

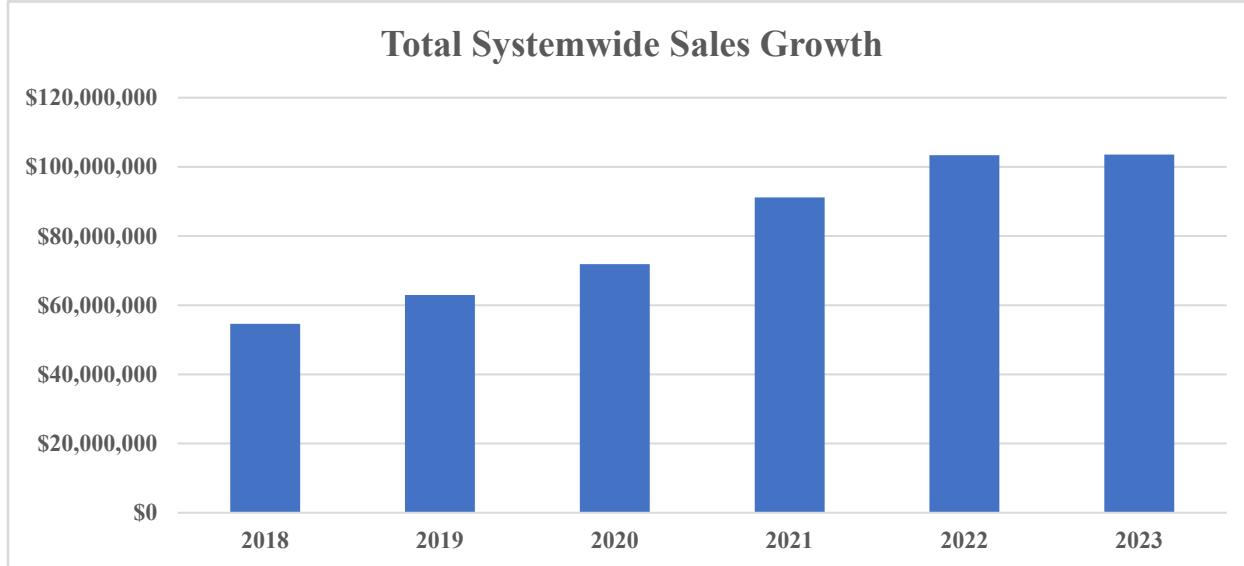
ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

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, we present certain historical information for franchised ASP - AMERICA'S SWIMMING POOL COMPANY businesses for the 2023 fiscal year and prior years. The explanatory notes following the tables are an important part of the information presented. As of December 31, 2023, we had 113 franchisees operating in 133 Territories. The financial information in this Item from the period before May 14, 2021 was collected by our predecessor, ASPF. Tables 1 through 3 present certain Gross Revenue information from 2022 and 2023 that was reported to and collected by us utilizing Pool Ops, our proprietary business and customer relationship management software.

TABLE 1
SYSTEMWIDE SALES

Table 1 sets forth the aggregate Gross Revenue (“Systemwide Sales”) reported to us and our predecessor from all franchisees whose franchised businesses were operational for any part of the year. See Note 1 to this table for the definition of “Gross Revenue.”



Year	2018	2019	2020	2021	2022	2023
Total Systemwide Sales	\$54,643,476	\$62,948,476	\$71,864,280	\$91,165,076	\$103,395,915	\$103,563,667
Year-over-Year Growth		15%	14%	27%	13%	0%
Systemwide Sales Territory Count	101	108	113	123	130	133

Note to Table 1:

- (1) The term “**Gross Revenue**” is generally defined in the applicable forms of franchise agreement as all revenue from the sale of products and services and all other income of every kind related to the Franchised Business, whether for cash, credit, trade, barter or other value and regardless of collection in the case of credit and even if you have contracted with third parties to provide certain of the services, less any bona fide refunds given to customers in the ordinary course of business. Gross Revenue also includes amounts billed to insurance or government programs. Further, Gross Revenue includes all revenue related to the sale of any products and the performance of any services (whether or not the products or services are approved by us) that are provided using any portion of the Franchised Business in any manner, including the Marks (such as service vehicles, invoices, and uniforms bearing the Marks), the System, Confidential Information, any of the employees of the Franchised Business, or the telephone number of the Franchised Business. Gross Revenue is not reduced on account of any fees or commissions you pay to third parties who refer customers. The Gross Revenue data for a franchisee may include sales in “open” Territory, that is, territory that had not been awarded to a franchisee.

