

FLEXIT F

WHEREVER, WHENEVER.

flexit@flexit.fit
www.flexit.fit

Spring 2018
Confidential & Proprietary

The fitness industry is ripe with opportunity, as the evolving needs of consumers challenge traditional models

\$21.8B

Rev/year of the gym and
health club industry

57.25 m

Members of health clubs in the
United States

67%

Of people with gym
memberships never use them

\$39

Per gym membership is wasted
due to underutilization

Consumers value fitness experiences that offer flexibility

Consumers are...

Conditioned to access fitness a-la-carte and pay only for what they use

Discouraged by memberships that require long-term commitments and are painful to exit

Empowered by variety in options to meet their fitness goals

Enabled by convenience to keep up with their busy lifestyles

Digitally connected and value seamless integration

Motivated by community

Gyms face significant challenges in meeting their customers' needs while navigating an increasingly competitive landscape

Gyms face...

High costs to launch and operate facilities, making it difficult to attract and retain profitable customers

Adversity to long term-commitment requiring alternative revenue streams

Proliferation of facilities, including boutique studios, that have stolen market-share

Transient customer-bases that require broad-reach to capture the available market

Demanding customers that desire personalization that is too costly to provide at scale

Tech-savvy customers that expect a digitally connected experience

The industry is taking notice

“

... People, especially millennials, are searching for **personalized experiences everywhere they go**, and that includes looking for unique fitness and workout experiences with a small group of people they connect with on a personal level. Even if they're traveling or away from home, they expect to be able to keep that routine by **walking into** a local boutique **gym on a per-session basis** or by using a digital fitness app outside, in a hotel – or almost anywhere for that matter ”

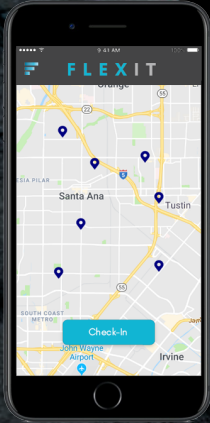
Adam Zeitsiff, CIO – Gold's Gym International
January 2018

What if...

there were a solution that offered consumers
the flexibility they expect while enabling
facilities to deliver profitably?

Discover

gyms in your
community



Check-in

with a quick and easy
scan

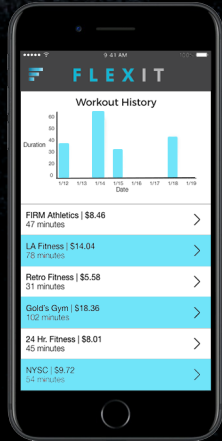


FLEXIT

THE A-LA-CARTE FITNESS SOLUTION THAT ALLOWS USERS TO WORK-OUT WHERE THEY WANT,
WHEN THEY WANT AND PAY ONLY FOR THE TIME THEY USE

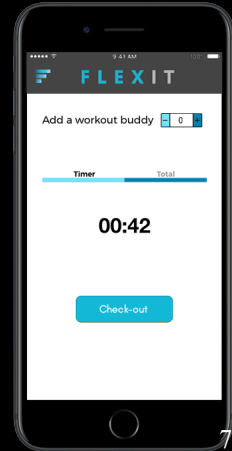
Review

your activity and
progress



FLEXIT

using the mobile app



FLEXIT provides solutions to both

Consumers

Mobile-based solution that enables a frictionless experience

Pay only for what you use

No long-term commitments

Access to a nation-wide network of facilities

Try before you buy

Gyms

Increased revenue (via rev share)

