

Provision	Section in the Multi-Unit Development Agreement	Summary
v. Choice of forum	Section 15(D)	Except for actions we bring for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes will be subject to litigation in the state where our corporate headquarters is located at the time the litigation is filed, currently Florida.
w. Choice of law	Section 15(E)	The law of Florida will apply, without regard to any conflict of laws principals of Florida.

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.

Part I: Studio Gross Revenue

The table below presents data we obtained from our Parent (for South Beach and Miami-Brickell), an officer (Coral Gables, Charlotte-Noda) and franchisees (the remaining Studios) that we collected respecting the historic Gross Revenue for the Studios that were open for the for the full 12 months ending December 31, 2024, including one Studio that opened in early January 2024. The information below does not include on Studio operated by an officer that temporarily closed and relocated in 2024, the 5 Studios that opened in 2024 or the one Studio that closed during 2024. No Studio closed during the 12-month period that had been open less than 12 months.

2024 Studio Gross Revenue

Studio Name	Opening Date	2024 Fiscal Year Gross Revenue	Monthly Average Gross Revenue	Minimum Monthly Gross Revenue	Maximum Monthly Gross Revenue	Median Monthly Gross Revenue
South Beach	Apr-18	\$1,295,055	\$107,921	\$88,579	\$143,323	\$100,386
Miami - Brickell	Sep-19	\$1,452,077	\$121,006	\$106,464	\$140,003	\$118,748
Coral Gables	Nov-19	\$777,901	\$64,825	\$47,730	\$102,772	\$55,241
NYC - Chelsea	Nov-19	\$1,105,235	\$92,103	\$84,167	\$99,560	\$91,694
NYC - Financial District	Apr-22	\$729,327	\$60,777	\$53,944	\$72,489	\$59,147
Doral	Aug-22	\$889,303	\$74,109	\$67,724	\$83,191	\$72,921

Austin - Highland	Sep-22	\$336,138	\$27,751	\$23,856	\$31,121	\$27,555
Miami Lakes	Oct-22	\$936,282	\$78,024	\$71,094	\$87,602	\$77,408
Upper East Side	Feb-23	\$1,074,000	\$89,500	\$78,531	\$106,230	\$86,922
Madison	Feb -23	\$137,328	\$11,444	\$9,474	\$13,034	\$11,351
Coral Springs	Apr-23	\$314,313	\$26,193	\$21,597	\$30,086	\$26,574
Deerfield Beach	Apr-23	\$540,846	\$45,070	\$37,944	\$65,793	\$43,304
Toms River	Apr-23	\$670,576	\$55,881	\$47,360	\$92,400	\$51,186
Charlotte – NoDa	Jun-23	\$494,460	\$41,205	\$36,180	\$47,651	\$40,827
Austin Zilker	Sept-23	\$334,515	\$27,879	\$25,067	\$30,323	\$27,911
South Miami	Oct-23	\$557,542	\$46,462	\$36,938	\$60,630	\$46,466
Miami Midtown	Jan-24	\$565,175.	\$47,098	\$31,215	\$52,762	\$48,480

Notes:

1. Our Parent operates the Studios in South Beach and Miami-Brickell (“Parent Studios”). One of our officers operates the Studio in Coral Gables and Charlotte, North Carolina. Franchisees operate the remaining Studios described above.

2. “Gross Revenue” means the aggregate amount of revenues generated from the sale of memberships, Services, Products, merchandise, and other goods or services, whether for cash, on credit, or otherwise made or provided at or in connection with the Studio. The term “Gross Sales” does not include: (1) any federal, state, municipal or other sales tax, value added tax, or retailer’s excise tax paid or accrued by you; (2) any adjustment for refunds, credits, allowances, returns, and discounts allowed to customers on sales; (3) any proceeds from insurance with respect to property damage or liability; or (4) uncollectible amounts, subject to the limitation that uncollectible amounts cannot exceed 0.5% of Gross Sales for any fiscal year of the franchisee and subsequent collections of charged off amounts must be included in Gross Sales when they are collected. A sale is made at the earlier of delivery of the product or service, or receipt of payment. The Gross Revenue in this Item 19 is for the single Parent-owned Studio for the first full 12 months in operation.

3. The figures above do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenue figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in managing your Studio.

Part 2: Parent Studios 2024 Income Statement

The information in the tables below includes the historic Gross Revenue, expenses and EBITDA during the 12 month period ending December 31, 2024 for each of the two locations owned and operated by our Parent based on information that our Parent provided to us.

	South Beach	Miami-Brickell
Gross Revenues	\$1,295,055	\$1,452,077
Salary & Payroll Expense	\$183,180	\$231,048
Rent	\$293,255	\$305,230
Marketing	\$53,118	\$59,550
Credit Card Fees	\$37,161	\$39,552
Repair & Maintenance	\$7,767	\$10,723
Gym Supplies & Equipment	19,377	\$24,918
Janitorial Expense	\$18,250	\$18,250
Professional Fees	\$11,214	\$7,140.00
Utilities	\$19,525	\$18,125
Monthly Brand Fee	\$5,040	\$5,040
Software Subscription & Support	\$11,940	\$11,940
Other Expenses	\$18,178	\$37,584
EBITDA	\$617,050	\$682,977
Royalties (Imputed)	\$90,654	\$101,645
Adjusted EBITDA	\$526,396	\$581,331

Notes to the table above:

1. “Salary & Payroll Expense” includes all labor costs, including direct payroll and payroll taxes, benefits, manager’s salary, and payroll processing fees. Franchisees may experience similar salary expenses but will be impacted by staffing model decisions (which franchisees alone must decide), market driven pay rate differences and individual Store staff performance.
2. “Rent” includes monthly rent expenses, property taxes, and common area maintenance fees. Rent expenses will vary significantly depending on a franchisee’s market.
3. “Marketing” includes all local marketing expenses, including amounts spent with LeadTeam.
4. “Credit Card Fees” includes those fees associated with accepting payment from customers via credit card.
5. “Repair & Maintenance” includes expenses associated with the upkeep and general repair of the premises.
6. “Gym Supplies & Equipment” includes the purchase and repair of gym equipment and related supplies, such as cleaning supplies.

