

Provision	Section in Franchise Agreement	Summary
		a location used or maintained by us, or our affiliates, or another SPECIAL STRONG franchisee existing on the date of termination, expiration or transfer. For a two-year period following termination or expiration of the franchise, neither you nor any Owner may solicit or perform services for any client of the former Franchised Business or induce any employee of another franchisee to leave his or her employment.
s. Modification of the agreement	Section 20.2.	The Franchise Agreement may be modified only by a written document signed by both parties.
t. Integration/merger clause	Section 20.1.	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises made outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections 21.2. and 21.3.	Except for certain types of claims relating to our intellectual property, disputes must be resolved through information methods, mediation or arbitration.
v. Choice of forum	Sections 21.2., 21.3., 21.4., and 21.5.	Mediation will be held at our then-current principal office (currently located in McKinney, TX), and arbitration at the AAA offices located in the city where our principal business office is located (subject to applicable state law).
w. Choice of law	Section 21.1.	Texas law applies. (Subject to applicable state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote the 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/or franchisor-owned businesses, 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 location 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.

Revenue Information for Special Strong

Our affiliate, Special Strong, LLC, has operated the type of SPECIAL STRONG business offered under this disclosure document since August 2016 within a geographic area equal to approximately one territory as offered under this Disclosure Document. Our affiliate does not pay us Royalty Fees, Brand Development Fund Fees or Technology Fees, but our affiliate utilizes most of the software that our franchisees receive under the Technology Fee. Our affiliate also is not required to expend any specific amount on local advertising. Otherwise, there are no material operational or financial differences between the type of business operated by our affiliate and the business operated by our franchisees. During 2017 to 2021, we had no franchisees, and our affiliate was the only operating SPECIAL STRONG business. During 2023 and 2024, we had five (5) franchisees open for the entire calendar year. The four of the five (5) franchisees disclosed below in Chart II each operated in one (1) territory and one franchisee operated two (2) territories. We have excluded four (4) franchised outlets from Chart II because they were not open the full 2023 and 2024 calendar years. The following charts include actual historical financial performance data that our affiliate and our franchisees derived from providing health and fitness services during the applicable periods of time. This information is based on data reported to us by our affiliate and franchisees. These figures are represented on an accrual basis.

Chart I – Affiliate Gross Revenue and Financial Performance

Special Strong, LLC							
North Dallas, Texas							
	2018	2019	2020*	2021	2022	2023	2024
Gross Revenue	\$328,105	\$320,053	\$248,489	\$306,972	\$327,473	\$273,782	\$215,665.95

Below is a detailed report of the financial performance of our Affiliate for the year ending December 31, 2024.

Income	
Revenue	\$0.00
Corporate Group Classes	\$6,100.00
Local Group Classes	\$25,364.82
Private Training	\$181,203.77
Virtual Training	\$2,997.36
Total Revenue	\$215,665.95
Total Income	\$215,665.95
Cost of Goods Sold	
Contractors	\$64,942.50
Facilities Rent & Lease	\$11,149.71
Total Cost of Goods Sold	\$76,092.21
Gross Profit	\$139,573.74
Expenses	
Personnel Expenses	
Salaries & Wages	\$72,875.00
Employer Payroll Tax	\$4,669.19
Payroll Processing Fees	\$3,123.56
Workers Comp Insurance	\$553.30
Recruitment	\$1,576.11
Total Personnel Expenses	\$82,797.16

Operational Expenses	
Office Supplies & Expense	\$125.00
Supplies & Materials	\$780.81
Dues & Subscriptions	\$896.32
Software & Technology	\$1,722.94
Total Operational Expenses	\$3,525.07
Professional Fees	
Accounting Fees	\$2,275.00
Professional Services	\$1,584.37
Total Professional Fees	\$4,309.37
Vehicle Expenses	
Gasoline	\$2,116.14
Repairs & Maintenance	\$912.82
Insurance	\$4,608.99
Total Vehicle Expense	\$7,637.95
Interest and Fee Expense	
Bank Charge Fees	\$67.99
Merchant Processing Fees	\$2,586.33
Interest Expense	\$344.02
Interest and Fee Expense	\$2,998.34
Insurance Expense	\$2,124.25
Taxes and License Expense	\$414.10
Insurance/Taxes Expenses	\$2,538.35
Advertising & Marketing	
Advertising, Marketing, Promo	\$2,116.38
Total Expenses	\$105,922.62
Owner Wages	\$82,797.16
Net Without Owner Wages	\$116,448.28
Net Operating Income with Owner Wages	\$33,651.12
Imputed Royalty Fees (7.25% of Gross Revenue)	\$15,635.78
Imputed Brand Dev. Fund Fees (2% of Gross Revenue)	\$4,313.32
Imputed Local Advertising Expenses (Greater of \$2,500 or 8% of Gross Revenue per month; shown here as \$2,500 per month less the \$2,116.38 that Affiliate spent on local advertising)	\$27,883.62
Net Operating Income With Imputed Fees	\$68,615.56

