

FLEXIT F

WHEREVER, WHENEVER.

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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

57.25M

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 ”

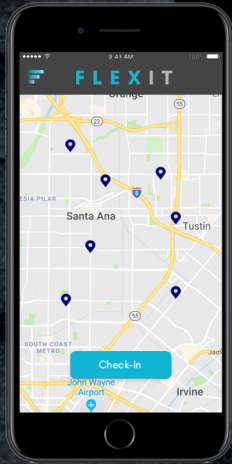
Adam Zeitsiff, CIO – Gold's Gym International
January 2018

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

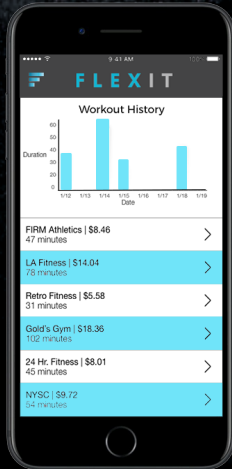


FLEXIT

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

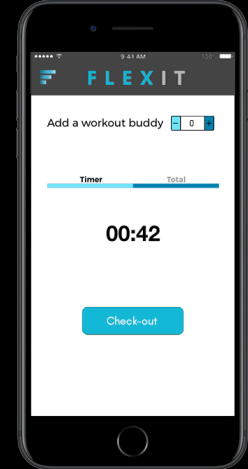
Review

your activity and
progress

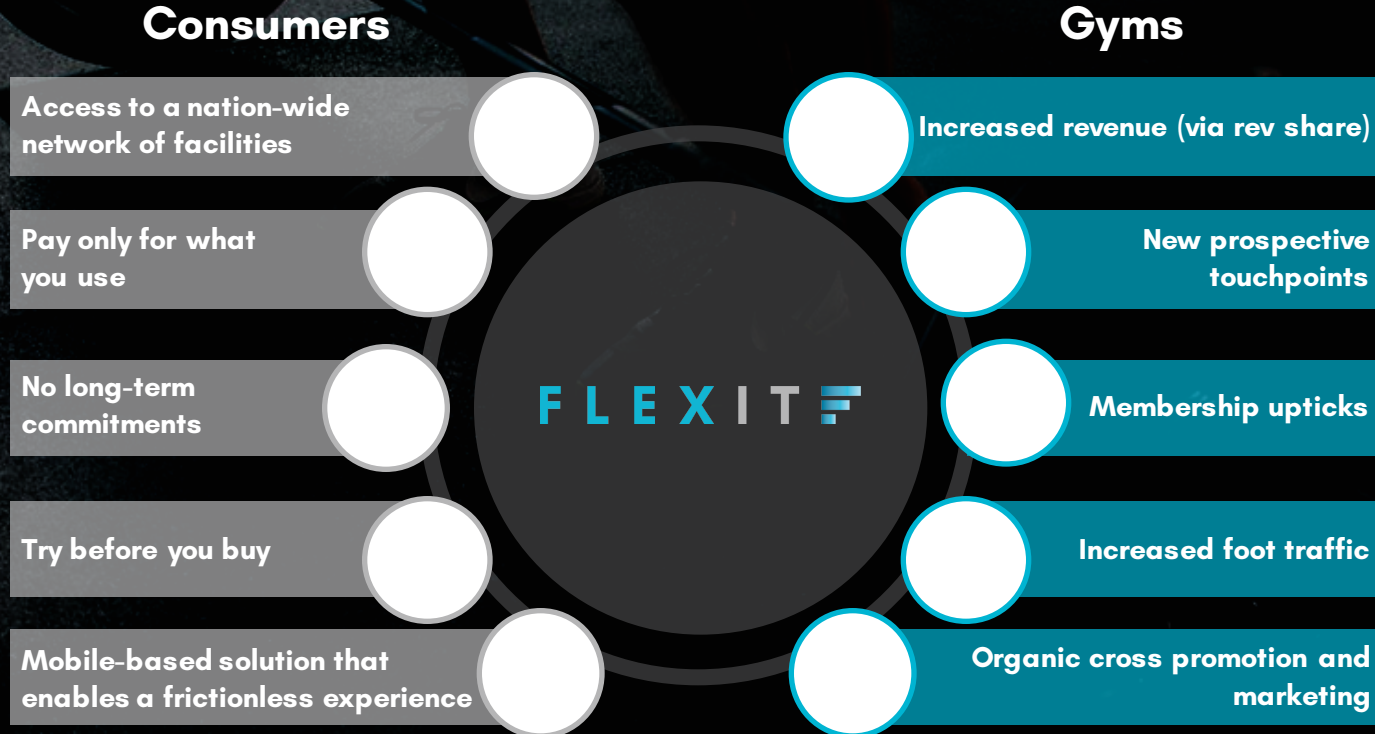


FLEXIT

using the mobile app



FLEXIT provides solutions to both

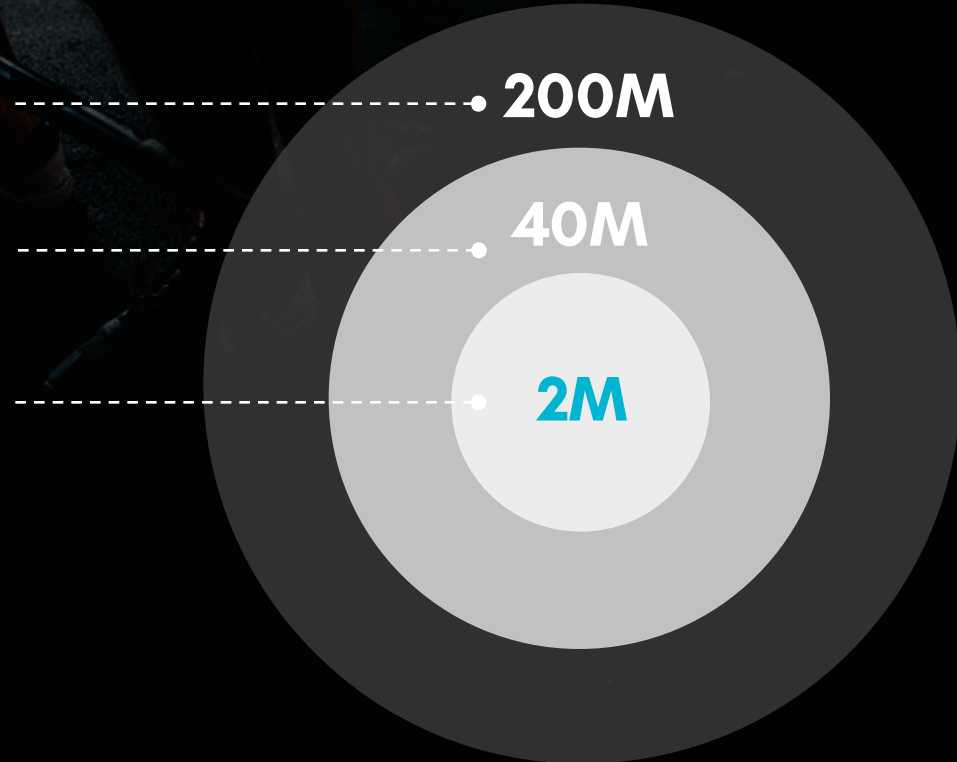


FLEXIT provides technology to scale for a growing market

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



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%

What about the platform's risks?

Risks

Consumers 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 comprehensive 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, existing soft commitments and industry knowledge

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

Investment Details

Deal Terms

Raise	Up to \$500K SAFE
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Valuation Cap	\$2.5M Cap
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Discount	20%
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Runway	12 months
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Uses of Capital

\$72K	Technology	Consumer App Tablet App/Admin Panel
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\$140K	PR/Marketing	Launch/Ongoing PR Targeted Digital Strategy
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\$53K	Working Capital	Hardware purchase Inventory & Storage
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\$235K	Personnel/Ops	CTO; COO; Biz Dev Hardware Training
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\$500K		
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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.

The Team



CEO – Austin Cohen

Sed ornare at felis vel fdasf fd.
Suspendisse suscipit quam
quam facilisis, et facilispulvinar.
Donec cursus efficitur mi,



TBD – Kevin Batista

Sed ornare at felis vel fdasf fd.
Suspendisse suscipit quam
quam facilisis, et facilispulvinar.
Donec cursus efficitur mi,



Head of Biz Dev –
Michael Rojas

Sed ornare at felis vel fdasf fd.
Suspendisse suscipit quam
quam facilisis, et facilispulvinar.
Donec cursus efficitur mi,

WORKOUT WHEREVER, WHENEVER.



Austin Cohen
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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.

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