

Swim Schools, LLC. Mr. Sciarro also holds the position of Managing Partner for our affiliate, KTR Franchise Holdings, LLC, since its inception in 2014. In addition, he serves as Managing Partner for our affiliate, UB Grill and Tap LLC since its inception in 2019. All companies are located in Mesa, AZ.

Paul Preston: Co-Founder and President

Mr. Preston co-founded Aqua-Tots Swim School Holding LLC and served as Vice-President until January 2020, when he became President and serves to the present date. In addition, beginning in June 2005 to present, Mr. Preston serves as Vice-President of Aqua-Tots Swim Schools, LLC. Mr. Preston was also Director of Franchise Development for KTR Franchise Holdings, LLC, since inception in 2014 and until February 2020, in which he now serves as Member. In addition, he served as Director of Franchise Development for UB Grill and Tap LLC since inception on January 25, 2019, until February 2020, in which he also now serves as Member. All companies are located in Mesa, AZ.

Craig A Wright: Chief Executive Officer

Mr. Wright joined Aqua-Tots Swim School Holding LLC as Chief Operating Officer in March 2017. In January 2018, he became CEO and serves in this position through the present date. In addition, Mr. Wright serves on the Franchise Executive Team for our affiliate, UB Grill and Tap LLC, since January 2019. He operates these positions in Mesa AZ.

John Garry: Franchise Development Director

Mr. Garry has been the Franchise Development Director for Aqua-Tots Swim School Holding LLC since February 2020. In addition, he is the Franchise Development Director for our affiliates, KTR Franchise Holdings, LLC, and UB Grill and Tap LLC, since February 2020, each being located in Mesa, AZ. Mr. Gary also became an ATSS Franchise Owner for a location in Roseville, California in December 2022. Prior to this time, Mr. Garry was a Franchise Development Director for Red Roof Inn Hotel, an Ohio company, from January 2017 – February 2020. These positions were operated from his location in Phoenix AZ.

Jonathan Martin: Chief Operating Officer

Mr. Martin joined Aqua-Tots Swim School Holding LLC as Director of Technology in January 2019. In April 2023, he became Chief Operating Officer and serves in this position through the present date. In addition, Mr. Martin serves as the Managing Member for our affiliate, AT Gilbert LLC, since December 2023. He operates these positions in Mesa AZ.

Item 3. Litigation

Government Actions:

In 2022, we disclosed an Arizona resident with our Franchise Disclosure Document. The individual subsequently moved to the state of Washington, and in January 2023, we signed a Franchise Agreement with him. We were not registered to offer or sell franchises in the state of Washington at that time. On December 2, 2025, the Washington Department of Financial Institutions determined that our signing of that Franchise Agreement was a violation of RCW 19.100.020. The

Administrative Law Judge issued an Order that we should cease and desist from violations of RCW 19.000.020, Docket No. 07-2025-DFI-00193.

Other than the above actions, no litigation is required to be disclosed in this Item. ~~No litigation is required to be disclosed in this Item.~~

Item 4. Bankruptcy

No bankruptcy is required to be disclosed in this Item.

Item 5. Initial Fees

Single Unit

You must pay us an initial franchisee fee (the “Initial Franchise Fee”) in a lump sum when you sign the Franchise Agreement. Our initial franchise fee under the Single Unit Franchise Program is \$50,000. The Initial Franchise Fee is fully earned when paid. In no event is the Initial Franchise Fee refundable.

You are required to use Pike 13 as your software program. The cost of this program is \$295 per month, plus tax where applicable, and is payable to us. You must also pay to us the current Technology Fee of \$170 per month which includes use of our proprietary digital tool. You will begin utilizing the software and paying the Technology Fee between 2 and 3 months prior to opening, and as such will pay to us between \$930 and \$1,395 prior to opening.

You are required to spend between \$26,000 and \$45,000 on local advertising in the 3 months prior to opening and the 3 months after opening. You may choose to utilize our optional vendor for any PPC portion of the required spend, we estimate that you will pay us between \$0 and \$16,000 in the 3 months prior to opening.

Should you request and should Aqua-Tots provide assistance with your lease or your purchase of real estate, you will pay to us an Administrative Fee for Lease Assistance of \$200 per occurrence.

