

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.

As of December 31, 2024, there were a total of 1,009 franchised Massage Envy Businesses open and operating and, of that number, 1,009 Massage Envy Businesses were in operation continuously throughout fiscal year 2024 and had been open and operating for at least 12 calendar months as of December 31, 2024. Our 2024 fiscal year was January 1, 2024 through December 31, 2024. Of these 1,009 Massage Envy Businesses, 187 reflect the current size and layout for Massage Envy Businesses (ranging in size from 2,300 to 2,800 square feet) that prospective franchisees are required to develop. We call these 187 Massage Envy Businesses the “**Current Format Businesses**” in this Item 19.

For purposes of these Tables, “**Gross Sales**” means the total of all revenue and receipts derived from the operation of the Massage Envy Business, including, but not limited to, all amounts received at or away from the physical location of the Massage Envy Business, or through or by means of the business conducted at the Massage Envy Business, such as fees for massage services, facial services, membership fees, fees for optional member services and charges, gift card sales, and revenue derived from products sales, whether in cash or by check, credit card, debit card, barter or exchange, or other credit transactions, but excluding only (1) sales taxes collected from customers and paid to the appropriate taxing authority, (2) all customer refunds and credits your business makes, and (3) tips received by massage therapists and aestheticians. Without limiting the generality of the foregoing, “**Gross Sales**” includes all amounts that third party marketing agencies, such as, for example, Groupon, receive and retain from your customers for marketing products or services that these customers purchase from your business.

Table 1 presented below shows Gross Sales information from fiscal year 2024 for the 187 Current Format Businesses that were open and operational for at least 1 year as of December 31, 2024.

TABLE 1
AVERAGE GROSS SALES FOR FISCAL YEAR 2024
FOR CURRENT FORMAT BUSINESSES OPEN 1 YEAR OR MORE

| FRANCHISED MASSAGE ENVY BUSINESSES QUARTILES | AVERAGE GROSS SALES | NUMBER AND PERCENTAGE OF LOCATIONS ATTAINING OR EXCEEDING AVERAGE GROSS SALES IN 2024 | MEDIAN GROSS SALES | HIGHEST GROSS SALES | LOWEST GROSS SALES |
|---|------------------------|---|-----------------------|------------------------|-----------------------|
| Top Quartile | \$ 1,815,058 | 22 / 47 (46.8%) | \$ 1,762,064 | \$ 2,695,529 | \$ 1,407,144 |
| 2nd Quartile | \$ 1,191,085 | 21 / 47 (44.7%) | \$ 1,187,658 | \$ 1,385,462 | \$ 1,070,589 |
| 3rd Quartile | \$ 924,249 | 23 / 47 (48.9%) | \$ 921,004 | \$ 1,064,267 | \$ 781,655 |
| Bottom Quartile | \$ 610,237 | 28 / 46 (60.9%) | \$ 678,134 | \$ 780,908 | \$ 191,413 |
| Total | \$ 1,137,964 | 79 / 187 (42.2%) | \$ 1,070,589 | \$ 2,695,529 | \$ 191,413 |

Tables 2, 3 and 4 presented below show Gross Sales information from fiscal year 2024 for the Current Format Businesses that were open and operating for various periods of time as of December 31, 2024: (i) at least 1 year, but not more than 5 years, (ii) at least 5 years, but not more than 10 years and (iii) at least 10 years.

Group A: Current Format Businesses Open 1-5 Years

Table 2 below reflects the Gross Sales during fiscal year 2024 for the 9 Current Format Businesses that first opened for business between January 1, 2020 and December 31, 2024, meaning they were open and in operation continuously for at least 1 year but not more than 5 years as of December 31, 2024.

**TABLE 2
AVERAGE GROSS SALES FOR FISCAL YEAR 2024
FOR CURRENT FORMAT BUSINESSES OPEN 1-5 YEARS**

| FRANCHISED MESSAGE ENVY BUSINESSES QUARTILES | AVERAGE GROSS SALES | NUMBER AND PERCENTAGE OF LOCATIONS ATTAINING OR EXCEEDING AVERAGE GROSS SALES IN 2024 | MEDIAN GROSS SALES | HIGHEST GROSS SALES | LOWEST GROSS SALES |
|--|------------------------|---|-----------------------|------------------------|-----------------------|
| Top Quartile | \$ 1,123,948 | 1 / 2 (50.0%) | \$ 1,123,948 | \$ 1,150,175 | \$ 1,097,721 |
| 2nd Quartile | \$ 731,782 | 1 / 2 (50.0%) | \$ 731,782 | \$ 760,278 | \$ 703,285 |
| 3rd Quartile | \$ 488,214 | 1 / 2 (50.0%) | \$ 488,214 | \$ 547,952 | \$ 428,475 |
| Bottom Quartile | \$ 317,778 | 2 / 3 (66.7%) | \$ 370,502 | \$ 391,419 | \$ 191,413 |
| Total | \$ 626,802 | 4 / 9 (44.4%) | \$ 547,952 | \$ 1,150,175 | \$ 191,413 |

Group B: Current Format Businesses Open 5-10 Years

Table 3 below reflects the Gross Sales during fiscal year 2024 for the 28 Current Format Businesses that first opened for business between January 1, 2015 and December 31, 2019, meaning they were open and in operation continuously for at least 5 years but not more than 10 years as of December 31, 2024.

