# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

### **CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): March 2, 2023

# XPONENTIAL FITNESS, INC.

(Exact name of registrant as specified in its charter)

Delaware 001-40638 84-4395129
(State or other jurisdiction of (Commission (I.R.S. Employer incorporation or organization) File Number) Identification No.)

Irvine, CA (Address of principal executive offices)

or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.  $\Box$ 

92614 (Zip Code)

Registrant's telephone number, including area code: (949) 346-3000

Check the appropriate box belowing provisions (see Gene	2	ed to simultaneously satisfy the filin	g obligation of the registrant under any of the						
☐ Written communications	Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)								
☐ Soliciting material pursua	Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)								
☐ Pre-commencement com	nunications pursuant to Rule 14d	-2(b) under the Exchange Act (17 C	FR 240.14d-2(b))						
☐ Pre-commencement com	nunications pursuant to Rule 13e-	-4(c) under the Exchange Act (17 C	FR 240.13e-4(c))						
Securities registered pursuant to	Section 12(b) of the Exchange A	act:							
Title of each cl	ass	Trading Symbol(s)	Name of each exchange on which registered						
Class A Common Stock, par va	lue \$0.0001 per share	XPOF	New York Stock Exchange						
	the registrant is an emerging groecurities Exchange Act of 1934(§		5 of the Securities Act of 1933 (§230.405 of this						
			Emerging growth company ⊠						

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new

#### Item 2.02. Results of Operations and Financial Condition

On March 2, 2023, Xponential Fitness, Inc. (the "Company") issued a press release announcing its financial results for the quarter and year ended December 31, 2022. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

The information in this Item 2.02 (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

#### Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit

No. Description

99.1 Press release dated March 2, 2023

104 Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

#### SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

XPONENTIAL FITNESS, INC.

Date: March 2, 2023 By: /s/ Anthony Geisler

Name: Anthony Geisler
Title: Chief Executive Officer



#### **Xponential Fitness, Inc. Announces Fourth Quarter and Full Year 2022 Financial Results**

- Grew Q4 2022 revenue 44% and North America system-wide sales 38%, compared to Q4 2021
- Grew full year 2022 revenue 58% and North America system-wide sales 46%, compared to full year 2021, exceeding the high end of the guidance range
- Sold 1,026 franchise licenses and opened 511 new studios in 2022
- For full year 2023, Company expects 8% growth in net new studio openings, 30% growth in system-wide sales, 18% growth in revenue and 39% growth in Adjusted EBITDA, at the midpoint of its guidance ranges

IRVINE, Calif., March 2, 2023 – Xponential Fitness, Inc. (NYSE: XPOF) ("Xponential" or the "Company"), the largest global franchisor of boutique fitness brands, today reported financial results for the fourth quarter and full year ended December 31, 2022. All financial figures included in this release refer to global numbers, unless otherwise noted. Definitions for the non-GAAP measures and a reconciliation to the corresponding GAAP measures are included in the tables that accompany this release.

#### Financial Highlights: Q4 2022 Compared to Q4 2021

- Grew revenue 44% to \$71.3 million.
- Increased North America system-wide sales! by 38% to \$294.1 million.
- Reported North America same store sales<sup>2</sup> growth of 17%, compared to growth of 53%.
- Reported North America quarterly run-rate average unit volume (AUV)<sup>3</sup> of \$522,000, compared to \$446,000.
- Posted net loss of \$0.4 million, or a loss of \$1.13 per share, on a share count of 26.8 million shares of Class A Common Stock, compared to a
  net loss of \$29.8 million, or a loss of \$2.45 per basic share, on a share count of 22.6 million shares of Class A Common Stock.
- Posted adjusted net income of \$6.8 million, or \$0.07 per basic share, compared to an adjusted net loss of \$6.1 million, or a loss of \$0.21 per basic share
- Reported Adjusted EBITDA<sup>4</sup> of \$22.2 million, compared to \$8.6 million.

### Financial Highlights: FY 2022 Compared to FY 2021

- Grew revenue 58% to \$245.0 million.
- Increased North America system-wide sales<sup>1</sup> by 46% to \$1.03 billion.
- Reported North America same store sales<sup>2</sup> growth of 25%, compared to growth of 41%.
- Posted net income of \$2.9 million, or a loss of \$0.87 per share, on a share count of 25.3 million shares of Class A Common Stock, compared to a net loss of \$51.4 million, or \$2.85 per share, on a share count of 22.4 million shares of Class A Common Stock.



- Posted Adjusted Net Income of \$9.5 million, or a loss of \$0.07 per share, compared to an Adjusted Net Loss of \$24.4 million, or \$0.80 per share.
- Reported Adjusted EBITDA<sup>4</sup> of \$74.3 million, compared to \$27.3 million.

"During 2022, we opened a new studio approximately every 17 hours, and system-wide sales surpassed \$1 billion for the first time," said Anthony Geisler, CEO of Xponential Fitness, Inc. "I could not be prouder of all of our franchisees and employees for making this success possible."

Mr. Geisler continued, "The momentum we experienced in the fourth quarter, including double-digit growth across same store sales, membership and AUVs, has continued into the new year. In fact, our membership base reached a new milestone of 600,000 in January. As evident by our 2023 guidance, we're looking forward to delivering more growth and value for our stakeholders."

#### Results for the Fourth Quarter Ended December 31, 2022

For the fourth quarter of 2022, total revenue increased \$21.9 million, or 44%, to \$71.3 million, up from \$49.4 million in the prior year period. This increase included a corresponding North America same store sales increase of 17%.

Net loss totaled \$0.4 million, or a loss of \$1.13 per share, compared to a loss of \$29.8 million, or a loss of \$2.45 per share, in the prior year period. The increase was the result of \$14.9 million of higher overall profitability, a \$14.2 million decrease in non-cash contingent consideration primarily related to the Rumble acquisition, and a \$0.4 million decrease in non-cash equity-based compensation expense. Please see the table at the end of this press release for a calculation of the basic and diluted loss per share for the quarter ended December 31, 2022.

Consistent with previous periods, the Rumble acquisition non-cash contingent consideration liability is marked-to-market based on Xponential's share price, contributing to an \$8.2 million increase to contingent consideration liability in the fourth quarter of 2022.

Adjusted Net Loss for the fourth quarter 2022, which excludes the \$8.2 million non-cash contingent consideration related primarily to the Rumble acquisition and (\$1.1) million related to the re-measurement of the Company's tax receivable agreement, was \$6.8 million, or \$0.07 per basic share, on a share count of 26.8 million shares of Class A Common Stock.

Adjusted EBITDA, which is defined as net income before interest, taxes, depreciation and amortization, adjusted for equity-based compensation and related employer payroll taxes, acquisition and transaction expenses, management fees, integration and related expenses, litigation expenses, employee retention credit, secondary public offering expenses, tax receivable agreement re-measurement, and impairment of brand assets, increased to \$22.2 million, up from \$8.6 million in the prior year period.



#### Results for the Full Year Ended December 31, 2022

For the full year 2022, total revenue increased \$89.9 million, or 58%, to \$245.0 million, up from \$155.1 million in 2021. This increase in revenue included a corresponding North America same store sales increase of 25% year-over-year.

Net income totaled \$2.9 million, or a loss of \$0.87 per share, compared to a loss of \$51.4 million, or \$2.85 per share. The increase was the result of \$54.1 million of higher overall profitability and a \$23.2 million decrease in non-cash contingent consideration related to the Company's Rumble acquisition, offset by a \$19.3 million increase in non-cash equity-based compensation expense, and a \$3.7 million increase in impairment of brand assets.

Adjusted Net Income for the full year 2022, which excludes \$2.4 million innon-cash contingent consideration related primarily to the Rumble acquisition, \$0.5 million related to the re-measurement of the Company's tax receivable agreement, and \$3.7 million in impairment of brand assets, was \$9.5 million, or a loss of \$0.07 per share, on a share count of 25.3 million shares.

Adjusted EBITDA as defined above increased to \$74.3 million, up from \$27.3 million in the prior year.

