

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.

This Financial Performance Representation consists of the following:

1. **Pool Service/Maintenance Industry Overview.** A short summary of the pool service/maintenance industry is provided below for context regarding the financial performance representation for the Local Operation and the U.S. market.
2. **Pool Scouts Local Operations, LLC.** Our affiliate, PS Local Operations, has been in business since January 2016. We have provided detailed information for this entity, which consists of 2 territories in the southern Hampton Roads region of Virginia.
3. **Pool Scouts Franchising, LLC.** We have provided performance data for our franchise system, including revenue, customer and service metrics. As of December 31, 2025, we had 37 franchisees operating 71 outlets, with a total of 60 outlets operational for 12 months or more. Detailed information for these 60 outlets is provided below.

Pool Service/Maintenance Industry Overview

We consider the pool service and maintenance industry ("Industry") to be segmented into seasonal and year-round business models. We believe the Industry to be predominantly seasonal in the northern two-thirds of the United States ("Seasonal Business"). The locations operated by our affiliate, PS Local Operations, are Seasonal Businesses, running predominantly from mid-March to mid-November. We believe the Industry to be predominantly year-round in the remaining warmer climate states ("Year-Round Business").

In the Seasonal Business market, we segment the services provided into three distinct categories:

- (1) **Pool Openings.** Pool openings consist of an extended service call(s) to transition a pool from a closed status throughout the winter to an open status for the summer.
- (2) **Pool Service/Maintenance.** Pool service/maintenance consists of the recurring service calls required to maintain the proper water chemistry, a debris-free pool and a clean pool deck. Minor repairs requiring low technical expertise (e.g., pump replacement) and typically less than 60 minutes of labor are included in this category of business.

- (3) **Pool Closings.** Pool closings consist of a single extended service call required to transition a pool from an open status to a closed status for the winter. This includes placing a safety cover on the pool, if appropriate.

The Year-Round Business market consists primarily of pool service/maintenance visits, with a relatively few pool openings or closings.

Most franchisees perform repair work at the equipment pad. Some franchisees, however, initially use third-party service providers to perform such repair services. Over time, we expect that most or all franchisees will obtain the appropriate technical training, experience, and any certification or licensure (as required by applicable state law), to offer repair services directly to their customers.

PS Local Operations

PS Local Operations commenced business operations in January 2016, following the acquisition of the service arm of a Virginia Beach, Virginia-based pool construction firm (“Acquisition”). The Acquisition consisted of 31 service customers, 2 service vehicles, and an experienced pool service professional. PS Local Operations consists of two territories, VA-001 (with an estimated 15,318 Targeted Households across 11 ZIP Codes) and VA-002 (with an estimated 15,227 Targeted Households across 31 ZIP Codes).

TABLE 1 – REPRESENTATIVE INCOME STATEMENT

The Income Statement below is representative of the expenses incurred by PS Local Operations for territories VA-001 and VA-002 (collectively referred to in the table below as “Entity”) for the period from January 1, 2025 through December 31, 2025, as adjusted in accordance with the notes below Table 1.

**Pool Scouts Local Operations, LLC
Income Statement¹
January 1-December 31, 2025**

	Total	Percent of Total Revenue
Total Revenue²	\$ 1,351,879	100%
Cost of Goods Sold		
Technician Labor ³	\$ 368,163	27.2%
Materials Costs ⁴	\$ 250,328	18.5%
Total Cost of Goods Sold	\$ 618,491	45.8%
 Gross Profit (\$)	 \$ 733,388	
Gross Margin		54.2%

Itemized Expenses

	Total	Percent of Total Revenue
Royalty and Service Fee ⁵	\$ 108,150	8.0%
Marketing Fee	\$ 27,038	2.0%
Advertising expense	\$ 73,305	5.4%
Credit card fees ⁶	\$ 5,294	0.4%
Automobile expense	\$ 72,599	5.4%
Insurance expense ⁷	\$ 29,307	2.2%
Fuel expense	\$ 17,274	1.3%
Other expenses ⁸	\$ 33,136	2.5%
Integrated Business System Fees	\$ 4,740	0.4%
Rent and Utilities	\$ 19,800	1.5%
Wages and Benefits ⁹	\$ 155,964	11.5%
Itemized Expenses	\$ 546,608	40.4%
Operating Cash Flow Before Non-Itemized Expenses¹⁰	\$ 186,780	
<i>Operating Cash Flow Margin</i>		13.8%

