

Provision	Section in Franchise Agreement or Other Agreement	Summary
n. Our right of first refusal to acquire your business	Section 14(F)	We can match any offer for your Studio.
o. Our option to purchase your business	Section 17(D)	When the Franchise Agreement expires or terminates, we may purchase assets at fair market value, less the value of any goodwill associated with our Marks and other intangible assets.
p. Your death or disability	Section 14(D)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q. Non-competition covenants during the term of the franchise	Sections 13(B), 13(C) and 13(E)	No involvement in any business that offers or sells strength training, fitness training, or any other physical training services and related products, or any other offerings or items similar to the Services and Products, including any other business that may be confusingly similar to a Discover Strength™ Studio.
r. Non-competition covenants after the franchise is terminated or expires	Sections 13(B), 13(D), 13(E) and 17(A)	No involvement in any business that offers or sells strength training, fitness training, or any other physical training services and related products, or any other offerings or items similar to the Services and Products, including any other business that may be confusingly similar to a Discover Strength™ Studio within a 8-mile radius of the former site of the Studio or any other then-existing Discover Strength™ Studio, for 18 months following the termination or expiration of the Franchise Agreement or you cease operating the Studio (whichever is later).
s. Modification of the agreement	Section 20(F)	No modifications generally, except in writing. We may modify Operations Manual, Marks, System and goods/services to be offered to your Studio.
t. Integration/merger clause	Section 20(N)	Only the terms of the Franchise Agreement (including exhibits) are binding (subject to federal and state law). Any representations or other promises made outside the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19	Except for actions we bring for monies owed, injunctive relief, or actions involving real estate, all disputes first will be subject to non-binding mediation in the county where our headquarters is located, then (if not resolved) to binding arbitration in the county where our headquarters is located (subject to applicable law).
v. Choice of forum	Section 20(D)	Litigation (to the extent permitted) must be in state or federal court in the in the county where our headquarters is located at the time the suit is commenced (subject to applicable law). We also have the right to file suit where the Studio is located (subject to applicable law).
w. Choice of law	Section 20(E)	Laws of the state where Studio is located applies (subject to applicable law).

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our 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 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.

The table below presents data we obtained from DSPFC respecting the historic Gross Sales and other information for six company-owned locations and the comparable unaudited data we received from the six franchisee-owned locations that have been in operation at least 13 months beginning December 1, 2023, and were in operation during the entire 12-month period ending December 31, 2024. As of December 31, 2024, DSPFC owned and operated 8 company-owned locations and franchisees owned and operated 14 locations. We excluded two company-owned and 8 franchisee-owned locations because the Studios were not yet in operation as of December 1, 2023.

Unaudited Annual Statements of Company Unit Gross Sales, Selected Expenses and Revenue per Square Foot for the Period January 1, 2024 to December 31, 2024

	Plymouth	Minneapolis	Woodbury	Northeast Minneapolis	St. Louis Park	Scottsdale AZ
Open Date	5/22/2006	10/22/2012	5/21/2018	2/28/2019	11/9/2020	3/20/2023
Years Opened	18.6	12.2	6.6	5.8	4.1	1.8
Square Footage	1,640	2,173	1,956	2,126	1,599	2,091
Total Revenue	\$1,193,517	\$511,759	\$1,023,441	\$1,011,462	\$1,172,895	\$263,100
Labor	\$504,564	\$257,328	\$481,773	\$492,939	\$504,078	\$158,415
Payroll Taxes	\$37,709	\$19,450	\$37,535	\$38,005	\$38,949	\$12,089
Labor % of Total Revenue	43%	33%	48%	34%	50%	40%
Revenue per Square Feet	\$728	\$236	\$523	\$476	\$734	\$126
Monthly Rent Expense	\$5,301	\$5,608	\$10,987	\$7,507	\$6,433	\$9,432

Unaudited Annual Statements of Franchised Unit Gross Sales, Selected Expenses and Revenue per Square Foot for the Period January 1, 2024 to December 31, 2024

	Chanhassen	Wayzata	Maple Grove	Edina	Savage	Apple Valley
Open Date	4/2/2012	12/9/2021	12/15/2021	9/11/2023	10/10/2023	11/30/2023
Years Opened	12.8	3.1	3.0	1.3	1.2	1.1
Square Footage	4,874	1,710	1,982	2,400	2,350	2,495
Total Revenue	\$1,206,787	\$1,048,532	\$1,051,795	\$1,229,438	\$222,920	\$326,415
Labor	\$524,325	\$341,379	\$504,329	\$419,680	\$110,778	\$131,565
Payroll Taxes	\$49,992	\$26,355	\$37,826	\$50,152	\$9,399	\$10,159
Labor % of Total Revenue	43%	33%	48%	34%	50%	40%
Revenue per Square Feet	\$248	\$613	\$531	\$512	\$95	\$131
Monthly Rent Expense	\$8,601	\$8,550	\$5,038	\$12,073	\$6,773	\$9,069

Notes for Tables:

1. “Open Date” means the date the applicable Studio opened for business to the public.
2. “Years Open” means the total number of years each Studio has been open for business to the public.
3. “Square Footage” means the total square footage of the entire Studio, including all gym space, locker rooms, supply areas, and other areas needed to operate the Studio. Note that the Chanhassen Studio is an unusually large Studio with Square Footage of over 4,800 square feet (vs. a more typical range of 1,800 to 2,220 square feet) which likely will impact Revenue per Square Foot.

4. “Gross Sales” means the aggregate amount of all sales of all Services and Products, and other goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with each applicable Studio, including off-premises sales and monies derived at or away from the Studio. The term “Gross Sales” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes paid or accrued by you; or (2) adjustments for net returns on salable goods and discounts allowed to customers on sales. Gross Sales has not been adjusted for uncollected accounts. The average session price generally range from \$45 to \$51 per session.

5. “Labor” means wages for all employees that provide training services, but does not include employee benefits or payroll taxes.

6. “Payroll Taxes” means the taxes each applicable studio pays for its employees.

7. “Monthly Rent Expense” means the total amount of payments to the Studio’s landlords, including base rent, common area maintenance, real estate taxes and insurance.

Some outlets 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 is available to the prospective franchisee upon reasonable request. 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 financial performance representations orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet that are available to us on an audited basis. 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 Luke Carlson, Discover Strength Franchising LLC, 4450 Excelsior Blvd., Suite 490, St. Louis Park, MN 55416, (763) 317-4343, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Business Summary
For Years 2022 to 2024

Business Type	Year	Businesses at the Start of the Year	Businesses at the End of the Year	Net Change
Franchised	2022	2	3	+1
	2023	3	8	+5
	2024	8	14	+6
Company-Owned*	2022	6	5	-1
	2023	5	6	+1
	2024	6	8	+2
Total Businesses	2022	8	8	0
	2023	8	14	+6
	2024	14	22	+8

* As described in Item 1, company-owned businesses are owned and operated by our affiliate, DSPFC.