#### Liquidity and Capital Resources

As of December 31, 2022, the Company had approximately \$37.4 million of cash, cash equivalents and restricted cash and \$137.7 million in total long-term debt. Net cash provided by operating activities was \$51.7 million for the full year ended December 31, 2022.

#### 2023 Outlook

The Company is initiating full-year 2023 outlook, which compares to 2022 results as follows:

- Net new studio openings in the range of 540 to 560, or an increase of 8% at the midpoint;
- North America system-wide sales in the range of \$1.34 billion to \$1.35 billion, or an increase of 30% at the midpoint;
- Revenue in the range of \$285.0 million to \$295.0 million, or an increase of 18% at the midpoint; and
- Adjusted EBITDA in the range of \$101.0 million to \$105.0 million, or an increase of 39% at the midpoint.

Additional key assumptions for full year 2023 include:

- Tax rate in the mid-to-high single digits;
- Share count of 32.3 million shares of Class A Common Stock for the GAAP EPS and Adjusted EPS calculations. A full explanation of the Company's share count calculation and associated EPS and Adjusted EPS calculations can be found in the tables at the end of this press release; and



\$1.9 million in quarterly dividends paid related to the Company's Convertible Preferred Stock.

#### Fourth Quarter and Full Year 2022 Conference Call

The Company will host a conference call today at 1:30 p.m. Pacific Time / 4:30 p.m. Eastern Time to discuss its fourth quarter and full year 2022 financial results. Participants may join the conference call by dialing 1-877-407-9716 (United States) or 1-201-493-6779 (International).

A live webcast of the conference call will also be available on the Company's Investor Relations site athttps://investor.xponential.com/. For those unable to participate in the conference call, a telephonic replay of the call will be available shortly after the completion of the call, until 11:59 p.m. ET on March, 16, 2023, by dialing 1-844-512-2921 (United States) or 1-412-317-6671 (International) and entering the replay pin number: 13734905.

#### About Xponential Fitness, Inc.

Xponential Fitness, Inc. (NYSE: XPOF) is the largest global franchisor of boutique fitness brands. Through its mission to make boutique fitness accessible to everyone, the Company operates a diversified platform of ten brands spanning across verticals including Pilates, indoor cycling, barre, stretching, rowing, dancing, boxing, running, functional training and yoga. In partnership with its franchisees, Xponential Fitness offers energetic, accessible, and personalized workout experiences led by highly qualified instructors in studio locations across 48 U.S. states and Canada, and through master franchise or international expansion agreements in 14 additional countries. Xponential Fitness' portfolio of brands includes Club Pilates, the largest Pilates brand in the United States; CycleBar, the largest indoor cycling brand in the United States; StretchLab, a concept offering one-on-one and group stretching services; Row House, the largest franchised indoor rowing brand in the United States; AKT, a dance-based cardio workout combining toning, interval and circuit training; YogaSix, the largest franchised yoga brand in the United States; Pure Barre, a total body workout that uses the ballet barre to perform small isometric movements, and the largest Barre brand in the United States; STRIDE, a treadmill-based cardio and strength training concept; Rumble, a boxing-inspired full-body workout; and BFT, a functional training and strength-based program. For more information, please visit the Company's website at xponential.com.

#### Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP, we believenon-GAAP measures are useful in evaluating our operating performance. We use certain non-GAAP financial information, such as EBITDA, Adjusted EBITDA, adjusted net income (loss), and adjusted net earnings (loss) per share, which exclude certain non-operating or non-recurring items, including but not limited to, equity-based compensation expenses and related employer payroll taxes, acquisition and transaction related expenses, litigation expenses, secondary public offering expenses, impairment of brand assets and employee retention credit, that we believe are not



representative of our core business or future operating performance, to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively with comparable GAAP financial measures, is helpful to investors because it provides consistency and comparability with past financial performance and provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly titled non-GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We seek to compensate such limitations by providing a detailed reconciliation for thenon-GAAP financial measures to the most directly comparable financial measures stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of the non-GAAP financial measures to their most directly comparable GAAP financial measures and not rely on any single financial measure to evaluate our business. For a reconciliation of non-GAAP to GAAP measures discussed in this release, please see the tables at the end of this press release. In addition, we are not able to provide a quantitative reconciliation of the estimated full-year Adjusted EBITDA for fiscal year ending December 31, 2023 without unreasonable efforts to the most directly comparable GAAP financial measure due to the high variability, complexity and low visibility with respect to certain items such as taxes, TRA remeasurements, and income and expense from changes in fair value of contingent consideration from acquisitions. We expect the variability of these items to have a potentially unpredictable and potentially significant impact on future GAAP financial results, and, as such, we also believe that any reconciliations provided would imply a degree of precision that would be confusing or misleading to investors.

#### Forward-Looking Statements

This press release contains forward-looking statements that are based on current expectations, estimates, forecasts and projections of future performance based on management's judgment, beliefs, current trends, and anticipated financial performance. These forward-looking statements include, without limitation, statements relating to expected growth of our business; projected number of net new studio openings; anticipated industry trends; projected financial and performance information such as system-wide sales; projected annual revenue, Adjusted EBITDA and other statements under the section "2023 Outlook"; our competitive position in the boutique fitness industry; and ability to execute our business strategies. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those contained in the forward-looking statements. These factors include, but are not limited to, the impact of the COVID-19 pandemic on our business and franchisees; our relationships with master franchisees, franchisees and international partners; difficulties and challenges in opening studios by franchisees; the ability of franchisees to generate sufficient revenues: risks relating to



expansion into international markets; loss of reputation and brand awareness; material weakness in our internal control over financial reporting; and other risks as described in our SEC filings, including our Annual Report on Form 10-K for the full year ended December 31, 2022 filed by Xponential with the SEC and other periodic reports filed with the SEC. Other unknown or unpredictable factors or underlying assumptions subsequently proving to be incorrect could cause actual results to differ materially from those in the forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, level of activity, performance, or achievements. You should not place undue reliance on these forward-looking statements. All information provided in this press release is as of today's date, unless otherwise stated, and Xponential undertakes no duty to update such information, except as required under applicable law.

#### Contact:

Kimberly Esterkin Addo Investor Relations <u>investor@xponential.com</u> (310) 829-5400



# **Xponential Fitness, Inc. Consolidated Balance Sheets**

# (in thousands, except per share amounts)

		ber 31, 2021
Assets		
Current Assets:		
Cash, cash equivalents and restricted cash	\$ 37,370	\$ 21,320
Accounts receivable, net	25,555	11,702
Inventories	10,864	6,928
Prepaid expenses and other current assets	6,294	5,271
Deferred costs, current portion	4,131	3,712
Notes receivable from franchisees, net	1,520	2,293
Total current assets	85,734	51,226
Property and equipment, net	18,524	12,773
Right-of-use assets	30,079	_
Goodwill	165,697	169,073
Intangible assets, net	137,175	136,863
Deferred costs, net of current portion	43,620	42,015
Notes receivable from franchisees, net of current portion	1,067	3,041
Other assets	795	553
Total assets	\$ 482,691	\$ 415,544
Liabilities, redeemable convertible preferred stock and equity (deficit)		
Current Liabilities:		
Accounts payable	\$ 16,185	\$ 14,905
Accrued expenses	12,295	21,045
Deferred revenue, current portion	31,996	22,747
Notes payable	_	983
Current portion of long-term debt	3,035	2,960
Other current liabilities	9,265	3,253
Total current liabilities	72,776	65,893
Deferred revenue, net of current portion	109,465	95,691
Contingent consideration from acquisitions	28,182	54,881
Long-term debt, net of current portion, discount and issuance costs	133,039	127,983
Lease liability	30,583	_
Other liabilities	8,633	4,675
Total liabilities	382,678	349,123
Commitments and contingencies	ĺ	Í
Redeemable convertible preferred stock, \$0.0001 par value, 400 shares authorized, 200 shares issued and outstanding as of		
December 31, 2022 and 2021	308,075	276,890
Stockholders' equity (deficit):		
Undesignated preferred stock, \$0.0001 par value, 4,600 shares authorized, none issued and outstanding as of December 31, 2022 and 2021	_	_
Class A common stock, \$0.0001 par value, 500,000 shares authorized, 27,571 and 23,898 shares issued and outstanding as of December 31, 2022 and 2021, respectively	3	2
Class B common stock, \$0.0001 par value, 500,000 shares authorized, 21,647 and 22,969 shares issued, and 21,572 and 22,969 shares outstanding as of December 31, 2022 and 2021, respectively	2	2
Additional paid-in capital	505,186	2
Receivable from shareholder	(16,369)	(10,600)
Accumulated deficit	(641,903)	(643,833)
Treasury stock, at cost, 75 shares outstanding as of December 31, 2022, no shares outstanding as of December 31, 2021	(1,697)	(0+3,633)
		(654.420)
Total stockholders' deficit attributable to Xponential Fitness, Inc.	(154,778)	(654,429)
Noncontrolling interests	(53,284)	443,960
Total stockholders' deficit	(208,062)	(210,469)
Total liabilities, redeemable convertible preferred stock and stockholders' deficit	\$ 482,691	<u>\$ 415,544</u>



