

Overload Productions

SOUL *of* DESIGN

Integrating Product Development

Challenge

"I want **motivation**.
I'm bored and disengaged."
planet fitness
INVESTOR DAY 2022

Transform a workout

into

Entertainment with a workout

Overload Productions

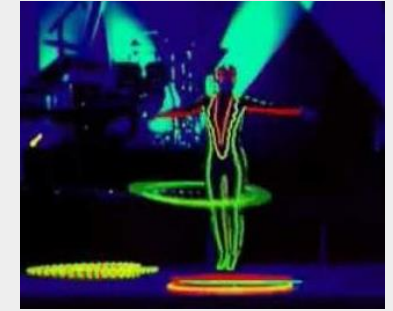
Turn exercise into an entertainment experience - a science based, professionally produced, technologically advanced, immersive, feedback driven-interactive workout

- Hyper-stimulate the visual and audio senses to immerse users into an experience to increase motivation and to distract from the “workout burn”
- Leverage the technical advances in lighting, audio, video, and training to create a cost-effective workout-space
- Leverage existing bio-feedback systems to customize and improve effectiveness of the workout

Use available technology



Workout cell about 100 sq feet



Objective: Sync existing technology into a system to create cost effective, immersive workout experience

Content

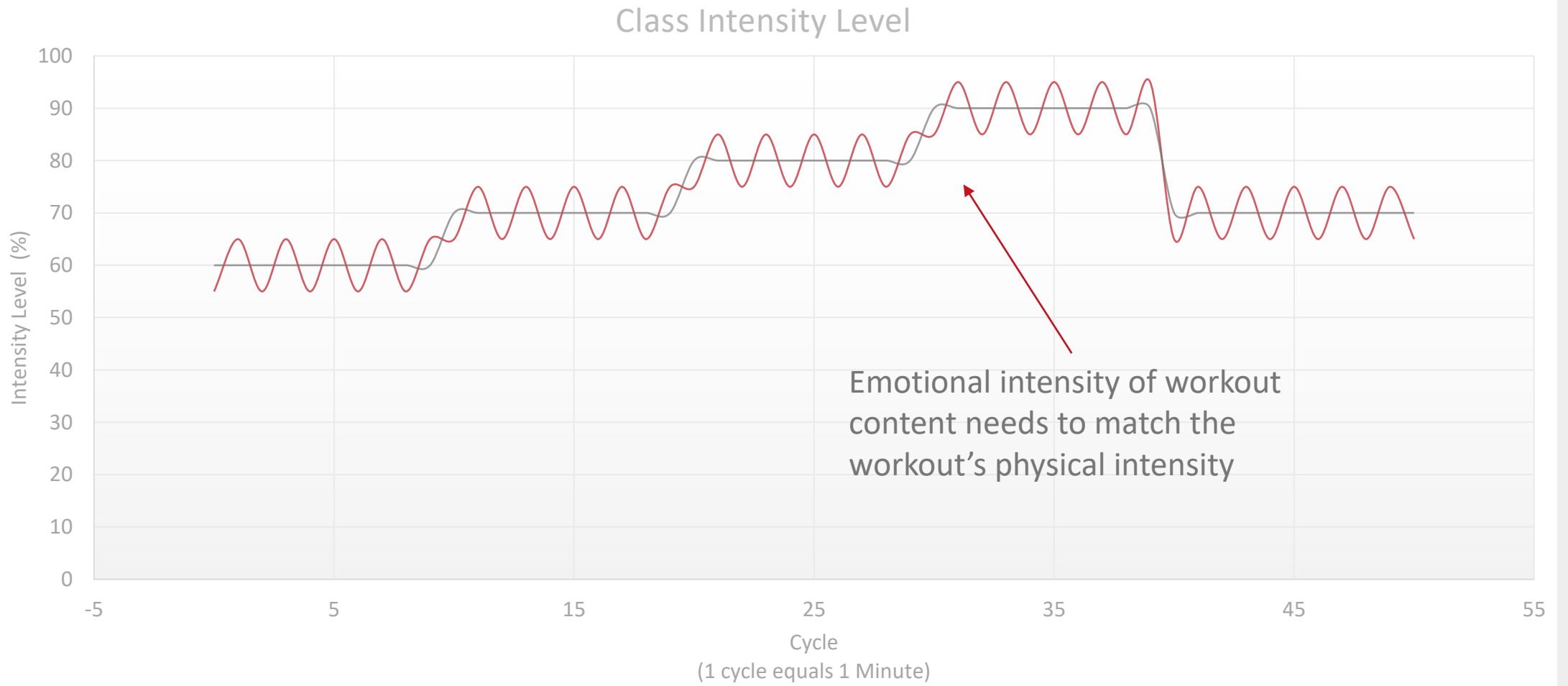
- 🌀 Create themed Audio/Video/Light workout content
- 🌀 Create workout content based on scientific principles, such as High Impact Interval Training (HIIT/Tabata)
- 🌀 Content tailored for different work outs:
 - **Spin**
 - Rowing
 - Mixed – HIIT
 - Yoga
 - Meditation
 - Boxing
 - Calisthenics
 - Weights / Cardio

There are a variety of workouts to create entertainment content, but initially the focus shall be on **spin classes**.

