

**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) Class Volume – means the average number of classes that a DivaDance Business offers to clients per week, calculated as the total number of classes offered by the DivaDance Business during a particular Calendar Year, divided by 52 weeks.
- (d) 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.
- (e) Dedicated Studio – refers to a fixed retail location owned by a DivaDance Business that is located within the Operating Territory of that DivaDance Business.
- (f) Franchise Outlet – refers to a DivaDance Business operated under a Franchise Agreement that is not a Company Owned Outlet.
- (g) Gross Sales – means the total revenue derived by each DivaDance Business less sales tax, discounts, allowances, and returns.
- (h) Limited Class Volume – refers to a DivaDance Business that has a Class Volume of six to 11 classes per week.
- (i) 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 data set 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.
- (j) Moderate Class Volume – refers to a DivaDance Business that has a Class Volume of 12 or more classes per week.
- (k) Multi-Territory Franchise Outlet – means a Franchise Outlet that operates within the equivalent of two

or more Territories. Franchisees that operate under multiple Franchise Agreements with one Territory per Franchise Agreement but operate as one business across multiple Territories are reported in this Item 19 as Multi-Territory Franchise Outlets.

- (l) 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 2023, as to the 2023 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 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year.
- (m) 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 2023, as to the 2023 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 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.
- (n) 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 2023, as to the 2023 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 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year.
- (o) 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 2023, as to the 2023 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 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.
- (p) Outlet – refers to a DivaDance Business that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.
- (q) Single Territory Franchise Outlet – means an Operational Franchise Outlet that operates within the equivalent of one Territory.
- (r) Territory – refers to a geographic area that includes approximately 250,000 to 300,000 people and that is designated as or as a part of the Operating Territory of an Outlet.
- (s) Third party Studio Partnership Site – refers to a licensed or short-term leased third party location located within the facility of an independently operated third party business and at which a DivaDance Business can offer and provide Approved Services and Products to clients.
- (t) Very Limited Class Volume – refers to a DivaDance Business that has a Class Volume of less than or equal to five classes per week.

## **BASES AND ASSUMPTIONS**

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlets 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 OUTLETS**

During the 2024 Calendar Year we had four Operational 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 Outlets as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlets operate; 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 Operational Company Owned Outlets.

Table 1

<b>Company Owned Outlets Summary</b>	
<b>Outlet</b>	<b>Outlet Description</b>
Company Owned Outlet 1	This Company Owned Outlet opened for business in January 2016 and is located at 230 Lexington Avenue, New York, New York 10003. This Outlet operates the DivaDance Business at Third party Studio Partnership Sites. This Outlet operates in an Operating Territory with a population of approximately 680,000 people, which is the equivalent of two Territories. This Outlet qualifies as an Operational Company Owned Outlet for the 2024 Calendar Year.
Company Owned Outlet 2	This Company Owned Outlet opened for business in March 2016 and is located at 3823 Airport Boulevard, Suite D, Austin, Texas 78722. This Outlet operates the DivaDance Business at Third party Studio Partnership Sites and at a Dedicated Studio, with a Dedicated Studio Location located in a shopping plaza that is approximately 1,700 square feet. This Outlet operates in an Operating Territory with a population of approximately 720,000 people, which is the equivalent of three Territories. This Outlet qualifies as an Operational Company Owned Outlet for the 2024 Calendar Year.
Company Owned Outlet 3	This Company Owned Outlet opened for business in June 2022 and is located at 1323 Connecticut Avenue NW, Washington, D.C. 20036. This Outlet operates the DivaDance Business at Third party Studio Partnership Sites. This Outlet operates in an Operating Territory with a population of approximately 680,000 people, which is the equivalent of two Territories. This Outlet qualifies as an Operational Company Owned Outlet for the 2024 Calendar Year.
Company Owned Outlet 4	This Company Owned Outlet opened for business in June 2023 and is located at 18045 West Little York Road, Suite 11, Katy, Texas 77449. This Outlet operates the DivaDance Business at a Dedicated Studio only, with a Dedicated Studio Location located in a commercial area that is approximately 1,900 square feet. This Outlet operates in an Operating Territory with a population of approximately 420,000 people, which is the equivalent of two Territories. This Outlet qualifies as an Operational Company Owned Outlet for the 2024 Calendar Year.

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Table 2

<b>Operational Company Owned Outlets Summary Gross Sales Data for the 2024 Calendar Year</b>	
<b>Company Owned Outlet</b>	<b>Gross Sales</b>
Company Owned Outlet 1	\$332,195
Company Owned Outlet 2	\$220,552
Company Owned Outlet 3	\$185,627
Company Owned Outlet 4	\$77,746

### **ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS**

During the 2024 Calendar Year we had a total of 42 Franchise Outlets. Of the 42 Franchise Outlets, 30 Outlets were Operational Franchise Outlets and 12 Outlets were New Franchise Outlets. We exclude data for 14 Operational Franchise Outlets that (i) experienced an interruption in operations during the 2024 Calendar Year; and/or (ii) did not maintain accurate and reliable financial records during the 2024 Calendar Year; and/or (iii) ceased operations during the 2024 Calendar Year; and/or (iv) terminated operations during the 2024 Calendar Year.

Of the 16 Operational Franchise Outlets included in this Item 19, 10 were Multi-Territory Franchise Outlets and 6 were Single Territory Franchise Outlets. All Operational Franchise Outlets operate within the equivalent of one Territory to five Territories with each Operational Franchise Outlet's aggregate territory size ranging from approximately 48,000 to 1.6 million people. 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 2024 Calendar Year.