# Xponential Fitness, Inc. Consolidated Statements of Operations

# (in thousands, except per share amounts)

	Th	Three Months Ended December 31,			Years Ended December 31,			
		2022		2021	2022		2021	
Revenue, net:								
Franchise revenue	\$	32,158	\$	22,955	\$ 115,286	\$	74,459	
Equipment revenue		11,531		7,012	43,461		22,583	
Merchandise revenue		7,973		6,520	27,073		20,140	
Franchise marketing fund revenue		5,840		4,120	20,384		13,623	
Other service revenue		13,767		8,765	38,750		24,274	
Total revenue, net		71,269		49,372	244,954		155,079	
Operating costs and expenses:								
Costs of product revenue		12,269		9,291	47,220		28,550	
Costs of franchise and service revenue		4,858		4,101	18,447		12,716	
Selling, general and administrative expenses		34,661		32,732	129,108		94,798	
Depreciation and amortization		4,090		3,334	15,315		10,172	
Marketing fund expense		4,594		3,740	17,290		13,044	
Acquisition and transaction expenses (income)	<u>—</u> _	8,231		23,091	2,438		26,618	
Total operating costs and expenses	<u></u>	68,703		76,289	229,818		185,898	
Operating income (loss)		2,566		(26,917)	15,136		(30,819)	
Other (income) expense:								
Interest income		(596)		(368)	(1,805)		(1,164)	
Interest expense		3,957		2,840	13,017		24,709	
Other expense		(1,112)		_	523		_	
Gain on debt extinguishment							(3,707)	
Total other expense		2,249		2,472	11,735		19,838	
Income (loss) before income taxes		317		(29,389)	3,401		(50,657)	
Income taxes		684		396	526		783	
Net income (loss)		(367)		(29,785)	2,875		(51,440)	
Less: Net income (loss) attributable to noncontrolling interests		(120)		(15,012)	945		(32,611)	
Net income (loss) attributable to Xponential Fitness, Inc.	\$	(247)	\$	(14,773)	\$ 1,930	\$	(18,829)	
Net loss per share of Class A common stock:								
Basic	\$	(1.13)		(2.45)	\$ (0.87)	\$	(2.85)	
Diluted	\$	(1.13)		(2.45)			(2.85)	
Weighted average shares of Class A common stock outstanding:								
Basic		26,819		22,598	25,295		22,403	
Diluted		26,819		22,598	25,295		22,403	
Diluiou		20,017		22,570	23,273		22,703	



