

## 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 this 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.

#### **HISTORICAL FINANCIAL PERFORMANCE REPRESENTATION**

As of December 31, 2023, there were forty six (46) Studios in operation. Eleven (11) of these Studios were open for the entire 2023 Calendar Year. Several of the officers listed in Item 2 own a minority ownership interest in one of these Studios (the "JV Studio"), which is used for research, development and testing of new and different models and services. Additionally, one of the eleven (11) Studios is an express studio (the "Express Studio"). The Express Studio was excluded from the results presented in this Item 19 because it operated under an express model (with one training room, smaller staffing model and lower Studio capacity), and we are no longer offering franchise opportunities for express studios. As of March 31, 2024, there were fifty (50) Studios in operation, including the JV Studio and the Express Studio. Three (3) of the fifty (50) Studios were undergoing ownership or management transition prior to the issuance date of this Disclosure Document (the "Transition Studios").

The results presented in this Item 19 are not audited and are based on information reported to us by the Studios included in this Item 19. We have not independently audited or verified the reported results.

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

**TABLE 1: Average Monthly Membership Sales During the period January 1, 2023 through March 31, 2024 (the "Reporting Period")**

Table 1 reflects the average monthly membership sales for forty-six (46) of the fifty (50) Studios that were in operation as of March 31, 2024. The results presented in Table 1 exclude the Express Studio and the Transition Studios. The average monthly membership sales for the Transition Studios are disclosed separately in footnote 2 below Table 1..

	# of Studios in Data Set	Average Monthly Membership Sales	% and # that Attained or Surpassed the Stated Average	Highest Figure in the Data Set	Lowest Figure in the Data Set	Median
Studios with more than 1500 sq. feet	37	19.24	16 or 43.24%	29.25	10.00	18.83
Studios with less than 1500 sq. feet	9	22.08	3 or 33.33%	37.00	14.67	18.56
All	46	19.80	17 or 36.96%	37.00	10.00	18.79

**Notes to Table 1:**

1. Computation of Average Monthly Membership Sales: In computing the Average Monthly Membership Sales, we: (a) computed the average Monthly Membership Sales for each Studio by totaling the number of new members each month of operation, commencing with each Studio's first full month of operation, then dividing that number by the total number of months each such Studio was in operation during the Reporting Period (each a "Studio Monthly Average"); and (b) then we added together all of the Studio Monthly Averages and divided that result by the total number of Studios in the data set.
2. As disclosed above, we excluded the Transition Studios because they were undergoing ownership or management transition during the Reporting Period. Specifically, we excluded: (a) the Mizner Studio, which was open for all of 2023 transitioned management in late 2023 with a complete transition in management effectuated in March 2024, (b) the Colleyville Studio, which opened in June 2023, began ownership transition in September 2023, with complete ownership transition in April 2024, and (c) the Royal Oak Studio, which opened in October 2023 and is currently in the process of transitioning ownership. The average monthly membership sales for each of the Transition Studios during the Reporting Period was as follows: (i) the Mizner Studio had average monthly membership sales of 10.3 members, with a high of 24, a low of 1 and a median of 9; (ii) the Colleyville Studio had average monthly membership sales of 9.1, with a high of 22, a low of 1 and a median of 8; and (iii) the Royal Oak Studio had average monthly membership sales of 8.4 members, with a high of 13, a low of 6 and a median of 7.

**TABLE 2: Average Monthly Membership Attrition During the Reporting Period**

Table 2 presents the Average Monthly Membership Attrition during the Reporting Period for the same forty-six (46) Studios represented in Table 1.

	# of Studios in Data Set	Average Attrition Per Month	% and # that Attained or Fell Below the Stated Average	Highest Figure in the Data Set	Lowest Figure in the Data Set	Median
All	46	11.0%	21, or 45.65%	15.3%	5.1%	11.3%

**Notes to Table 2:**

1. "Attrition" means the percentage of members that elect to cancel each month.
2. We computed the Average Attrition Per Month by (a) computing the average Attrition for each Studio by totaling the number of members that elect to cancel each month and dividing by the beginning member count (calculated as total members excluding frozen in ClubReady) and then taking an average across the Reporting Period (each a studio "Monthly Attrition Average"); and (b) then we added together all of the Monthly Attrition Averages and divided that result by the total number of Studios in the data set.
3. We excluded the Transition Studios from the Attrition results presented in Table 2. The Average Attrition per month during the Reporting Period for (a) the Mizner Studio was 10%, with a high of 24%, a low of 3% and a median of 8%; (b) the Colleyville Studio was 12%, with a high of 19%, a low of 8% and a median of 11%; and (c) the Royal Oak Studio was 10%, with a high of 16%, a low of 5% and a median of 9%.

**TABLE 3: Type of Membership Breakdown as of March 31, 2024**

Table 3 presents the Membership Breakdown as of March 31, 2024, as reported to us through the ClubReady system for forty nine (49) of the fifty (50) Studios that were in operation as of March 31, 2024. The Express Studio was excluded from these results.

Activate	Amplify	Transform	6- month	Month to month
49.82%	22.55%	27.64%	59.41%	40.59%

**Notes to Table 3:**

1. Studios currently offer three different types of memberships, Activate, Amplify and Transform, either on a month-to-month basis or for a six-month term.
2. Table 3 reflects the percentage breakdown of the types of members for all 49 Studios open as of March 31, 2024 (with the exception of the Express Studio, which was excluded from these results).