Theme Concepts

- ✎ Music Themes – Bands, decades, genres, albums, etc...
- ✎ Training for races or climbing a mountain
- ✎ Action Movies - James Bond, Indiana Jones
- ✎ Sporting events – football, soccer, boxing, etc...
- ✎ Car Chases / Police Chases
- ✎ Glam life / Modeling / Catwalk
- ✎ Horror Movies
- ✎ Underdog/come from behind stories: Rocky, Seabiscuit
- ✎ Video games
- ✎ Pumping iron
- ✎ Revenge of the Nerds
- ✎ Marine Boot Camp / You can't handle the truth

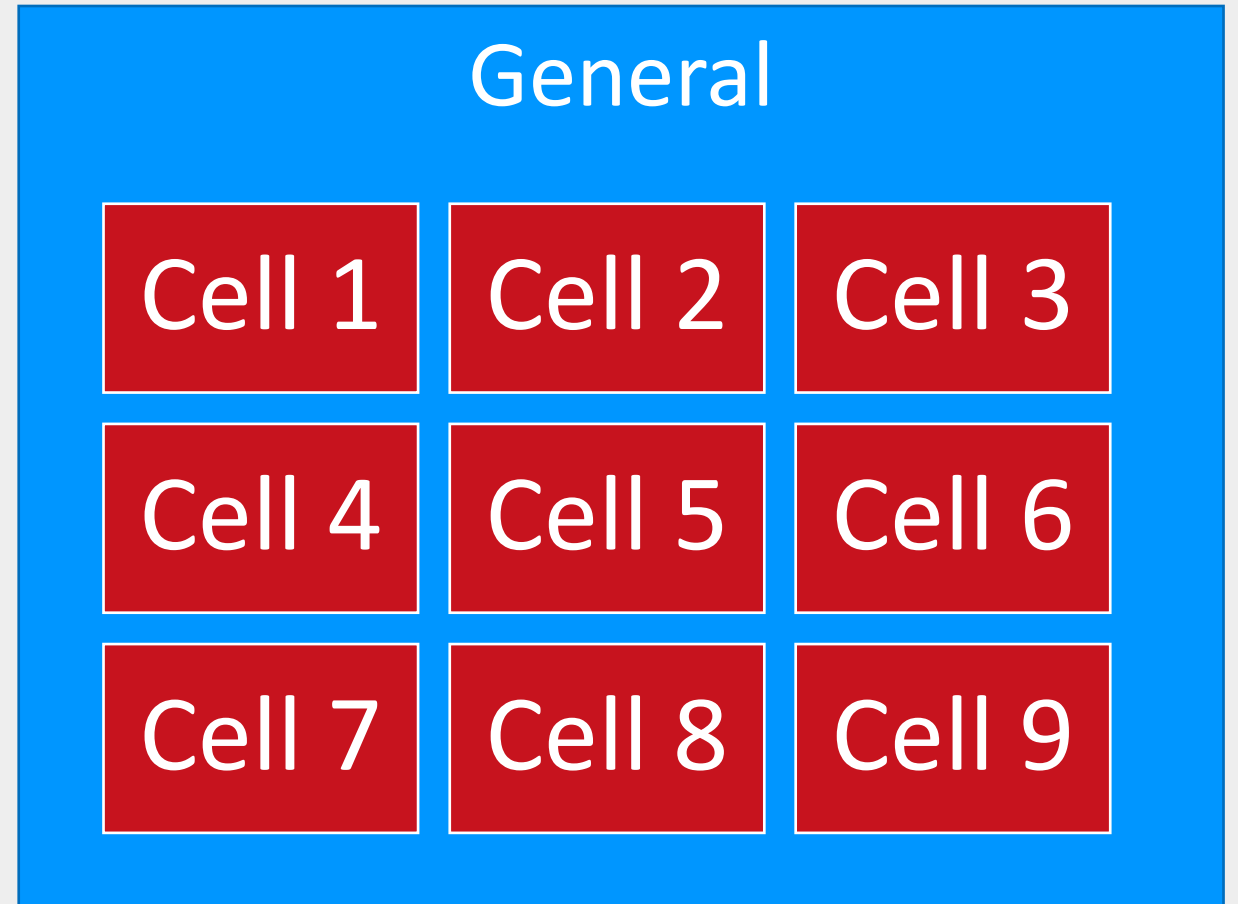
Science based workouts



Workout Space

General space – applies to whole classroom and everyone in the class

Workout Cell – an individual space within the general space allowing use of feedback to create a unique customized experience for each user's workout