Notes to Chart I:

1. Total Income means all revenue derived from the operation of the Affiliate location, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that our Affiliate, in the normal course of its operations would credit or attribute to the operation of the Business.
2. The Affiliate owned location did not pay royalties, core technology suite fees or brand development

fund contributions and are not required to spend a defined amount in their local areas for marketing.

3. The Affiliate owned location had a Gross Margin of 64.72%.

Chart II – Franchisee Gross Revenue

Franchisees January 1, 2024 – December 31, 2024				
	Opened for Business	Gross Revenue	COGS	Gross Profit & Gross Margin
West North Dallas, TX	April 30, 2021	\$177,660	\$44,452	\$133,119 (77.93%)
Southeast Houston & North West Houston, TX *	April 13, 2021	\$273,648	\$142,786	\$130,862 (47.82%)
West Valley, AZ	October 4, 2021	\$169,790	\$54,208	\$115,582 (68.07%)
Northeast Tarrant County, TX	May 14, 2022	\$138,484	\$61,596	\$76,888 (55.52%)
West Houston, TX	May 10, 2023	\$112,410	\$36,649	\$75,761 (67.40%)

*This Franchisee operates in two territories.

Notes to Chart II:

1. **Gross Revenue.** “Gross Revenue” means all revenue derived from the operation of the Special Strong’s business, whether made for cash, on credit, or otherwise, without reserve or deduction for inability or failure to collect, that Special Strong, in the normal course of its operations would credit or attribute to the operation of the business. It also includes the fair market value of any services or property received as a barter exchange for services. Gross Revenue does not include the amount of any city, county, state or federal sales, luxury or excise tax on all sales that are both (a) added to the selling price or absorbed therein and (b) paid to the taxing authority.

2. **Gross Profit and Gross Margin.** “Gross Profit” means “Gross Revenue” less Cost of Goods Sold (“COGS”). “Gross Margin” is the percentage resulting from dividing Gross Profit by Gross Revenue.

Chart III – Rates for Services

Our affiliate, Special Strong, LLC, and the franchisees disclosed in this Item 19 charge the following rates for services, which are also the rates we suggest to our franchisees.

Package	Service	Fee Range (Minimum/Maximum)	Number of Sessions per Month
Basic	1:1 Private Training 30-minute session	\$299.99 - \$387.10 per month	4 Sessions per Month
Premium	1:1 Private Training 50-minute session	\$399.99 - \$546.67 per month	4 Sessions per Month
BasicPlus	1:1 Private Training 30-minute session	\$499.99 - \$648.65 per month	8 Sessions per Month

PremiumPlus	1:1 Private Training 50-minute session	\$699.99 - \$964.71 per month	8 Sessions per Month
Classes	Group Classes 45- minute Class	\$120 - \$200 per month	4 Sessions per Month
Classes	Corporate Classes 45-minute Class	\$200 - \$600 per month	Varies

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

Written substantiation of the financial performance representation will be provided to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Strong Kingdom, 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 business, however, we may provide you with the actual records of that business. 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 Daniel Stein at 1720 Bray Central Drive, Suite 100-B, McKinney, Texas 75069 or (833) 543-3496, the Federal Trade Commission, and the appropriate state regulatory agencies.

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	3	6	+3
	2023	6	7	+1
	2024	7	9	+2
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	4	7	+3
	2023	7	8	+1
	2024	8	10	+2

Table No. 2

Transfers of Outlets from Franchisee to New Owners (other than the Franchisor)
For Years Ending 2022 to 2024

State	Year	Number of Transfers
Texas	2022	0
	2023	1
	2024	0
Totals	2022	0
	2023	1
	2024	0

Table No. 3

Status of Franchised Outlets
For Years Ending 2022 to 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
Arizona	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
California	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1