### Xponential Fitness, Inc. Consolidated Statements of Cash Flows (in thousands)

Net incme (loss)   S 2,875   \$ (3,144)   \$ (4) (4) (4) (4) (4) (4) (4) (4) (4) (4)		Years Ended	d December 31, 2021		
Adjustments to reconcile ent income (loss) to ent each provided by (used in) operating activities:   Depreciation and amoritization and wrint of of debt issuance cost   126   5.74     Amoritization and write off of debt issuance cost   126   5.75     Change in contingent consideration from acquisitions   2.460   2.561     Bid debt expense (recovery)   (712   41   42   42   42   42   42   42	Cash flows from operating activities:				
Depreciation and amorization   15.15   50.15   50.75		\$ 2,875	\$ (51,440)		
Amortization and writer off of debt issuance cost         5.74           Amortization and write off of discount on long-term debt         6.13         2.75           Change in contingent consideration from acquisitions         2,440         25.66           Bad debt expense (recovery)         (712)         4           Equity-based compensation         29.04         9.66           Non-cash interest         (1,069)         58           Gain on debt extinguishment         -         3.75           Loss (gain) from disposal of assets         (78)         48           Impairment of studio assets         (5,06)         -           Loss (gain) from disposal of assets         (1,220)         6.66           Causal and liabilities, ext of effects of acquisitions:         (2,20)         6.67           Prepaid expenses and extent extent extent assets         (1,22)         6.62           Openating lease liabilities         2,30         (7           Pepal dexpenses and extent extent assets         (2,20)         (2,20)           Openating lease liabilities         3.3         13           Accounts passes and other current assets         (3,08)         (3,58)           Openating lease liabilities         (3,08)         (3,58)           Accounts passes and other current assets <td></td> <td>15 215</td> <td>10 172</td>		15 215	10 172		
Amortization and write off of discount on long-term debt         2,440         25,65           Change in contingent consideration from acquisitions         2,440         25,65           Amortization of right-of-use assets         2,055         —           Bad debt expense, (recovery)         (20,10)         9,68           King In the property of the propert					
Change in contingent consideration from acquisitions         2,440         25,65           Amortization of right-of-use sates         (2,75)         9-           Bad debt expense (recovery)         (712)         41           Equity-based compensation         (29,04)         9,65           Non-cash interest         (1,069)         35           Gain on debt extinguishment         -         1,35           Loss (gain) from disposal of assets         7         48           Impairment of studio assets         3,55         -           Impairment of studio assets         1,22         4           Accounts receivable         (12,20)         46,56           Inventories         (2,23)         42,22           Accounts pass and other current assets         (2,23)         42,22           Posterior closs         (2,24)         (7,12           Notes receivable, net         3,3         1           Accounts payable         4,0         (3,0)           Accounts payable         4,0         (3,0)           Account pay payable         2,2         1,4           Other current liabilities         3,0         6           Vet cash provided by operating activities         2,5         4           Ac					
Amortization of right of-use assets         2,655			25,640		
Bad debt expense (recovery)         (7.12)         4         9.64         9.04         9.06         Non-cash interest         (1.09)         9.58         Non-cash interest         (1.09)         1.05         3.07         3.07         3.07         3.07         3.07         3.07         3.07         3.07         3.07         3.07         3.07         3.05			23,040		
Figuity-based compensation         20,44         9,6           Non-cash interest         —         0,7           Gain on deht extinguishment         —         0,7           Loss (gain) from disposal of assets         —         7           Impairment of studio assets         —         7           Impairment of brand assets         3,65         7           Changes in assets and liabilities, net of effects of acquisitions:         (12,720)         (6,66           Inventories         (3,93)         (7,72           Prepraid expenses and other current assets         (3,93)         (4,22           Operating lease liabilities         (2,94)         —           Deferred costs         (3,93)         (1,7           Notes receivable, net         33         13           Accounts payable         469         (3,0           Account payable         2,2         1,4           Other current liabilities         2,2         1,4           Deferred revene         18,223         3,00           Other assets         (2,90)         1,4           Purchase of property and equipment         (8,95)         3,6           Purchase of Intagilitie sussets         (7,177)         (1,2           Purchase o			410		
Non-cash interest         (1,009)         5.85           Gain on dethe extinguishment         — 3,76           Loss (gain) from disposal of assets         — 78           Impairment of brand assets         — 78           Clauges in assets and liabilities, not of effects of acquisitions:         — 12,720           Accounts receivable         (1,023)         (4,22)           Accounts receivable (Inventories and other current assets)         (1,023)         (4,22)           Operating lease liabilities         (2,494)         (7,12)           Deferred costs         (2,024)         (7,12)           Accounts payable         40         (3,00)           Accounts payable         (5,008)         3,5           Related party payable         (2,24)         (7,17)           Other current liabilities         (3,20)         (7,17)           Other accounts payable         (3,000)         (3,000)           Vet cash provided by operating activities         (3,000)         (3,000)           Select of covering activities         (3,000)         (3,000)           Cash flows from investing activities         (3,000)         (3,000)           Purchases of property and equipment         (8,955)         (3,000)           Purchases of property and equipment accivities		. ,	9,699		
Gain on debt extinguishment         78, 34           Loss (gain) from disposal of assets         78         34           Impairment of studio assets         3,656         78           Changes in assets and liabilities, net of effects of acquisitions:         3,656         78           Changes in assets and liabilities, net of effects of acquisitions:         (1,023)         (6,66           Inventories         (1,023)         (4,22           Operating lease liabilities         (2,046)         (7,12           Operating lease liabilities         (2,024)         (7,12           Notes receivable, net         33         13           Accounts payable         469         (3,00           Accounts payable         -         (6,60           Other current liabilities         2,226         1,44           Deferred revnene         18,223         30,00           Other assets         (3,00)         (6,60           Net cash provided by operating activities         3,30         (8           Purchase of property and equipment         (8,955)         (3,61           Purchase of studios         -         (4           Purchase of intangible assets         (7,177)         (1,22           Notes receivable insuance         (2,278)	1 7 1		583		
Loss (gain) from disposal of assets   78		_	(3,707		
Impairment of brand assets		(78)	483		
Changes in assets and liabilities, net of effects of acquisitions:   Accounts receivable   (3,936)   (76, 177)   (3,946)   (77, 177)   (3,946)   (77, 177)   (3,946)   (77, 177)   (3,946)   (77, 177)   (3,946)   (77, 177)   (3,946)   (			781		
Accounts receivable   (12,720)   (6,60)     Inventories   (3,945)   (7,720)     Prepaid expenses and other current assets   (1,023)   (4,22)     Operating lases liabilities   (2,046)   (-2,047)     Deferred costs   (2,024)   (7,12)     Notes receivable, net   (3,03)   (4,22)     Accounts payable   (469   (3,01)     Accounts payable   (5,008)   (5,008)   (3,05)     Related party payable   (2,226)   (3,00)     Other current liabilities   (2,226)   (3,00)     Other current liabilities   (2,226)   (3,00)     Other assets   (2,400)   (2,226)   (3,00)     Other assets   (3,00)   (2,40)     Other labilities   (3,00)   (3,00)     Other labilities   (3,00)   (4,00)     Other assets   (3,00)   (4,00)     Other labilities   (3,00)   (4,00)     Other labilities   (3,00)   (4,00)     Other labilities   (3,00)   (4,00)     Other labilities   (3,00)   (4,00)     Other assets   (5,00)   (4,00)     Other assets   (4,00)   (4,00)     Other assets	Impairment of brand assets	3,656	_		
Inventories	Changes in assets and liabilities, net of effects of acquisitions:				
Prepaid expenses and other current assets         (1,023)         (4,22)           Operating lease liabilities         (2,046)         —           Deferred costs         (2,024)         (7,12)           Notes receivable, net         33         (7,12)           Accounts payable         469         (3,00)           Accrued expenses         (5,008)         3,55           Related party payable         2,226         1,4           Other current liabilities         18,223         30,01           Other current liabilities         3,301         (240)           Other assets         (240)         (240)           Other assets provided by operating activities         3,301         (4,20)           Net cash provided by operating activities         3,301         (4,20)           Purchases of property and equipment         (8,955)         (3,63)           Purchase of studios         —         (4,46)           Proceeds from sale of assets         6.5         43           Purchase of intangible assets         (65         43           Notes receivable issued         (1,782)         (2,25)           Notes receivable issued         (1,782)         (2,25)           Notes receivable issued         (1,782)         (2,	Accounts receivable	(12,720)	(6,608		
Operating lease liabilities         (2,496)         (7,12           Notes receivable, net         33         13           Accounts payable         (5,008)         3,55           Related party payable         (5,008)         3,55           Other current liabilities         2,226         1,44           Deferred revenue         18,223         30,01           Other liabilities         3,301         (6           Ket cash provided by operating activities         3,301         (6           Cash lows from investing activities         1,670         14,45           Cash lows from investing activities         -         (45           Purchases of property and equipment         (8,955)         (3,63           Purchase of intangible assets         (7,177)         (1,22           Purchase of intangible assets         (7,177)         (1,22           Notes receivable payment received         3,23         (8,08)           Acquisition of businesses         (1,782)         (2,25           Notes receivable payment received         3,23         (8,08)           Acquisition of businesses         (1,453)         (50,06           Note as used in investing activities         (1,453)         (50,06           Cash lows from financing activ	Inventories	(3,936)	(768		
