FORME

August 17, 2023

INTERACTIVE STRENGTH, INC.
d/b/a FORME
(NASDAQ – TRNR)

Industry: Wellness

12-Mo. Price Target: $4.15

INTERACTIVE STRENGTH, INC.
High Growth, Low Valuation Firm Offers Major Upside

Rob Goldman
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August 17, 2023

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Industry: Wellness	12-Mo. Price Target: $4.15

KEY STATISTICS

Price: 8/16/23		$1.23	
52-Week Range:		$7.138 - $1.21	
Est. Shares:		13.3M	
Mkt Cap:		$16.4M	
Avg. Vol:		113,198	
Exch:		NASDAQ	
Cash P/S:		$0.10	
BV P/S:		$0.37	
Rev (,000)	**2022A**	**2023E**	**2024E**
CY:	$681	$9,844	$24,865
CY P/Rev:	24.0	1.72	0.68
Adj. EPS	**2023E**	**2024E**	**2025E**
CY:	($0.28)	($0.03)	$0.24
CY P/E:	N/A	N/A	5.1
Tgt Price:		**$4.15**	
Tgt P/Rev:		**3x**	

COMPANY INFORMATION

Interactive Strength, Inc.
d/b/a FORME
1005 Congress Ave
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Austin TX 78701

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Phone : 310.697.8655

INVESTMENT HIGHLIGHTS

Innovative, fast-growing Interactive Strength, Inc. (d/b/a FORME) offers substantial upside following the announcement of a signed LOI to acquire a firm in its industry segment. Based on management's guidance for the combined firms, FORME is poised to enjoy enviable sales growth, driving the stock substantially higher.

TRNR's current core business in B2C will migrate to a more profitable B2B-led platform. The Company operates a digital fitness platform that combines premium connected award-winning fitness hardware products with 1:1 personal training and coaching (from real humans) to deliver an immersive experience and better outcomes for both consumers and trainers.

Slated to close by 4Q23, we believe that the prospective acquisition dramatically changes the outlook, revenue, profitability, and valuation for TRNR in one fell swoop. Moreover, in addition to accelerating the path to adjusted EBITDA, we believe this move will be the first step in TRNR's role as an aggregator in the space.

Our current combined company forecasts include $9.8M in revenue for 2023, $24.9M in 2024, and $48.8M in 2025. Management believes adjusted EBITDA could occur by 4Q24 and our model assumes annual operating and net income profit in 2025.

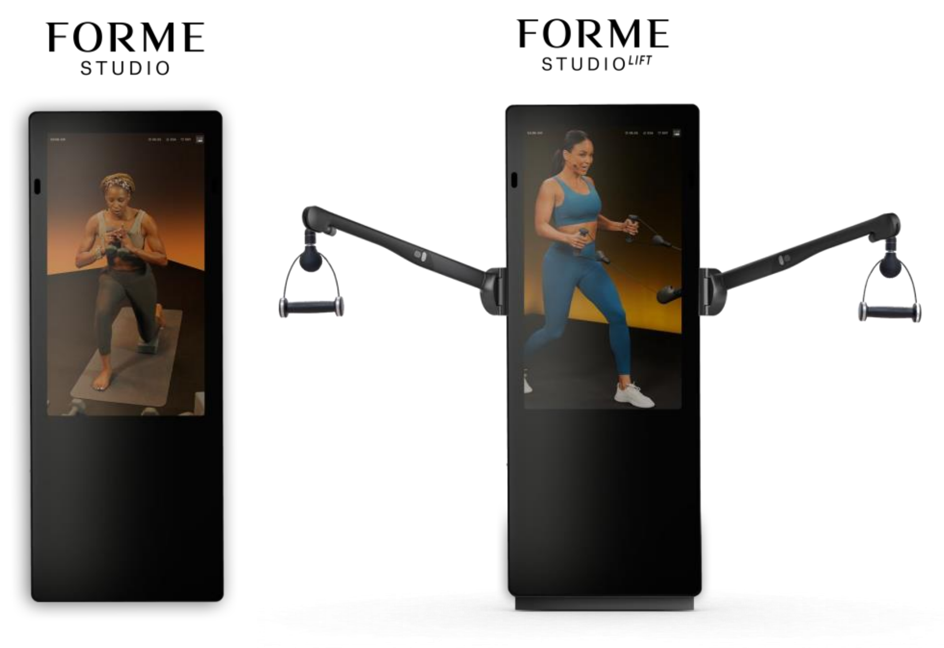
Our 12-month price target of $4.15 reflects a reasonable 3x our 2024 projected revenue of $24.9M. Upside to our target exists as this forecast is below management revenue guidance for 2024.

