

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 44 franchised Studios (each, a “Franchised Studio”) and one (1) affiliate-owned Studio (the “Affiliate Studio”). This Financial Performance Representation sets forth certain historical data for the Franchised Studios and Affiliate Studio. No Affiliate Studios were excluded from this Financial Performance Representation. Some Franchised Studios were excluded from certain Parts of this Financial Performance Representation as set forth in each Part below.

For purposes of this Financial Performance Representation, NCI is defined as all revenue generated from the sale and provision of any and all gift cards, memberships, and other Approved Services (classes, etc.) and Approved Products (merchandise, apparel and/or equipment) at or through the studio, as well as proceeds from any business interruption insurance related to the non-operation of the studio, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. “NCI” does not include (a) tips that clients pay to instructors of the studio that are retained by that instructor, (b) any sales tax and equivalent taxes that are collected by the studio for or on behalf of any governmental taxing authority and paid thereto, or (c) the value of any allowance issued or granted to any client of the studio that is credited in good faith in full or partial satisfaction of the price of the Approved Products or Services.

Part I of this Item discloses the total NCI generated, as well as certain costs and operating expenses incurred by the Affiliate Studio throughout the 2025 calendar. We excluded the Franchised Studios from Part I because we did not receive operating costs and expense data from the Franchised Studios for the 2025 calendar year in the required form and format.

Part II of this Item discloses the monthly average, median, high, and low monthly lead volume for 44 Franchised Studios that were open during the 2025 calendar year. Part II also discloses the one Affiliate Studio that was open during the 2025 calendar year.

Part III of this Item discloses the average, median, high and low prospect conversion to membership rate during the 2025 calendar year for 44 Franchised Studios and the one Affiliate Studio open during the 2025 calendar year.

Part IV of this Item discloses the percentage of recurring memberships sold compared to other membership options as well as the average, median, high, and low price for recurring membership for the 44 Franchised Studios open during the 2025 calendar year. Part IV also discloses the percentage of recurring memberships sold compared to other membership options for the Affiliate Studio during the 2025 calendar year.

Part V of this Item discloses the average, median, high, and low revenue collected for package sessions and challenges sold for the 44 Franchised Studios open during the 2025 calendar year as well as the revenue collected by the Affiliate Studio for package sessions and challenges sold open during the 2025 calendar year.

Part VI of this Item discloses “no show” and “late cancel” revenue collected for the 38 Franchised Studios open during the 2025 calendar year that participate in the auto-billing for “no show” and “late cancel” fees. Part VI also discloses the “no show” and “late cancel” revenue collected for the Affiliate Studio during the 2025 calendar year. Part VI excluded data in connection with six Franchised Studios that do not participate in the auto-billing for “no show” and “late cancel” fees.

Part VII of this Item discloses the retail revenue generated for the 17 Franchised Studios that actively participated in the retail program for 2025. To be considered as an active Franchised Studio, the Franchised Studio must have a minimum of \$7,500 in Cost of Goods Sold for 2025 and be open during the entire 2025 calendar year. Part VII excludes data in connection with 27 Franchised Studios that were not open for the entire 2025 calendar year or did not actively participate in the retail program and had less than \$7,500 in Cost of Goods Sold for 2025. Part VII also discloses the retail revenue collected for the Affiliate Studio during the entire 2025 calendar year.

Part VIII of this Item discloses the revenue generated from third-party aggregators for the 37 Franchised Studios that participated during the 2025 calendar year in multiple aggregator services. Part VIII also discloses the revenue generated from third-party aggregators for the Affiliate Studio during the 2025 calendar year. Part VIII excludes data in connection with seven Franchised Studios that did not engage multiple third-party aggregators.

Part IX of this Item discloses the average, median, high, and low NCI generated during 2025 for the 35 Franchised Studios that were open during the entire 2025 calendar year and complied with the minimum monthly marketing spend. Part IX also discloses the NCI generated during 2025 by the Affiliate Studio. Part IX excludes data in connection with nine Franchised Studios that did not meet the minimum monthly marketing requirements.

Part X of this Item discloses the total members generated during presales and the NCI generated for the first 30 days of business for the one Franchise Studio that conducted presales for 2025.

Written substantiation for the financial performance representation will be made available upon written request.

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

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PART I: TOTAL NCI GENERATED BY, AS WELL AS CERTAIN COSTS AND OPERATING EXPENSES INCURRED BY, THE AFFILIATE STUDIO OVER THE 2025 CALENDAR YEAR

January 1, 2025 – December 31, 2025		
NCI or Cost/Expense Category	Amount	Percentage of Total NCI
Total NCI²	\$836,381.97	100%
Payroll and Payroll-Related Costs ³	\$203,648.97	24%
Cost of Goods Sold ⁴	\$19,932.60	2%
Estimated Royalty ⁵	\$58,546.74	7%
Advertising ⁶	\$36,061.01	4%
Rent and Occupancy Costs, Utilities and Other Certain Operating Expenses ⁷	\$166,706.00	20%
Total of Disclosed Costs and Expenses Above⁸	\$484,895.32	58%
Total NCI Less Total of Disclosed Costs and Expenses Above⁹	\$351,486.65	42%

