

Provision	Section in Area Development Agreement	Summary
v. Choice of forum <sup>1</sup>	Section 9.1	Subject to state law, any informal dispute resolution, mediation or arbitration proceeding must be conducted where our principal office is located when the demand is requested. Any litigation to enforce the Area Development Agreement must be filed in the courts where our principal office is located when litigation is filed (currently Broward County, Florida).
w. Choice of law <sup>1</sup>	Section 9.1	Except to the extent governed by the United States Trademark Act of 1946, the United States Copyright Act or the United States Arbitration Act, and subject to applicable state law, the Development Agreement is interpreted under the laws of Florida.

<sup>1</sup> See Exhibits A and F to this Franchise Disclosure Document for certain state-specific requirements.

#### ITEM -18 PUBLIC FIGURES

Effective January 2021, we entered into a Celebrity Endorsement Agreement with Brees Company, Inc., a Delaware corporation (“BCI”), for the services of Drew Brees, the former quarterback in the National Football League with the New Orleans Saints. Mr. Brees has become a public figure identified with physical conditioning, including stretching exercises. Mr. Brees endorses the Stretch Zone Franchise concept. BCI, on behalf of Mr. Brees, has agreed to make him available to provide marketing services for Stretch Zone and granted us the right and license to use the Drew Brees name, nickname, initials, autograph, facsimile signature, photograph, likeness, and/or endorsement in connection with the advertisement, promotion, sale and operation of Stretch Zone Franchises. In exchange for Mr. Brees’ endorsement and the above-referenced licenses, we agreed (a) to pay BCI a guaranteed minimum \$250,000 annual payment; (b) to grant Mr. Brees the right to be on the Management Committee; (c) to grant Mr. Brees Unit Appreciation Rights; (d) to grant Mr. Brees Area Development Rights for 20 Franchises to be located in the greater New Orleans, Indianapolis and San Diego; and (e) to grant Mr. Brees a Right of First Refusal for Franchises to be located in Orange County, California. Effective June 2023, the Agreement was amended to (i) extend the term by approximately four years to December 31, 2028, (ii) amend the compensation to a guaranteed minimum \$500,000 annual payment, and (iii) issue certain Class C units of our Parent to Mr. Brees.

#### 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 this disclosure document. Financial performance information that differs from that included in this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlets 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.

This Item 19 presents information about the financial performance during our fiscal year ended December 31, 2024 ("Fiscal Year 2024") of certain Franchise Businesses.

**AVERAGE GROSS REVENUES BY QUARTILE  
FOR FRANCHISE BUSINESSES  
FOR FISCAL YEAR 2024**

Quartiles	Average Gross Revenues	Median Gross Revenues	Lowest Gross Revenues	Highest Gross Revenues
Top Quartile	\$507,663	\$472,306	\$400,634	\$1,102,834
2nd Quartile	\$346,476	\$350,534	\$299,367	\$399,261
3rd Quartile	\$265,893	\$265,053	\$234,504	\$298,703
Bottom Quartile	\$192,138	\$190,740	\$136,152	\$233,188
<b>Total</b>	<b>\$328,042</b>	<b>\$307,794</b>	<b>\$136,152</b>	<b>\$1,102,834</b>

**MATERIAL BASES FOR THE HISTORICAL FPRS:**

The following are the 6 elements comprising a "material" basis for the historical financial performance representations:

1. **Group Measured** – The group measured includes all Franchised Units that have been operating for 12 or more months, out of a total of 377 Franchised Units there were operational as of December 31, 2024.

Month	Franchised Outlets in System	Franchised Outlets Represented
January 2024	330	293
February 2024	330	293
March 2024	330	293
April 2024	330	293
May 2024	330	293
June 2024	330	293
July 2024	330	293
August 2024	330	293
September 2024	330	293
October 2024	330	293
November 2024	330	293
December 2024	330	293

2. **Time Period Measured** – The time period measured is calendar year 2024.
3. **Number of Units Measured** – The number of units measured is 330.
4. **Number of Units Reporting** – The number of units reporting is 293.
5. **Number of Percentage of Units** – The number and percentage of units that achieved the stated level of performance is 293 units of 330 units currently operating.

6. **Distinguishing Characteristics** - The distinguishing characteristics of the group measured are time in operation and Franchised Units.

- We had to exclude the operation results of 37 units, due to not being able to report accurate annual revenues due to non-compliance.