COMPANY OVERVIEW

The View from 30,000 Feet

In our view, **Interactive Strength, Inc. (NASDAQ: TRNR)**, d/b/a FORME, is the epitome of a rare, high growth, low valuation firm offering significant upside potential. The Company operates a digital fitness platform that combines premium connected award-winning fitness hardware products with 1:1 personal training and coaching (from real humans) to deliver an immersive experience and better outcomes for both consumers and trainers. Management believes that TRNR is the pioneer brand in the emerging sector of virtual personal training and health coaching. Moreover, this approach accelerates a powerful shift towards outcome-driven fitness solutions. The Company just announced it had signed an LOI with and exclusivity agreement to acquire a connected fitness business. TRNR's flagship offering primarily targets the B2C market, with some deployments in the B2B world. Conversely, the Company's acquisition target apparently derives most of its business from the higher profit B2B segment, with a small presence in B2C. Slated to close in 4Q23, we believe that this transaction dramatically changes outlook, revenue, profitability, and valuation for TRNR in one fell swoop.

The Flagship Platform



TRNR stands above the crowd in the personal training segment, for a variety of reasons. Its products and platform are designed for the strength feature of the segment versus the cardio feature. Strength enjoys a higher participation rate than cardio and when leveraged with TRNR's 50 in-house trainers, with whom customers have a 1:1 relationship, and the mobile features, TRNR offers a differentiated, integrated solution. Importantly, the Company's underlying customer utilization of TRNR's strength equipment is not targeting the mass market, a la **Peloton (NASDAQ: PTON),** and others. Instead, the model is to target and penetrate the higher usage affluent consumer market with its premium, smart home gyms, *FORME Studio* and *FORME Studio Lift* products. The gym cost $2495/$5995 with monthly payments available along with $149 per month for personal training membership. An introductory mobile service is available for $49 monthly as well, which can be used for those that may have their own equipment.

The Potential Transaction

The target of this potential transaction, the name of which has not yet been disclosed, is expected to accelerate FORME's commercialization path, and lead to adjusted EBITDA profitability, beginning by 4Q24. The deal establishes a multi-product offering for TRNR, along with major scale, and opportunities for cross-sale. Moreover, it provides scale across all functions and creates a high-growth company that sells premium, connected fitness equipment and digital fitness services across and through B2B and B2C channels.

At present, management believes that the transaction would result in combined annual revenue for 2023 of $10M+ and north of $25M for 2024. The valuation of the proposed deal is 1.2x revenue and 5x-6x EBITDA.

Financial Forecasts, Valuation

We are encouraged by management's optimistic financial forecasts and have elected to publish a pro forma combined company financial model for 2023 – 2025. Our top-line figures are just under management's preliminary estimates, to reflect any prospective issues regarding top-line performance, such as a lengthening sales cycle, post-acquisition.

