

## **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 information about possible performance at a particular location or under particular circumstances.

### **BACKGROUND**

This Item sets forth certain historical data, from January 1, 2024, through December 31, 2024 (the “Measurement Period”), for Businesses open and operating for the full Measurement Period. This Item sets forth the gross revenues of each Business as well as certain expenses incurred by the Businesses for the respective Measurement Periods. There were 73 franchised Businesses open and operating during the full Measurement Period, and 42 franchised Businesses submitted their financials to us.

Consistent with NASAA’s Franchise Commentary on Financial Performance Representations, the definition of a corporate outlet in this Item 19 is an outlet owned either directly or indirectly by a franchisor, by an affiliate of the franchisor, or by any person required to be identified in Item 2 of the franchisor’s Franchise Disclosure Document, which operates a substantially similar business under the same brand as the business the franchisor offers to franchisees. It also includes any such outlet that: (i) is operated as a joint venture owned in part by a franchisor, by an affiliate of the franchisor, or by a person required to be identified in Item 2; and (ii) is managed by the franchisor, an affiliate of the franchisor, or by a person required to be identified in Item 2. Per the Item 19 definition of a corporate outlet, we had two corporate facilities open and operating during the full Measurement Period. D1 Cool Springs, which is owned by our affiliate, Corporate, and D1 Arlington, which is owned by a franchisee, 45 Sports Training, LLC. 45 Sports Training, LLC is owned by two of our officers.

Table I below presents the: (i) Gross Revenues<sup>1</sup>; (ii) Royalty<sup>2</sup>; (iii) Marketing Expenditures<sup>3</sup>; and (iv) Labor<sup>4</sup> for D1 Cool Springs over the Measurement Period, the only corporate outlet in which there was a General Manager in place the entire year, had a full staff, and completed quarterly scorecard data, three of our criteria areas as defined more fully below.

Table II(A) below presents the: (i) Gross Revenues<sup>1</sup>; (ii) Royalty<sup>2</sup>; (iii) Marketing Expenditures<sup>3</sup>; and (iv) Labor<sup>4</sup> for 31 substantially similar franchised locations that were open and operating for at least one year as of December 31, 2024, and for which we have full financial data.

Table II(B) below presents the results of 11 franchised Businesses that had more than 2 deficiencies out of six possible criteria areas: insufficient marketing expenditure data; Business not using an approved lead gen provider; no General Manager, General Manager for a partial year, or hired a General Manager outside of approval process within the system; not using standard programs or pricing; operating more than a quarter of the year without a full staff (full staff is defined as a General Manager, at least one coach, and a recruiter); and incomplete quarterly scorecard data, and thus are not substantially similar to franchises offered in this FDD.

**TABLE I**

<b>Corporate Store</b>				
<b>2024 Gross Revenue</b>	<b>Royalty</b>	<b>Marketing</b>	<b>Labor</b>	<b>Revenue less Disclosed Expenses</b>
1,744,855	122,140	84,344	520,670	1,052,598

**TABLE II(A)**

<b>Franchised Businesses that were Open (as of 12/31/2024)</b>				
	High Business	Average Business	Median Business	Low Business
<b>2024 Gross Revenue</b>	<b>1,555,472</b>	<b>679,601</b>	<b>626,384</b>	<b>261,075</b>
Royalty (7%)	108,883	47,572	43,847	18,275
Marketing	56,044	45,767	42,760	60,151
Labor	636,435	319,015	290,992	294,529
Revenue less disclosed expenses	789,542	275,965	256,531	(111,658)

**TABLE II(B)**

<b>Franchised Businesses that were Open (as of 12/31/2024)</b>				
	High Business	Average Business	Median Business	Low Business
<b>2024 Gross Revenue</b>	<b>783,303</b>	<b>374,399</b>	<b>326,849</b>	<b>135,217</b>
Royalty (7%)	54,831	26,208	22,879	9,465
Marketing	3,942	39,471	37,805	37,805
Labor	406,924	197,744	210,730	228,025
Revenue less disclosed expenses	322,854	112,757	55,412	(139,850)

Table III below sets forth the base rent costs for 58 of our Franchised Businesses that executed leases in 2024.