Deferred costs         (2,024)         (7,12)           Notes receivable, net         33         1.12           Accounts payable         469         (3,00)           Accrued expenses         (5,008)         3.55           Related party payable         2,226         1,4           Other current liabilities         2,226         1,4           Other revenue         18,223         3,001         (8           Other labilities         3,301         (8           Other sasets         2,00         14,32           Scash flows from investing activities         3,301         (8           Scash flows from investing activities         3,301         (8           Cash flows from investing activities         4         4           Purchase of studios         -         (4           Proceeds from sale of assets         65         4           Proceeds from sale of assets         (5,00         4           Notes receivable sisued         (1,177)         (1,2           Notes receivable sisued         (1,177)         (1,2           Notes receivable sisued         (1,401)         (50,6           Sabilition of businesses         (1,401)         (50,6           Notes receivable payment rec	Prepaid expenses and other current assets	(1,023)	(4,220		
Notes receivable, net         33         13           Accounts payable         (5,008)         3,50           Related party payable	Operating lease liabilities	(2,496)	_		
Accounts payable	Deferred costs	(2,024)	(7,122		
Accrued expenses         (5,00%)         3.55           Related party payable         —         —           Other current liabilities         2,226         1.44           Deferred revenue         18,223         30,00           Other liabilities         3,301         (6           Ket cash provided by operating activities         3,301         (6           Ket cash flows from investing activities         —         (4           Cash flows from investing activities         —         (4           Purchases of property and equipment         (8,955)         (3,63           Purchase of studios         —         (4           Proceeds from sale of assets         65         44           Purchase of intangible assets         (7,177)         (1,22           Notes receivable issued         (1,782)         (2,25           Notes receivable payment received         3,236         82           Acquisition of busineses         —         (44,32           Not cash used in investing activities         (1,613)         (30,62           Sash flows from financing activities         (1,613)         (30,62           Borrowings from long-term debt         7,425         25,59           Payments on long-term debt         2,978	,		137		
Related party payable	1 7	469	(3,013		
Other current liabilities         2,226         1,44           Deferred revenue         18,223         30,01           Other assets         (240)         (200)           Other liabilities         51,670         14,45           Cast cash provided by operating activities         51,670         14,45           Cash lows from investing activities         31,670         14,45           Cash lows from investing activities         32,63         36,83           Purchase of studios         —         (4,63)         3,63           Purchase of studios assets         65         43           Purchase of intangible assets         6,717         1,12           Notes receivable sissued         (1,782)         2,25           Notes receivable payment received         3,236         83           Acquisition of businesses         —         (44,32)           Notes receivable payment received         3,236         83           Acquisition of businesses         —         (4,53)           Notes receivable payment received         3,236         83           Acquisition of businesses         —         (4,53)           Notes receivable payment received         2,22,83         42           Acquisition of businesses         —			3,596		
Deferred revenue			(1		
Other labilities         (240)           Other liabilities         3.301         (8           Cash provided by operating activities         51.670         14.42           Cash flows from investing activities         51.670         14.42           Purchases of property and equipment         (8,955)         (3.63           Purchase of studios         –         (48           Proceeds from sale of assets         65         44           Purchase of intangible assets         (1,772)         (1,22           Notes receivable issued         (1,782)         (2,25           Notes receivable payment received         3,236         82           Acquisition of businesses         –         (44,32           Notes receivable payment received         3,236         82           Acquisition of businesses         –         (44,32           Section flows from financing activities         (14,613)         50.63           Cash flows from inpactern debt         2,978         (310,60           Debt issuance costs         (55)         69           Proceeds from the issuance of Class A common stock, net of underwriting costs         –         12,00           Payments to purchase all of the shares of LCAT from LCAT shareholders         –         (10,00			1,449		
Other liabilities         3,301         (8)           Net cash provided by operating activities         51,670         14,45           Cash flows from investing activities         31,670         14,45           Purchase of property and equipment         (8,955)         (3,63)           Purchase of validos         —         (44)           Proceeds from sale of assets         .65         44           Purchase of intangible assets         .71,770         (1,22)           Notes receivable issued         .71,772         (1,22)           Notes receivable payment received         .32,36         82           Acquisition of businesses         —         .44,32           Act cash used in investing activities         .74,25         .25,53           Cash flows from financing activities         .74,25         .25,53           Act cash used in investing activities         .74,25         .25,53           Borrowings from long-term debt         .74,25         .25,53           Payments on long-term debt         .74,25         .25,53           Debt issuance costs         .55         .95           Proceeds from the issuance of Class A common stock, net of underwriting costs         .7         .20,00           Payments to purchase 750,000 LLC units/Class B Shares			30,011		
Net cash provided by operating activities         51,670         14,45           Cash flows from investing activities         (8,955)         (3,63           Purchases of property and equipment         (8,955)         (3,63           Purchase of studios         –         (45           Proceeds from sale of assets         65         43           Purchase of intangible assets         (1,177)         (1,22           Notes receivable payment received         3,236         88           Acquisition of businesses         –         (44,32           Not expectivable payment received         3,236         88           Acquisition of businesses         –         (44,32           Not expectivable payment received         3,236         88           Acquisition of businesses         –         (44,32           Not expectivable payment received         3,236         88           Acquisition of businesses         –         (44,32           Not expectivable payment received         3,236         88           Acquisition of businesses         (1,1613)         (50,60           Scash flows from financing activities         (1,413)         (30,60           Cash flows from financing activities         (2,78)         (31,06           D		` /	1		
Cash flows from investing activities:         8,955         3,63           Purchases of studios         —         (48           Proceeds from sale of assets         65         43           Purchase of intangible assets         (7,177)         (1,22           Notes receivable issued         (1,782)         (2,25           Notes receivable payment received         3,236         88           Acquisition of businesses         —         (44,32           Notes receivable payment received         3,236         88           Acquisition of businesses         —         (44,32           Notes receivable payment received         3,236         88           Acquisition of businesses         —         (44,32           Notes receivable payment received         3,236         88           Acquisition of businesses         —         (44,32           Notes receivable payment received         7,225         25,98           Acquisition of businesses         —         (2,978)         (31,06           Cash flows from financing activities         —         (2,978)         (31,06           Borrowings from long-term debt         —         (2,278)         (31,06           Debt issuance costs         —         (2,208)         (2,97			(85		
Purchases of property and equipment         (8,955)         (3,63)           Purchase of studios         —         (48)           Proceeds from sale of assets         (55)         43           Purchase of intangible assets         (7,177)         (1,22)           Notes receivable jayment received         3,236         88           Acquisition of businesses         —         (44,32)           Net each used in investing activities         —         (44,32)           Set ash used in investing activities         —         (44,32)           Set ash used in investing activities         —         (44,32)           Set ash flows from financing activities         —         (44,32)           Set ash used in investing activities         —         (44,32)           Set ash used in investing activities         —         (44,32)           Set ash used in investing activities         —         (42,978)         (310,66)           Set ash used in investing activities         —         (29,78)         (310,66)         (65)         (69           Percesds from financing activities         —         (22,978)         (310,66)         (65)         (69         Proceeds from the issuance costs         —         122,01         Againate as a security of the issuance costs and controlled of the is		51,670	14,451		
Purchase of studios         —         (45           Proceeds from sale of assets         65         43           Purchase of intangible assets         (7,177)         (1,22)           Notes receivable issued         (1,782)         (2,25           Notes receivable payment received         3,236         82           Acquisition of busineses         —         (44,33)           Net cash used in investing activities         —         (44,32)           Cash flows from financing activities         —         (45,32)           Borrowings from long-term debt         7,425         255,98           Payments on long-term debt         (2,978)         (310,66)           Debt issuance costs         —         (2,978)         (310,66)           Proceeds from the issuance of Class A common stock, net of underwriting costs         —         (20,78)         (310,66)           Proceeds from issuance of Pclass A common stock, net of underwriting costs         —         (20,00)         <					
Proceeds from sale of assets         65         43           Purchase of intangible assets         (7,177)         (1,22           Notes receivable issued         (1,782)         (2,25           Notes receivable payment received         3,236         82           Acquisition of businesses         — (44,32)           Net cash used in investing activities         — (44,32)           Cash flows from financing activities         — (2,978)         (310,60)           Cash flows from long-term debt         (2,978)         (310,60)         (2,978)         (310,60)           Debt issuance costs         (55)         (98)         Power of the issuance of Class A common stock, net of underwriting costs         — (22,01)         122,01           Payments to purchase 750,000 LLC units/Class B Shares         — (30,08)         Payment of purchase all of the shares of LCAT from LCAT shareholders         — (198,38)           Payment to purchase all of the shares of LCAT from LCAT shareholders         — (11,72)         144,34           Payment to purchase all of the shares of LCAT from LCAT shareholders         — (10,42)         144,34           Payment to purchase all of the shares of LCAT from LCAT shareholders         — (10,42)         144,34           Payment to purchase all of the shares of LCAT from LCAT shareholders         — (20,44)         144,34           Pa		(8,955)	(3,638		
