

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
w. Choice of law	Section 17.F of Franchise Agreement	Except for Federal Arbitration Act and other federal law, New York law governs (subject to state law)
	Development Agreement Rider	Not applicable under Development Agreement Rider.

Item 18

PUBLIC FIGURES

We currently do not use any public figures to promote franchises for Five Iron Golf Centers.

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.

In this Item 19, we provide certain historical operating results of company-owned Five Iron Golf Centers during the 12-month period beginning January 1, 2025 and ending December 31, 2025 (the “Measurement Period”). In total, 18 of our 30 company-owned Five Iron Golf Centers are represented in this Item 19 (collectively, the “Company Centers”), each of which operated continuously throughout the Measurement Period. We excluded (i) 2 company-owned Five Iron Golf Centers because they use third-party service providers for their food operations, which is atypical of a Five Iron Golf Center and is not permitted as part of our franchise offering; (ii) 1 company-owned Five Iron Golf Center that was closed for renovations temporarily during the Measurement Period; (iii) 4 company-owned Five Iron Golf Centers because they feature less than 8 simulators, which is atypical of a Five Iron Golf Center and is outside of the prototypical Five Iron Golf franchise offering, and (iv) 5 company-owned Five Iron Golf Centers that opened during Measurement Period.

We also include information related to a subset of 9 Company Centers (collectively, the “Select Company Centers”). This subset excludes (i) 5 Company Centers based in New York City, which have higher costs and Gross Sales than typical Five Iron Golf Centers, and (ii) 4 Company Centers that have more than 12 simulators at the location, because the prototypical Five Iron Golf Center will have between 8 and 12 simulators.

In addition to the Company Centers, this Item 19 provides certain historical operating results of the 2 franchised Five Iron Golf Centers that were open continuously throughout the Measurement Period and contained 8 or more simulators (together, the “Franchised Centers”), and collectively with the Company Centers, the “Included Centers”). We excluded (i) 1 franchised location because it features less than 8 simulators, which is atypical of a Five Iron Golf Center and outside the prototypical franchise offering, and (ii) 4 franchise locations because they opened during the Measurement Period, and therefore, were operated for less than 12 months.

TABLE 1 - AVERAGE GROSS SALES OF ALL INCLUDED CENTERS

Type of Center	Company Centers	Select Company Centers	Franchised Centers	Included Centers
Average	\$3,020,897	\$2,189,582	\$1,533,704	\$2,872,177
Median	\$2,527,757	\$2,232,408	\$1,533,704	\$2,425,832
Low	\$1,699,877	\$1,699,877	\$1,177,125	\$1,177,125
High	\$7,491,082	\$2,586,517	\$1,890,284	\$7,491,082

Table 1 contains information for all Included Centers. Of the 20 Included Centers listed in the above Table 1, 6 or 30% met or exceeded the total average Gross Sales of \$2,872,177. Of the 18 Company Centers in the above Table 1, 6 or 33% met or exceeded the total average Gross Sales of \$3,020,897. Of the 9 Select Company Centers in the above Table 1, 5 or 56% met or exceeded the total average Gross Sales of \$2,189,582. Of the 2 Franchised Centers listed in the above Table 1, 1 or 50% met or exceeded the average Gross Sales of \$1,533,704.

TABLE 2 – OPERATING EXPENSES AND EBITDA FOR ALL COMPANY CENTERS

	Gross Sales	COGS	COGS %	Labor	Labor%	EBITDA	EBITDA %	Imputed Royalties	Adjusted EBITDA	Adjusted EBITDA %
Average	\$3,020,897	\$563,046	19%	\$699,860	23%	\$954,132	32%	\$211,463	\$742,669	24.58%
Median	\$2,527,757	\$489,829	19%	\$645,705	26%	\$659,567	26%	\$176,943	\$491,791	19%
Low	\$1,699,877	\$312,983	18%	\$497,248	29%	\$310,041	18%	\$118,991	\$191,050	11%
High	\$7,491,082	\$1,206,788	16%	\$1,510,946	20%	\$3,501,353	47%	\$524,376	\$2,976,977	40%

Table 2 contains information for the 18 Company Centers. Of the 18 Company Centers listed in the above Table 2: (i) 6 or 33% met or exceeded the total average Gross Sales of \$3,020,897; (ii) 5 or 28% met or exceeded the total average COGS of \$563,046; (iii) 4 or 22% met or exceeded the total average Labor expenses of \$699,860; (iv) 5 or 28% met or exceeded the total average EBITDA of \$954,132; and (v) 5 or 28% met or exceeded the total average adjusted EBITDA of \$742,669.