Notes for Table 1:

1. The information set forth in Table 1 is from the combined financial performance for PS Local Operations' two territories, VA-001 and VA-002, from January 1, 2025 through December 31, 2025, as adjusted in accordance with these notes.
2. "Revenue" means the revenue billed for pool openings, recurring customer services, pool closings, and one-time services and repairs. Revenue from services to customers located in ZIP Codes not assigned to either VA-001 or VA-002 is included in the table and allocated equally across both territories.
3. "Technician Labor" includes all costs (wages, taxes, etc.) for the technicians that performed pool cleaning and repair services.
4. "Materials Costs" includes the actual cost of chemical products, parts and consumables required to complete the total services for the period.
5. PS Local Operations did not pay us any royalty fees during 2025. We supplemented the PS Local Operations Income Statement to include a "Royalty and Service Fee" entry to reflect the Royalty and Service Fee of 8%, that you will have to pay. You will be required to pay to us, our affiliates or our designated suppliers all of the fees described in this disclosure document. Other than the Royalty and Service Fee, PS Local Operations incurs the same costs for these items as our franchisees will incur.
6. PS Local Operations began charging a credit card surcharge that offset credit card fees in 2024.
7. Insurance expenses include automobile, general liability and worker's compensation. Automobile insurance is allocated by BFB to PS Local Operations based on the vehicles operated by PS Local Operations. PS Local Operations pays a pro-rata share of premiums for

general liability and worker’s compensation policies obtained through BFB, which may be lower than a franchisee would pay for policies that only cover the franchisee.

8. Other expenses include professional fees, bank fees, licenses and permits, charitable contributions, dues and subscriptions, office supplies, field supplies and safety gear, franchisee convention registration, repairs and maintenance, taxes and uniforms.
9. PS Local Operations employs a full-time general manager and a full-time assistant to run the local operations business. This figure also includes one additional office employee to assist from March through August. As required by the franchise agreement, you or your Designated Manager must oversee the operations of your Franchised Business. The information in the table above does not include any compensation payable to you, as an owner of the Franchised Business.
10. The representative information presented in Table 1 is stated as Operating Cash Flow Before Non-Itemized Expenses. Non-Itemized Expenses may include but are not limited to (a) any other expenses that may be necessary or that you may deem to be necessary or convenient to run the business; (b) owner’s salary or “draw” should you desire to pay yourself; and (c) discretionary expenses such as meals, entertainment and travel. This Table 1 is not intended to be an exhaustive representation or list of every expense you may incur as a franchisee.

TABLE 2 –REVENUE, CUSTOMER AND SERVICE METRICS

Local Operations Revenue by Territory			
	2024	2025	YoY Growth Rate (%)
VA-001	\$ 703,023	\$ 746,301	6%
VA-002	\$ 567,079	\$ 644,608	14%
Entity	\$ 1,270,102	\$ 1,390,909	10%

Local Operations Customer Count by Territory			
	2024	2025	YoY Growth Rate (%)
VA-001	493	509	3%
VA-002	433	425	-2%
Entity	926	934	1%

Local Operations Service Count by Territory			
	2024	2025	YoY Growth Rate (%)
VA-001	4,570	4,515	-1%
VA-002	3,740	3,769	1%
Entity	8,310	8,284	-0.3%

Notes for Table 2:

1. The data in Table 2 is for the period of January 1, 2024 through December 31, 2024 and January 1, 2025 through December 31, 2025.
2. PS Local Operations revenue includes pool opening revenue, recurring service revenue (including revenues from resale of pool treatment chemicals) and pool closing revenue, as well as one-time services or repairs, less any applicable discounts or credit.
3. Revenue for each of the territories in this chart includes revenue from repair services (including parts required for those repair services). New franchisees may not be able to provide repair services directly to customers immediately upon their commencement of operations, unless they already have the requisite technical training, experience, and necessary certification or licensure (as required by applicable state law). Revenue from repair services (including parts required for those repair services) for PS Local Operations was 19.5% of total revenue in calendar year 2025 and 16.4% in calendar year 2024.
4. Revenue, customers and services located in ZIP Codes not assigned to either the VA-001 territory or the VA-002 territory are included in the table and allocated equally across both territories.