Table 3

<b>Operational Franchise Outlets Average, Median, High, and Low Gross Sales Data 2024 Calendar Year</b>					
<b>Type of Outlet</b>	<b>Average</b>	<b>Number of Outlets Above/Below Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
All Operational Franchise Outlets <sup>1</sup>	\$119,291	4 (25%) / 12 (75%)	\$110,282	\$299,943 <sup>4</sup>	\$32,651 <sup>5</sup>
Single Territory Franchise Outlets <sup>2</sup>	\$114,385	2 (33%) / 4 (66%)	\$108,131	\$247,210	\$32,651
Multi-Territory Franchise Outlet <sup>3</sup>	\$122,235	3 (30%) / 7 (70%)	\$100,992	\$299,943 <sup>6</sup>	\$39,686 <sup>7</sup>

#### **Notes to Table:**

<sup>1</sup> For the 2024 Calendar Year the data compiled in this category is based on 16 Operational Franchise Outlets. The Operational Franchise Outlets operate in a range from a low of one Territory to a high of five Territories, with each Outlet's aggregate territory size ranging in size from 48,000 to 1.6 million people.

<sup>2</sup> For the 2024 Calendar Year the data compiled in this category is based on 6 Single Territory Franchise Outlets. The Single Territory Franchise Outlets operate in an aggregate territory size ranging from 48,000 to 280,000 people.

<sup>3</sup> For the 2024 Calendar Year the data compiled in this category is based on 10 Multi-Territory Franchise Outlets. The Multi-Territory Franchise Outlets operate in a range from a low of one Territory to a high of five Territories, with each Outlet's aggregate territory size ranging in size from 300,000 to 1.6 million people.

<sup>4</sup> The high Gross Sales data for this category is for an Outlet operating in an Operating Territory that is the equivalent of two Territories, comprised of a population of approximately 500,000 people.

<sup>5</sup> The low Gross Sales data for this category is for an Outlet operating in an Operating Territory that is the equivalent of one Territory, comprised of a population of approximately 48,000 people.

<sup>6</sup> The high Gross Sales data for this category is for an Outlet operating in an Operating Territory that is the equivalent of two Territories, comprised of a population of approximately 500,000 people.

<sup>7</sup> The low Gross Sales data for this category is for an Outlet operating in an Operating Territory that is the equivalent of two Territories, comprised of a population of approximately 430,000 people.

Table 4

Operational Franchise Outlet Summary Class Volume, Gross Sales, and Territory Data for the 2024 Calendar Year				
Outlet	Business Type	Territory Size	Class Volume	Gross Sales
Franchise Outlet 1	Third party Studio Partnership Sites Plus Dedicated Studio	Multi-Territory Franchise Outlet Two Territories	Moderate	\$299,943
Franchise Outlet 2	Dedicated Studio Only	Multi-Territory Franchise Outlet Two Territories	Moderate	\$251,724
Franchise Outlet 3	Dedicated Studio Only	Single Territory Franchise Outlet	Moderate	\$247,210
Franchise Outlet 4	Third party Studio Partnership Sites	Multi-Territory Franchise Outlet Two Territories	Limited	\$130,287
Franchise Outlet 5	Third party Studio Partnership Sites	Single Territory Franchise Outlet	Very Limited	\$118,227
Franchise Outlet 6	Third party Studio Partnership Sites	Single Territory Franchise Outlet	Limited	\$110,497
Franchise Outlet 7	Third party Studio Partnership Sites	Multi-Territory Franchise Outlet Two Territories	Limited	\$110,282
Franchise Outlet 8	Third party Studio Partnership Sites	Single Territory Franchise Outlet	Very Limited	\$108,131
Franchise Outlet 9	Third party Studio Partnership Sites	Multi-Territory Franchise Outlet Two Territories	Very Limited	\$100,992
Franchise Outlet 10	Third party Studio Partnership Sites	Multi-Territory Franchise Outlet Five Territories	Limited	\$97,508
Franchise Outlet 11	Dedicated Studio Only	Multi-Territory Franchise Outlet Two Territories	Very Limited	\$70,229
Franchise Outlet 12	Dedicated Studio Only	Single Territory Franchise Outlet	Limited	\$69,595

Franchise Outlet 13	Third party Studio Partnership Sites	Multi-Territory Franchise Outlet Two Territories	Very Limited	\$64,068
Franchise Outlet 14	Third party Studio Partnership Sites	Multi-Territory Franchise Outlet Five Territories	Very Limited	\$57,632
Franchise Outlet 15	Third party Studio Partnership Sites	Multi-Territory Franchise Outlet Two Territories	Very Limited	\$39,686
Franchise Outlet 16	Third party Studio Partnership Sites	Single Territory Franchise Outlet	Very Limited	\$32,651

**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, DivaDance Company 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 Jami Stigliano Andosca, DivaDance Company at 3823 Airport Boulevard, Suite D, Austin, Texas 78722 and (254) 307-2781, 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 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	18	25	+7
	2023	25	30	+5
	2024	30	42	+12
Company Owned	2022	3	4	+1
	2023	4	4	0
	2024	4	4	0
Total Outlets	2022	21	29	+8
	2023	29	34	+5
	2024	34	46	+12

**TABLE NO. 2**  
**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR YEARS 2022 to 2024**

State	Year	Number of Transfers
Arkansas	2022	1
	2023	0
	2024	1
Florida	2022	0
	2023	0
	2024	3
Georgia	2022	0
	2023	1
	2024	0
Illinois	2022	0
	2023	1
	2024	0
Texas	2022	0
	2023	2
	2024	3
Totals	2022	1
	2023	4
	2024	7