**NOTES TO ITEM 19:**

1. **Some Franchise Businesses have sold or earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.**
2. "Gross Revenues" means the entire amount of all of the revenues from the ownership or operation of the Franchise Business, including the proceeds of any business interruption insurance, whether the revenues are evidenced by cash, credit, checks, or gift certificates (unless exempted by us), and the fair market value of any services, property, or other means of exchange, except the amount of any sales taxes that are collected and paid to the taxing authority (based on the cash method of accounting). We allow the deduction of cash refunded, credit given to customers, and receivables uncollectible from customers in computing Gross Revenues to the extent that the cash, credit or receivables were previously included in Gross Revenues on which Royalty Fees and Advertising Contributions were paid. Gross Revenues are considered received at the time the goods, products, merchandise or services from which Gross Revenues are derived are delivered or rendered, or at the time that the relevant sale takes place, whichever occurs first.
3. These sales figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenues figures to obtain your net income or profit.
4. We calculated the figures in the table in this financial performance representation using financial reports submitted by our franchisees.
5. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.
6. We encourage you to contact our existing franchisees to discuss their experiences with our franchise system and their Franchise Businesses.

Other than 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 (as applicable) or franchised outlets. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Tony Zaccario, President and CEO at 6700 North Andrews Avenue #210, Fort Lauderdale, Florida 33309, 954-799-6419, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM -20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**System wide Unit Summary**  
**For Years 2022 to 2024**

Column 1 <b>Unit Type</b>	Column 2 <b>Year</b>	Column 3 <b>Units at the Start of the Year</b>	Column 4 <b>Units at the End of the Year</b>	Column 5 <b>Net Change</b>
Franchised	2022	153	240	+87
	2023	240	330	+90
	2024	330	377	+47
Company-Owned	2022	3	3	0
	2023	3	0	-3
	2024	0	0	0
<b>Total Units</b>	<b>2022</b>	<b>156</b>	<b>243</b>	<b>+87</b>
	<b>2023</b>	<b>243</b>	<b>330</b>	<b>+87</b>
	<b>2024</b>	<b>330</b>	<b>377</b>	<b>+47</b>

**Table No. 2**  
**Transfers of Units from Franchisees to New Owners (other than Us)**  
**For Years 2022 to 2024**

Column 1 <b>State<sup>1</sup></b>	Column 2 <b>Year</b>	Column 3 <b>Number of Transfers</b>
Alabama	2022	1
	2023	2
	2024	3
Arizona	2022	2
	2023	1
	2024	9
Arkansas	2022	0
	2023	0
	2024	1
California	2022	1
	2023	0
	2024	0
Connecticut	2022	0
	2023	1
	2024	0
Colorado	2022	0
	2023	3
	2024	2

Column 1	Column 2	Column 3
State <sup>1</sup>	Year	Number of Transfers
Florida	2022	10
	2023	3
	2024	31
Georgia	2022	5
	2023	2
	2024	8
Idaho	2022	0
	2023	0
	2024	2
Illinois	2022	0
	2023	4
	2024	0
Louisiana	2022	0
	2023	0
	2024	1
Maryland	2022	0
	2023	0
	2024	2
Massachusetts	2022	0
	2023	0
	2024	3
Missouri	2022	1
	2023	0
	2024	1
Nebraska	2022	0
	2023	0
	2024	2
New Jersey	2022	0
	2023	1
	2024	1
Nevada	2022	0
	2023	4
	2024	3
North Carolina	2022	0
	2023	4
	2024	7
Ohio	2022	0
	2023	0
	2024	2
Oklahoma	2022	0
	2023	0
	2024	2

Column 1	Column 2	Column 3
State <sup>1</sup>	Year	Number of Transfers
South Carolina	2022	2
	2023	2
	2024	0
Tennessee	2022	0
	2023	3
	2024	2
Texas	2022	7
	2023	0
	2024	10
Washington	2022	0
	2023	0
	2024	1
Wisconsin	2022	0
	2023	0
	2024	6
Virginia	2022	0
	2023	1
	2024	0
<b>Total</b>	<b>2022</b>	<b>29</b>
	<b>2023</b>	<b>31</b>
	<b>2024</b>	<b>99</b>

**Table No. 3**

**Status of Franchise Units  
For Years 2022 to 2024**

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Units at Start of Year	Units Opened	Terminations	Non-Renewals	Re-acquired by Us	Ceased Operations-Other Reasons	Units at End of the Year
Alabama	2022	3	2	0	0	0	0	5
	2023	5	3	0	0	0	0	8
	2024	8	2	0	0	0	0	10
Alaska	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Arizona	2022	5	3	0	0	0	0	8
	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	0	8

Col. 1 State	Col. 2 Year	Col. 3 Units at Start of Year	Col. 4 Units Open ed	Col. 5 Termi- nations	Col. 6 Non- Renewals	Col. 7 Re- acquired by Us	Col. 8 Ceased Operation s-Other Reasons	Col. 9 Units at End of the Year
Arkansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
California	2022	2	1	0	0	0	0	3
	2023	3	3	0	0	0	0	6
	2024	6	3	0	0	0	0	9
Colorado	2022	8	1	0	0	0	0	9
	2023	9	1	0	0	0	0	10
	2024	10	3	0	0	0	0	13
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Delaware	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Florida	2022	41	13	0	0	0	0	54
	2023	54	18**	0	0	0	0	72**
	2024	72	9	0	0	0	0	81
Georgia	2022	13	2	0	0	0	0	15
	2023	15	5	0	0	0	0	20
	2024	20	3	0	0	0	0	23
Idaho	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Illinois	2022	2	5	0	0	0	0	7
	2023	7	4	0	0	0	0	11
	2024	11	0	0	0	0	0	11
Indiana	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Iowa	2022	0	1	0	0	0	0	1
	2023	1	3	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Kansas	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Kentucky	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	0	5