Market Scale

Global health & fitness club industry ~ \$97 billion*

US Fitness Market ~ **\$37 billion** (overall)*

- Boutique style gyms ~ \$22 billion (Pay by the class)
- Gym Memberships ~ \$15 billion (Gym memberships)

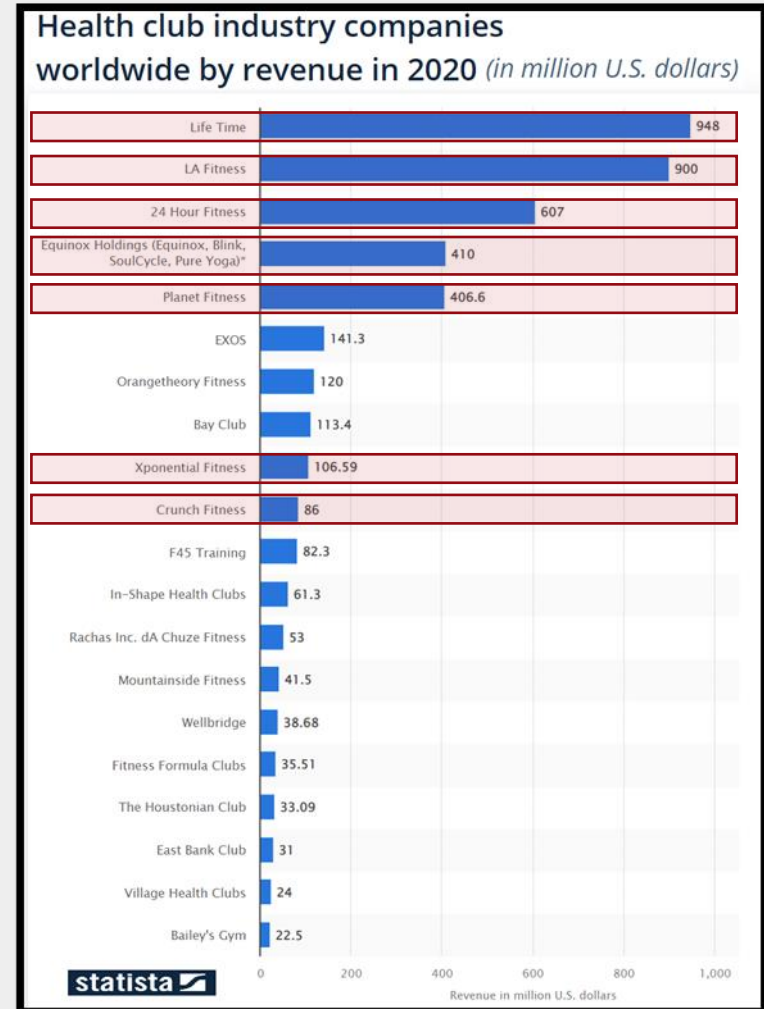
*Taken from Xponential Investor Presentation updated on January 9, 2023

Gyms with Spin Classes

There are **over 5,000 gyms** providing spin classes in the United States

Gym Name	Locations in the United States
LA Fitness	544
24 Hour Fitness	> 400
Gold's Gym	228
Lifetime Fitness	> 280
Equinox	105
SoulCycle	83
Cycle Bar	282
Crunch Fitness	~400
YMCA	2556
JCC	355
Total	5223

<https://www.loveatfirstfit.com/guides/10-best-gyms-with-spin-class/>



Class Pricing at Xponential (boutique gyms)

A boutique gym spin class costs ***\$15-\$20 per class.***

\$20/class

\$13.30/class

\$16.75/class

3 Key Strategies for Growth Drive System-Wide Same Store Sales and Grow Average Unit Volumes (Cont'd.)

XPASS: Access to All Brands Under One Subscription

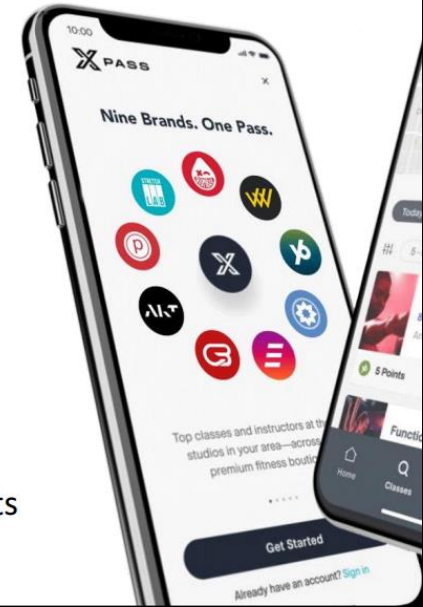
- Consumer gets frictionless access to all Xponential brands' class offerings on one platform, using a point system that prices classes based on inventory, etc.
- Different subscription levels that suit every consumer:

– Most popular: \$99/month; 50 points; Up to 5 classes; Includes X+

– Best value: \$199/month; 150 points; Up to 15 classes; Includes X+

– Popular annual plan: \$999/year; 600 points; Up to 60 classes; Includes X+

- **Access to a new consumer base** that values flexibility across location and activity
- **Introduces consumers to new brands & verticals, increases retention and generates free lead flow** for franchisees
- **Generates incremental revenue** through dynamic pricing and filling open class spots
- **Attractive economics for franchisees & Xponential: ~70%/30% split**



Taken from
Xponential Investor
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Phases for Overload Productions

General classroom
training



Cell based, individual
tailored training

Phase 1 - Pilot Project – (3 months)

- ☞ Create agreement with a gym for spin classes for a pilot for Overload Productions for a specified period (~ 3 months)
- ☞ Work with gym's spin instructor to create a class training
- ☞ Provided mixed music mapped to instructor's intensity workout map
- ☞ Lightshow created for "general" class
- ☞ Experiment with cell layout options
- ☞ Experiment with syncing video

Phase 2 – Initiate sells of general space audio/light content to gyms

- ☞ Create a sales package / initiate sales
- ☞ Provide audio/light show equipment to "signed" gyms
- ☞ Light show for "General" gym layout
- ☞ Produce original content for distribution at 1 per week
- ☞ Passive use of workout cells (no active feedback)

Phase 3 – Cell development and video sync

- ☞ Develop the cell
 - 🌀 Review technology and layout of the cell
 - 🌀 Incorporate feedback into the cell design
- ☞ Enhance the workout through the addition of video synced to music / light show
- ☞ Development app / website (where possible partner) to track vital body functions providing feedback to cell
- ☞ Up sale the new cell layout to existing clients and sell to new clients

Phase 4 – Gamification

- ☞ Development of advanced sensors
- ☞ Extended use of feedback for pace and training
- ☞ Expanded interactive gameplay of the system
- ☞ Advanced development of cell
- ☞ Migration from gym to home workouts

Phase 1 - Overview

- 👉 Create an agreement with a gym with spin classes to **use gym as a pilot space** for Overload Productions for a specified period of **3 months**. Possibly agree to provide content for free after pilot program to allow use of space as a test space.
- 👉 Work with **gym's spin instructor to create a class training**.
- 👉 Mix and **sync music** to the instructors training class.
 - ⚙️ Identify and hire a "DJ" to consult and mix music for the class.
- 👉 **Over the period of 3 months phase in light show affects** to the workout and synced to music (allowing for the gradual development of a standard for general class and cell design).
 - ⚙️ Identify and hire a light show expert to create, consult and train light show.
- 👉 After workouts **seek feedback from the class participants**, use feedback to enhance and refine the workout, the music, the lightshow, and video.

Costs per overall number of gyms

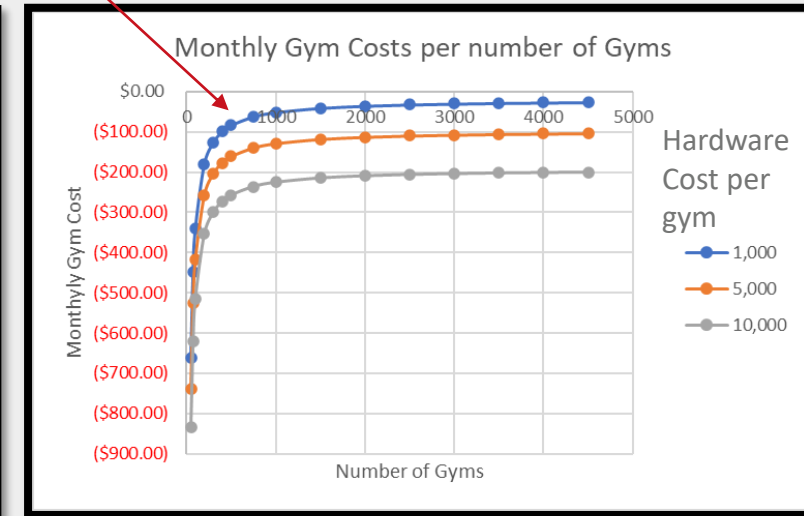
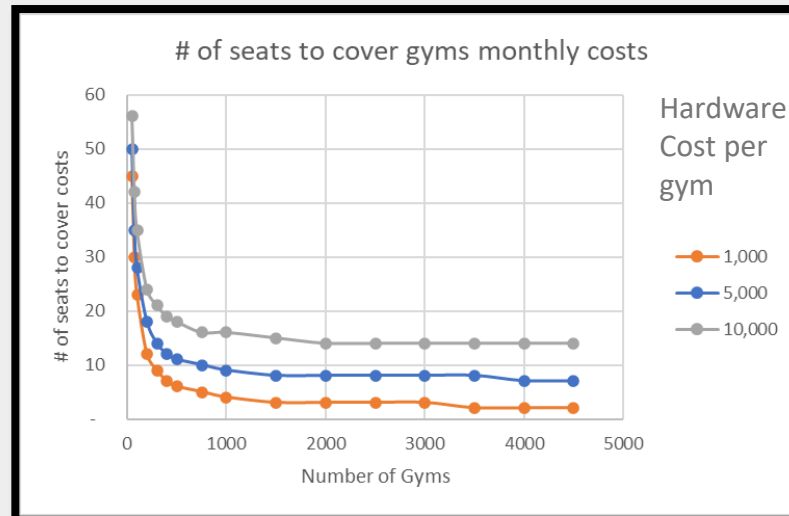
Number of gyms using Overload