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TABLE 3 – SUBSET OF SELECT COMPANY CENTERS

	Gross Sales	COGS	COGS %	Labor	Labor%	EBITDA	EBITDA %	Imputed Royalties	Adjusted EBITDA	Adjusted EBITDA %
Average	\$2,189,582	\$439,536	20%	\$584,665	27%	\$524,893	24%	\$153,271	\$371,623	16.97%
Median	\$2,232,408	\$458,742	21%	\$590,512	26%	\$619,318	28%	\$156,269	\$454,371	20%
Low	\$1,699,877	\$312,983	18%	\$497,248	29%	\$310,041	18%	\$118,991	\$191,050	11%
High	\$2,586,517	\$488,355	20%	\$639,048	29%	\$654,924	16%	\$181,056	\$473,868	18%

Table 3 contains information related to the 9 Select Company Centers. Of the 9 Select Company Centers listed in the above Table 3: (i) 5 or 56% met or exceeded the total average Gross Sales of \$2,189,582; (ii) 6 or 67% met or exceeded the total average COGS of \$439,536; (iii) 5 or 56% met or exceeded the total average Labor expense of \$584,665; (iv) 6 or 67% met or exceeded the total average EBITDA of \$524,893; and (v) 6 or 67% met or exceeded the total average adjusted EBITDA of \$371,623.

Notes to All Tables:

1. The Company Centers have been open for an average of 4.1 years and the Franchised Centers have been open for an average of 1.4 years. On average, there are 11.6 simulator bays in the Company Centers. The Company Center with the lowest number of simulator bays is 8 while the Company Center with the highest number of simulator bays is 15. There may be additional sources of revenue and expenses at the Company Centers as compared to franchised Five Iron Golf Centers including partnership and licensing fees, corporate overhead such as travel expenses, benefit packages for senior-level employees, additional software fees and additional marketing costs. The Company Centers do not pay Royalties. The Company Centers spent an average of 2.5% of Gross Sales on marketing related expenditures, which includes the 2% of Gross Sales that each Company Center contributed to the Brand Fund once the Brand Fund. These marketing expenses are accounted for in the above Tables 2 and 3. Other than as noted herein, we do not anticipate any material financial or operational differences between the Company Centers and franchised Five Iron Golf Centers.

2. “Gross Sales” means all revenue derived from operating an Included Center, including, but not limited to, all amounts that we receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to an Included Center, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and members and paid to the appropriate taxing authority, (2) excluding any customer tips to the Center’s employees, and (3) reduced by the amount of any documented refunds, credits, allowances, and charge-backs an Included Center in good faith gives to customers or members.

3. “COGS” means Cost of Goods Sold and includes costs related to our food and beverage program, event costs and commissions, golf pro salaries and commissions, in addition to other miscellaneous costs of goods such as merchandise. “COGS %” means the COGS expense as a percentage of the reported total average Gross Sales of the Company Centers. The COGS % in the row labeled “High” is the COGS % of the highest-grossing Company Centers in the respective tables, while the COGS % in the row labeled “Low” is the COGS % of the lowest-grossing Company Centers in the respective tables.

4. “Labor” includes salaries, wages for hourly staff, and payroll taxes incurred by the Company Centers. Salaries, wages and related payroll expenses vary substantially depending on the geographic location of the Company Center, demands on the local labor pool, state and federally mandated minimum wage laws, changes in state and federal laws affecting benefits and the level of benefits (i.e., medical insurance, vacation and bonuses) provided. “Labor %” means the Labor expense as a percentage of the reported total average Gross Sales. The Labor % in the row labeled “High” is the Labor % of the highest grossing Company Centers in the respective tables, while the Labor % in the row labeled “Low” is the Labor % of the lowest grossing Company Centers in the respective tables. Wages and costs related to golf instructors at the Company Centers are not included in “Labor” because contract structures vary across the Company Centers, but as noted above, wages and costs related to golf instructors are included as part of COGS.

5. “EBITDA” means Earnings Before Interest, Taxes, Depreciation and Amortization. “EBITDA %” means EBITDA as a percentage of the reported total average Gross Sales. The EBITDA % in the row labeled “High” is the EBITDA % of the highest grossing Company Centers in the respective tables, while the EBITDA % in the row labeled “Low” is the EBITDA% of the lowest grossing Company Centers in the respective tables.

6. Franchised Five Iron Golf Centers are required to pay Royalties that Company Centers do not have to pay. “Imputed Royalties” in Tables 1 and 2, therefore, means imputed Royalties of 7% of Gross Sales that the Company Centers would have paid if they were franchised Five Iron Golf Centers.

7. “ADJ EBITDA” means EBITDA (see note 5) minus Imputed Royalties (see Note 6).

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 representations in Item 19 is available to you 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 Five Iron Golf Center, however, we may provide you with the actual records of that Five Iron Golf Center. If you receive any other financial performance information or projections of your future income, you should report it the franchisor's management by contacting Katherine Solomon, Chief Legal Officer, at 883 Avenue of the Americas, Fl. 3, New York, New York 10001 and (212) 419-3875; the Federal Trade Commission; and the appropriate state regulatory agencies.

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Item 20

OUTLETS AND FRANCHISEE INFORMATION

**Table 1
Systemwide Outlet Summary
For years 2023 to 2025**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of Year	Outlets at the End of Year	Net Change
Franchised	2023	0	0	0
	2024	0	3	+3
	2025	3	7	+4
Company Owned	2023	15	22	+7
	2024	22	25	+3
	2025	25	30	+5
Total Outlets	2023	15	22	+7
	2024	22	28	+6
	2025	28	37	+9

**Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025**

Column 1	Column 2	Column 3
State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Totals	2023	0
	2024	0
	2025	0

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