For 2023, we project revenue of $9.8M, with a negative operating and net margin. These metrics reflect the early-stage growth cycle for the Company which is typical in this segment and other high ticket personal products. For the full year, our model suggests an adjusted EBITDA loss of ($3.7M). The loss is largely attributed to one-time expenses and to a degree the Company's evolution from pre-revenue phase to a commercial phase. In 2024, we project combined company revenue of $24.9M and a slight net loss of $503K, or ($0.03). At present, we preliminarily forecast revenue of $48.8M and EPS $0.24, for 2025. Our model will be updated after the prospective transaction closes and management can update potential expectations.

TRNR is on the verge of flipping the script on its near-term financial performance from a high growth, low revenue, low valuation, operating loss generating business, to a high growth, higher revenue, diversified business with a faster path to profitability. Against this backdrop, we believe that the closing of the target acquisition dramatically de-risks these shares, and if expectations are met, even a reasonable valuation reflects a substantial increase in the future share price. Our 12-month price target of $4.15 represents a below market valuation of 3x projected revenue for 2024 of $24.9M, a modest discount from management's guidance.

FORME: TODAY AND TOMORROW

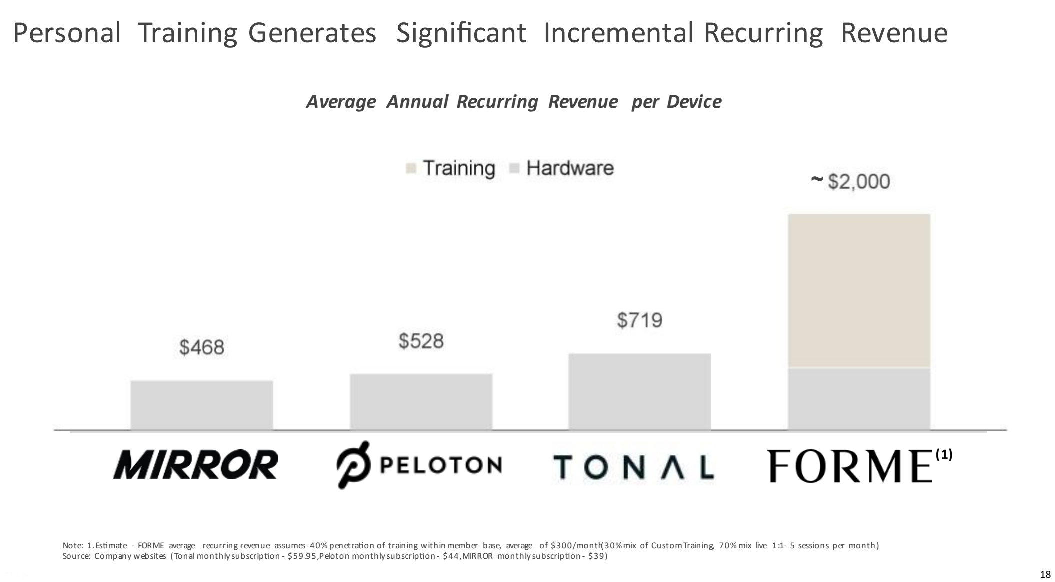
The Company Today

FORME is a digital fitness service that combines premium connected fitness hardware products with expert personal training and coaching (from real humans) to deliver an immersive experience and better outcomes for both consumers and trainers. The health coaching services encompass guidance and coaching on fitness training, nutrition, recovery, sleep, and other health and lifestyle categories. The Company's health coaching services are delivered primarily by its team of more than 50 trainers. FORME is differentiated as the only company to offer live 1:1 and asynchronous coaching memberships from the industry's highest quality personal trainers. FORME has hired a team of world-class trainers in the fitness and wellness industry.

FORME's smart home gyms are the most premium product in the market and was named the best in at home fitness by major fitness publications in 2023; The *FORME Studio* (fitness mirror), *FORME Studio Lift* ((fitness mirror and cable-based digital resistance), received design awards from major fitness publications, including Men's Health, Shape, and Good Housekeeping. These two connected fitness hardware products, are currently priced at $2,495 and $5,995, respectively. Both products are designed to provide a more integrated and immersive experience than similar connected fitness products currently on the market.