Cost to set up a gym

Finance	
Interest	6.00%
Length of Loan	5
Terms per Year	12
Individual Gym Costs	
Number of Gyms	100
Hardware to set up Gym	\$ 10,000.00
Total Gym Costs	\$ 1,000,000.00
Per Gym	
Corporate	
Corporate Studio	\$ 30,000.00
Insurance Annual	\$ 3,000.00
Royalties	\$ 20,000.00
Corporate Labor	
Marketing	\$ 40,000.00
Sells	\$ 100,000.00
IT /Tech Support	\$ 75,000.00
Trainer	\$ 40,000.00
DJ	\$ 50,000.00
Light Show	\$ 50,000.00
Videographer	\$ -
Total	\$ 355,000.00
Total	
Cost per Gym	
One Class Cost	\$ 15.00
Additional Classes Per Month to cover costs	35

Monthly Income potential for spin class					
Days of classes per month	Seats per Class	Classes Per day	Available Seats Per Month	Cost per seat	Potential monthly income
30.5	16	8	3,904	\$ 15.00	\$ 58,560

~ 500 gyms



Structure of deals

	Overload leases space from gyms	Overload sells content	Franchise Gyms (competition???)
Audio/video/light show content	Overload owns	Gym buys a subscription	Overload owns
Cell hardware	Overload owns	Overload owns	Franchisee owns
Gym hardware (i.e. spin cycles)	Overload owns	Gym provides	Franchisee owns
Workout space	Overload leases space from gym	Gym owns space	Franchisee owns
Marketing of classes	Overload provides – worked out in contract with gym	Gym provides marketing (Overload might provide some marketing)	Franchisee/Overload
Technical support	Overload provides	Overload provides	Franchisee/Overload
Class payment	Payment goes to Overload	Payment goes to gym	Class payment goes to Franchisee

Initial Sales Package to Gyms

- 🔗 Content created specifically for **spin classes**
- 🔗 A **subscription** to themed audio and light show content
- 🔗 **Overload owns audio and light show hardware** and leases to gym
- 🔗 **Gym owns workout hardware** (spin cycles)
- 🔗 Initial instructor training provided by Overload
- 🔗 Initial setup of audio and light show hardware by Overload
- 🔗 IT and technical support provided by Overload

Overload Website (Phase 2 and 3)

- 🌀 Create workout goals / design workouts
- 🌀 Interact with trainers:
 - ⚙️ Diet
 - ⚙️ Physical fitness
- 🌀 Workout summaries and feedback on workouts
- 🌀 Access partner info/sites:
 - ⚙️ Nutritional Supplements
 - ⚙️ Women's/Men's Health sites
 - ⚙️ Clinical testing sites
 - ⚙️ Health Apps
- 🌀 Choose from workouts (similar to streaming a Netflix movie)
- 🌀 Sync remote workouts

The Overload App (Phase 3)

- 👉 Tracks a workout's vitals
- 👉 Tracks weight
- 👉 Review and revise workout goals
- 👉 Provides feedback about reaching the goals
- 👉 Provides feedback for real-time customization of workouts
- 👉 Provides summary of workout(s)
- 👉 Auto-Log into cell
- 👉 Message with trainers

Royalties

- ✎ Royalties need to be paid for video and audio “clips” –
- ✎ ASCAP - The American Society of Composers, Authors and Publishers
- ✎ Filmtrack - <https://www.filmtrack.com/>

Extra Slides

Competition: Globeracer

Two types of gym payments

1. Pay by the class (boutique gyms)
2. Pay for a gym membership
 - a) Classes included
 - b) Classes extra

Packages for sale

- ✿ Sell a straight subscription regardless of cells or users in class
- ✿ Sell a subscription based on the number of cells in the class

