

| Provision  | Section(s) in Area Development Agreement | Summary   |
|--|--|---|
|  |  | intended to be, located (i) within the Development Area, or (ii) within a radius of 20 miles of any other Valhallan Arena or Studio in operation or under construction on the effective date of termination or expiration.  |
| (s) Modification of the agreement                  | 15                                       | Except for those permitted to be made unilaterally by us hereunder, no amendment, change, or variance from the Area Development Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.  |
| (t) Integration/merger clause                      | 15                                       | Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable. No claim made in any franchise agreement is intended to disclaim the representations made in this Franchise Disclosure Document. |
| (u) Dispute resolution by arbitration or mediation | 16.2 and 16.3                            | Except for certain claims, we and you must first mediate, and if unsuccessful arbitrate, all disputes at a location within 5 miles of our then current principal place of business (currently in Pearland, Texas). (Subject to applicable state law.)   |
| (v) Choice of forum                                | 16.4                                     | All litigation proceedings must be conducted in (or closest to) the county of our then current principal place of business (currently in Pearland, Texas). (Subject to applicable state law.)   |
| (w) Choice of law                                  | 16.1                                     | Texas (subject to applicable state law).  |

The provision of the Franchise Agreement or Area Development Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

See Exhibit B, the State Specific Addendum, for special state disclosures.

## **ITEM 18**

### **PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

## **ITEM 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance

information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing the information about possible performance at a particular location or under particular circumstances.

We provide prospective franchisees with certain information regarding the actual historical gross revenue as well as active subscription data for Valhallan locations. As of December 31, 2023, we have one corporate owned outlet in operation, and we have nine open franchised outlets. In the chart below, we have included aggregate gross revenue data as well as aggregate subscription data for the outlets in operation through March 31, 2024.

The gross revenue information presented below is based on all revenue collected during the months of operation.

### STATEMENT OF HISTORIC GROSS REVENUE FOR OUTLETS IN OPERATIONS

|                | Month -4 | Month -3 | Month -2   | Month -1   | Month 1     | Month 2     | Month 3     | Month 4     | Month 5     | Month 6    |
|----------------|----------|----------|------------|------------|-------------|-------------|-------------|-------------|-------------|------------|
| Average        | \$ -     | \$671.00 | \$1,026.98 | \$1,162.33 | \$ 4,101.59 | \$ 5,631.25 | \$ 6,740.74 | \$ 7,237.79 | \$ 7,443.72 | \$4,843.80 |
| Median         | \$ -     | \$671.00 | \$1,024.94 | \$1,151.47 | \$ 3,077.25 | \$ 4,074.00 | \$ 5,811.55 | \$ 5,543.00 | \$ 4,643.00 | \$4,157.50 |
| Min            | \$ -     | \$671.00 | \$ 525.00  | \$ 370.00  | \$ 2,028.00 | \$ 3,117.00 | \$ 2,396.00 | \$ 4,081.73 | \$ 3,439.58 | \$2,913.00 |
| Max            | \$ -     | \$671.00 | \$1,531.00 | \$1,982.00 | \$11,877.00 | \$13,754.00 | \$12,822.00 | \$12,225.50 | \$15,466.00 | \$8,147.25 |
| Location Count | 0        | 1        | 3          | 8          | 10          | 9           | 8           | 6           | 5           |            |

  

|                | Month 7    | Month 8    | Month 9    | Month 10   | Month 11   | Month 12   | Month 13   | Month 14   |
|----------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Average        | \$5,771.00 | \$6,628.50 | \$7,091.38 | \$6,260.75 | \$6,796.50 | \$6,833.00 | \$7,125.25 | \$7,427.75 |
| Median         | \$5,835.00 | \$6,464.00 | \$7,091.38 | \$6,260.75 | \$6,796.50 | \$6,833.00 | \$7,125.25 | \$7,427.75 |
| Min            | \$4,291.00 | \$6,069.50 | \$6,337.00 | \$4,971.00 | \$5,452.00 | \$5,691.00 | \$7,125.25 | \$7,427.75 |
| Max            | \$7,187.00 | \$7,352.00 | \$7,845.75 | \$7,550.50 | \$8,141.00 | \$7,975.00 | \$7,125.25 | \$7,427.75 |
| Location Count | 3          | 3          | 2          | 2          | 2          | 2          | 1          | 1          |

- (1) “Month” is the # of open months for each unit in operation. Negative (-) months represent pre-sales prior to doors opening.
- (2) “Average” is the gross revenue of all units in operation for the given period divided by the total number of units operational within the given period.
- (3) “Median” Is the middle point between the high and low revenue for the number of units operational within the given period.
- (4) “Min” is the lowest gross revenue of the units operational within the given period.
- (5) “Max” is the highest gross revenue of the units operational within the given period.
- (6) “Location Count” is the number of units with gross revenue to report within the given period.