The *FORME Studio* is the Company's base product and features a 43-inch 4K ultra high definition ("UHD") touchscreen display, which is among the largest and highest definition screens in the connected fitness equipment market, and two front-facing 12 megapixel ("MP"), wide angle cameras designed to facilitate seamless live interaction with a trainer. The *FORME Studio Lift* also features two cable-based resistance arms that can provide up to 100 pounds of resistance per arm.

All members who purchase the products have access to a VOD content library for a monthly membership at a cost of $49 per month. Our VOD content library includes hundreds of On-Demand classes. Upon joining the FORME platform, each member is matched with a Fitness Concierge who works to understand specific needs and goals and then curates weekly fitness plans, comprised of On-Demand classes from the VOD content library, that are designed to create a sense of accountability, structure, and motivation for the member. Personal or custom training has a monthly membership cost of $149 per month and Live 1:1 Training through Mobile is available at a premium as well.



The underlying market is huge. According to the 2021 Global Wellness Institute, total global spending in the wellness industry in 2020 was $4.4 trillion, of which approximately $740 billion was spent on fitness and other categories of wellness, including yoga, barre, and Pilates. Leveraging data from the Bureau of Labor Statistics and IHRSA, management estimates that within the U.S. market, approximately 32 million people participate in strength training and over 8 million people participate in personal training services in a given year. Based on information from Fortune Business, TRNR estimates that over $5 billion of fitness equipment was purchased in the United States for in-home use in in 2021. The TAM consists of households in the United States that earn an annual income of $100,000 or greater and have one or more fitness participants in the home. The average annual revenue per household is based on our conservative internal estimates of average revenue per device of $1,800/year, which consists of membership and services revenue, assuming a penetration rate of 30-40% of services within a member base.

TRNR has a great deal of innovation behind it and a great deal of that innovation is reflected in its deep IP portfolio. TRNR has 18 patents awarded in the US and 74 issued abroad.

Against this backdrop, it is easy to see why a knee-jerk reaction by investors when assessing peers is to cite Peloton, Tonal, Mirror, etc. In our view, this peer group may offer competing products to TRNR, but it is as comparable a peer-to-peer choice as a Toyota versus a Mercedes purchase. With a projected average annual monthly revenue per device of $1700-$2000 for equipment and services for TRNR, it is clear that the Company's target market is the affluent wellness enthusiast focused on strength. It is not a mass market cardio-focused consumer. Luxury products, or products targeting affluent consumers typically carry higher margins than non-premium products/services and we believe that is appropriate with TRNR as well. The makeup of the service offering also reflects this status.

We do admit, however, that while the return on capital in this segment for TRNR is positioned to be greater than peers due to the higher revenue per member, the Customer Acquisition Cost (CAC) remains high, and the Company uses the same or similar channels and markets in its CAC model.

That aspect is about to change.

The Company Tomorrow

The Company just announced it had signed an LOI with and exclusivity agreement to acquire a connected fitness business. TRNR's flagship offering primarily targets the B2C market, with some deployments in the B2B world. Conversely, the Company's acquisition target apparently derives most of its business from the higher profit B2B segment, with a small presence in B2C. Slated to close in 4Q23, we believe that this transaction dramatically changes outlook, revenue, profitability, and valuation for TRNR in one fell swoop.

Management noted that as it has begun penetrating the B2B market in hotels and gyms in the US and abroad, TRNR has become keenly aware of the strength of the performance in the B2B channel, as well as the belief that the FORME business would benefit from further investment in this area. were key reasons for interest in the potential acquisition.

The target of this potential transaction, the name of which has not yet been disclosed, is expected to accelerate FORME's commercialization path, and lead to adjusted EBITDA profitability, beginning in 4Q24.

