

ITEM 18
PUBLIC FIGURES

There are no public figures involved in the sale of this 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 our 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.

All PERSPIRE SAUNA STUDIO Businesses offer substantially the same products and services to the public. None of them received any services not generally available to our franchisees, and substantially the same services will be offered to new franchisees, except our affiliates receive centralized accounting, financial, and management services. Additionally, one of our affiliates, PERSPIRE SAUNA STUDIO Businesses is located within a Non-Traditional Location in a gym. Franchisees do not operate PERSPIRE SAUNA STUDIOS at Non-Traditional Locations.

The representation being made is a historic financial performance representation for the franchise system's existing outlets. Table 19.1 is the annual Gross Revenue information on an average, median, high and low basis for the PERSPIRE SAUNA STUDIO Businesses that were open for the entire year of 2024 ("**Reporting Period One**").

There was a total of 72 PERSPIRE SAUNA STUDIO Businesses operating at the end of 2024, 66 of which are franchised and six of which are owned by our affiliates. The financial information is taken from the unaudited books and records of the 72 PERSPIRE SAUNA STUDIO Businesses that were open and operated in 2024.

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TABLE 19.1
Average Unit Volume
All Studios Open During Reporting Period One

Table 19.1.1 reflects the total 2024 annual Gross Revenue for PERSPIRE SAUNA STUDIO Businesses open during the entire Reporting Period One.

	Average and Median Annual Gross Revenue for Reporting Period Two		High Average Annual Gross Revenue	Low Average Annual Gross Revenue	Number of PERSPIRE SAUNA STUDIO Businesses That Met or Exceed the Average and the Median	
	Average Gross Revenue	Median Gross Revenue			Number of Perspire Sauna Studio Businesses in Quartile	Number of Perspire Sauna Studios that Met or Exceeded the Average and Median
Top 25%	\$733,618	\$716,871	\$935,880	\$664,009	12	4(33%)
2nd 25%	\$614,872	\$602,624	\$663,770	\$578,297	13	5(38%)
3rd 25%	\$496,807	\$491,706	\$550,249	\$443,380	13	6(46%)
Bottom 25%	\$351,893	\$334,796	\$428,706	\$255,364	12	3(25%)

Notes

The above chart includes franchised and affiliate owned PERSPIRE SAUNA STUDIO Businesses.

All Franchisee Owned PERSPIRE SAUNA STUDIO Businesses Opened During

Reporting Period One

	Average and Median Annual Gross Revenue for Reporting Period Two		High Average Annual Gross Revenue	Low Average Annual Gross Revenue	Number of PERSPIRE SAUNA STUDIO Businesses That Met or Exceed the Average and the Median	
	Average Gross Revenue	Median Gross Revenue			Number of Perspire Sauna Studio Businesses in Quartile	Number of Perspire Sauna Studios that Met or Exceeded the Average and Median
Top 25%	\$719,928	\$680,949	\$935,880	\$654,782	11	4(36%)
2nd 25%	\$595,633	\$595,128	\$642,638	\$550,249	11	5(45%)
3rd 25%	\$488,351	\$491,706	\$531,169	\$443,380	11	6(55%)
Bottom 25%	\$340,874.55	\$334,796	\$428,706	\$255,364	11	5(45%)

All Corporate or Affiliate PERSPIRE SAUNA STUDIO Businesses Open During

Reporting Period One

	Average and Median Annual Gross Revenue for Reporting Period Two		High Average Annual Gross Revenue	Low Average Annual Gross Revenue	Number of PERSPIRE SAUNA STUDIO Businesses That Met or Exceed the Average and the Median	
	Average Gross Revenue	Median Gross Revenue			Number of Perspire Sauna Studio Businesses in Quartile	Number of Perspire Sauna Studios that Met or Exceeded the Average and Median
Top 25%	\$742,031	\$742,031	\$742,031	\$742,031	1	1 (100%)
2nd 25%	\$719,267	\$719,267	\$719,907	\$718,627	2	1 (50%)
3rd 25%	\$568,828	\$568,828	\$661,264	\$475,992	2	1 (50%)
Bottom 25%	\$374,324	\$374,324	\$374,324	\$374,324	1	1 (100%)

TABLE 19.2

Membership Ramp-Up

New Franchised PERSPIRE SAUNA STUDIO Businesses in 2024

Month	Month 1	Month 3	Month 6
Average	211	230	257
Median	213	233	274
High	348	375	383
Low	76	97	150
# of Studios	22	22	15

Note

Of the 22 PERSPIRE SAUNA STUDIO Businesses opened in 2024, the average number of memberships in the first full month of business was 211, in the third month of business 230 and in the sixth month of business 257. Month Three and Month Six figures include data through March 2025.