TABLE 3 –2025 PS LOCAL OPERATIONS BUSINESS PERFORMANCE METRICS

CUSTOMER SALES METRICS		
Metric Tracked	Question/Answer	Notes
1. Customer Acquisition Cost	<p>How much does it cost to recruit a single customer?</p> <p>PS Local Operations recruited 322 new customers for 2025 on a local marketing spend of \$62,286 for an average acquisition cost of \$193 per customer. The median cost to acquire a customer was \$139, the high cost to acquire a customer was \$1,098 and the low cost to acquire a customer was \$0.</p>	1,2,3

OPERATIONAL METRICS		
Metric Tracked	Question/Answer	Notes
1. Technician Cost	<p>What were the wages of PS Local Operations technicians?</p> <p>The average hourly rate during 2025 for PS Local Operations technicians was \$20.50/hour. The low hourly rate was \$17/hour and the high hourly rate was \$27.50/hour. The median hourly rate for technicians was \$18.75/hour.</p>	4
2. Services Per Customer	<p>How many services did PS Local Operations provide per customer?</p>	5

OPERATIONAL METRICS		
Metric Tracked	Question/Answer	Notes
	PS Local Operations provided 8,284 services to 934 unique customers for 2025, for an average of 9 services per customer. The low services per customer was 1 and the high services per customer was 105. The median services per customer was 4.	
3. Revenue Per Truck	How much revenue did a PS Local Operations truck generate? PS Local Operations averaged 7 trucks during the season and generated approximately \$198,701 per vehicle.	6
4. Customers Per Truck	How many customers did PS Local Operations service per truck? During the June, July and August 2025, PS Local Operations was able to provide recurring service to 8-11 customers per truck per day, with 1 or 2 technicians. For opening and closing services, 2 technicians were typically able to service up to 4 customers per truck per day.	6

FINANCIAL METRICS		
Metric Tracked	Question/Answer	Notes
1. Revenue Per Customer	How much revenue per customer did PS Local Operations generate? PS Local Operations' average revenue per customer for 2025 was \$1,489. The median revenue per customer for 2025 was \$931. The high was \$14,241 and the low was \$15.	1
2. Revenue Per Pool Opening	How much revenue per pool opening as described above did PS Local Operations generate? PS Local Operations' average revenue per pool opening for 2025 was \$462. The median revenue per pool opening for 2025 was \$473. The high was \$617 and the low was \$105.	1
3. Revenue Per Service Visit	How much revenue per service visit did PS Local Operations generate? PS Local Operations' average revenue per visit for 2025 was \$168 per visit. The median revenue per visit 2025 was \$125 per visit. The high was \$6,180 and the low was \$3.	1

FINANCIAL METRICS		
Metric Tracked	Question/Answer	Notes
4. Revenue Per Pool Closing	<p>How much revenue per pool closing service did PS Local Operations generate?</p> <p>PS Local Operations’ average revenue per pool closing for 2025 was \$405 per service. The median revenue per pool closing for 2025 was \$440. The high was \$525 and the low was \$128.</p>	1

Notes for Table 3:

1. Based on Pool Scouts CRM data for PS Local Operations.
2. Based on 2025 local marketing spend for PS Local Operations, includes Direct Mail and Digital spend.
3. A “new customer” is any customer that was not previously serviced by PS Local Operations prior to January 1, 2025.
4. PS Local Operations has elected to pay above the minimum wage required in Virginia as of January 1, 2025 to attract a more experienced technician, which we believe helps to (a) keep customer satisfaction high and (b) recruit additional customers.
5. Services Per Customer is the total services provided for the year divided by the total number of customers.
6. Revenue per Truck and Customers Per Truck data is provided to demonstrate the observed efficiency of PS Local Operations’ technicians during the busiest part of 2025. The number of services your technicians are able to perform in a single day, per truck, may also be limited by the number of customers you have requesting service. The number of customers that a single truck can service will depend on the geographic market in which you operate, the density of your customer base, the efficiency of your routing and the type of service being provided.

