

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.

Throughout the calendar year 2023, we had six 6 franchisees in operation.

Table 1 and Table 2 reflect historical financial information for all 6 of those outlets. Except as noted below, we are not aware of any characteristics of these locations which will differ materially from those of the outlet that may be offered to you.

"Gross Revenue" as used in this Item 19 includes all revenue but excludes (i) sales taxes or similar taxes that, by law, are chargeable to customers and payable to a taxing authority; and (ii) refunds, chargebacks, credits and allowances given to customers.

We prepared the information below from our information and from information provided by our franchisees and affiliates. These reported results are not audited, and we have not independently verified this data. However, we believe it to be accurate.

TABLE 1 – 2023 GROSS REVENUES FOR TUMBLES FRANCHISES

The following table is based on the historical reported information for the Gross Revenues for the 6 franchisee owned locations that were open during 2023. We have not excluded any outlets that were open during 2023.

	High	Low	Median	Average
Gross Revenue	\$664,506.05	\$164,367.35	\$303,683.93	\$335,460.02

TABLE 2 – CERTAIN 2023 EXPENSES FOR REPORTING TUMBLES FRANCHISEES

The following table is based on certain listed expenses for the 6 franchisee owned locations that were opened during 2023. However, for one of the outlets, we only have data for the six months of 2023. For purposes of this table, we annualized the data for that outlet from those first six months and made calculations based on the annualized data being 2023 data for this outlet. We do not have any reason to believe that there were material differences between the first six months and the last six months of 2023 for this outlet.

	High	Low	Median	Average
Labor Expense ¹	\$191,730.39	\$2,015.00	\$88,173.33	\$88,635.78
Lease Expense ²	\$144,000.00	\$20,508.00	\$79,180.31	\$82,737.86
Utilities Expense	\$16,000.00	\$3,300.00	\$7,432.66	\$7,890.25
Insurance Expense	\$8,207.48	\$4,097.46	\$5,246.00	\$5,821.15

Notes

- 1 Labor Expense includes salaries, wages, bonuses, payroll taxes, and processing fees. It does not include owner's compensation.
- 2 Lease Expense includes rent. In the case of the Johns' Creek location, it also includes deferred rent costs from prior years that was deferred due to COVID-19.

We prepared the information above from information provided by our franchisees. These reported results are not audited, and we have not independently verified data provided by our franchisees, although we believe it to be accurate.

Of the units represented in the sample, all units (100%) met the stated results in the table above.

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

Written substantiation for the financial performance representation in this Item 19 will be made available to you upon reasonable request.

Except as provided in this Item 19, 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 our management by contacting Manish Vakil, 1302 Waugh Drive, Suite 192 Houston, Texas 77019, telephone (833) GYM-STEM, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	6	5	-1
	2022	5	6	+1
	2023	6	6	0
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	6	5	-1
	2022	5	6	+1
	2023	6	6	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Total	2021	0
	2022	0
	2023	0

Table 3
Status of Franchised Outlets for Years 2021 to 2023

State	Year	Outlets at the Start of the Year	Outlets Opened	Termi- Nations	Non- Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
California	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Florida	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1