

r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable as to Multi-Unit Development Agreement. However, each Shop developed pursuant to Multi-Unit Development Agreement will be subject to non-competition covenants set forth in each respective Franchise Agreement.
s. Modification of the agreement	5.3, 7.11	Only by written agreement between you and us or if governing law requires a modification. We can change the form of the Franchise Agreement for future Shops which will not alter your obligations under the Multi-Unit Development Agreement.
t. Integration/merger clauses	7.12	The Multi-Unit Development Agreement is the entire agreement between you and us relating to the development of the Exclusive Territory. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	7.5, 7.6	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Monmouth County, New Jersey and, if mediation is unsuccessful, then to binding arbitration in Monmouth County, New Jersey. This provision is subject to applicable state law.
v. Choice of forum	7.5, 7.6	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, State court of general jurisdiction that is within or closest to Monmouth County, New Jersey or, if appropriate, the United States District Court nearest to our corporate headquarters at the time such action is filed. This provision is subject to applicable state law.
w. Choice of law	7.5, 7.6	New Jersey law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit I</u> to this Disclosure Document.

ITEM 18 PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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) 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.

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (c) Company Owned Outlet – means a Playa Bowls Shop owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us our affiliate or any person identified in Item 2.
- (d) Franchise Outlet – refers to a Playa Bowls Shop operated under a Franchise Agreement that is not a Company Owned Outlet.
- (e) Gross Sales – means the total revenue derived by each Playa Bowls Shop less sales tax, discounts, allowances and returns.
- (f) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them, together, and dividing by two.
- (g) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet (see definition below). If this Company Owned Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year.
- (h) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet (see definition below). If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.
- (i) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the first day of the Calendar Year and for the entire Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet (see definition above) and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year. Company Owned Outlets that operate as a food truck are not included as Operational Company Owned Outlets.

(j) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the first day of the Calendar Year and for the entire Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet (see definition above) and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year. Franchise Outlets that operate as a food truck are not included as Operational Franchise Outlets.

(k) Order – Refers to each distinct sales transaction resulting in the reporting of Gross Sales.

(l) Outlet – refers to a Playa Bowls Shop that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

(m) Quartile – refers to the relative performance of the Operational Outlets as compared to one another with the “1st Quartile” referring to the top 25% performing Operational Outlets and the 4th Quartile referring to the bottom 25% performing Operational Outlets.

(n) Seasonal Outlet – means an Outlet that operates from a shop location or designated market that is seasonal in nature and based on the location or market operates on a seasonal basis and is not open for ordinary and regular business hours throughout the entire Calendar Year.

(o) Traditional Outlet – means an Outlet that is not a Seasonal Outlet.

BASES AND ASSUMPTIONS

The financial information presented in this Item 19 was not prepared on a basis consistent with generally accepted accounting principles. Data for our Franchise Outlets is based on information reported to us by our franchisees. Data for our Company Owned Outlets is based on information reported to us by our affiliate. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

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ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

During the 2024 Calendar Year we had a total of 28 Operational Company Owned Outlets. Of these 28 Operational Company Owned Outlets, 25 qualify as Traditional Outlets and three qualify as Seasonal Outlets. We do not include data in these tables for New Company Owned Outlets.

Table 1

Gross Sales By Quartiles¹ Operational Company Owned Outlets – Traditional Outlets 2024 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$1,853,877	2 / 6 (33.3%)	\$1,578,920	\$1,495,568	\$2,664,355
2 nd Quartile	\$1,291,921	4 / 6 (66.7%)	\$1,306,572	\$1,196,327	\$1,368,177
3 rd Quartile	\$1,066,425	3 / 6 (50.0%)	\$1,069,471	\$941,245	\$1,175,140
4 th Quartile	\$746,278	4 / 7 (57.1%)	\$746,634	\$595,021	\$861,192
Total ²	\$1,219,892	10 / 25 (40.0%)	\$1,175,140	\$595,021	\$2,664,355

¹ Data Overview: For 2024, the data compiled in this Table 1 is based on a total of 25 Operational Company Owned Outlets that qualify as Traditional Outlets. We do not include in this table the performance of New Company Owned Outlets that opened and commenced operations during the 2024 Calendar Year.

² Total: As to Average and Median, represents cumulative average and median, respectively, of Outlets within data set.