7. “Janitorial Expense” includes commercial cleaning fees.
8. “Professional Fees” includes legal and accounting fees.
9. “Utilities” includes water, electricity, gas, trash and recycling, and internet.
10. “Monthly Brand Fee” includes the Monthly Brand Fund Fee equal to \$420 per month.
11. “Software Subscription and Support Fee” includes the monthly Designated Software License Fee of \$695 and additional expenses for email addresses, Zoom phone lines, server management expenses and training software.
12. “Other Expenses” includes all other expenses not included in the other categories above such as bank fees and bad debt.
13. “EBITDA” is equal to the Gross Revenue less expenses.
14. “Royalties” means the current royalty equal to 7% of Gross Revenue. These Studios do not pay a royalty fee but franchisee would have incurred this expense, so we have included these amounts in the table as if these Studios had incurred that expense.
15. “Adjusted EBITDA” is equal to the EBITDA less the Royalties.

Part 3: Number of Members as of December 31, 2024

The table below presents the number of members each Studio had as of December 31, 2024 for all Studios open and operating as of December 31, 2024. We obtained this information from our Parent (for South Beach and Miami-Brickell), an officer (Coral Gables) and franchisees (the remaining Studios). Studios offer different membership types, including unlimited monthly memberships and class packs.

Studio Location	Opening Date	Number of Members as of December 31, 2024
South Beach	Apr-18	790
Miami – Brickell	Sep-19	743
Coral Gables	Nov-19	518
NYC – Chelsea	Nov-19	632
NYC - Financial District	Apr-22	564
Doral	Aug-22	573
Austin – Highland	Sep-22	260
Miami Lakes	Oct-22	652
Madison	Feb-23	141
Upper East Side	Feb-23	709
Coral Springs	Apr-23	264
Deerfield Beach	Apr-23	351
Toms River	Apr-23	533
Charlotte – NoDa	Jun-23	404
South Miami	Oct-23	406
Austin – Zilker	Sep-23	206
Midtown Miami	Jan-24	357
Las Olas	Jan-24	352
Nashville	Apr-24	108
Coconut Grove	Jun-24	462
Ocean Township	Jun-24	388
Pembroke Pines	Nov-24	268

Part 4: Recommended Membership Tiers

The following table includes our recommended pricing for three different unlimited monthly membership tiers. Tiers are determined based on prices charged by competitors in the market. Studios also offer class packs and single class passes.

	0-99	100-199	200-299	300-399	400-499	500+
Tier 1 Unlimited Monthly	\$89	\$ 99	\$129	\$149	\$169	\$189
Tier 2 Unlimited Monthly	\$99	\$129	\$149	\$169	\$189	\$209
Tier 3 Unlimited Monthly	\$149	\$169	\$189	\$209	\$229	\$249

Part 5: Number of Members at Opening

The table below presents the number of members each Studio had as of the date the Studio opened, for all Studios open and operating as of December 31, 2024. We obtained this information from our Parent (for South Beach and Miami-Brickell), officers (Coral Gables, Charlotte and Nashville) and franchisees (the remaining Studios).

Studio Location	Opening Date	Number of Members at Opening
South Beach*	Apr-18	0
Miami - Brickell*	Sep-19	0
Coral Gables*	Nov-19	0
NYC - Chelsea*	Nov-19	0
NYC - Financial District*	Apr-22	0
Doral	Aug-22	308
Austin – Highlands	Sep-22	99
Miami Lakes	Oct-22	465
Madison	Feb-23	107
Miami - Upper East Side	Feb-23	356
Deerfield Beach	Apr-23	84
Coral Springs	Apr-23	146
Toms River	Apr-23	348
Charlotte – NoDa	Jun-23	116
Austin – Zilker	Sep-23	193
South Miami	Oct-23	206
Midtown Miami	Jan-24	316
Nashville	Apr-24	135
Coconut Grove	Jun-24	285
Ocean Township	Jun-24	286
Las Olas	Sept-24	251
Pembroke Pines	Nov-24	257

*These Studios opened before we launched our presale program.

Notes to all tables above:

1. This financial performance representation was prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form.

2. There are no material financial and operational characteristics of the company-owned outlets that are reasonably anticipated to differ materially from future operational franchise outlets.

3. Written substantiation of all financial performance information presented in this financial performance representation will be made available to you in our main office upon reasonable request.

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We do not authorize our employees or representatives to make any 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 our management by contacting Cody Patrick, 1919 Purdy Avenue, Miami, FL 33139, 888-507-9328, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
System Wide Studio Summary
For Fiscal Years 2022 - 2024

Studio Type	Year	Studios at the Start of the Year	Studios at the End of the Year	Net Change
Franchised	2022	1	5	+4
	2023	5	13	+8
	2024	13	17	+4
Company-Owned*	2022	3	3	0
	2023	3	5	+2
	2024	5	5	0
Total Studios	2022	4	8	+4
	2023	8	18	+10
	2024	18	22	+4

* All “Company-Owned” outlets include any SWEAT440® Studios owned by our Parent described in Item 1 or SWEAT440® Studios owned by our officers.

TABLE NUMBER 2
Transfers of Studios From Franchisee to New Owners (Other than the Franchisor)
For Fiscal Years 2022 - 2024

State	Year	Number of Transfers
TOTAL	2022	0
	2023	0
	2024	0