The deal establishes a multi-product offering for TRNR, along with major scale, and opportunities for cross-sale. Moreover, it provides scale across all functions and creates a high-growth company that sells premium, connected fitness equipment and digital fitness services across and through B2B and B2C channels. This strategic move is also expected to provide FORME and the target company with enhanced cross-selling opportunities and improved penetration into new end markets.

At present, management believes that the transaction would result in combined annual revenue for 2023 of $10M+ and north of $25M for 2024. The valuation of the proposed deal is 1.2x revenue and 5x-6x EBITDA. Consideration for the acquisition was outlined in a recent TRNR press release. All of the equity of the target company is anticipated to be exchanged for TRNR equity at the close of the transaction, and with the same shareholder "lock-up" as pre-IPO shareholders (end of October 2024). There is an earn-out potential feature for 2024 paid in TRNR equity, with Enterprise Value/2024 Gross Revenue multiple of approximately 1.2x remaining constant. In a feature certain to please shareholders, minimal cash for working capital is anticipated in addition to the assumption of the target's debt.

THE FORME LEADERSHIP TEAM

Trent A Ward, Chief Executive Officer

Trent is a co-founder and has served as Chief Executive Officer and as a member of the board of directors since inception in May 2017. Prior to founding Interactive Strength Inc., Mr. Ward served as an associate, analyst, and portfolio manager at Citadel LLC, a financial services company, from July 2006 to February 2014. From February 2014 to May 2017, Mr. Ward left Citadel LLC to begin investing in start-ups and pursuing various entrepreneurial endeavors, including starting the research and development for the precursor entity to TRNR in October 2015. Mr. Ward holds a Bachelor of Science degree in Economics and a Bachelor of Applied Science degree in Engineering from the University of Pennsylvania.

Deepak M. Mulchandani, Chief Technology Officer

Deepak has served as Chief Technology Officer and as a member of the board of directors since December 2021. Prior to joining Interactive Strength Inc., Mr. Mulchandani served as the Chief Product Officer and Executive Vice President of Engineering at Emerge Now Inc. ("Emerge"), a computer and electronic manufacturing company, from January 2020 to December 2021. Prior to joining Emerge, Mr. Mulchandani served as the Senior Vice President of Product Engineering at Peloton Interactive, Inc. (Nasdaq: PTON) from June 2017 to July 2019. Mr. Mulchandani holds a Bachelor of Science degree in Computer Science from Purdue University.

Michael J. Madigan, Chief Financial Officer

Michael has served as Chief Financial Officer since February 2023, and previously served as Senior Director of Finance from September 2022 to February 2023. Prior to joining Interactive Strength Inc., Mr. Madigan served in various roles at XPO Last Mile, Inc. ("XPO Last Mile"), a third-party logistics company, including (i) Sethird-partyor of Financial Planning and Analysis from October 2019 to September 2022, (ii) Senior Vice President of Finance from November 2016 to October 2019, and (iii) Vice President of Finance from 2013 to

2016. Prior to joining XPO Last Mile, Mr. Madigan served as Vice President of Finance at 3PD, Inc. and held various roles at PricewaterhouseCoopers. Mr. Madigan holds a Bachelor of Science degree in Accounting from Le Moyne College.

Aaron N. D. Weaver, Director

Aaron has served as a member of the board of directors since March 2022. Mr. Weaver has served as a Portfolio Manager at Apeiron since May 2020 with a focus on the life sciences and technology sectors. From May 2019 to May 2020, Mr. Weaver served as legal counsel and in a lead fundraising role at Atai Life Sciences, a pharmaceutical company. From October 2018 to March 2019, Mr. Weaver served as a legal contractor at Lloyds Banking Group, a financial services company. From August 2015 to July 2017, Mr. Weaver was an investment banker at Credit Suisse Group AG in London within the Capital Markets Solutions team, advising on capital structuring and issuances for a full spectrum of corporate issuers from pre-revenue companies to public listed companies. Mr. Weaver was a capital markets solicitor at Allen & Overy LLP (London) from 2007 to 2013. Mr. Weaver currently serves on the boards of Bionomics Limited (Nasdaq: BNOX), MagForce AG, Endogena Therapeutics, Inc., and Rejuveron Life Sciences AG. Mr. Weaver holds a Masters in Law from the Queensland University of Technology, a Bachelor of Law from University of Queensland and a Bachelor of Business Management from University of Queensland. Mr. Weaver is a Chartered Financial Analyst and a registered solicitor in the United Kingdom.

