

THE FRANCHISE RELATIONSHIP			
PROVISION		SECTION IN FRANCHISE AGREEMENT	SUMMARY
u	Dispute resolution by arbitration or mediation	17.01, 17.02	Mandatory arbitration of disputes, at the request of either party, where we then maintain our principal place of business, currently Franklin, Tennessee (subject to state law). Any dispute reasonably valued at \$10,000 or less, however, is excepted from these mandatory arbitration requirements.
v	Choice of forum	17.02(f), 17.05	Federal or state court closest to where we then maintain our principal place of business, currently Franklin, Tennessee (subject to state law)
w	Choice of law	18.04	Tennessee law applies (subject to state law)

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN AN ADDENDUM. See *Exhibit A*.

### **ITEM 18. PUBLIC FIGURES**

We do not currently use any public figures to promote our franchise.

### **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 reflects the historical average and median Gross Revenues for 104 Franchised Businesses which were open and operating for a full year as of December 31, 2024. As of December 31, 2024, we had 126 total Franchised Businesses open and operational. For purposes of this FPR, we have excluded 18 Franchised Businesses which opened during 2024 but were not open for 12 months as of December 31, 2024, and 19 Franchised Businesses which closed permanently during 2024.

<b>Summary</b>	
Total Number of Franchises Open for Full Year 2023	104
Average Gross Revenues	\$3,744,777
Median Gross Revenues	\$2,528,852
Number of Units Above Average	40
Number of Units Below Average	64
Percentage of Units Above Average	38 %
Percentage of Units Below Average	62 %
Highest Gross Revenue	\$16,539,251
Lowest Gross Revenue	\$0

The following table presents Gross Revenues information from the same Franchised Businesses identified above but the Franchised Businesses have been grouped by types of market areas: small, medium, large and extra-large. Each Franchised Business is assigned a Territory based on zip codes. The type of market area is determined after analyzing the demographics of the Territory (and includes such factors as population, median income, average weather, number of single-family homes, number of existing in-ground swimming pools, number of freeze months, and number of swimming pools built annually). Of the 104 Franchised Businesses described above, 30 were classified as "Small Market," 39 were classified as "Medium Market," 28 were classified as "Large Market," and 7 were classified as "Extra Large Market". The following tables reflect the historical average and median Gross Revenues by market designation for all 104 Franchised Businesses which were open and operating for a full year as of December 31, 2024. The explanatory notes following the table are an important part of the information presented. Written substantiation for the financial performance representation will be made available to prospective franchisees on reasonable request.

<b>Type of Market</b>	<b>Number of Units</b>
Small	30
Medium	39
Large	28
Extra Large	7
<b>Small Markets</b>	
Total Number of Franchises Open for Full Year 2024	30
Average Gross Revenues	\$2,082,325
Median Gross Revenues	\$1,517,060
Number of Units Above Average	9
Number of Units Below Average	21
Percentage of Units Above Average	30%

Percentage of Units Below Average	70%
Highest Gross Revenue	\$6,979,366
Lowest Gross Revenue	\$139,115
<b>Medium Markets</b>	
Total Number of Franchises Open for Full Year 2024	39
Average Gross Revenues	\$3,718,677
Median Gross Revenues	\$3,254,643
Number of Units Above Average	18
Number of Units Below Average	21
Percentage of Units Above Average	46%
Percentage of Units Below Average	54%
Highest Gross Revenue	\$10,478,331
Lowest Gross Revenue	\$0
<b>Large Markets</b>	
Total Number of Franchises Open for Full Year 2024	28
Average Gross Revenues	\$4,883,384
Median Gross Revenues	\$3,451,796
Number of Units Above Average	8
Number of Units Below Average	20
Percentage of Units Above Average	29%
Percentage of Units Below Average	71%
Highest Gross Revenue	\$16,539,251
Lowest Gross Revenue	\$737,454
<b>Extra Large Markets</b>	
Total Number of Franchises Open for Full Year 2024	7
Average Gross Revenues	\$6,460,553
Median Gross Revenues	\$4,408,039
Number of Units Above Average	3
Number of Units Below Average	4
Percentage of Units Above Average	43%
Percentage of Units Below Average	57%
Highest Gross Revenue	\$15,724,943
Lowest Gross Revenue	\$1,091,818