Xponential



Xponential is the Leading Global Franchisor in the
\$20 Billion+ Boutique Fitness Industry

Our Mission is to Make Boutique Fitness
Accessible to Everyone

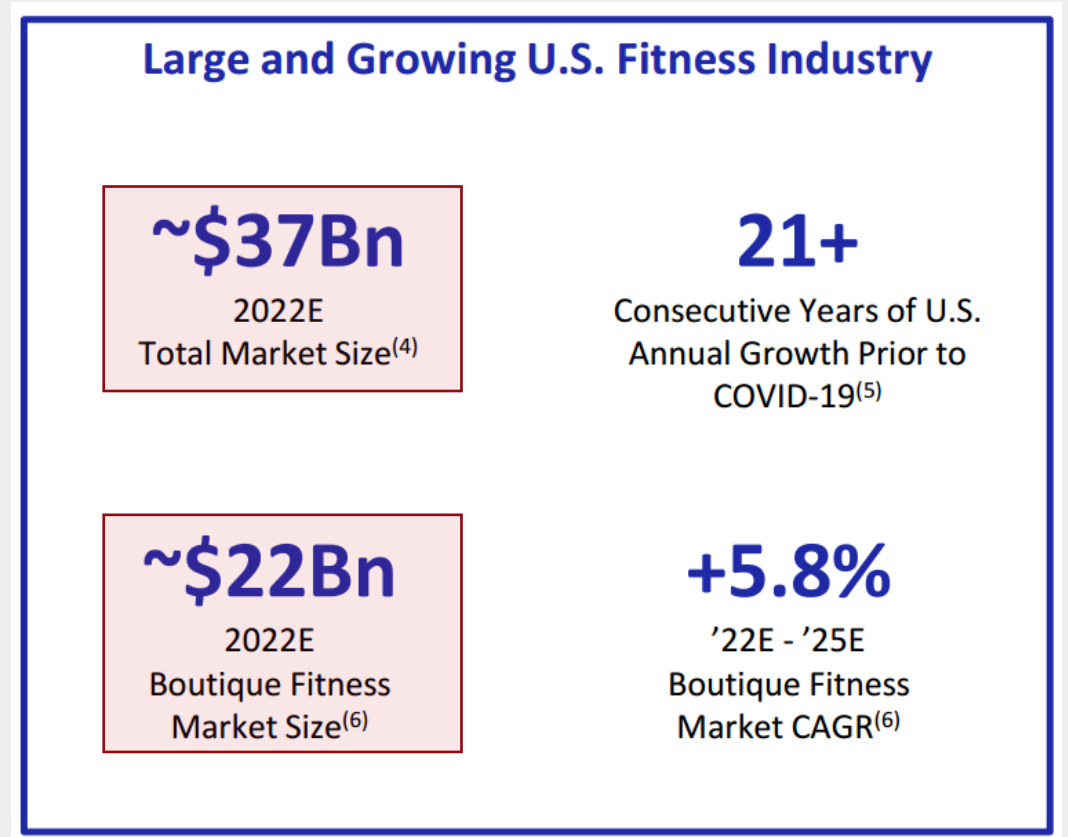
10 Brands Across High-Growth Fitness Modalities in
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Taken from Xponential Investor Presentation updated on January 9, 2023

Boutique Fitness

- 🔗 **Retail studio space**
- 🔗 **Structured, class-based programming in a specific fitness modality**
- 🔗 Social, supportive community of coaches and consumers
- 🔗 Affluent, engaged, loyal consumer
- 🔗 Fastest growing segment of the **\$97Bn global health & fitness club industry**