Kirsten Bartok Touw, Director

Kirsten joined the board of directors in April 2023. Ms. Bartok Touw has been the Co-President and Chief Operating Officer and a member of the board of directors of New Vista Acquisition Corp., a special purpose acquisition company, since December 2020. Ms. Bartok Touw is the co-founder and managing partner of AirFinance, which has financed more than $1.2 billion across a variety of structured products to aerospace companies, their suppliers, and their customers globally since 2008. Ms. Bartok Touw is also an active early-stage investor in emerging technologies. Prior to AirFinance, from 2009 to 2012, Ms. Bartok Touw was Vice President, Structured Finance & Corporate Development at Hawker Beechcraft Corporation, where she helped lead the company’s expansion into Asia, joint ventures, mergers and acquisitions, and sales financing. Prior to Hawker, from 2005 to 2008, Ms. Bartok Touw co-founded XOJET, Inc., serving on its board of directors and as Chief Financial Officer. Before co-founding XOJET, Inc., Ms. Bartok Touw spent over 12 years in private equity and venture capital at Alpine Investors and JPMorgan Partners/Chase Capital Partners technology team. Ms. Bartok Touw began her career as an investment banker at Goldman Sachs. She received a bachelor’s degree from the University of Pennsylvania and a Master’s in Business Administration from Stanford University’s Graduate School of Business (“GSB”). She also serves on the board of the French American Foundation and on the National Business Aviation Association’s Advisory Council.

FINANCIALS SNAPSHOT

In 2022, FORME began its evolution from pre-revenue firm to commercialized entity. The Company generated $681K in revenue, led primarily by the sale of its connected fitness equipment, and to a lesser extent, membership and training revenue. A net loss for the year of ($58.2M) was indicative of its commercial launch, R&D, and a series of non-recurring expenses. It should be noted that confidence in leadership and the model has been nothing short of enviable. Investors funded the Company since inception with more than $100M into its technology platform---no surprise given the awards and accolades.

For the first six months of 2024, total revenue of $473K, approaching the sales figure for all of 2022. The adjusted EBITDA loss for the first six months was ($10.2M). Given that the quarterly breakdown for TRNR is set to likely materially change in 4Q23, we deemed it unnecessary to project financials on a quarterly basis for 2023. Moreover, since management issued limited guidance for the full year 2023 and 2024, our Pro Forma Financial Forecasts reflect combined annual results for the two firms.

Separately, we believe that management has done an admirable job in producing key core metrics in which to monitor progress and prospective valuation. These end of period metrics include:

- Total Households
- Total Members
- Annual Recurring Revenue
- Avg Ann Recur rev per Household

While these metrics largely reflect B2C business, and the Company is shifting to a greater emphasis on B2B, these metrics may change their headings or components somewhat. In our view, total members and ARR may emerge as the most important performance and valuation guidelines—especially since ARR is key driver of cash flow and price/revenue value.

For 2023, we project revenue of $9.8M, led by the acquisition target's sales, with a negative operating and net margin. These metrics reflect the early-stage growth cycle for the Company which is typical in this segment and other high ticket personal products. For the full year, our model suggests an adjusted EBITDA loss of ($3.7M). The loss is largely attributed to one-time expenses and to a degree the Company's evolution from pre-revenue phase to a commercial phase. We note that since we do not know final terms (how many shares to be paid for the target), our current year-end shares outstanding target of 18M may be adjusted.