Purchase of intangible assets         (7,177)         (1,22)           Notes receivable issued         (1,782)         (2,25)           Notes receivable payment received         3,236         8.88           Acquisition of businesses         —         (44,32)           Net cash used in investing activities         —         (44,32)           Cash flows from financing activities         —         55,96           Borrowings from long-term debt         7,425         25,59           Payments on long-term debt         (2,978)         (310,60)           Debt issuance costs         —         (22,978)         (310,60)           Proceeds from the issuance of Class A common stock, net of underwriting costs         —         122,01           Payments of costs related to IPO         —         (20,00)           Payments of purchase 750,000 LLC units/Class B Shares         —         (90,00)           Payments of purchase 750,000 LLC units/Class B Shares         —         (19,00)           Payment to purchase all of the shares of LCAT from LCAT shareholders         —         (14,44)           Payment of Pk&W Cash Merger Consideration         —         (11,72)           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,96)           Payment of preferred stock dividend and	Purchase of studios	_	(450		
Notes receivable issued         (1,782)         (2,25)           Notes receivable payment received         3,236         82           Acquisition of businesses         —         (44,32)           Note cash used in investing activities         (14,613)         (50,62)           Cash flows from financing activities:         ****         ****           Borrowings from long-term debt         (2,978)         (310,60)           Debt issuance costs         (55)         (99           Proceeds from the issuance of Class A common stock, net of underwriting costs         —         122,01           Payments to purchase 750,000 LLC units/Class B Shares         —         (9,00)           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         —         (9,00)           Payment to purchase 750,000 LLC units/Class B Shares         —         (9,00)           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         —         (9,00)           Payment to purchase all of the shares of LCAT from LCAT shareholders         —         (14,44)           Payment of preferred Units and LLC Units         —         (20,45)           Exchange of LLC units for Class B shares         —         —           Payment of preferred stock dividend and deemed dividend         (16,250)		65	433		
Notes receivable payment received Acquisition of businesses         3,236         82 Acquisition of businesses         - (44,32)         82 Acquisition of businesses         - (44,42)         82 Acquisition of businesses         - (20,40)         82 Acquisition of busines	Purchase of intangible assets	(7,177)	(1,220		
Acquisition of businesses         — (44.32 kg/s)           Net cash used in investing activities         (14,613)         (50.63 kg/s)           Cash flows from financing activities:         — 7.425 kg/s)         255.98 kg/s           Borrowings from long-term debt         (2.978)         (310.60 kg/s)           Debt issuance costs         (55)         (96 kg/s)           Proceeds from the issuance of Class A common stock, net of underwriting costs         — 122.01 kg/s           Payments of costs related to IPO         — 6.30 kg/s           Payments to purchase 750,000 LLC units/Class B Shares         — 9.00 kg/s           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         — 198.33 kg/s           Payment to purchase 310 of the shares of LCAT from LCAT shareholders         — 101.77 kg/s           Payment of H&W Cash Merger Consideration         — (11,72 kg/s)           Payments to acquire the Preferred Units and LLC Units         — (20.48 kg/s)           Exchange of LLC units for Class B shares         — (20.48 kg/s)           Payment of preferred stock dividend and deemed dividend         (16.250) kg/s           Payments on loans from related party         — (8 kg/s)           Member contributions         — (8 kg/s)           Payments for taxes related to net share settlement of restricted share units         (1,909) kg/s			(2,258		
Net cash used in investing activities         (14,613)         (50,62           Cash flows from financing activities:         255,98         310,66           Borrowings from long-term debt         (2,978)         (310,66           Payments on long-term debt         (2,978)         (310,66           Debt issuance costs         (55)         (99           Proceeds from the issuance of Class A common stock, net of underwriting costs         —         122,01           Payments of costs related to IPO         —         (3,08           Payments to purchase 750,000 LLC units/Class B Shares         —         (9,00           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         —         198,35           Payment to purchase all of the shares of LCAT from LCAT shareholders         —         (144,48           Payment of the W Cash Merger Consideration         —         (11,72           Payments to acquire the Preferred Units and LLC Units         —         (20,49           Exchange of LLC units for Class B shares         —         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,95           Payments on loans from related party         —         (8           Member contributions         —         5           Payments for t		3,236	820		
Cash flows from financing activities:       7,425       255,98         Borrowings from long-term debt       (2,978)       (310,60         Debt issuance costs       (55)       (96         Proceeds from the issuance of Class A common stock, net of underwriting costs       —       122,01         Payments of costs related to IPO       —       (3,08         Payments to purchase 750,000 LLC units/Class B Shares       —       (9,00         Proceeds from issuance of redeemable convertible preferred stock, net of offering costs       —       198,33         Payment to purchase all of the shares of LCAT from LCAT shareholders       —       (144,48         Payment of Payment to purchase all of the shares of LCAT from LCAT shareholders       —       (11,72         Payments to acquire the Preferred Units and LLC Units       —       (20,49         Exchange of LLC units for Class B shares       —       —         Payment of preferred stock dividend and deemed dividend       (16,250)       (8,99         Payment of contingent consideration       (2,190)       (12,15         Payments on loans from related party       —       (8         Member contributions       —       56         Payments for taxes related to net share settlement of restricted share units       (1,909)       —         Distributions to Member<	Acquisition of businesses		(44,322		
Borrowings from long-term debt         7,425         255,98           Payments on long-term debt         (2,978)         (310,60           Debt issuance costs         (55)         (99           Proceeds from the issuance of Class A common stock, net of underwriting costs         —         122,01           Payments of costs related to IPO         —         (3,08           Payments to purchase 750,000 LLC units/Class B Shares         —         (9,00           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         —         19,35           Payment to purchase 750,000 LLC units/Class B Shares         —         (14,48           Payment of the shares of LCAT from LCAT shareholders         —         (14,48           Payment to purchase all of the shares of LCAT from LCAT shareholders         —         (11,72           Payments to acquire the Preferred Units and LLC Units         —         (20,48           Exchange of LLC units for Class B shares         —         —           Exchange of LLC units for Class B shares         —         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,99           Payments on loans from related party         —         (8           Member contributions         —         56           Payment	Net cash used in investing activities	(14,613)	(50,635		
Payments on long-term debt         (2,978)         (310,60)           Debt issuance costs         (55)         (99)           Proceeds from the issuance of Class A common stock, net of underwriting costs         —         122,01           Payments of costs related to IPO         —         (3,08)           Payments to purchase 750,000 LLC units/Class B Shares         —         (9,00)           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         —         198,35           Payment to purchase all of the shares of LCAT from LCAT shareholders         —         (144,48)           Payment of H&W Cash Merger Consideration         —         (11,72)           Payments to acquire the Preferred Units and LLC Units         —         (20,48)           Exchange of LLC units for Class B shares         —         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,99)           Payments on loans from related party         —         (8           Member contributions         —         56           Payments for taxes related to net share settlement of restricted share units         (1,909)         —           Distributions to Member         —         (1,60           Loan to shareholder         (5,050)         —           Receipts fr	Cash flows from financing activities:				
Debt issuance costs         (55)         (95)           Proceeds from the issuance of Class A common stock, net of underwriting costs         —         122,01           Payments of costs related to IPO         —         (3,08           Payments to purchase 750,000 LLC units/Class B Shares         —         (9,00           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         —         198,33           Payment to purchase all of the shares of LCAT from LCAT shareholders         —         (11,72           Payment of H&W Cash Merger Consideration         —         (11,72           Payments to acquire the Preferred Units and LLC Units         —         (20,45)           Exchange of LLC units for Class B shares         —         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,95)           Payment of contingent consideration         (2,190)         (12,15           Payments on loans from related party         —         (8           Member contributions         —         (8           Payments for taxes related to net share settlement of restricted share units         (1,909)         —           Distributions to Member         —         (10,60)           Loan to shareholder         (5,050)         —           Receipt	Borrowings from long-term debt		255,980		
Proceeds from the issuance of Class A common stock, net of underwriting costs         —         122,01           Payments of costs related to IPO         —         (3,08           Payments to purchase 750,000 LLC units/Class B Shares         —         (9,00           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         —         198,35           Payment to purchase all of the shares of LCAT from LCAT shareholders         —         (144,48           Payment of H&W Cash Merger Consideration         —         (11,72           Payments to acquire the Preferred Units and LLC Units         —         (20,49           Exchange of LLC units for Class B shares         —         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,95           Payments on loans from related party         —         (8           Member contributions         —         56           Payments for taxes related to net share settlement of restricted share units         (1,909)         —           Distributions to Member         —         (10,60           Loan to shareholder         (5,050)         —           Receipts from Member, net         —         1,42           Net cash provided by (used in) financing activities         (21,007)         46,20	Payments on long-term debt		(310,600		