TABLE 2
ACTIVE FRANCHISE REVENUE GROWTH
(In Business and Reporting as of December 31, 2022 – December 31, 2023)

Table 2 below shows the total Gross Revenue growth between calendar years 2022 and 2023 for 108 Territories that were in business and reporting revenue as of December 31, 2022 and as of December 31, 2023. A Territory was considered in business as of December 31, 2022 or December 31, 2023 if it reported Gross Revenue greater than \$0 during the month of December 2022 or December 2023, respectively. See Note 1 to Table 1 for the definition of “Gross Revenue.”

Year	Same Store Sales Total Gross Revenue	Year-over-Year Growth	Same Store Sales Territory Count
2022	\$93,575,348		108
2023	\$94,375,358	1%	108

TABLE 3
GROSS REVENUE PER TERRITORY, BY QUARTILE

Table 3 below reports on 121 Territories that were in operation for the entire 2023 fiscal year, ranked by quartile in order of highest Average Gross Revenue per Territory to lowest Average Gross Revenue per Territory. Excluded from this table are 12 Territories that opened during the 2023 fiscal year and therefore were not in operation for the entire 2023 fiscal year and 8 Territories that ceased operations during the 2023 fiscal year. See Note 1 to Table 1 for the definition of “Gross Revenue.”

Quartile	Number of Territories in Group	Aggregate Gross Revenue for Territories in Group	Average Gross Revenue Per Territory	Median Territory Gross Revenue in Group	Highest Territory Gross Revenue in Group	Lowest Territory Gross Revenue in Group	Number of Territories Exceeding Group Average	Percent of Territories Exceeding Group Average
Top 25%	31	\$55,216,547	\$1,781,179	\$1,656,640	\$3,584,275	\$1,126,027	13	42%
2nd Quartile	30	\$24,519,023	\$817,301	\$815,957	\$1,043,964	\$588,095	15	50%
3rd Quartile	30	\$13,566,743	\$452,225	\$456,840	\$587,142	\$311,039	16	53%
Bottom 25%	30	\$5,374,998	\$191,964	\$167,749	\$309,030	\$26,756	14	47%
TOTAL SYSTEM	121	\$98,677,312	\$829,221	\$588,095	\$3,584,275	\$26,756	44	36%

Tables 4 and 5 present information on 108 Territories that were in operation for the entire 2023 fiscal year and reported a profit and loss statement (“P&L”) through QuickBooks. Excluded from these tables are 12 Territories that opened during the 2023 fiscal year and therefore were not in operation for the entire 2023 fiscal year, 11 Territories that were in operation for the entire 2023 fiscal year but did not report Net Profit using standard accounting methods or failed to provide complete financial records utilizing QuickBooks software, 2 Territories that did not submit a P&L, and 5 Territories that ceased operations during the 2023 fiscal year. See Note 1 to Table 1 for definition of “Gross Revenue”.

TABLE 4
NET PROFIT PER TERRITORY, BY QUARTILE

Table 4 below reports on 108 Territories, ranked by quartile in order of highest Average Net Profit per Territory to lowest Average Net Profit per Territory. Net Profit is defined as Gross Revenue minus total expenses.

