

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) 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

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means, as to each respective year, the 12-month period commencing on January 1 and ending on December 31.
- (c) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate, or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate, or any person identified in Item 2 of this Disclosure Document, or that is managed by us, our affiliate, or any person identified in Item 2.
- (d) Direct Cost of Goods Sold – means the cost of acquiring merchandise sold to customers, and all materials and supplies directly used by an Outlet in directly providing the Approved Products and Services. Also included in Direct Cost of Goods Sold is any amount of shrink arising from damages, and adjustments to the carrying value of inventory resulting from physical inventory counts. Direct Cost of Goods Sold does not include Direct Labor Cost, marketing expenses, insurance expenses, operating expenses, or general expenses including, but not limited to interest, taxes, depreciation, amortization, and Franchise Related Expenses.
- (e) Direct Gross Profit – means Gross Sales less Direct Cost of Goods Sold and Direct Labor Cost. Direct Gross Profit is not net profit or income and, except as to Direct Cost of Goods Sold and Direct Labor Cost, does not include the deduction of all other expenses incurred by a USA Ninja Challenge Training Center including, but not limited to, marketing expenses, insurance expenses, operating expenses, or general expenses including, but not limited to interest, taxes, depreciation, amortization, and Franchise Related Expenses.
- (f) Direct Labor Cost – means the direct salary paid to employees that offer and sell products comprising the Approved Products and Services and resulting in Gross Sales, comprised of wages, payroll taxes, and paid employee benefits, if any. Direct Labor Cost does not include compensation paid to an owner operator of either a Franchise Outlet or Company Owned Outlet.
- (g) Franchise Outlet – refers to a USA Ninja Challenge Training Center operated under a Franchise Agreement that is not a Company Owned Outlet.
- (h) Franchise Related Expenses – means the following select fees currently required under the Franchise Agreements: Royalty Fees, Brand Development Fund Fees, POS System Fees, Technology Fees, and local marketing expenditures. Franchise Related Expenses do not include all fee and payment obligations required under a Franchise Agreement.

- (i) Gross Sales – means the total revenue derived by each USA Ninja Challenge Training Center less sales tax, discounts, allowances, and returns.
- (j) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.
- (k) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet, see definition below. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 Calendar Year.
- (l) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.
- (m) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet, see definition above, and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 Calendar Year.
- (n) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet, see definition above, and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.
- (o) Outlet – refers to a USA Ninja Challenge Training Center that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Operational Company Owned Outlet is based on information reported to us by our affiliate. Data for the Operational Franchise Outlets is based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data, and is not a forecast or projection of future financial performance.

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLET

During the 2023 Calendar Year we did not have any Company Owned Outlets. During the 2024 Calendar Year we had one Company Owned Outlet that we acquired from a franchisee in February 2024. In this Item 19, we do not report data for this Outlet as to the 2024 Calendar Year since it was not open and operational as a Company Owned Outlet for the entire 2024 Calendar Year. During the 2025 Calendar Year we had one Company Owned Outlet. Of our one Company Owned Outlet, this Outlet was an Operational Company Owned Outlet and there were no New Company Owned Outlets. Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlet as a result of our extensively experienced management team; (b) brand recognition within the local market in which our Company Owned Outlet operates; and (c) no obligation to pay ongoing fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees. The table below provides a summary of our Company Owned Outlet.

Company Owned Outlet Summary	
Outlet	Outlet Description
Manchester, NH	Our Manchester, NH Outlet is located at 444 E Industrial Park Drive, #4, Manchester, New Hampshire 03109. This Outlet opened in March 2015 and operated as a Company Owned Outlet until October 2018 when it was sold to a franchisee and operated as a Franchise Outlet until February 2024 when it was acquired by our affiliate and now operates as a Company Owned Outlet. This Outlet operates in a Training Center Location that is approximately 5,000 square feet, with approximately 1,600 square feet dedicated to front end lobby space and approximately 4,200 square feet dedicated to gym floor space. This Outlet is representative of the Franchised Business and constitutes an Operational Company Owned Outlet for the 2025 Calendar Year.

Table 1

Company Owned Outlet: Manchester, NH Gross Sales and Direct Gross Profit Information			
		2025 Calendar Year	
		Total	% ¹
Gross Sales		\$334,649	100.0%
Less:			
Direct Cost of Goods Sold		(\$6,076)	1.8%
Direct Labor Cost		(\$130,968)	39.1%
Direct Gross Profit		\$197,605	59.0%
Less: Adjustments for Select Franchise Related Expenses			
Royalty Fee ²		(\$25,099)	7.5%
Brand Development Fund Fee ³		(\$5,020)	1.5%
Local Marketing ⁴		(\$6,000)	1.8%
POS System Fee ⁵		(\$3,588)	1.1%
Technology Fee ⁵		(\$1,800)	0.5%
Direct Gross Profit Less Disclosed Expenses and Select Franchise Related Expenses		\$156,098	46.6%

Notes to Table:

¹ “%” represents the percentage of total Gross Sales.

² The Royalty Fee is equal to 7.5% of Gross Sales.

³ The Brand Development Fund Fee is currently 1.5% of Gross Sales.

⁴ On an on-going monthly basis, during months 4 to 12 following the opening of your USA Ninja Challenge Training Center, you must spend not less than \$1,500 per month on the local marketing of your USA Ninja Challenge Training Center. During the second year following the opening of your USA Ninja Challenge Training Center, you must spend not less than \$1,000 per month on the local marketing of your USA Ninja Challenge Training Center and, during the third year following the opening of your USA Ninja

Challenge Training Center and each year thereafter, you must spend no less than \$500 per month on the local marketing of your USA Ninja Challenge Training Center. Commencing at the end of month 24 of the second full year of operating your USA Ninja Challenge Training Center, your independently directed minimum local marketing obligation is subject to satisfaction on-going satisfaction of the Minimum Member Enrollment and Retention Requirements. The local marketing adjustment above is based on \$500 per month.