New prospective touchpoints

Membership upticks

Increased foot traffic

Organic cross promotion and marketing

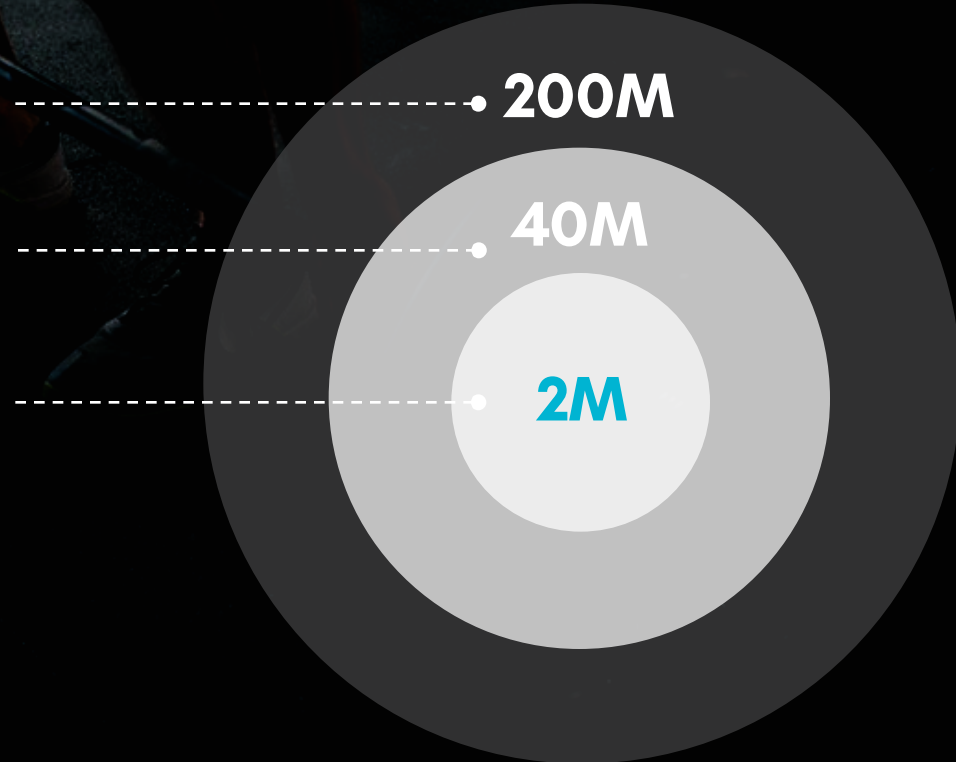
FLEXIT

FLEXIT provides technology to scale for a growing market

Total available market (TAM):
US Population 18-65

Serviceable addressable market (SAM):
Adults who work out 2x/week

Serviceable obtainable market (SOM):
Realistic reach



FLEXIT has a multifaceted approach to acquiring and retaining customers

Digital

Cost: \$\$\$
Effectiveness: High

PR

Cost: \$\$\$
Effectiveness: High

Social Media

Cost: \$
Effectiveness: Medium

Search Engine

Cost: \$\$
Effectiveness: Medium

Influencer

Cost: \$\$
Effectiveness: Medium

Partnerships

Cost: \$\$
Effectiveness: Low

Email

Cost: \$
Effectiveness: Medium

Affiliate

Cost: \$
Effectiveness: Medium

Offline

Cost: \$
Effectiveness: Low

FLEXIT is more affordable and experiential than its competition



What about the platform's risks?

Risks

Consumer are saturated by other fitness related services and may be resistant to adopt FLEXIT

Gyms are resistant to adopting FLEXIT because it may cannibalize membership-bases

Gyms are resistant to working with a new player in the space

Low barriers to entry increases competition

Increasingly noisy ecosystem

Mitigants

FLEXIT's customer acquisition strategy is designed to promote its value proposition using a compressive approach

FLEXIT is designed to bring new users and prospective members that will offset losses in membership

FLEXIT's corporate team has deep industry success, expertise and C-level relationships at the biggest national gym chains in the country

FLEXIT's competitive advantage is its deep industry relationships and existing soft commitments and industry knowledge

FLEXIT fills a niche segment of the market and addresses and untapped need

By the numbers

FLEXIT P&L					
FYE June	FY2019	FY2020	FY2021	FY2022	FY2023
Revenue	\$283,686	\$1,451,549	\$5,029,293	\$10,967,885	\$20,778,342
<i>Yr/Yr Growth</i>		412%	246%	118%	89%
Variable Costs					
Installation Expenses	24,000	60,000	120,000	180,000	240,000
Gym Servicing Expenses	58,000	97,200	288,000	646,800	1,209,600
Credit Card Costs	16,517	59,785	168,404	273,921	515,186
Total Variable Costs	98,517	216,985	576,404	1,100,721	1,964,786
Fixed Costs					
Marketing	137,000	257,050	542,013	1,020,413	1,830,448
Salaries & Benefits	235,750	1,681,300	3,149,333	4,968,437	6,995,059
G&A	69,120	164,640	398,280	976,260	2,420,670
Total Fixed Costs	441,870	2,102,990	4,089,625	6,965,110	11,246,177
EBITDA	-256,701	-868,426	363,264	2,902,054	7,567,379
<i>Margin</i>	-90.5%	-59.8%	7.2%	26.5%	36.4%
D&A	12,707	17,036	20,975	19,344	15,755
Operating Income	-269,408	-885,463	342,289	2,882,710	7,551,623
Taxes	-56,576	-185,947	71,881	605,369	1,585,841
Net Income	-\$212,832	-\$699,515	\$270,408	\$2,277,341	\$5,965,782