Table 2

Gross Sales¹ Operational Company Owned Outlets – Seasonal Outlets 2024 Calendar Year	
	Gross Sales
Seasonal Outlet 1	\$649,119
Seasonal Outlet 2	\$455,040
Seasonal Outlet 3	\$334,858
Average	\$479,672

¹ Data Overview: For 2024, the data compiled in this Table 2 is based on a total of three Operational Company Owned Outlets that qualify as Seasonal Outlets. We do not include in this table the performance of New Company Owned Outlets that opened and commenced operations during the 2024 Calendar Year. Since there were only three Seasonal Outlets, data is provided on a per Outlet basis.

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ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2024 Calendar Year we had a total of 188 Franchise Outlets that qualify as Operational Franchise Outlets. Of these 188 Operational Franchise Outlets, 166 qualify as Traditional Outlets and 22 qualify as Seasonal Outlets. We do not include data in these tables for New Franchise Outlets.

Table 3

Gross Sales By Quartiles¹ Operational Franchise Outlets – Traditional Outlets 2024 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$1,925,627	15 / 41 (36.6%)	\$1,771,185	\$1,584,389	\$3,027,809
2 nd Quartile	\$1,355,834	17 / 42 (40.5%)	\$1,315,148	\$1,236,764	\$1,553,361
3 rd Quartile	\$1,119,658	19 / 41 (46.3%)	\$1,113,857	\$978,695	\$1,235,133
4 th Quartile	\$763,766	21 / 42 (50.0%)	\$779,471	\$463,086	\$974,009
Total ²	\$1,288,433	68 / 166 (41.0%)	\$1,235,948	\$463,086	\$3,027,809

¹ Data Overview: For 2024, the data compiled in this Table 3 is based on a total of 166 Operational Franchise Outlets that qualify as Traditional Outlets. We do not include in this table the performance of New Franchise Outlets that opened and commenced operations during the 2024 Calendar Year. Of the 166 Operational Franchise Outlets that qualify as Traditional Outlets, six Outlets operate a mobile food trailer to supplement the operations of their Traditional Outlet and the Gross Sales generated from the mobile food trailers of these six Outlets are included in the total Gross Sales for each respective Outlet that was used to calculate the data compiled in this Table 3.

² Total: As to Average and Median, represents cumulative average and median, respectively, of Outlets within data set.

Table 4

Gross Sales By Quartiles¹ Operational Franchise Outlets – Seasonal Outlets 2024 Calendar Year					
Quartile	Average	Number & Percentage of Outlets Above Average	Median	Low	High
1 st Quartile	\$915,894	3 / 5 (60.0%)	\$966,192	\$714,954	\$1,095,003
2 nd Quartile	\$540,475	2 / 6 (33.3%)	\$533,525	\$527,402	\$572,657
3 rd Quartile	\$428,889	3 / 5 (60.0%)	\$429,820	\$401,685	\$465,722
4 th Quartile	\$321,655	3 / 6 (50.0%)	\$321,370	\$261,796	\$390,444
Total ²	\$540,759	7 / 22 (31.8%)	\$496,562	\$261,796	\$1,095,003

¹ Data Overview: For 2024, the data compiled in this Table 4 is based on a total of 22 Operational Franchise Outlets that qualify as Seasonal Outlets. We do not include in this table the performance of New Franchise Outlets that opened and commenced operations during the 2024 Calendar Year. Of the 22 Operational Franchise Outlets that qualify as Seasonal Outlets, one Outlets operates as a food truck and the Gross Sales generated from the food truck was used to calculate the data compiled in this Table 4.

² Total: As to Average and Median, represents cumulative average and median, respectively, of Outlets within data set.

Some Outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Playa Bowls Franchisor LLC does 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 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 John Cappasola, Playa Bowls Franchisor LLC at 803 Ocean Avenue, Belmar, New Jersey 07719 and (732) 257-8604, 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

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	102	136	+34
	2023	136	188	+52
	2024	188	261	+73
Company Owned	2022	26	27	+1
	2023	27	28	+1
	2024	28	29	+1
Total Outlets	2022	128	163	+35
	2023	163	216	+53
	2024	216	290	+74

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 to 2024

State	Year	Number of Transfers
Georgia	2022	0
	2023	1
	2024	0
New Jersey	2022	0
	2023	1
	2024	0
New York	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	2
	2024	1

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