Col. 1 State	Col. 2 Year	Col. 3 Units at Start of Year	Col. 4 Units Open ed	Col. 5 Termi- nations	Col. 6 Non- Renewals	Col. 7 Re- acquired by Us	Col. 8 Ceased Operation s-Other Reasons	Col. 9 Units at End of the Year
Louisiana	2022	2	4	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
Maryland	2022	0	6	0	0	0	0	6
	2023	6	3	0	0	0	0	9
	2024	9	1	0	0	0	0	10
Massachu- setts	2022	1	2	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Michigan	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	1	0	0	0	0	6
Minnesota	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Mississippi	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Missouri	2022	2	1	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Nebraska	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Nevada	2022	4	2	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
New Jersey	2022	3	0	0	0	0	0	3
	2023	3	2	0	0	0	0	5
	2024	5	1	0	0	0	0	6
New Mexico	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New York	2022	1	3	0	0	0	0	4
	2023	4	5	0	0	0	0	9
	2024	9	2	0	0	0	0	11
North Carolina	2022	6	4	0	0	0	0	10
	2023	10	4	0	0	0	0	14
	2024	14	1	0	0	0	0	15



Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Units at Start of Year	Units Opened	Terminations	Non-Renewals	Re-acquired by Us	Ceased Operations-Other Reasons	Units at End of the Year
Oklahoma	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
	2024	3	3	0	0	0	0	6
Oregon	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
	2024	3	2	0	0	0	0	5
Ohio	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Pennsylvania	2022	4	2	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	2	0	0	0	0	9
South Carolina	2022	9	3	0	0	0	0	12
	2023	12	4	0	0	0	0	16
	2024	16	1	0	0	0	0	17
Tennessee	2022	5	3	0	0	0	0	8
	2023	8	2	0	0	0	0	10
	2024	10	1	0	0	0	0	11
Texas	2022	21	9	0	0	0	0	30
	2023	30	6	0	0	0	0	36
	2024	36	5	0	0	0	0	41
Utah	2022	3	2	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Virginia	2022	1	1	0	0	0	0	2
	2023	2	4	0	0	0	0	6
	2024	6	2	0	0	0	0	8
Washington	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
West Virginia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Wisconsin	2022	0	7	0	0	0	0	7
	2023	7	1	0	0	0	0	8
	2024	8	0	0	0	0	0	8
<b>Totals</b>	<b>2022</b>	<b>153</b>	<b>87</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>240</b>
	<b>2023</b>	<b>240</b>	<b>90**</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>330**</b>
	<b>2024</b>	<b>330</b>	<b>47</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>377</b>

\*\* In March 2023, we were acquired by our Parent. At that time, SZH held a majority ownership interest in three Stretch Zone businesses in Florida, which were then categorized as company-owned units in Table 4 below. In connection with the acquisition, SZH, along with the minority owner in the businesses, entered into a franchise agreement with us for each of these three businesses, which are now categorized as franchise units in Table 3 above.

**Table No. 4**

**Status of Company-Owned Units  
For Years 2022 to 2024**

Column 1 <b>State</b>	Column 2 <b>Year</b>	Column 3 <b>Units at Start of Year</b>	Column 4 <b>Units Opened</b>	Column 5 <b>Units Reacquired From Franchisee</b>	Column 6 <b>Units Closed</b>	Column 7 <b>Units Sold to Franchisee</b>	Column 8 <b>Units at End of the Year</b>
Florida	2022	3	0	0	0	0	3
	2023	3	0	0	3*	0	0*
	2024	0	0	0	0	0	0
<b>Totals</b>	<b>2022</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2023</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3*</b>	<b>0</b>	<b>0*</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* In March 2023, we were acquired by our Parent. At that time, SZH held a majority ownership interest in three Stretch Zone businesses in Florida, which were then categorized as company-owned units in Table 4 above. In connection with the acquisition, SZH, along with the minority owner in the businesses, entered into a franchise agreement with us for each of these three businesses, which are now categorized as franchise units in Table 3 above.

**Table No .5**

**Projected Openings as of December 31, 2024**

Column 1 <b>State</b>	Column 2 <b>Franchise Agreements Signed But Unit Not Open</b>	Column 3 <b>Projected New Franchise Units In the Next Fiscal Year</b>	Column 4 <b>Projected New Company Owned Units in the Next Fiscal Year</b>
Alabama	3	2	0
Arizona	1	3	0
California	4	11	0
Colorado	2	2	0
Connecticut	1	4	0
Florida	5	5	0
Georgia	3	5	0
Idaho	0	0	0
Illinois	0	3	0