TABLE 4 -- PENETRATION ANALYSIS BY ZIP CODE

Table 4a. VA-001

	Zip	Customers	Target Households	Average Household Income	2024 Household Penetration
	1	45	1,614	\$170,858	2.8%
	2	57	2,148	\$149,810	2.7%
	3	32	1,022	\$133,462	3.1%
	4	110	3,167	\$166,951	3.5%
	5	48	1,833	\$151,023	2.6%

	Zip	Customers	Target Households	Average Household Income	2024 Household Penetration
	6	182	4,319	\$202,650	4.2%
	7	9	439	\$153,553	2.1%
	8	20	776	\$112,918	2.6%
Total		503	15,318	\$155,153	3.3%

Table 4b. VA-002

	Zip	Customers	Target Households	Average Household Income	2024 Household Penetration
	1	62	1,466	\$133,683	4.2%
	2	34	1,136	\$162,542	3.0%
	3	120	4,684	\$196,494	2.6%
	4	31	1,299	\$160,874	2.4%
	5	1	147	\$99,385	0.7%
	6	7	343	\$123,438	2.0%
	7	24	696	\$176,953	3.4%
	8	56	2,593	\$155,680	2.2%
	9	12	227	\$113,348	5.3%
	10	10	339	\$115,147	2.9%
	11	3	44	\$82,263	6.8%
	12	20	368	\$121,458	5.4%
	13	4	195	\$128,562	2.1%
	14	3	130	\$140,257	2.3%
	15	2	155	\$113,154	1.3%
	16	3	27	\$98,929	11.1%
	17	20	522	\$139,990	3.8%
	18	2	188	\$103,306	1.1%
	19	3	65	\$81,606	4.6%
	20	5	323	\$128,928	1.5%
	21	1	52	\$81,372	1.9%
	22	2	117	\$100,915	1.7%
Total		425	15,116	\$125,377	2.8%

Notes for Table 4a and 4b:

1. The number of Target Households in a given ZIP Code is based on detached, single-family households that have an in-ground pool and that earn more than \$100,000 in household income annually.
2. Household data was obtained from our third-party territory mapping software program, using data as of December 2025.

Pool Scouts Franchising, LLC

Unless otherwise noted, the following tables are based on the results of the 60 outlets which have been open and operating for 12 months or more as of December 31, 2025.

TABLE 5 – PERFORMANCE BY CLASS YEAR

Table 5a. Revenue

Class Year	2025 Average (# above average)	2025 Median	2025 High Territory	2025 Low Territory	2024 Average	2024-2025 Growth (%) in Average Revenue
Mature	\$384,197 13 (38%)	\$226,801	\$1,810,932	\$5,402	\$366,780	5%
2022	\$346,241 8 (53%)	\$322,320	\$852,666	\$26,805	\$289,181	20%
2023	\$299,372 4 (57%)	\$304,648	\$470,378	\$188,481	\$222,005	35%
2024	\$82,799 2 (50%)	\$103,892	\$138,133	\$17,489	\$57,009	45%

Table 5b. Customers

Class Year	2025 Average (# above average)	2025 Median	2025 High Territory	2025 Low Territory	2024 Average	2024-2025 Growth (%) in Average Customers
Mature	200 13 (38%)	136	829	4	204	-2%
2022	168 8 (53%)	167	418	13	148	14%
2023	143 3 (43%)	142	203	88	138	3%
2024	45 3 (75%)	47	94	7	38	19%

Table 5c. Services

Class Year	2025 Average (# above average)	2025 Median	2025 High Territory	2025 Low Territory	2024 Average	2024-2025 Growth (%) in Average Services
Mature	3,809 14 (41%)	2,693	13,179	547	3,960	-4%
2022	2,529 7 (47%)	1,816	6,788	134	2,409	5%
2023	1,936 2 (29%)	1,351	4,702	1,120	1,396	39%
2024	1,581 2 (50%)	520	4,207	190	1,286	23%

Notes for Table 5:

1. The information is derived from the performance for 60 outlets which were open and operating for 12 or more months as of December 31, 2025, regardless of seasonality.
2. The Class Year is defined as the first calendar year that an outlet was open and operating for at least 6 months. The Mature Class includes all outlets which opened and began operating in calendar years 2017-2021.
3. The Mature Class has 34 outlets, the Class of 2022 has 15 outlets, the Class of 2023 has 7 outlets and the Class of 2024 has 4 outlets.
4. The growth rate represents the change in revenue for calendar years 2024 and 2025.
5. Revenue from out of territory zip codes is included in the table for all outlets.
6. Revenue from repair services (including required parts required for those repair services) for these 60 outlets was 22% of total revenue in calendar year 2025 and 20% in calendar year 2024.