Payments of costs related to IPO         — (3,08)           Payments to purchase 750,000 LLC units/Class B Shares         — (9,00)           Proceeds from issuance of redeemable convertible preferred stock, net of offering costs         — 198,35           Payment to purchase all of the shares of LCAT from LCAT shareholders         — (144,48)           Payment of H&W Cash Merger Consideration         — (20,49)           Payments to acquire the Preferred Units and LLC Units         — (20,49)           Exchange of LLC units for Class B shares         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,99)           Payment of contingent consideration         (2,190)         (12,15           Payments on loans from related party         — (8           Member contributions         — (8           Payments for taxes related to net share settlement of restricted share units         (1,909)         —           Distributions to Member         — (10,60)         —           Loan to shareholder         (5,050)         —           Receipts from Member, net         — (1,42)           Net cash provided by (used in) financing activities         (21,007)         46,20           Increase in cash, cash equivalents and restricted cash         16,050         10,02           Cash, cash equivalents and restricted cash, begin		(55)	(996		
Payments to purchase 750,000 LLC units/Class B Shares Proceeds from issuance of redeemable convertible preferred stock, net of offering costs Payment to purchase all of the shares of LCAT from LCAT shareholders Payment to purchase all of the shares of LCAT from LCAT shareholders Payment of H&W Cash Merger Consideration Payments to acquire the Preferred Units and LLC Units Exchange of LLC units for Class B shares Payment of preferred stock dividend and deemed dividend Payment of contingent consideration Payment of contingent consideration Payments on loans from related party Payments on loans from related party Payments for taxes related to net share settlement of restricted share units Payments for taxes related to net share settlement of restricted share units Distributions to Member Loan to shareholder Receipts from Member, net  Net cash provided by (used in) financing activities Cash, cash equivalents and restricted cash, beginning of year  (9,00 Payments for taxes related to net share settlement of restricted share units Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share units (1,909) Payments for taxes related to net share settlement of restricted share		_	122,016		
Proceeds from issuance of redeemable convertible preferred stock, net of offering costs  Payment to purchase all of the shares of LCAT from LCAT shareholders  Payment of H&W Cash Merger Consideration Payments to acquire the Preferred Units and LLC Units Exchange of LLC units for Class B shares Payment of preferred stock dividend and deemed dividend (16,250) (8,950) Payment of contingent consideration (2,190) (12,150) Payments on loans from related party Member contributions Payments for taxes related to net share settlement of restricted share units (1,909) — Distributions to Member Loan to shareholder Receipts from Member, net Net cash provided by (used in) financing activities (21,007) 46,200 Increase in cash, cash equivalents and restricted cash, beginning of year  198,35  101,44,48  101,44,44  101,44,44  101,44,44  101,44,44  101,44,44  101,44,44  101,44,44  101,4		_	(3,082		
Payment to purchase all of the shares of LCAT from LCAT shareholders Payment of H&W Cash Merger Consideration Payments to acquire the Preferred Units and LLC Units Exchange of LLC units for Class B shares Payment of preferred stock dividend and deemed dividend (16,250) (8,99) Payment of contingent consideration (2,190) (12,15) Payments on loans from related party Payments on loans from related party Member contributions Payments for taxes related to net share settlement of restricted share units (1,909) Distributions to Member Loan to shareholder Receipts from Member, net Net cash provided by (used in) financing activities (21,007) 46,200 Increase in cash, cash equivalents and restricted cash, beginning of year (11,002) 11,250			(9,000		
Payment of H&W Cash Merger Consideration         — (11,72           Payments to acquire the Preferred Units and LLC Units         — (20,48           Exchange of LLC units for Class B shares         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,95)           Payment of contingent consideration         (2,190)         (12,15)           Payments on loans from related party         — (8         (8,95)           Member contributions         — (8         (8,95)           Payments for taxes related to net share settlement of restricted share units         — (8,95)         (9,90)           Distributions to Member         — (10,60)         — (10,60)         — (10,60)           Loan to shareholder         (5,050)         — (10,60)         — (10,60)         — (10,60)           Net cash provided by (used in) financing activities         (21,007)         46,20         46,20           Increase in cash, cash equivalents and restricted cash         16,050         10,02           Cash, cash equivalents and restricted cash, beginning of year         21,320         11,25	1 ,	_	198,396		
Payments to acquire the Preferred Units and LLC Units       — (20,49)         Exchange of LLC units for Class B shares       —         Payment of preferred stock dividend and deemed dividend       (16,250)       (8,99)         Payment of contingent consideration       (2,190)       (12,15)         Payments on loans from related party       — (8         Member contributions       — 56         Payments for taxes related to net share settlement of restricted share units       (1,909)       —         Distributions to Member       — (10,60)       —         Loan to shareholder       (5,050)       —         Receipts from Member, net       — 1,45         Net cash provided by (used in) financing activities       (21,007)       46,20         Increase in cash, cash equivalents and restricted cash       16,050       10,02         Cash, cash equivalents and restricted cash, beginning of year       21,320       11,25			(144,485		
Exchange of LLC units for Class B shares         —           Payment of preferred stock dividend and deemed dividend         (16,250)         (8,99)           Payment of contingent consideration         (2,190)         (12,15)           Payments on loans from related party         —         (8           Member contributions         —         56           Payments for taxes related to net share settlement of restricted share units         (1,909)         —           Distributions to Member         —         (10,60)           Loan to shareholder         (5,050)         —           Receipts from Member, net         —         1,45           Net cash provided by (used in) financing activities         (21,007)         46,20           Increase in cash, cash equivalents and restricted cash         16,050         10,02           Cash, cash equivalents and restricted cash, beginning of year         21,320         11,29		_	(11,720		
Payment of preferred stock dividend and deemed dividend       (16,250)       (8,99)         Payment of contingent consideration       (2,190)       (12,13)         Payments on loans from related party       —       (8         Member contributions       —       56         Payments for taxes related to net share settlement of restricted share units       (1,909)       —         Distributions to Member       —       (10,60)         Loan to shareholder       (5,050)       —         Receipts from Member, net       —       1,45         Net cash provided by (used in) financing activities       (21,007)       46,20         Increase in cash, cash equivalents and restricted cash       16,050       10,02         Cash, cash equivalents and restricted cash, beginning of year       21,320       11,25					
Payment of contingent consideration       (2,190)       (12,15)         Payments on loans from related party       —       (8         Member contributions       —       56         Payments for taxes related to net share settlement of restricted share units       (1,909)       —         Distributions to Member       —       (10,60         Loan to shareholder       (5,050)       —         Receipts from Member, net       —       1,45         Net cash provided by (used in) financing activities       (21,007)       46,20         Increase in cash, cash equivalents and restricted cash       16,050       10,02         Cash, cash equivalents and restricted cash, beginning of year       21,320       11,29			2		
Payments on loans from related party       —       (8         Member contributions       —       56         Payments for taxes related to net share settlement of restricted share units       (1,909)       —         Distributions to Member       —       (10,60         Loan to shareholder       (5,050)       —         Receipts from Member, net       —       1,45         Net cash provided by (used in) financing activities       (21,007)       46,20         Increase in cash, cash equivalents and restricted cash       16,050       10,02         Cash, cash equivalents and restricted cash, beginning of year       21,320       11,29					
Member contributions—566Payments for taxes related to net share settlement of restricted share units(1,909)—Distributions to Member—(10,60Loan to shareholder(5,050)—Receipts from Member, net—1,45Net cash provided by (used in) financing activities(21,007)46,20Increase in cash, cash equivalents and restricted cash16,05010,02Cash, cash equivalents and restricted cash, beginning of year21,32011,29					
Payments for taxes related to net share settlement of restricted share units  Distributions to Member  Loan to shareholder  Receipts from Member, net  Net cash provided by (used in) financing activities  Increase in cash, cash equivalents and restricted cash  Cash, cash equivalents and restricted cash, beginning of year  (1,909)  — (10,60  — (1,905)  — (1,905)  — (21,007)  46,20  10,02  10,02  11,25  11,25			(85		
Distributions to Member         — (10,60 to 5,050)         — (5,050)         —			562		
Loan to shareholder(5,050)—Receipts from Member, net—1,45Net cash provided by (used in) financing activities(21,007)46,20Increase in cash, cash equivalents and restricted cash16,05010,02Cash, cash equivalents and restricted cash, beginning of year21,32011,29	•	(1,909)	(10,000		
Receipts from Member, net—1,45Net cash provided by (used in) financing activities(21,007)46,20Increase in cash, cash equivalents and restricted cash16,05010,02Cash, cash equivalents and restricted cash, beginning of year21,32011,29		(5.050)	(10,600		
Net cash provided by (used in) financing activities (21,007) 46,200 (21,007) 46,200 (21,007)		(5,050)			
Increase in cash, cash equivalents and restricted cash Cash, cash equivalents and restricted cash, beginning of year 16,050 10,02 21,320 11,29	i '				
Cash, cash equivalents and restricted cash, beginning of year 21,320 11,29			46,205		
<u> </u>	Increase in cash, cash equivalents and restricted cash	16,050	10,021		
Cash, cash equivalents and restricted cash, end of year \$37,370 \$21,32	Cash, cash equivalents and restricted cash, beginning of year	21,320	11,299		
	Cash, cash equivalents and restricted cash, end of year	\$ 37,370	\$ 21,320		