TABLE 19.3**Corporate Affiliate PERSPIRE SAUNA STUDIO Businesses 2024 Performance.**

	Affiliate 1	Affiliate 2	Affiliate 3	Affiliate 4	Affiliate 5	Affiliate 6
Gross Revenues	\$742,031	\$661,264	\$475,992	\$719,907	\$374,324	\$718,627
COGS ⁽¹⁾	\$10,720	\$9,562	\$7,372	\$12,001	\$2,564	\$18,696
Gross Profit	\$731,310	\$651,702	\$468,620	\$707,906	\$371,324	\$699,930
Personnel Expense ⁽²⁾	\$117,761	\$124,458	\$148,179	\$95,367	\$78,860	\$154,712
Rent & Utilities	\$131,205	\$66,150	\$182,305	\$174,652	\$100,030	\$146,641
Linens	64,085	68,167	\$70,698	\$68,009	\$36,369	\$64,673
Facilities Expense ⁽³⁾	\$14,730	\$21,977	\$9,550	\$16,264	\$12,878	\$27,686
Marketing Expense ⁽⁴⁾	\$46,458	\$54,841	\$48,587	\$43,835	\$54,547	\$49,093
Other Operating Expense ⁽⁵⁾	\$166,387	\$137,596	\$83,033	\$128,903	\$51,230	\$93,673
Total Operating Expenses	\$540,626	\$473,188	\$542,351	\$527,030	\$333,914	\$536,478
Net Profit	\$190,685	\$178,514	-\$73,731	\$180,876	\$37,846	\$163,453
Margin	25.7%	27.00%	-15.49%	25.12%	10.11%	22.75%

Notes

1. Our affiliate acquired PERSPIRE SAUNA STUDIO Business No. 3 in January of 2022. This PERSPIRE SAUNA STUDIO Business currently operates as our testing facility, resulting in higher personnel expenses compared to standard PERSPIRE SAUNA STUDIO Businesses. Our affiliate plans to reconstruct PERSPIRE SAUNA STUDIO Business No. 3 into a new flagship location featuring our current franchisee offerings in Q1 2026. PERSPIRE SAUNA STUDIO Business No 4 was acquired by our affiliate in September 2023.

2. "COGS" represents the costs of items used in the PERSPIRE SAUNA STUDIO Businesses, including retail products, food and beverages, and general supplies and materials.

3. The Personnel Expense is for employees in California and Florida. Expenses for employees outside of California may be less. PERSPIRE SAUNA STUDIO Business Manager's related expenses have been removed from the personnel expenses. You may or may not elect to have a manager at your PERSPIRE SAUNA STUDIO Business, and those costs vary.

4. The Facilities Expense represents the costs of maintaining the Locations, including, cleaning supplies, entertainment apps, and internet expenses.

5. The Marketing Expense includes the Brand Fund and the LAS. Affiliate PERSPIRE SAUNA STUDIO Businesses spend more than the required amount for marketing.

6 The Other Operating Expense includes 6% Royalty.

7. The information used to prepare the charges above was prepared from our affiliates internal accounting system. We do not know of an instance, nor do we have reason to believe that the affiliates would overstate or understate their sales or expenses. However, these figures have not been audited and we have not independently verified these numbers.

TABLE 19.4

2.0 Studio Monthly Revenue -September 2024 to March 2025

	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	March 2025
PERSPIRE SAUNA STUDIO Business 1	\$28,085	\$59,162	\$93,214	\$84,541	\$84,601	\$91,622	\$89,523
PERSPIRE SAUNA STUDIO Businesses 2	n/a	n/a	n/a	n/a	\$28,674	\$51,386	\$59,010

2.0 Membership Ramp Up - September 2024 to March 2025

	Sept 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	March 2025
PERSPIRE SAUNA STUDIO Businesses 1	135	223	258	279	358	363	383
PERSPIRE SAUNA STUDIO Businesses 2	n/a	n/a	n/a	n/a	272	338	352

Notes

The PERSPIRE SAUNA STUDIO Businesses in Table 19.4 opened as our full 2.0 build and service offerings. One of the PERSPIRE SAUNA STUDIO Businesses in Table 19.4 opened in October 2024. The other PERSPIRE SAUNA STUDIO Businesses in Table 19.4 opened January 2025.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

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

Other than the preceding financial performance representation, we do 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 our Fractional Chief Development Officer, Patricia Rother, 129 Cabrillo St., Suite 200, Costa Mesa, CA 92627, 949-669-1758 the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
System Wide 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	17	26	+9
	2023	27	45	+18
	2024	45	66	+21
Company-Owned	2022	4	4	0
	2023	4	6	+2
	2024	6	6	0
Total	2022	21	30	+9
	2023	31	51	+20
	2024	51	72	+21

TABLE 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for Years 2022 to 2024

State	Year	Number of Transfers
Arizona	2022	0
	2023	0
	2024	1
Texas	2022	0
	2023	2
	2024	1
Total	2022	0
	2023	2
	2024	2