In 2024, we project combined company revenue of $24.9M and a slight loss of around $503K, or ($0.03). This top-line figure could prove to be low. Upside exists with respect to cross-sale potential and subscription/membership revenue. Our gross profit margin of forecast of 30.2% would represent the first full year of a strong profitable gross margin, a favorable milestone event for the Company. Operating expenses, especially sales and marketing and G&A should drop on an absolute basis to reflect the B2B focus and some cost of revenue figures could see reductions as well, leading toward the path to adjusted EBITDA profits. Finally, we preliminarily forecast revenue of $48.8M and EPS of $0.24, for 2025. Our model will be updated after the prospective transaction closes and management can update potential expectations.

In our view, if the current target performs as expected, TRNR could use the transaction as a steppingstone to emerge as an industry aggregator. With its historical access to capital, we would not be surprised to see another deal be signed in late 2024 early 2025, enabling the Company to drive combined revenue toward the 100M+ mark. Thus, investors with foresight can see perceived value over the next couple of years that dwarfs the current $16.4M market cap.

RISK FACTORS

In our view, the Company's biggest risks remain execution on both the B2B and B2C fronts. The emphasis toward more profitable, valuable B2B sales is part and parcel of the recently announced LOI for a product company with a meaningful presence in the space. Thus, the obvious risk is that the non-binding LOI does not evolve into a binding, fully executed agreement to acquire the target. A related risk includes continued success of the target under the FORME umbrella and success of cross-sale opportunities in the B2B and B2C markets.

On the B2C side, as an early entrant with a highly regarded product line and innovative approach in the affluent, luxury consumer market, successfully reaching growth targets for equipment sales and/or subscription (membership) revenue represent secondary risks, in our view. As an early revenue-generating company, the timing and magnitude of the sales and marketing ramp, and subsequent broad implementation/utilization of the proprietary products could see hiccups along the growth path. Finally, migrating from adjusted EBITDA losses to adjusted EBITDA income, 4Q23 or CY24, may also impact the potential upside in these shares.

Competitive risks from the big picture perspective include lower pricing, more effective sales/marketing, and greater operational efficiency. The aforementioned risks could come from larger competitors, existing firms, or new entrants. Still, these future concerns are consistent with firms of TRNR's size and standing. Moreover, we believe that TRNR's seasoned management team is prepared to overcome these hurdles and generate significant top-line growth and consistent social media management implementations.

Volatility and liquidity are typical concerns for microcap stocks that trade on the NASDAQ stock market. An overriding financial benefit as a public company is the favorable access to and the availability of capital to fund M&A, product launches, consistent marketing campaigns and other initiatives. TRNR has excelled in raising funds since inception and we believe that since the proceeds of any future funding would be used in large part to advance the aforementioned LOI, we believe that any dilutive effect from such a funding could be offset by related increases in market value.

CONCLUSION

Innovative, fast-growing Interactive Strength, Inc. (d/b/a FORME) offers substantial upside following the announcement of a signed LOI to acquire a firm in its industry segment. Based on management's guidance for the combined firms, FORME is poised to enjoy enviable sales growth, driving the stock substantially higher.

TRNR's current core business in B2C will migrate to a more profitable B2B-led platform. The Company operates a digital fitness platform that combines premium connected award-winning fitness hardware products with 1:1 personal training and coaching (from real humans) to deliver an immersive experience and better outcomes for both consumers and trainers.

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Our current combined company forecasts include $9.8M in revenue for 2023, $24.9M in 2024, and $48.8M in 2025. Management believes adjusted EBITDA could occur by 4Q24 and our model assumes annual positive EPS in 2025. Our 12-month price target of $4.15 reflects a reasonable 3x or 2024 projected revenue of $24.9M. Upside to our target exists as this forecast is below management revenue guidance for 2024.