⁵ The POS System Fee is currently \$299 per month.

⁶ The Technology Fee is currently \$150 per month.

ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2023 Calendar Year we had a total of 24 Franchise Outlets. Of the 24 Franchise Outlets, 21 Outlets were Operational Franchise Outlets and 3 Outlets were New Franchise Outlets. We exclude the data for 3 Outlets that are in-business satellite locations wherein the existing business offers the Approved Products and Services on a limited basis and not representative of the Franchised Business. During the 2024 Calendar Year we had a total of 31 Franchise Outlets. Of the 31 Franchise Outlets, 23 Outlets were Operational Franchise Outlets and 8 Outlets were New Franchise Outlets. We exclude the data for 3 Outlets that are in-business satellite locations wherein the existing business offers the Approved Products and Services on a limited basis and not representative of the Franchised Business. During the 2025 Calendar Year we had a total of 44 Franchise Outlets. Of the 44 Franchise Outlets, 31 Outlets were Operational Franchise Outlets and 13 Outlets were New Franchise Outlets. We exclude the data for 3 Outlets that are in-business satellite locations wherein the existing business offers the Approved Products and Services on a limited basis and not representative of the Franchised Business. In the tables below, we report data related to our Operational Franchise Outlets. We do not include data for New Franchise Outlets that were not open for the full 2023, 2024 and 2025 Calendar Years, respectively.

Below we report select financial performance data for our Operational Franchise Outlets.

Table 2

Operational Franchise Outlets Gross Sales Data ¹			
	Calendar Year		
Gross Sales	2023	2024	2025
Average	\$296,214 ²	\$283,237 ⁴	\$271,006 ⁶
Median	\$260,863 ³	\$246,100 ⁵	\$254,490 ⁷
High	\$596,605	\$663,826	\$946,773
Low	\$105,847	\$68,287	\$72,219

¹ Data Overview – The data provided in this Table 2 is for Operational Franchise Outlets that were open for each of the respective Calendar Years reported in this Table 2. For the 2023 Calendar Year, data compiled in this Table 2 is based on 18 Operational Franchise Outlets that were open for the full 2023 Calendar Year. For the 2024 Calendar Year, data compiled in this Table 2 is based on 20 Operational Franchise Outlets that were open for the full 2024 Calendar Year. For the 2025 Calendar Year, data compiled in this Table 2 is based on 30 Operational Franchise Outlets that were open for the full 2025 Calendar Year.

² Average 2023 – There were 7 Franchise Outlets above the Average and 11 below the Average.

³ Median 2023 – There were 9 Franchise Outlets above the Median and 9 below the Median.

⁴ Average 2024 – There were 8 Franchise Outlets above the Average and 12 below the Average.

⁵ Median 2024 – There were 10 Franchise Outlets above the Median and 10 below the Median.

⁶ Average 2025 – There were 11 Franchise Outlets above the Average and 19 below the Average.

⁷ Median 2025 – There were 15 Franchise Outlets above the Median and 15 below the Median.

Table 3

Operational Franchise Outlets for Two or More Years Gross Sales Data ¹			
Gross Sales	Calendar Year		
	2023	2024	2025
Average	\$309,780 ²	\$303,008 ⁴	\$303,749 ⁶
Median	\$279,268 ³	\$246,571 ⁵	\$262,866 ⁷
High	\$596,605	\$663,826	\$946,773
Low	\$105,847	\$97,587	\$72,219

¹ Data Overview – The data provided in this Table 3 is for Operational Franchise Outlets that were open for at least two full Calendar Years. For the 2023 Calendar Year, data compiled in this Table 3 is based on 14 Operational Franchise Outlets that were open for two or more full Calendar Years. As to the 2023 Calendar Year, we exclude 7 Operational Franchise Outlets that were open for less than two full Calendar Years. For the 2024 Calendar Year, data compiled in this Table 3 is based on 17 Operational Franchise Outlets that were open for two or more full Calendar years. As to the 2024 Calendar Year, we exclude 10 Operational Franchise Outlets that were open for less than two full Calendar Years. For the 2025 Calendar Year, data compiled in this Table 3 is based on 20 Operational Franchise Outlets that were open for two or more full Calendar Years. As to the 2025 Calendar Year, we exclude 21 Operational Franchise Outlets that were open for less than two full Calendar Years.

² Average 2023 – There were 5 Franchise Outlets above the Average and 9 below the Average.

³ Median 2023 – There were 7 Franchise Outlets above the Median and 7 below the Median.

⁴ Average 2024 – There were 7 Franchise Outlets above the Average and 10 below the Average.

⁵ Median 2024 – There were 8 Franchise Outlets above the Median and 9 below the Median.

⁶ Average 2025 – There were 8 Franchise Outlets above the Average and 12 below the Average.

⁷ Median 2025 – There were 10 Franchise Outlets above the Median and 10 below the Median.

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

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representations, Ninja Franchising, Inc. does 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 Richard Knight, Ninja Franchising, Inc. at 14 Chenell Drive, Concord, New Hampshire 03301 and 603-566-9560, the Federal Trade Commission, and the appropriate state regulatory agencies.

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	21	24	+3
	2024	24	31	+7
	2025	31	44	+13
Company Owned	2023	0	0	0
	2024	0	1	+1
	2025	1	1	0
Total Outlets	2023	21	24	+3
	2024	24	32	+8
	2025	32	45	+13

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