Quartile	Number of Territories	Aggregate Net Profit of Territories in Group	Average Net Profit Per Territory	Median Territory Net Profit	Highest Territory Net Profit in Group	Lowest Territory Net Profit in Group	Number of Territories Exceeding Group Average	Percent of Territories Exceeding Group Average	Average Net Profit Percentage
Top 25%	27	\$7,290,338	\$270,013	\$205,259	\$518,336	\$158,452	9	33%	18%
2nd Quartile	27	\$3,083,098	\$114,189	\$118,293	\$150,489	\$79,006	15	56%	17%
3rd Quartile	27	\$1,232,224	\$45,638	\$42,658	\$78,661	\$23,678	13	48%	12%
Bottom 25%	27	-\$106,271	-\$3,936	\$641	\$23,237	-\$76,334	18	67%	-4%
TOTAL SYSTEM	108	\$11,499,389	\$106,476	\$78,833	\$518,336	-\$76,334	43	40%	10%

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TABLE 5
AVERAGE GROSS REVENUE AND EBITDA PER TERRITORY, BY QUARTILE

	Quartile 1 27 Territories ⁽¹⁾		Quartile 2 27 Territories ⁽¹⁾		Quartile 3 27 Territories ⁽¹⁾		Quartile 4 27 Territories ⁽¹⁾	
Gross Revenue								
Pool Maintenance Average Gross Revenue ⁽²⁾	\$778,275	42%	\$378,073	43%	\$227,043	48%	\$89,947	44%
Pool Repair & Service Average Gross Revenue ⁽³⁾	\$585,640	31%	\$327,521	37%	\$169,627	36%	\$90,269	44%
Subcontractor Average Gross Revenue ⁽⁴⁾	\$505,048	27%	\$173,401	20%	\$81,131	17%	\$26,511	13%
Total Average Gross Revenue	\$1,868,963	100%	\$878,996	100%	\$477,801	100%	\$206,727	100%
Cost of Goods Sold								
Average Cost of Chemicals Consumed ⁽⁵⁾	\$101,841	13%	\$56,081	15%	\$33,968	15%	\$13,891	15%
Average Cost of Materials Sold ⁽⁶⁾	\$262,264	2.23	\$151,586	2.16	\$80,577	2.11	\$38,561	2.34
Average Cost of Subcontractor Expense ⁽⁷⁾	\$316,111	37%	\$106,263	39%	\$48,486	40%	\$18,752	29%
Total Average Cost of Goods Sold	\$680,216		\$313,929		\$163,031		\$71,204	
Total Average Gross Profit⁽⁸⁾	\$1,188,747	64%	\$565,066	64%	\$314,770	66%	\$135,523	66%
Overhead Expenses								
Average Advertising Expenses ⁽⁹⁾	\$50,066	3%	\$30,504	3%	\$24,917	5%	\$16,514	8%
Average Insurance Expenses ⁽¹⁰⁾	\$61,805	3%	\$29,346	3%	\$22,651	5%	\$9,462	5%
Average Royalty Obligations ⁽¹¹⁾	\$70,536	4%	\$42,484	5%	\$26,814	6%	\$11,963	6%
Average Office Expenses ⁽¹²⁾	\$109,771	6%	\$52,825	6%	\$28,950	6%	\$18,354	9%
Average Payroll Expenses ⁽¹³⁾	\$516,632	28%	\$234,835	27%	\$121,544	25%	\$50,649	25%
Average Professional Fees ⁽¹⁴⁾	\$19,989	1%	\$9,313	1%	\$7,983	2%	\$3,084	1%
Average Vehicle Expenses ⁽¹⁵⁾	\$81,580	4%	\$47,422	5%	\$31,056	6%	\$12,808	6%
Total Average Overhead Expenses⁽¹⁶⁾	\$910,379		\$446,730		\$263,914		\$122,834	
Average EBITDA⁽¹⁷⁾	\$278,368	15%	\$118,336	13%	\$50,856	11%	\$12,689	6%
Number of Territories that Exceeded Average Gross Revenue in Quartile⁽¹⁾	11		11		16		14	
Percentage of Territories that Exceeded Average Gross Revenue in Quartile	41%		41%		59%		52%	
Highest Territory Gross Revenue in Quartile	\$3,425,087		\$1,191,291		\$626,154		\$344,870	
Lowest Territory Gross Revenue in Quartile	\$1,205,307		\$660,383		\$351,241		\$63,976	
Median Territory Gross Revenue in Quartile	\$1,703,024		\$861,892		\$491,653		\$231,045	

Notes to Table 5:

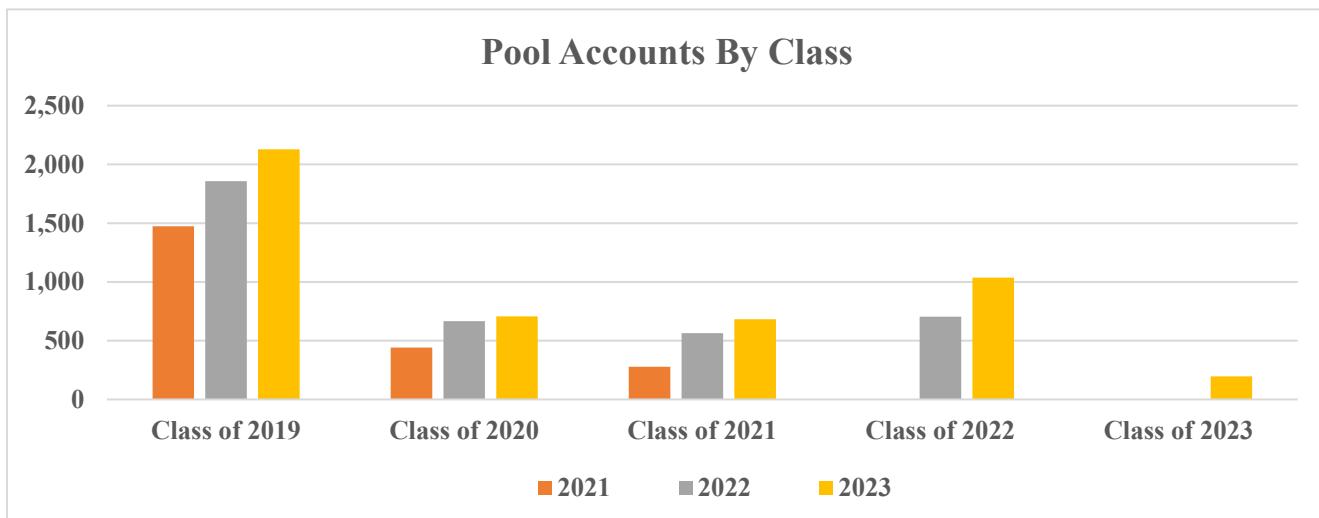
1. The first chart (to the EBITDA line) in the table reports on 108 Territories, ranked in order of highest Average Total Gross Revenue to lowest Average Total Gross Revenue. Total Average Gross Revenue is the sum of Average Pool Maintenance Gross Revenue, Average Pool Repair and Service Gross Revenue, and Average Subcontractor Gross Revenue (all defined below). The second chart (below the EBITDA line) in the table reports on the same group of 108 Territories and provides additional data related to the performance of the Territories in each quartile.
2. **“Pool Maintenance Gross Revenue”** includes only Gross Revenue derived from weekly pool cleanings and does not include any additional services that may be performed at the time of the maintenance service.
3. **“Pool Repair and Service Gross Revenue”** includes only Gross Revenue derived from services performed that are non-recurring or Pool Maintenance services.
4. **“Subcontractor Gross Revenue”** includes only Gross Revenue derived from the performance of renovation services and other services that are performed by a subcontractor. It also includes all materials and labor related to the job that the subcontractor performed.
5. **“Cost of Chemicals Consumed”** is defined as the cost of the chemicals used in the performance of Pool Maintenance services. This does not include the cost of chemicals used in other services performed, including Pool Repair and Service and work performed by a subcontractor.
6. **“Cost of Materials Sold”** is defined as the cost of the parts and materials that are sold to customers either as part of a service performed or as a standalone purchase by the customer.
7. **“Cost of Subcontractor Expense”** is defined as the expenditures and costs related to the performance of renovation services and other services performed by a subcontractor, including subcontractor labor and materials.
8. **“Total Average Gross Profit”** is defined as the Total Average Gross Revenue minus the Total Average Cost of Goods Sold in each quartile.
9. **“Advertising Expenses”** is defined as all payments on behalf of advertising and marketing endeavors. This expense category also includes the cost of the website, monthly expenditure for SEO and monthly expenditure for digital advertising.
10. **“Insurance Expenses”** is defined as general liability insurance, property insurance and any other types of insurance.
11. **“Royalty Obligations”** is defined as payments of Royalty Fees payable under a franchisee’s franchise agreement.
12. **“Office Expenses”** is defined as spending for Recruiting, Computer Supplies and Expense, Dues & Subscriptions, Education & Training, Business Meals, General Office Supplies, Postage, Rent (equipment facility and storage), Telephone, Travel, and Utilities.