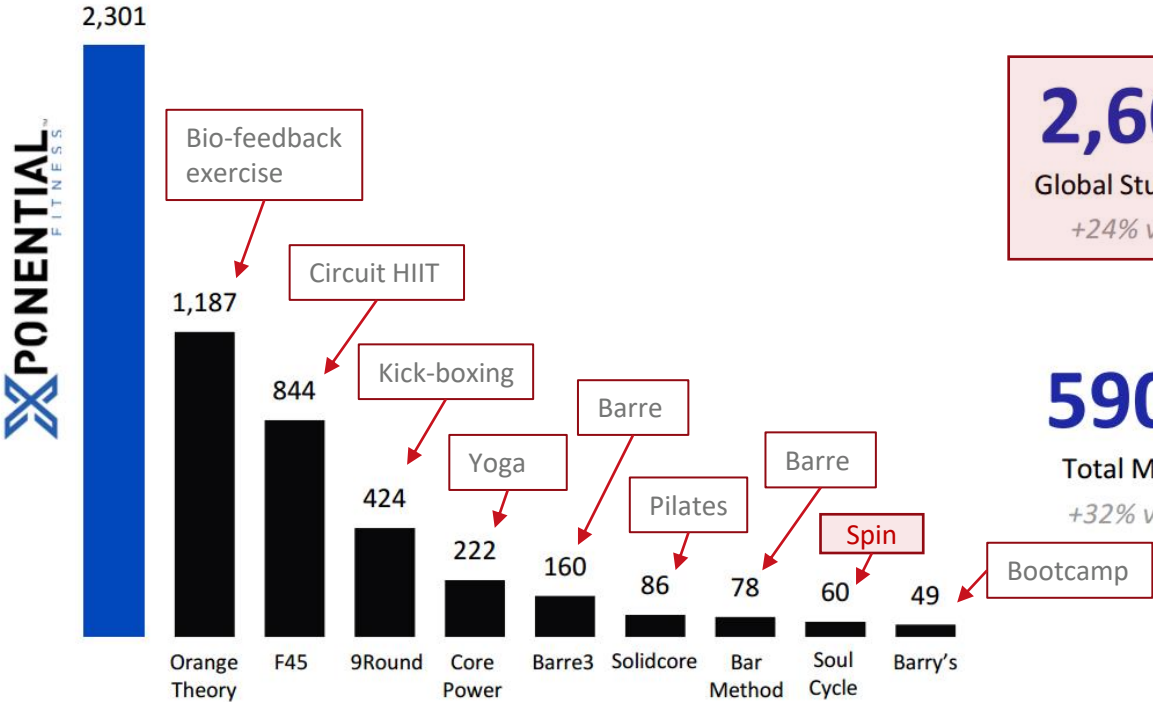


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Number of Boutique US Studios

Xponential is the Largest Global Franchisor in \$20Bn+ Boutique Fitness Industry

Total U.S. Studios Open⁽¹⁾



Xponential Highlights⁽²⁾

2,600+
Global Studios Open
+24% vs. 2021

5,400+
Global License Sold
+23% vs. 2021

\$1B+
LTM System-Wide Sales⁽³⁾
+46% vs. 2021

590K+
Total Members
+32% vs. 2021










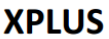


\$223M
Q3'22 LTM Revenue
+44% vs. 2021

\$61M
Q3'22 LTM Adj. EBITDA
+122% vs. 2021

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Xponential's Brand in Verticals

Xponential's Evolution From One to Ten Brands in Key Boutique Fitness Verticals

												
Acquired	Mar 2015	Aug 2017	Sep 2017	Nov 2017	Dec 2017	Mar 2018	Jul 2018	Oct 2018	Dec 2018	Apr 2020	Mar 2021	Oct 2021
Open Studios⁽²⁾	826	Founded	282	305	96	34	170	638	18	Digital Launch	42	230

Gym	Description	Number
Club Pilates	Pilates	826
Pure Barre	Barre workouts	638
Stretch Lab	Group and solo stretching classes	305
Cycle Bar	Spin Classes	282
BFT	Functional training and strength-based program	230
Yoga Six	Yoga	170
Row House	Rowing	96
Rumble	Boxing Workout	42
AKT	Cardio dance with strength and toning	34
Stride	A heart-rate-based total body HIIT workout	18

Xponential's Boutique Offering at a Glance



Studio Storefronts

- Convenient retail locations
- Avg size: 1,500-2,000 sqft
- Also inside of big box gyms

Retail Operations

- Branded & third-party products
- Recurring revenue stream
- Create consumer brand experience outside of the studio

Class Sessions

- Small class sizes
- Flexible location (indoor/outdoor/digital)
- Community driven

