

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.

BACKGROUND

As of December 31, 2025, there were 38 open and operating StretchMed Studios. Out of the 38 StretchMed Studios, only 29 have been fully open and operational for the whole calendar year. This historical unaudited financial performance representation includes a variety of performance data, including Gross Revenue, Operating Expenses, and Profit. We do not provide any data for company or affiliate-owned Studios. We have utilized different groups measured sharing similar characteristics to show the historical financial performance of the Studios. All the groups measured offer substantially the same products and services to the public. None of the Studios received services that were not generally available to our franchisees, and substantially the same services will be offered to new franchisees.

Table 1. Average Gross Revenue For Studios Fully Operational for the 2025 Calendar Year

We sorted out 29 StretchMed Studios, ranked (highest to lowest) by the amount of Gross Revenue reported by these studios for the 2025 Calendar Year, into thirds. The chart below provides the average, median, and range (minimum and maximum) of Gross Revenue during the 2025 Calendar Year for each subset.

| Table 1. Average Gross Revenue For Studios Fully Operational for the 2025 Calendar Year | | | | | | | |
|--|------------------------------------|----------------|---------------|----------------|----------------|---|---|
| | Number of Qualified Studios | Average | Median | Minimum | Maximum | Number of Studios That Met or Exceed the Average | Percentage of Studios that Met or Exceed the Average |
| Top Third | 10 | \$ 456,057 | \$ 453,406 | \$ 327,458 | \$ 572,049 | 4 | 40% |
| Middle Third | 10 | \$ 256,451 | \$ 253,027 | \$ 217,797 | \$ 305,189 | 5 | 50% |
| Bottom Third | 9 | \$ 181,027 | \$ 173,756 | \$ 137,477 | \$ 216,654 | 4 | 44% |
| Total | 29 | \$ 301,873 | \$ 264,135 | \$ 137,477 | \$ 572,049 | 11 | 38% |

Table 2. First Full Calendar Year Operating Expenses

Table 2 below presents historical operating expense information of studios in their first full calendar year of operations. Out of the 29 studios, only four (4) franchised StretchMed Studios provided their operating expense information. Further, these four (4) franchise StretchMed Studios are located in Massachusetts. The table reflects each studio’s operating expenses during its first full calendar year of operations, based on reported data from the franchisee. The table shows the average operating expense categories and total operating expenses only.

| Table 2. First Full Calendar Year Operating Expenses | |
|---|---------------|
| Description | Amount |
| Average Advertising & Marketing | \$29,265 |
| Average Franchise Expenses | \$31,290 |
| Average Payroll Expense | \$156,437 |
| Average Office & Supplies Expense | \$4,129 |
| Average Rent & Facility Expense | \$52,279 |
| Average Transportation & Travel | \$2,117 |
| Average Bank & Credit Card Fees | \$7,161 |
| Average Insurance & Professional Services | \$3,213 |
| Average Other Expense | \$1,541 |
| Total Annual Average Operating Expense | \$287,431 |
| Average Monthly Operating Expense | \$23,953 |

Table 3. Average Revenue, Expense and Profit For Studios Fully Operational for the Calendar Years 2022-2025

The table below presents the average, median, minimum, and maximum Revenue, Expenses, and Profit reported by three (3) StretchMed Studios for calendar years 2022 through 2025. These Studios have been in open, continuous and fully operational for the calendar years 2022 through 2025 and were the only Studios that provided the data used in this table. The table also shows the number and percentage of those reporting Studios that met or exceeded the average for each category.

| Average Revenue, Expense, and Profit For Studios Fully Operational for the Calendar Years 2022-2025 | | | | | | | |
|---|-----------------------------|-----------|-----------|-----------|-----------|--|--|
| Category | Number of Reporting Studios | Average | Median | Minimum | Maximum | Number of Studios That Met or Exceeded the Average | Percentage of Studios That Met or Exceeded the Average |
| Average Revenue | 3 | \$492,986 | \$546,737 | \$385,468 | \$546,753 | 2 | 67% |
| Average Expenses | 3 | \$386,485 | \$411,692 | \$324,005 | \$423,758 | 2 | 67% |
| Average Profit | 3 | \$105,964 | \$122,995 | \$61,463 | \$133,434 | 2 | 67% |

Explanatory Notes to Item 19 Tables above:

1. The term “Gross Revenue” means the total revenue generated by a Studio in the given time period.
2. The Gross Revenue in the preceding tables were reported to us by each franchise owner, we did not independently audit or verify this information.
3. The Expenses information was reported to us by each franchise owner, we did not independently audit or verify this information.
4. Profit was calculated by subtracting Expenses from Gross Revenue, we did not independently audit or verify this information.
5. The figures contained herein do not account for interest on debt, any tax liability, amortization, or depreciation.
6. For each Calendar Year in the Measurement Period, “Average Year Gross Revenue Reported” was calculated by (a) taking the sum of all Yearly Gross Revenue generated by the franchised studios that completed the Operational Year, and (b) dividing that figure by the number of franchised Studios in that subset.
7. For each Operational Year, the “Median Reported” is determined by (a) taking the middle value reported amongst the franchised studios that were open for that Operational Year if the subset has an odd number of Studios, or (b) taking the average of the two (2) middle reported values from those franchised studios if there is an even number of Studios in the applicable subset.

Written substantiation for the unaudited financial performance representation will be made available to the prospective franchisee upon reasonable request. The Disclosed Studios have sold these amounts. Your individual results may differ. There is no assurance that you’ll sell as much.

The revenues and expense of your Studio will depend on many factors, we suggest you speak to your business advisors and/or current franchise owners regarding the financial aspects of the business. The

revenues and expenses of your business will be directly affected by many factors, such as: (a) your Approved Territory’s geographic location and population demographics; (b) advertising effectiveness based on market saturation; (c) whether you operate the business personally or hire a third party to serve as your Designated Manager; (d) your product and service pricing; (e) vendor prices on materials, supplies and inventory; (f) personnel salaries and benefits (life and health insurance, etc.); (g) insurance costs; (h) weather conditions; (i) ability to generate customers; (j) customer loyalty; (k) employment conditions in the market; and (l) the efforts you and your personnel put into your Franchised Business.

Other than the preceding financial performance representation, we do not make any 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 such 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 the franchisor's management by contacting Brian Cook at StretchMed Franchise, LLC 954 Avenida Ponce De Leon, Suite 205-PMB# 10076, San Juan, Puerto Rico 00907, or by telephone at 559-705-1192, or the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
System-wide Outlet Summary for years 2023-2025**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|--------------------|-------------|---|---------------------------------------|-------------------|
| Franchised | 2023 | 11 | 17 | +6 |
| | 2024 | 17 | 31 | +14 |
| | 2025 | 31 | 38 | +7 |
| Affiliate Owned | 2023 | 0 | 0 | 0 |
| | 2024 | 0 | 0 | 0 |
| | 2025 | 0 | 0 | 0 |
| Total Outlets | 2023 | 11 | 17 | +6 |
| | 2024 | 17 | 31 | +14 |
| | 2025 | 31 | 38 | +7 |