**TABLE III**

<b>Base Rent Costs (2024 Leases Executed)</b>				
	<b>High</b>	<b>Average</b>	<b>Median</b>	<b>Low</b>
<b>Gross Rent (Annual)</b>	217,929.78	125,296.78	123,523.60	39,312.00
<b>Triple Net Rent (Annual)</b>	152,000.00	95,737.76	95,887.00	10,712.00

**TABLE IV**

**AVERAGE, MEDIAN, HIGH, AND LOW TOTAL SALES AND AUTOPAY NUMBERS  
GENERATED DURING PRESALES FOR THE FRANCHISED FACILITIES THAT OPENED IN  
2024**

	<b>Total Sales</b>	<b>Autopay</b>
<b>High</b>	164,482	63,769
<b>Average</b>	45,069	24,771
<b>Median</b>	38,133	23,660
<b>Low</b>	13,774	5,887
<b>Number &amp; Percentage that Met or Exceeded the Average</b>	19/44 (43.18%)	19/44 (43.18%)

**NOTES TO ITEM 19**

1. Gross Revenues means the total revenue derived from the operation of the Business and is inclusive of sales tax. Gross sales for royalty purposes excludes sales tax. 12/31 (38.7%) franchised Businesses achieved Gross Revenues higher than the average presented.

2. Royalty means the royalty paid to us per the terms of the current franchise agreement. The royalty rate in our current franchise agreement is 7% and is reflected in Tables I, II(A), and II(B). Some facilities are operating on earlier versions of the franchise agreement that may have a different royalty structure. 12/31 (38.7%) Franchised Businesses paid more in Royalty than the average presented.

3. Marketing Expenditures means the monies paid by the Business to the Brand Fund per the terms of the franchise agreement as well as monies spent locally advertising the Business. 15/31 (48.39%) franchised Businesses expended more in Marketing Expenditures than the average presented.

4. Labor means the total payroll expenses as reported to us by each franchisee. 10/31 (32.26%) franchised Businesses expended more in Labor than the average presented.

5. Revenue Less Disclosed Expenses means Gross Revenues less 7% Royalty,

Marketing Expenditures and Labor. 16/31 (51.61%) Franchised Businesses achieved Revenue Less Disclosed Expenses higher than the average presented.

6. The median figure is the figures in which one half of the Businesses presented in each part had achieved a higher result for that metric and one half of the Business achieved a lower result for that metric.

7. For Table III regarding Base Rent Costs, 28/58 (48.28%) franchised Businesses had higher NNN than the average presented and 29/58 (50%) had higher Gross Rent than the average presented.

8. “Presales” is defined as the required preopening serves that takes place typically 90 days before opening and 30 days after opening. Presales may vary based on General Manager recruiting and hiring; permitting delays, construction delays; extended construction timelines based on the Premises site; or staffing.

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

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

Other than the preceding financial performance representations, we do not make any financial performance representations. 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 D1 Training Facility, however, we may provide you with the actual records of that Facility. 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 Dan Murphy, D1 Sports Franchise, LLC, 7115 S. Springs Drive, Franklin, Tennessee 37067, (615) 933.5653, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

**TABLE NO. 1**  
**SYSTEMWIDE OUTLET SUMMARY FOR**  
**YEARS 2022 to 2024<sup>1</sup>**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	63	79	+16
	2023	79	90	+11
	2024	90	127	+37
Company- Owned	2022	0	0	0
	2023	0	1	+1
	2024	1	2	+1
<b>Total</b>	<b>2022</b>	<b>63</b>	<b>79</b>	<b>+16</b>
	<b>2023</b>	<b>79</b>	<b>91</b>	<b>+12</b>
	<b>2024</b>	<b>91</b>	<b>129</b>	<b>+38</b>

<sup>1</sup>The numbers in this table and in Tables 2 through 4 are for the 12-month periods ending each December 31. References in these tables to “company-owned” includes affiliate-owned.

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