Notes to Part I:

1. “Total NCI” means all revenue generated from the sale and provision of any and all gift cards, memberships, and other Approved Services (classes, etc.) and Approved Products (merchandise, apparel and/or equipment) at or through the studio, as well as proceeds from any business interruption insurance related to the non-operation of the studio, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. “NCI” does not include (a) tips that clients pay to instructors of the studio that are retained by that instructor, (b) any sales tax and equivalent taxes that are collected by the studio for or on behalf of any governmental taxing authority and paid thereto, or (c) the value of any allowance issued or granted to any client of the studio that is credited in good faith in full or partial satisfaction of the price of the Approved Products or Services.
2. “Payroll and payroll-Related Costs” means all wages and other compensation paid to instructors and other personnel of the Affiliate Studio, as well as all payroll taxes and amounts paid to the Affiliate Studio’s payroll provider, over each calendar year. This estimate includes management pay, but does not include any compensation for: (i) a Designated Manager because our standard franchise offering assumes that you will manage the day-to-day operations of the Studio directly; or (ii) you or any other owner of the Franchised Business.
3. “Cost of Goods Sold” means the amount that the Affiliate Studio expended on the merchandise, apparel and other inventory over each calendar year as necessary to provide the Approved Products and Approved Services from the Affiliate Studio.

4. “Estimated Royalty” the Estimated Royalty figure is designed to show you what our Affiliate would have had to pay us based on the NCI of the Affiliate Studio over each calendar year if the Affiliate Studio was subject to our current form of Franchise Agreement.
5. “Advertising Expense” means the amount that Affiliate Studio expended on advertising and marketing to promote the Affiliate Studio over each calendar year, including Internet/digital advertising, local events and sponsorships, mailers, and promotional items.
6. “Rent and Occupancy Costs, Utilities and Certain Other Operating Expenses” means: (i) the total rent, CAM and other payments made to the lessor of the Premises of the Affiliate Studio in connection with the governing lease for that Premises, (ii) the total amount that our Affiliate paid for utilities over the in connection with the Affiliate Studio operations, (iii) other operational expenses that Affiliate incurred in the operation of the Affiliate Studio such as banking-related fees, merchant processing fees, insurance, office supplies and other supplies, telephone, professional fees, over each calendar year. This amount does not include the amounts that our Affiliate Studio incurred over each calendar year on (a) any of the other specified cost and expense items specifically referred to above, or (b) repairs and maintenance on equipment used at the Studio, charitable contributions and other nominal expenses not listed above in this Note.
7. “Total of Disclosed Costs and Expenses Above” is calculated by taking the sum of the amounts that our Affiliate expended on the operating costs and expense categories described in the tables above.
8. “Total NCI Less Total of Disclosed Costs and Expenses Above” is calculated by subtracting the “Total of Disclosed Costs and Expenses Above” from the “Total NCI.”
9. The “Percentage of Total NCI” for each line item is calculated by dividing the amount of the line item by the Total NCI over each calendar year.

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PART II: MONTHLY AVERAGE, MEDIAN, HIGH, AND LOW MONTHLY LEAD VOLUME FOR THE FRANCHISED STUDIOS AND AFFILIATE STUDIO DURING THE 2025 CALENDAR YEAR

Franchised Studios	
Leads	2025 Calendar Year
Monthly Average	120
Median	119
High	203
Low	34
Number and Percentage that Met or Exceeded the Average	34 of 44 (55%)

Affiliate Studio	
Leads	2025 Calendar Year
Monthly Average	100

**There is only 1 Affiliate Studio in this data set and thus the Average, Median, High and Low are all the same.*

Notes to Part II:

1. “High” means the largest or highest number in a data set.
2. “Low” means the smallest or lowest number in a data set.
3. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
4. “Median” means the data point that is in the center of all data points used in a set. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing it by two.

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PART III: AVERAGE, MEDIAN, HIGH, AND LOW PROSPECT CONVERSION RATE FOR THE FRANCHISED STUDIOS AND AFFILIATE STUDIO DURING THE 2025 CALENDAR YEAR

Franchised Studios	
Conversion Rate	2025 Calendar Year
Average	44%
Median	35%
High	82%
Low	16%
Number and Percentage that Met or Exceeded the Average	25 of 44 (57%)

Affiliate Studio*	
Conversion Rate	2025 Calendar Year
Average	57%

**There is only 1 Affiliate Studio in this data set and thus the Average, Median, High, and Low are all the same.*

Notes to Part III:

1. “Prospect” is defined as a client that redeems a trial offer and attends a SPENGA session.
2. “Conversion” is calculated by taking the number of Prospects that attend a session and dividing that number by the total number of memberships sold.
3. “High” means the largest or highest number in a data set.
4. “Low” means the smallest or lowest number in a data set.
5. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
6. “Median” means the data point that is in the center of all data points used in a set. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing it by two.