FYE JUNE	FY2019	FY2020	FY2021	FY2022	FY2023
Gyms on FlexIt	240	840	2,040	3,840	6,240
Gyms Signed Up	220	600	1,200	1,800	2,400

FYE JUNE	FY2019	FY2020	FY2021	FY2022	FY2023
Beginning Active Users	0	5,171	12,528	21,981	32,696
Net New Users	5,171	7,357	9,453	10,715	11,542
Ending Active Users	5,171	12,528	21,981	32,696	44,239
Average Active Users	3,447	8,352	14,654	21,798	29,493

FYE JUNE	FY2019	FY2020	FY2021	FY2022	FY2023
Entry-Tier	50%	40%	30%	25%	20%
Mid-Tier	25%	35%	40%	40%	40%
Premium-Tier	25%	25%	30%	35%	40%

Investment Details

Deal Terms

Raise

Up to \$500K

FLEXIT is seeking funding to support the growth of its business. FLEXIT needs \$100K to launch this summer, and an additional \$400K for its first 12 months of operations.

Uses of Capital

\$72K

Technology

Consumer App
Tablet App/Admin Panel

\$140K

PR/Marketing

Launch/Ongoing PR
Targeted Digital Strategy

\$53K

Working Capital

Hardware purchase
Inventory & Storage

\$235K

Personnel/Ops

CTO; COO; Biz Dev
Hardware Training

\$500K

Mission & Vision

FLEXIT's mission is to make fitness more accessible. FLEXIT will enable more individuals to workout where they want, when they want. FLEXIT will accrue more minute across its platform than the largest grossing individual gym chain in the country.

Team



CEO- Austin Cohen

Extensive consumer venture capital and operating company experience

Columbia Business School (MBA); Columbia University (BA);
Roslyn High School Valedictorian



Head of Biz Dev- Michael Rojas

Co-Founder and CEO of Iron Grip Barbell Company

Iron Grip is the largest provider of commercial free weight equipment worldwide and the only manufacturer with a line of exclusively American-made free weight equipment

Iron Grip equipment can be found in over 95 countries and in over 10,000 gyms

WORKOUT WHEREVER, WHENEVER.



Austin Cohen
516.417.2741
austin@flexit.fit

FlexIt, Inc. Is an a-la-carte non-membership solution to access health and fitness clubs wherever, whenever. FlexIt provides on-demand access to gyms so that users can enjoy the privileges of membership without the hassle, and pay solely for the time they use.

This presentation contains forward-looking statements. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “could,” “would,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “projects,” “predicts,” “potential,” and similar expressions. Forward-looking statements involve assumptions, variables, risks, and uncertainties that may cause actual results, performance, or financial conditions to be materially different from the expectations of future results, performance or financial conditions expressed or implied in such forward-looking statements. Such factors include, but are not limited to our ability to raise capital, develop certain technologies and generate sales, and ability to expand and grow our distribution channels, changes in business plans, regulatory changes and political and economic factors. Actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous risks and uncertainties. Certain information provided in this presentation comes from publicly available or third-party sources. While FlexIt, Inc. believes such information to be correct, it makes no expressed or implied representation or warranty as to the accuracy or completeness of any such information or any forward-looking statements set forth in this presentation or as to the reasonableness, accuracy, or completeness of the assumptions from which the forward-looking statements are derived. Forward-looking and all other statements made in this presentation speak only as of the date on which they are made. FlexIt, Inc. has no obligation to update or revise any information or any forward-looking statement to reflect any actual results or changes in its expectations or any change in events, conditions or circumstances on which any such statement is based. This presentation does not constitute or form an offer to sell or issue or solicitation of an offer to purchase or subscribe for any securities of FlexIt, Inc. in any jurisdiction, and no part of this presentation shall form the basis of or be relied upon in connection with any such offer or solicitation or any contract or commitment. Specifically this presentation does not constitute a “prospectus” within the meaning of the U.S. Securities Act of 1933, as amended. The contents of this presentation may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. © FlexIt, Inc.