## STATEMENT OF HISTORIC MEMBER SUBSCRIPTIONS FOR OUTLETS IN OPERATION

|                | Month -4 | Month -3 | Month -2 | Month -1 | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 |
|----------------|----------|----------|----------|----------|---------|---------|---------|---------|---------|---------|
| Average        | 1        | 1        | 4        | 4        | 13      | 21      | 31      | 35      | 39      | 32      |
| Median         | 1        | 1        | 4        | 3        | 13      | 15      | 21      | 23      | 27      | 25      |
| Min            | 1        | 1        | 1        | 1        | 5       | 10      | 15      | 16      | 21      | 22      |
| Max            | 1        | 1        | 6        | 12       | 32      | 56      | 59      | 68      | 68      | 57      |
| Location Count | 1        | 1        | 2        | 8        | 9       | 9       | 8       | 6       | 5       | 4       |

|                | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 | Month 13 | Month 14 |
|----------------|---------|---------|---------|----------|----------|----------|----------|----------|
| Average        | 36      | 36      | 40      | 41       | 40       | 41       | 55       | 51       |
| Median         | 26      | 28      | 40      | 41       | 40       | 41       | 55       | 51       |
| Min            | 26      | 25      | 24      | 27       | 27       | 27       | 55       | 51       |
| Max            | 57      | 56      | 56      | 54       | 52       | 54       | 55       | 51       |
| Location Count | 3       | 3       | 2       | 2        | 2        | 2        | 1        | 1        |

- (1) “Month” is the # of open months for each unit in operation. Negative (-) months represent pre-sales prior to doors opening.
- (2) “Average” is the membership subscriptions sold for the given period divided by the total number of units operational within the given period.
- (3) “Median” is the middle point between the high and low subscription members for the number of units operational within the given period.
- (4) “Min” is the lowest subscription members of the units operational within the given period.
- (5) “Max” is the highest subscription members of the units operational within the given period.
- (6) “Location Count” is the number of units with subscription members to report within the given period.

Sales will vary from outlet to outlet and will depend upon many variables and factors, including size, location, type of business premises, seasonality, socio economic conditions of the population surrounding the outlet, competition, general economic conditions, the condition and attractiveness of the outlet, relationships with customers, the reputation for quality of service at the outlet, how effectively the operator participates in our programs and marketing, and the efficiency with which the operator operates the outlet.

**Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations about a franchisee's future financial performance or the past financial

performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting David Graham, 2880 Broadway Bend Drive, Building #1, Pearland, Texas 77584, (281) 816-7062, ext. 809, [info@valhallan.com](mailto:info@valhallan.com), the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Outlet Summary**  
**For years 2021, 2022, and 2023**

| Outlet Type                      | Year        | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|----------------------------------|-------------|----------------------------------|--------------------------------|------------|
| Franchised                       | 2021        | 0                                | 0                              | 0          |
|                                  | 2022        | 0                                | 1                              | +1         |
|                                  | 2023        | 1                                | 8                              | +7         |
| Company-Owned or Affiliate-Owned | 2021        | 0                                | 0                              | 0          |
|                                  | 2022        | 0                                | 0                              | 0          |
|                                  | 2023        | 0                                | 1                              | 1          |
| <b>Total Outlets</b>             | <b>2021</b> | <b>0</b>                         | <b>0</b>                       | <b>0</b>   |
|                                  | <b>2022</b> | <b>0</b>                         | <b>1</b>                       | <b>+1</b>  |
|                                  | <b>2023</b> | <b>1</b>                         | <b>9</b>                       | <b>+8</b>  |

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2021, 2022 and 2023**

| State          | Year | Number of Transfers |
|----------------|------|---------------------|
| North Carolina | 2021 | 0                   |
|                | 2022 | 0                   |
|                | 2023 | 1                   |
| New Jersey     | 2021 | 0                   |
|                | 2022 | 0                   |