 clubs operating, 58 locations were open between 12 and 23 months; 53 locations were open between 24 and 35 months; 32 locations were open between 36 and 47 months; and 22 locations were open between 48 and 59 months. Of the 58 open locations between 12 and 23 months, 26 locations or 45% reported average EBITDA greater than the table average while 32 locations or 58% reported averages below those presented in the table. Of the 53 open locations between 24 and 35 months, 28 locations or 53% reported average EBITDA greater than the table average while 25 locations or 47% reported averages below those presented in the table. Of the 32 open locations between 36 and 47 months, 16 locations or 50% reported average EBITDA greater than the table average while 16 locations or 50% reported averages below those presented in the table. Of the 22 open locations between 48 and 59 months, 8 locations or 36% reported average EBITDA greater than the table average while 14 locations or 64% reported averages below those presented in the table.

	Average Members	Average Monthly Revenue	Average Gross Revenue	Average EBITDA	Average Months Open	# clubs
Clubs Open 12-23 Months	8,524	\$299,784	\$3,597,409	\$995,863	15	58
Clubs Open 24-35 Months	8,617	\$308,736	\$3,704,826	\$1,203,776	29	53
Clubs Open 36-47 Months	8,702	\$290,735	\$3,488,816	\$1,166,905	42	32
Clubs Open 48-59 Months	8,564	\$288,118	\$3,457,412	\$1,094,726	53	22

Of the total 331 operating locations, 58 were open for 12 to 23 months, 31 or 53% of those reported active members greater than those reported in table above, while 27 or 47% reported active members less than those reported in the table. Of the 53 locations opened 24 to 35 months, 28 or 53% reported active members greater than those reported in the table, and 25 or 47% reported active members less than those reported in the table. Of the 32 locations opened 36 to 47 months, 15 or 47% reported active members

greater than those reported in the table with 17 or 53% reporting active members less than those reported in the table. Of the remaining 22 locations opened 48 to 59 months, 10 or 45% reported active members greater than those reported in the table, and 12 or 55% 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.

Except for 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 can tailor the clubs offering, and the club's membership pricing, to their specific 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 that you can research 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 monthly and represent a \$5 fee paid to the franchisor for every online member that joins the club.
6. **Payroll and Benefits:** The total cost of payroll and 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 or monthly depending upon staffing and class schedules and the level of personal training sales.
7. **Sales & Marketing Expense:** Your club's performance depends heavily on your ability to market and sell the value of the product and/or brand. Crunch Fitness franchisees are required to spend based on a combination of factors, including the club's age and Gross Revenue, excluding personal training revenue. The monthly local advertising spend must be the lesser of: (1) 7% of Gross Sales (including revenue from personal training services) for the preceding month, which is the same for all Crunch health clubs, and (2) a calculation that depends on the age of your Crunch health club. The minimum amount that depends on the age of your Crunch health club is calculated as follows: (i) for Crunch health clubs open between one to 24 months, it is the greater of \$10,000 or 8% of Gross Sales (excluding personal training services); (ii) for Crunch health clubs open between 25 to 72 months, it is the greater of \$8,000 or 7% of Gross Sales (excluding personal training services); and (iii) for Crunch health clubs open more than 72 months, it is the greater of \$10,000 or 5% of Gross Sales (excluding personal training services). While the marketing spend is a monthly requirement, we will review the requirement quarterly to assess the average spend during the quarter based on the club's age and member count. If you operate multiple clubs, the overall spend will be evaluated on a group level, using club level targets. It will be up to you to determine how your local advertising spend is allocated throughout the quarter and by club. We will help create and position all your sales and marketing materials across channels such as TV, direct mail, social media, print, and radio. Ultimately, once the minimum requirements are met, the level of expense is up to you and will vary from club to club. You may invest more to capture demand, especially if your club is a new club. Advertising work is performed by both in-house personnel and preferred outside vendors is approved by us prior to implementation. Media planning and buying are performed by mandatory outside vendors.
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 represent 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 and 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 engage a broker to aggressively negotiate rent or lease space on your behalf.

10. **EBITDA:** EBITDA represents earnings before interest, depreciation, taxes and amortization. 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 and 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.

Each market is different, and different factors impact a club's early-stage sales and earnings performance. Factors to be considered include 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, customer service levels at the club, as well as other factors.

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.

When 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 specific circumstances of your location make 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, 28th Floor, New York, NY 10017, (212) 993-0300, the Federal Trade Commission, and the appropriate state regulatory agencies.

Crunch Select 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, 28th Floor, New York, NY 10017, (212) 993-0300, 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 2023 to 2025**

Crunch Fitness Model

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	315	359	+44
	2024	359	415	+56
	2025	415	481	+66
Company-Owned	2023	13	8	-5
	2024	8	8	0
	2025	8	5	-3
Total Outlets	2023	328	367	+39
	2024	367	423	+56
	2025	423	486	+63

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 2023 to 2025**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
Alabama	2023	0
	2024	3
	2025	0
California	2023	0
	2024	2
	2025	0
Florida	2023	1
	2024	0
	2025	2
Georgia	2023	0
	2024	1
	2025	0
Illinois	2023	0
	2024	0
	2025	1
Kentucky	2023	0