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PART IV: PERCENTAGE OF RECURRING MEMBERSHIPS SOLD AND THE AVERAGE, MEDIAN, HIGH, AND LOW COST OF THE RECURRING MEMBERSHIPS FOR THE FRANCHISED STUDIOS AND AFFILIATE STUDIO DURING THE 2025 CALENDAR YEAR

Franchised Studios	
Recurring Membership	2025 Calendar Year
Percentage of Unlimited Memberships Sold	58%
Percentage of 8x Memberships Sold	26%
Percentage of 4x Memberships Sold	16%
Unlimited Membership Cost	
Average	\$178
Median	\$179
High	\$219
Low	\$149
Number and Percentage that Met or Exceeded the Average	23 of 44 (52%)
8x Membership Cost	
Average	\$143
Median	\$139
High	\$179
Low	\$119
Number and Percentage that Met or Exceeded the Average	19 of 44 (43%)
4x Membership Cost	
Average	\$97
Median	\$99
High	\$129
Low	\$79
Number and Percentage that Met or Exceeded the Average	28 of 44 (64%)

Affiliate Studio	
Recurring Memberships	2025 Calendar Year
Percentage of Unlimited Memberships Sold	65%
Percentage of 8x Memberships Sold	18%
Percentage of 4x Memberships Sold	17%
Unlimited Membership Cost	\$169
8x Membership Cost	\$139
4x Membership Cost	\$89

Notes to Part IV:

1. “Recurring Membership” is defined as a membership that allows the client to attend an unlimited amount of sessions, eight sessions, or four sessions each month and/or billing cycle.
2. “High” means the largest or highest number in a data set and “Low” means the smallest or lowest number in a data set.
3. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
4. “Median” means the data point that is in the center of all data points used in a set. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing it by two.

PART V: AVERAGE, MEDIAN, HIGH, AND LOW PACKAGE SESSIONS & CHALLENGE REVENUE GENERATED BY THE FRANCHISED STUDIOS AND AFFILIATE STUDIO DURING THE 2025 CALENDAR YEAR

Franchised Studios	
Package Sessions & Challenge Revenue	2025
Average	\$27,098
Median	\$24,062
High	\$84,921
Low	\$2,782
Number and Percentage that Met or Exceeded the Average	18 of 44 (41%)

Affiliate Studio*	
	2025
Package Sessions & Challenge Revenue	\$22,549

**There is only 1 Affiliate Studio in this data set and thus the Average, Median, High, and Low are all the same.*

Notes to Part V:

1. “Package Session Revenue is defined as a service sold that grants the member access to a class.
2. “Challenge Revenue is defined as a special event that is in addition to the membership.
3. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
4. “Median” means the data point that is in the center of all data points used in a set. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing it by two.
5. “High” means the largest or highest number in a data set.
6. “Low” means the smallest or lowest number in a data set.

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PART VI: AVERAGE, MEDIAN, HIGH, AND LOW NO SHOW & LATE CANCEL REVENUE GENERATED BY THE FRANCHISED STUDIOS AND AFFILIATE STUDIO DURING THE 2025 CALENDAR YEAR

Franchised Studios¹	
No Show & Late Cancel Revenue	2025
Average	\$21,424
Median	\$20,873
High	\$55,655
Low	\$1,830
Number and Percentage that Met or Exceeded the Average	19 of 38 (50%)

Affiliate Studio*	
	2025
No Show & Late Cancel Revenue	\$57,585

**There is only 1 Affiliate Studio in this data set and thus the Average, Median, High, and Low are all the same.*

Notes to Part VI:

1. “No Show Revenue” is defined as when a member books a session, does not attend the session, and the member is charged a fee as a result of their failure to attend a session.
2. “Late Cancel Revenue” is defined as when a member cancels their booked session outside of the booking window, and the member is charged a fee.
3. “High” means the largest or highest number in a data set.
4. “Low” means the smallest or lowest number in a data set.
5. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
6. “Median” means the data point that is in the center of all data points used in a set. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing it by two.

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PART VII: AVERAGE, MEDIAN, HIGH, AND LOW RETAIL SALES REVENUE GENERATED BY THE FRANCHISED STUDIOS AND AFFILIATE STUDIO DURING THE 2025 CALENDAR YEAR

Franchised Studios	
Retail Revenue	2025
Average	\$18,515
Median	\$16,920
High	\$29,573
Low	\$10,170
Number and Percentage that Met or Exceeded the Average	6 of 17 (35%)

Affiliate Studio*	
	2025
Retail Revenue	\$35,450

**There is only 1 Affiliate Studio in this data set and thus the Average, Median, High, and Low are all the same.*

Notes to Part VII:

1. “Retail Revenue” is defined as revenue generated through the sale of clothing, accessories, food, beverages, and other items.
2. “High” means the largest or highest number in a data set.
3. “Low” means the smallest or lowest number in a data set.
4. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
5. “Median” means the data point that is in the center of all data points used in a set. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing it by two.

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