Table I. Interactive Strength, Inc.
Pro Forma Projected Income Statement*
(in thousands)

Revenue:	**FY22A**	**FY23E**	**FY24E**	**FY25E**
Fitness Product Revenue	$530	$9,272	$20,120	$38,428
Membership Revenue	$74	$301	$4,000	$9,000
Training Revenue	$77	$271	$745	$1,341
TOTAL REVENUE	**$681**	**$9,844**	**$24,865**	**$48,770**
Cost of Revenue				
Cost of fitness product revenue	$2,402	$7,244	$14,285	$26,900
Cost of membership revenue^	$7,147	$2,201	$2,311	$3,351
Cost of training revenue	$0	$386	$772	$1,274
Total Cost of Revenue	$9,549	$9,831	$17,368	$31,525
Gross Profit (Loss)	($8,868)	$13	$7,497	$17,245
Gross Margin	*N/A*	*N/A*	30.2%	35.4%
Operating Expenses				
Research & Development	$19,960	$9,639	$1,500	$2,500
Sales & Marketing	$6,219	$2,091	$1,500	$4,000
General & Administrative	$19,298	$35,870	$6,500	$7,803
Total Operating Expenses	$45,477	$47,600	$9,500	$14,303
Operating Income (Loss)	**($54,345)**	**($47,587)**	**($2,003)**	**$2,942**
Operating Margin	*N/A*	*N/A*	*N/A*	*6.0%*
Other income (expense), net	($4,036)	$0	$0	$0
Interest income (expense)	($952)	$4,144	$1,500	$2,000
Gain on debt forgiveness	$523	$2,595	$0	$0
Change in FV of conv notes	$107	$91	$0	$0
Change in FV of warrants	$478	$2,554	$0	$0
Total Other Income (Expense)	($3,880)	$9,384	$1,500	$2,000
Gain (Loss) before Income Tax	($58,225)	($38,203)	($503)	$4,942
Income tax	$0	$0	$0	$0
Net Income (Loss)	**($58,225)**	**($38,203)**	**($503)**	**$4,942**
Net Loss Per Share	**($119.49)**	**($2.88)**	**($0.03)**	**$0.24**
Wtd. Shares Outstanding	4,900	13,249	19,500	21,000

* Pro formas reflect combined cos: '23 - '25
^ Membership rev incl training for '22

Sources: TRNR, SEC, GSCR

Table II. Interactive Strength, Inc.
Balance Sheet: 6/30/23
(in thousands)

Current Assets	
Cash, cash equiv	$1,403
Accts rec, net of allow	$14
Inventories, net	$2,364
Vendor deposits	$3,280
Prepaid exp and other curr assets	$1,488
Total Current Assets	**$8,549**
Non-Current Assets	
Prop and equp, net	$810
Right of use assets	$309
Intangible assets, net	$3,205
Long-term inventories	$2,418
Deferred offering costs	$0
Other assets	$6,424
Total Non Current Assets	**$13,166**
TOTAL ASSETS	**$21,715**
Current Liabilities	
Accounts payable, acc exp	$8,326
Accrued exp, other curr liab	$1,953
Oper lease liab, curr portion	$52
Deferred revenue	$58
Loan payable	$6,034
Income tax payable	$7
Conv note payable	$0
Total Current Liabilities	**$16,430**
Non-Current Liab	
Operating lease liab, non-curr	$257
Warrant liab	$17
TOTAL LIABILITIES	**$16,704**
SHAREHOLDER'S EQUITY	
Common stock	7
Add'l paid-in capital	149,991
Accumulate comp inc	114
Accumulated deficit	($145,101)
TOTAL EQUITY	**$5,001**
TOTAL LIABILITIES & EQUITY	**$21,715**

Sources: TRNR and Goldman Small Cap Research

SENIOR ANALYST: ROBERT GOLDMAN

Rob Goldman founded Goldman Small Cap Research in 2009 and has over 25 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

ANALYST CERTIFICATION

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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