13. ***“Payroll Expenses”*** is defined as employee compensation for office staff and service technicians.
14. ***“Professional Fees”*** is defined as is defined as expenses for legal advice, accounting services, and other professional services.
15. ***“Vehicle Expenses”*** is defined as the expenditures and costs for equipment and vehicle fuels, equipment and vehicle repairs, and parking & tolls.
16. ***“Total Average Overhead Expenses”*** is defined as the sum of Average Advertising Expenses, Average Insurance Expenses, Average Royalty Obligations, Average Office Expenses, Average Payroll Expenses, Average Professional Fees and Average Vehicle Expenses in each quartile.
17. ***“EBITDA”*** is defined as Total Average Gross Profit minus Total Average Operating Expenses in each quartile.

TABLE 6
POOL MAINTENANCE ACCOUNTS BY CLASS YEAR

Table 6 and the subsequent graph show only the information related to the pool maintenance line of service and the account growth based on Class Year of the Territory. The Table does not include any other type of service provided in the Territories.

		Total Number of Pool Maintenance Accounts ⁽²⁾			Average Number of Pool Maintenance Accounts Per Territory ⁽³⁾			Year-over-Year Growth ⁽⁴⁾	
		2021	2022	2023	2021	2022	2023	2021-2022	2022-2023
Class Year ⁽¹⁾	Number of Territories								
Class of 2019	11	1,474	1,858	2,128	134	169	193	26%	15%
Class of 2020	5	441	666	707	88	133	141	51%	6%
Class of 2021	10	278	564	682	31	56	76	103%	21%
Class of 2022	11	N/A	704	1,036	N/A	64	104	N/A	47%
Class of 2023	7	N/A	N/A	197	N/A	N/A	28	N/A	N/A
TOTALS	44	2193	3792	4750	59	86	108	45%	25%



Notes to Table 6:

- (1) A Territory is placed into a Class Year if it was operational and generated Gross Revenue no later than June 30th in the calendar year and is included in the chart if it was operational from the beginning of the respective Class Year through December 31, 2023.
- (2) The information provided represents the aggregate number of pool maintenance accounts for the class in the respective calendar year. Pool maintenance accounts are defined as weekly pool cleanings.
- (3) The information provided represents the average number of pool maintenance accounts for the class in the respective calendar year. The average is determined by dividing the total number of pool maintenance accounts by the total Territories in the Class Year.
- (4) The information provided shows the pool maintenance account growth percentage between calendar years 2021 and 2022 and between calendar years 2022 and 2023.

* * *

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

The financial information we utilized in preparing the preceding financial performance representations was based entirely upon information reported to us by franchisees.

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

Other than the preceding financial performance representation, ASP Franchising SPE LLC does not make any financial performance representations. 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 Heather McLeod, ASP Franchising SPE LLC, 7120 Samuel Morse Drive, Suite 300, Columbia, Maryland 21046, (410)740-1900, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
Systemwide Outlet Summary
For Years 2021 to 2023⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	320	348	+28
	2022	348	364	+16
	2023	364	375	+11
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
TOTALS	2021	320	348	+28
	2022	348	364	+16
	2023	364	375	+11

Notes to all Item 20 Tables:

- (1) Our fiscal year ends December 31. The figures in the table are as of our fiscal year end each year.
- (2) The figures are for the number of units in operation at year-end. (See Item 5 for the definition of a “unit”.) A franchisee may have multiple units in their Territory.
- (3) As of December 31, 2023, we had 133 franchisees in operation. See Table 5 below regarding units that were not yet in operation under Franchise Agreements that had been signed as of year-end.
- (4) As described in Item 1, we became the franchisor of ASP - AMERICA'S SWIMMING POOL COMPANY system in May 2021. For each Table in this Item 20, the information relating to the period before May 2021 is from our predecessor.