# Xponential Fitness, Inc. Net Loss to GAAP EPS Per Share (in thousands, except per share amounts)

	Three Months		Years	
	Ended December 31,		Enc	
			December 31,	
	2022	2021	2022	2021
Numerator:				
Net income (loss)	\$ (367)	\$(29,785)	\$ 2,875	\$(51,440)
Less: net loss attributable to noncontrolling interests	24,343	56,214	19,284	78,417
Less: dividends on preferred shares	(3,250)	(3,250)	(13,000)	(5,742)
Less: deemed dividend	(50,979)	(78,494)	(31,185)	(84,994)
Net loss attributable to XPO Inc basic and diluted	<u>\$(30,253)</u>	<u>\$(55,315)</u>	<u>\$(22,026)</u>	<u>\$(63,759)</u>
Denominator:				
Weighted average shares of Class A common stock outstanding - basic and diluted	26,819	22,598	25,295	22,403
Net loss per share attributable to Class A common stock - basic	\$ (1.13)	\$ (2.45)	\$ (0.87)	\$ (2.85)
Net loss per share attributable to Class A common stock - diluted	\$ (1.13)	\$ (2.45)	\$ (0.87)	\$ (2.85)
Anti-dilutive shares excluded from diluted loss per share of Class A common stock:				
Rumble Class A common stock	_	1,300	_	1,300
Restricted stock units	2,102	1,123	2,102	1,123
Convertible preferred stock	13,889	13,889	13,889	13,889
Conversion of Class B common stock to Class A common stock	21,572	22,969	21,572	22,969
Treasury share options	75	_	75	_
Rumble contingent shares	2,024	2,024	2,024	2,024
Profits interests, time vesting	14	74	14	74
Profit interest units, performance vesting	_	1,935	_	1,935



# Reconciliations of GAAP to Non-GAAP Measures (in thousands, except per share amounts)

	Three Months Ended December 31, Years Ended December 31,				mber 31,			
	2022		2021		2022			2021
	(\$ in thousands)							
Net income (loss)	\$	(367)	\$	(29,785)	\$	2,875	\$	(51,440)
Interest expense, net		3,361		2,472		11,212		23,545
Income taxes		684		396		526		783
Depreciation and amortization		4,090		3,334		15,315		10,172
EBITDA		7,768		(23,583)		29,928		(16,940)
Equity-based compensation		5,124		5,498		29,044		9,699
Employer payroll taxes related to equity-based compensation		123		_		123		_
Acquisition and transaction expenses (income)		8,231		23,091		2,438		26,618
Management fees and expenses		_		_		_		462
Litigation expenses		1,927		4,605		10,301		8,312
Employee retention credit		_		(2,269)		(2,597)		(2,269)
Secondary public offering expenses		99		_		836		_
TRA remeasurement		(1,112)		1,261		523		1,441
Impairment of brand assets						3,656		
Adjusted EBITDA	\$	22,160	\$	8,603	\$	74,252	\$	27,323

	Three I End Decem	Ye En Decem		
	2022	2021	2022	2021
Net income (loss)	\$ (367)	\$(29,785)	\$ 2,875	\$(51,440)
Change in fair value of contingent consideration	8,231	22,420	2,440	25,640
TRA remeasurement	(1,112)	1,261	523	1,441
Impairment of brand assets			3,656	
Adjusted net income (loss)	\$ 6,752	\$ (6,104)	\$ 9,494	\$(24,359)
Adjusted net income (loss) attributable to noncontrolling interest	3,016	(3,077)	4,432	(12,362)
Adjusted net income (loss) attributable to Xponential Fitness, Inc.	3,736	(3,027)	5,062	(11,997)
Dividends on preferred shares	(1,798)	(1,612)	(6,931)	(2,828)
Deemed dividend	_	_	_	(3,201)
EPS numerator - Basic	\$ 1,938	\$ (4,639)	\$ (1,869)	\$(18,026)
Add: Adjusted net income (loss) attributable to noncontrolling interest	3,016	_	_	_
Add: Dividends on preferred shares	1,798			
EPS numerator - Diluted	\$ 6,752	<u>\$ (4,639)</u>	<u>\$ (1,869)</u>	<u>\$(18,026)</u>
Adjusted net earnings (loss) per share - Basic	\$ 0.07	\$ (0.21)	\$ (0.07)	\$ (0.80)
Weighted average shares of Class A common stock outstanding - Basic	26,819	22,598	25,295	22,403
Adjusted net earnings (loss) per share - Diluted	\$ 0.11	\$ (0.21)	\$ (0.07)	\$ (0.80)
Effect of dilutive securities:				
Restricted stock units	482	_	_	_
Convertible preferred shares	13,889	_	_	_
Conversion of Class B common stock to Class A common stock	21,649	_	_	_
Weighted average shares of Class A common stock outstanding - Diluted	62,839	22,598	25,295	22,403
Shares excluded from diluted earnings per share of Class A common stock				
Rumble Class A common stock	_	1,300	_	1,300
Restricted stock units	_	1,123	2,102	1,123
Convertible preferred stock	_	13,889	13,889	13,889
Conversion of Class B common stock to Class A common stock	_	22,969	21,572	22,969
Treasury share options	_	_	75	_
Profits interests, performance vesting	_	1,935	_	1,935
Rumble contingent shares	2,024	2,024	2,024	2,024
Profits interests, time vesting	14	74	14	74

**Note**: The above adjusted net income (loss) per share is computed by dividing the adjusted net income (loss) attributable to holders of Class A common stock by the weighted average shares of Class A common stock outstanding during the period. Total share count does not include potential future shares vested upon achieving certain earn-out thresholds. Net income, however, continues to take into account the non-cash contingent liability primarily due to Rumble.



#### Footnotes

- 1. System-wide sales represent gross sales by all North America studios. System-wide sales include sales by franchisees that are not revenue realized by us in accordance with GAAP. While we do not record sales by franchisees as revenue, and such sales are not included in our consolidated financial statements, this operating metric relates to our revenue because we receive approximately 7% and 2% of the sales by franchisees as royalty revenue and marketing fund revenue, respectively. We believe that this operating measure aids in understanding how we derive our royalty revenue and marketing fund revenue and is important in evaluating our performance. System-wide sales growth is driven by net new studio openings and increases in same store sales. Management reviews system-wide sales weekly, which enables us to assess changes in our franchise revenue, overall studio performance, the health of our brands and the strength of our market position relative to competitors.
- 2. Same store sales refer to period-over-period sales comparisons for the base of studios. We define the same store sales base to include studios in North America that have been open for at least 13 calendar months as of the measurement date. Any transfer of ownership of a studio does not affect this metric. We measure same store sales based solely upon monthly sales as reported by franchisees. This measure highlights the performance of existing studios, while excluding the impact of net new studio openings. Management reviews same store sales to assess the health of the franchised studios.
- 3. AUV is calculated by dividing sales during the applicable period for all studios being measured by the number of studios being measured. Quarterly run-rate AUV consists of average quarterly sales for all studios that are at least 6 months old at the beginning of the respective quarter, multiplied by four. Monthly run-rate AUV is calculated as the monthly AUV multiplied by twelve, for studios that are at least 6 months old at the beginning of the respective month. AUV growth is primarily driven by changes in same store sales and is also influenced by net new studio openings. Management reviews AUV to assess studio economics.
- 4. We define Adjusted EBITDA as EBITDA (net income/loss before interest, taxes, depreciation and amortization), adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. These items include equity-based compensation and related employer payroll taxes, acquisition and transaction expenses (including change in contingent consideration), management fees and expenses (that were discontinued after July 2021), litigation expenses (consisting of legal and related fees for specific proceedings that arise outside of the ordinary course of our business), employee retention credit (a tax credit for retaining employees throughout the COVID-19 pandemic), secondary public offering expenses for which we did not receive proceeds, expense related to the remeasurement of our TRA obligation and expense related to loss on impairment of our brand intangible assets and goodwill that we do not believe reflect our underlying business performance and affect comparability. EBITDA and Adjusted EBITDA are also frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe that Adjusted EBITDA, viewed in addition to, and not in lieu of, our reported GAAP results, provides useful information to investors regarding our performance and overall results of operations because it eliminates the impact of other items that we believe reduce the comparability of our underlying core business performance from period to period and is therefore useful to our investors in comparing the core performance of our business from period to period.