**TABLE 4: Average Monthly Gross Revenues for the 2023 Calendar Year**

	TOP STUDIOS	MIDDLE STUDIOS	BOTTOM STUDIOS
<b>Number of Studios in Data Set</b>	3 Studios	3 Studios	3 Studios
<b>Average Monthly Gross Revenue for 2023</b>	<b>\$59,763.33</b> Highest Figure in Data Set: \$76,685.32 Lowest Figure in Data Set: \$48,653.67 Median: \$53,951.01	<b>\$43,375.51</b> Highest Figure in Data Set: \$44,809.18 Lowest Figure in Data Set: \$41,927.96 Median: \$43,389.40	<b>\$34,429.92</b> Highest Figure in Data Set: \$38,883.31 Lowest Figure in Data Set: \$28,329.21 Median: \$36,077.23
<b># &amp; % of Studios in Data Set that Attained or Surpassed the Stated Average</b>	1, or 33.33%	2, or 66.67%	2, or 66.67%

**Notes to Table 4:**

1. There were fifteen (15) Studios open and in operation as of January 1, 2023. During the 2023 Calendar Year, four (4) Studios were terminated or ceased operations and thirty-five (35) new Studios opened. Eleven (11) of these Studios were in operation for the entire 2023 Calendar Year. The above table reflects the Average Monthly Gross Revenue for the 2023 Calendar Year for the nine (9) studios that were open the entire year, excluding the Express Studio and the Mizner Studio, which is one of the Transition Studios. The Mizner Studio's average monthly revenue for the 2023 Calendar Year was \$30,568.31, with a high of \$36,401.20, a low of \$23,288 and a median of \$29,794.30.

**TABLE 5: Pre-Sales Grand Opening Revenue for the Reporting Period**

Thirty-five (35) Studios performed Pre-Sales prior to opening. Table 5 presents the Pre-Sales Grand Opening Revenue generated by thirty-three (33) of these Studios. Two (2) of the Transition Studios, the Colleyville Studio and the Royal Oak Studio, were excluded from the results presented below and are separately discussed in Note 3 to Table 5.

	# of studios	Average Pre-Sales Grand Opening Revenue	% and # that attained or fell below the average stated	Highest Figure in the Data Set	Lowest Figure in the data set	Median
<b>2.0 Studios</b>	28	\$ 56,697.60	15 or 54%	\$ 87,141.78	\$ 32,359.23	\$ 51,825.71
<b>3.0 studios</b>	5	\$ 60,061.59	3 or 60%	\$ 106,132.99	\$ 33,964.15	\$ 43,940.61
<b>All Studios</b>	33	\$ 57,207.30	18 or 55%	\$ 106,132.99	\$ 32,359.23	\$ 51,396.71

**Notes to Table 5:**

1. The Pre-Sales Marketing and Grand Opening Advertising program is conducted after lease signing during the period leading up to the "Grand Opening Day" (the "Pre-Opening Period"). During the Pre-Opening Period, the thirty-three (33) Studios represented in Table 5: (a) engaged in membership pre-sales at discounted rates, (b) conducted a thirty-day soft opening period including a two-week "VIP" trial period, and (c) engaged in the sale of suits base layers and apparel to members. The "Grand Opening Day" is designated as the day following the expiration of the Pre-Opening Period, which is the day before the one (1) month anniversary of the studio's first draft day (the day on which the Studio charges its members for the first time) following the date on which the FPR

Studio commenced the Pre-Opening Period.

2. The Pre-Sales and Grand Opening Revenue is defined as the revenue derived during the Pre-Opening Period until the day before the one (1) month anniversary of the Studio's first draft day.

3. The Transition Studios excluded from the results presented in this Table 5 are the Colleyville Studio and the Royal Oak Studio. The Colleyville Studio had Grand Opening Revenue of \$55,131.03 and the Royal Oak Studio had Grand Opening Revenue of \$44,438.58.

### **General Notes to Item 19**

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of the franchise offering, except as stated above. Actual results vary from franchise to franchise and we cannot estimate the results of any particular franchisee.

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

Other than the preceding financial performance representation, Body20 Global USA, LLC does 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 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 us at 207 San Jacinto Blvd Suite 301, Austin, TX 78701, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**Table No. 1  
System-Wide Outlet Summary  
For Years December 31, 2021 to December 31, 2023**

<b>Column 1 Outlet Type</b>	<b>Column 2 Year</b>	<b>Column 3 Outlets at Start of Year</b>	<b>Column 4 Outlets at End of Year</b>	<b>Column 5 Net Change</b>
Franchised	2021	6	12	+6
	2022	12	14	+2
	2023	14	45	+31
Company-Owned or Affiliate-Owned	2021	0	0	0
	2022	0	1	+1
	2023	1	1	0
<b>Total Outlets</b>	<b>2021</b>	<b>6</b>	<b>12</b>	<b>+6</b>
	<b>2022</b>	<b>12</b>	<b>15</b>	<b>+3</b>
	<b>2023</b>	<b>15</b>	<b>46</b>	<b>+31</b>