### **Explanatory Notes to the Financial Information:**

1. Source of Data. The data presented in this table reflects actual historic financial results regarding the Franchised Businesses which were open and operating for at least 12 months as of December 31, 2024, as reported to us by our franchisees. The table does not include data from the following numbers of Franchised Businesses that closed during 2024: Small (9); Medium (5); Large (5); and Extra Large (0). Of these Franchised Businesses that closed in 2024, the following numbers were open for less than 12 months: Small (1); Medium (0); Large (0); and Extra Large (0).
2. Total Gross Revenues. The data presented in the table reflects total Gross Revenues only. "Gross Revenues" means all revenue from the sale of all products and services, and all other income or consideration of every kind and nature received by you or the Franchised Business, all revenues associated with delivering and/or selling products or services off-premises to customers, and any proceeds from business interruption insurance, whether for cash, credit, charge account, debit account, exchange, barter or otherwise and regardless of collection, less (a) any sales taxes or other taxes collected by you from your customers and thereafter paid directly to the appropriate taxing authority and (b) any customer discounts or refunds. Amounts paid by gift card, stored value card or similar program are included in Gross Revenues when the gift card, or other instrument or applicable credit is redeemed. Gross Revenues do not account for any expenses or other deductions, such as payments to contractors, royalty fees, payroll, insurance, income taxes and other overhead. You should consider the effect of all expenses on your expected revenues.

**Some franchisees have achieved these Gross Revenues. Your individual results may differ. There is no assurance that you'll achieve these amounts.**

Other than the preceding financial performance representation, 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 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 our Chief Executive Officer, President, and Director, Paul Porter, 1221 Liberty Pike, Franklin, TN 37067, 844-366-2102, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**

**SYSTEMWIDE OUTLET SUMMARY  
FOR YEARS 2022 TO 2024**

COLUMN 1 <b>OUTLET TYPE</b>	COLUMN 2 <b>YEAR</b>	COLUMN 3 <b>OUTLETS AT THE START OF THE YEAR</b>	COLUMN 4 <b>OUTLETS AT THE END OF THE YEAR</b>	COLUMN 5 <b>NET CHANGE</b>
Franchised	2022	101	128*	+27
	2023	128	127*	-1
	2024	127	126	-1
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	102	129	+27
	2023	129	128	-1
	2024	128	127	-1

\*As of December 31, 2022, 16 franchised outlets operated under the "Pinnacle Pools & Spas" mark. The remaining franchised outlets, and the company-owned outlet, operated under the "Premier Pools & Spas" mark. As of December 31, 2023, 14 franchised outlets operated under the "Pinnacle Pools & Spas" mark. The remaining franchised outlets, and the company-owned outlet, operated under the "Premier Pools & Spas" mark. As of December 31, 2024, 15 franchised outlets operated under the "Pinnacle Pools & Spas" mark. The remaining franchised outlets, and the company-owned outlet, operated under the "Premier Pools & Spas" mark.

**Table No. 2**

**TRANSFERS OF OUTLETS FROM FRANCHISEES  
TO NEW OWNERS (OTHER THAN THE FRANCHISOR)  
FOR YEARS 2022 TO 2024**

COLUMN 1 <b>STATE</b>	COLUMN 2 <b>YEAR</b>	COLUMN 3 <b>NUMBER OF TRANSFERS</b>
Georgia	2022	1
	2023	0
	2024	0
Maine	2022	1
	2023	0
	2024	0
Texas	2022	1
	2023	0
	2024	0