Xponential's

Continued System-Wide Growth and Increased Member Engagement

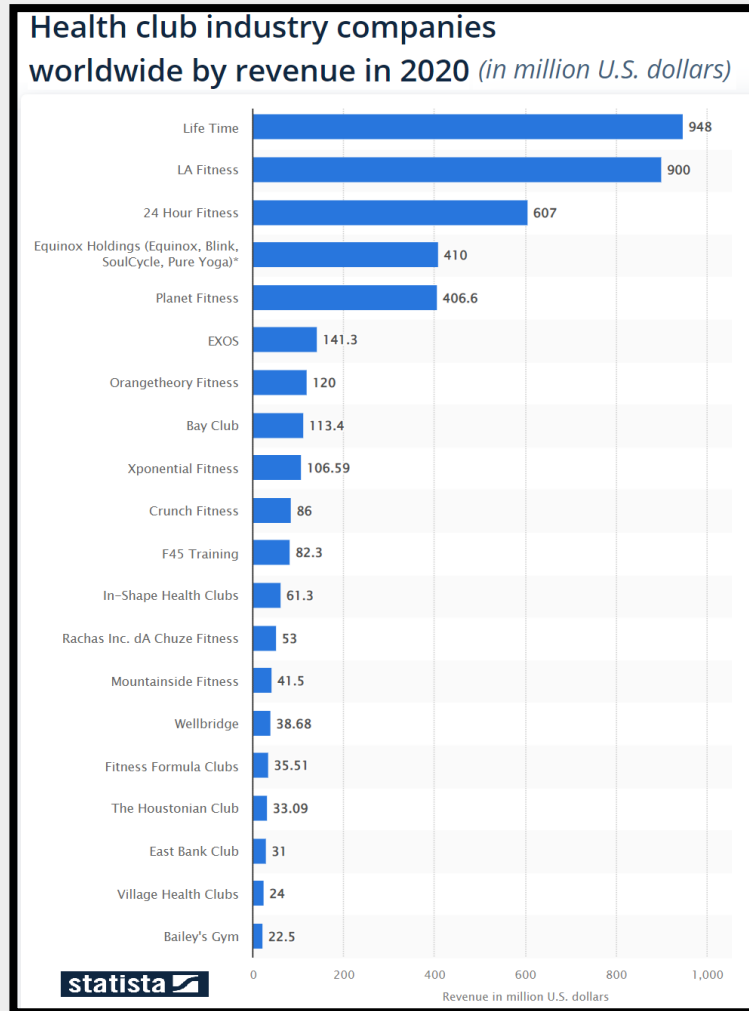
	2021	2020	2019	2021 vs. 2020 % Change	2021 vs. 2019 % Change
Revenue	\$155	\$107	\$129	+45%	+20%
Adjusted EBITDA	\$27	\$10	\$16	+179%	+66%
New Franchised Studio Openings (Global)	334	286	428	+17%	-22%
System-Wide Sales (\$ million)	\$710	\$443	\$560	+60%	+27%
Same Store Sales ⁽²⁾ (%)	41%	-34%	9%	NA	NA
Q4 Run-Rate AUV ⁽³⁾ (thousands)	\$446	\$287	\$477	+56%	-6%
Total Members ⁽⁴⁾ (thousands)	449	300	348	+49%	+29%
Total Visits (million)	29.7	19.2	25.2	+54%	+18%

Average price per visit: \$710 million / 29.7 million = \$24

Soul Cycle

- 🚴 SoulCycle is more than just a workout. It's a sanctuary.
- 🚴 **We ride together as a pack in candlelit studios to the rhythm of one-of-a-kind playlists.**
- 🚴 **We're coached by legendary instructors who motivate and challenge us.**
- 🚴 With more than **83 studios** (and counting), our inspiring indoor cycling class is available across the U.S., Canada, and the UK.

Health Club Industries WorldWide



Private Gyms

- 🌀 What is the number of private gyms
- 🌀 Competing with Chains and franchises, need new opportunities to attract users

Inspirations for the Overload

- 🦋 Chemical Brothers – Light Show: <https://youtu.be/N7sA37QqQik>
- 🦋 Apple Workouts: <https://www.apple.com/apple-fitness-plus/whats-new/>
- 🦋 Sleep no more: <https://mckittrickhotel.com/sleep-no-more/#/>
- 🦋 Personal experiences from learning, such as from Spanish, Kite Surfing, Guitar
- 🦋 Personal experiences from working out at Rower's Wharf, Spin at the YMCA, and boxing
- 🦋 Personal experiences setting up strings of LED lights
- 🦋 MedRhythms / Spaulding Rehab Hospital

Potential ~~Competitors~~ Partners

Where possible, ensure potential competitors see Overload as a resource and not as competition

Potential partners:

- 👉 Apple
- 👉 Online at home workout providers: Peloton
- 👉 Boutique gyms, such as Xponential Gyms – Spin, Rowing House
- 👉 Boxing gyms
- 👉 Orange Theory
- 👉 Copilot App

Funding Overload Startup

- Self-funded, organic growth
- Kick-starter
- Business loans
- Angel investors
- Venture Capital

Misc. Ideas

- ✿ Creating learning apps
 - ⚙ for guitar/musical instruments
 - ⚙ for learning languages
 - ⚙ Create interactive cooking guides
- ✿ Create gamification computer input devices
 - ⚙ Create electro-stimulation suit
 - ⚙ Design sensors for feedback
 - ⚙ Boxing gloves with audio feedback
 - ⚙ Turn exercise into music... create a beat to follow
- ✿ Custom cells
 - ⚙ Sleep assist
 - ⚙ Meditation
 - ⚙ Sensory deprivation
- ✿ Create an AI driven system to create the workout content

Gym

Private Gyms		
For Profit Gyms / Franchise		
Gyms associated with non-profits	YMCA, JCC	