TABLE 3
AVERAGE GROSS SALES FOR FISCAL YEAR 2024
FOR CURRENT FORMAT BUSINESSES OPEN 5-10 YEARS

| FRANCHISED MESSAGE ENVY BUSINESSES QUARTILES | AVERAGE GROSS SALES | NUMBER AND PERCENTAGE OF LOCATIONS ATTAINING OR EXCEEDING AVERAGE GROSS SALES IN 2024 | MEDIAN GROSS SALES | HIGHEST GROSS SALES | LOWEST GROSS SALES |
|---|---------------------------|---|--------------------------|---------------------------|--------------------------|
| Top Quartile | \$ 1,519,902 | 2 / 7 (28.6%) | \$ 1,434,573 | \$ 2,188,191 | \$ 1,275,949 |
| 2nd Quartile | \$ 1,068,362 | 4 / 7 (57.1%) | \$ 1,108,417 | \$ 1,255,217 | \$ 894,024 |
| 3rd Quartile | \$ 710,130 | 3 / 7 (42.9%) | \$ 709,654 | \$ 773,202 | \$ 656,771 |
| Bottom Quartile | \$ 426,960 | 3 / 7 (42.9%) | \$ 417,516 | \$ 620,093 | \$ 236,903 |
| Total | \$ 931,339 | 13 / 28 (46.4%) | \$ 833,613 | \$ 2,188,191 | \$ 236,903 |

Group C: Current Format Businesses Open 10+ Years

Table 4 below reflects the Gross Sales during fiscal year 2024 for the 150 Current Format Businesses that opened prior to January 1, 2015, meaning they were open and in operation continuously for at least 10 years.

TABLE 4
AVERAGE GROSS SALES FOR FISCAL YEAR 2024
FOR CURRENT FORMAT BUSINESSES OPEN 10+ YEARS

| FRANCHISED MESSAGE ENVY BUSINESSES QUARTILES | AVERAGE GROSS SALES | NUMBER AND PERCENTAGE OF LOCATIONS ATTAINING OR EXCEEDING AVERAGE GROSS SALES IN 2024 | MEDIAN GROSS SALES | HIGHEST GROSS SALES | LOWEST GROSS SALES |
|---|---------------------------|---|--------------------------|---------------------------|--------------------------|
| Top Quartile | \$ 1,888,947 | 15 / 37 (40.5%) | \$ 1,855,433 | \$ 2,695,529 | \$ 1,491,600 |
| 2nd Quartile | \$ 1,244,938 | 14 / 38 (36.8%) | \$ 1,209,165 | \$ 1,484,584 | \$ 1,097,069 |
| 3 rd Quartile | \$ 983,453 | 17 / 37 (45.9%) | \$ 978,929 | \$ 1,096,785 | \$ 881,387 |
| Bottom Quartile | \$ 723,531 | 24 / 38 (63.2%) | \$ 747,701 | \$ 874,509 | \$ 468,019 |
| Total | \$ 1,207,204 | 56 / 150 (37.3%) | \$ 1,096,927 | \$ 2,695,529 | \$ 468,019 |

NOTES - ITEM 19 GENERALLY:

Some Message Envy Businesses have sold or earned this amount. Your individual results may differ. There is no assurance that you will sell or earn as much.

The figures we used to complete the Tables of these financial performance representations were submitted to us by the franchisees operating the Message Envy Businesses represented in the Tables. We have not audited or independently verified any of the financial reports or information we received from franchisees

nor have we asked questions of the submitting franchisees to determine whether they are in fact accurate and complete, although we have no information or other reason to believe that they are unreliable. No certified public accountant has audited these figures or expressed his or her opinion concerning their content or form.

The data shown above is for Massage Envy Businesses throughout the franchise system, which includes various types of real estate locations. Sales, costs and profits can vary widely by location. These figures do not reflect the costs of sales, operating expenses or other costs or expenses that might be deducted from the Gross Sales figures to obtain your net income or profit.

Your sales will be affected by your own operational ability, which may include your experience with managing a business, your capital and financing (including working capital), continual training of you and your staff, customer service orientation, product quality, your business plan, and the use of professional advisors, e.g., an accountant, to assist you with your business plans. Your sales also may be affected by where the Massage Envy Business is located and site criteria, including traffic count, local household income, residential and/or daytime populations, ease of ingress and egress, parking, visibility of your location, physical condition of premises, number and type of other businesses around your location, competition, inflation, economic conditions and brand awareness.

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

We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their Massage Envy Business. Notwithstanding the information set forth in this financial performance representation, our existing franchisees can be a valuable source of information about franchise operations.

Other than in this Item 19, we do not make any additional 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 additional representations either orally or in writing. If you receive any additional financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Kristin Paiva, Legal Department, ME SPE Franchising, LLC, 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260, (480) 366-4100, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

| TABLE 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 | 1109 | 1083 | -26 |
| | 2023 | 1083 | 1053 | -30 |
| | 2024 | 1053 | 1009 | -44 |
| Company-Owned | 2022 | 0 | 0 | 0 |
| | 2023 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 |
| Total Outlets | 2022 | 1109 | 1083 | -26 |
| | 2023 | 1083 | 1053 | -30 |
| | 2024 | 1053 | 1009 | -44 |

1. Our fiscal year ends on December 31st. All references to years in these Tables refer to December 31st of that year.
2. The outlets listed in this Table only refer to Massage Envy Businesses that were open on the relevant dates.

| TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024 | | |
|---|-------------|----------------------------|
| State | Year | Number of Transfers |
| Alabama | 2022 | 3 |
| | 2023 | 0 |
| | 2024 | 1 |
| Alaska | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 0 |
| Arkansas | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 1 |
| California | 2022 | 4 |
| | 2023 | 4 |
| | 2024 | 28 |
| Connecticut | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 0 |
| Delaware | 2022 | 0 |
| | 2023 | 0 |
| | 2024 | 0 |