Multi-Unit Development Agreement (MUDA)

If you desire to be a part of our Multi-Unit Development (MUD) program, you must sign a Franchise Agreement to open your first Aqua-Tots Swim School and pay us the full Initial Franchise Fee of \$50,000 for that Unit. You will also agree to open a minimum of one (1) and a maximum of four (4) additional Unit(s) for a total of five (5) Units under the Multi-Unit Development Schedule. The Initial Franchise Fee for each additional Unit purchased under our Multi-Unit Development program will be discounted to \$37,500 per Unit. You will pay 50% of the \$37,500 or \$18,750 for each additional Unit that you desire to open at the time that you sign the MUDA. The Initial Franchise Fee and the MUD fee are due at the time that you sign the Multi-Unit Development Agreement. The remaining 50% of the MUD Fee or \$18,750 for each additional Unit will be due on the date that you agree to sign the then current Franchise Agreement for

determine that you are not making a commercially reasonable effort to lease or purchase a suitable location by the end of the twelfth (12th) month after signing a Franchise Agreement, we may terminate the Franchise Agreement and retain all monies received. You will still be liable for all non-competition and non-disclosure provisions. In addition, if we determine that you are not making commercially reasonable efforts to open your Franchised Unit to the public by the end of the twenty-fourth (24th) month after signing a Franchise Agreement, we may terminate the Franchise Agreement and retain all monies received. You will still be liable for all non-competition and non-disclosure provisions. You may not advertise in any media with a primary circulation outside your Territory without Franchisor's prior written consent and approval.

~~Franchisee must, during the first nine (9) months after signing the Franchise Agreement, obtain suitable premises for the swim school's Accepted Location by either purchase or lease. Franchisee may not operate the Swim School out of a residential pool and must have complete control of the premises. Franchisee's site must be at least 7,000 square feet. Franchisee understands and agrees that the location of the Swim School is a factor in the potential for success of the Business. Site selection is the responsibility of the Franchisee, but Franchisor will assist in the location selection process by considering population density, traffic patterns, and proximity of the proposed site to other Aqua-Tots Swim Schools or any other reasonable criteria. If Franchisor, in its sole discretion, does not accept the initial location submitted, Franchisee must continue to submit proposed sites until a site is accepted by Franchisor, such acceptance will not be unreasonably withheld. Franchisor will evaluate and will either accept or reject your site as set forth in Section 8.02. The Franchise Agreement cannot be terminated due to failure to agree on site selection, however, if Franchisor determines that Franchisee is not making commercially reasonable efforts to lease or purchase a suitable location by the end of the ninth (9th) month after signing a Franchise Agreement, Franchisor may terminate the Franchise Agreement and retain all monies received. Franchisee will still be liable for all non-competition and non-disclosure provisions.~~ Franchisee may purchase or lease the required real property and improvements from any source upon terms accepted by Franchisor in writing. If Franchisor assists Franchisee with the lease or purchase, Franchisor will charge Franchisee an administrative fee of \$200 per occurrence pursuant to Section 5.09 for such assistance. Franchisor will provide Franchisee with standard sample floor layouts and architectural plans, but all final plans must be approved by Franchisor.

You may not advertise independently on the Internet or World Wide Web without Franchisor's prior written consent and approval. We will maintain all Aqua-Tots Swim Schools web pages and other digital spaces. We will include information regarding your Swim School on our web pages. Franchisor reserves the right to own all webpages, and other digital spaces using our Marks. You may not engage in direct efforts to market to or solicit customers who reside outside the Territory, without Franchisor's prior written consent, which will not unreasonably be withheld. Franchisee will have the right to service customers, regardless of where customer resides, at Franchisee's Accepted Location if the customer engages Franchisee due to marketing efforts if the customer contacts Franchisee because of marketing efforts generated by Multi-Area Marketing Programs.

There is no minimum sales quota or minimum royalty fee. However, failure to pay the royalties is a material breach of the Franchise Agreement and may result in termination.

You do not have the right to acquire additional franchises within your area or any contiguous area by this agreement alone. Each Franchise Agreement is a separate and distinct transaction between you and us. We intend to develop a strong system of multi-unit owners. You are encouraged to purchase franchise rights to operate additional locations within or outside your local trade area. You do not receive any rights to use any other channel of distribution for our products or services without our written consent.

If we engage in electronic commerce through any Internet, World Wide Web or other computer network site or sell through any other alternative distribution channel, and we receive orders for any System products or services calling for service or performance in your Territory, then we will offer the order to you at the price we establish. If you choose not to fulfill the order or are unable to do so, then we, one of our affiliates or a third party we designate (including another franchisee) may fulfill the order, and you will be entitled to no compensation in connection with this order.

We reserve the right, among others:

1. to own, franchise, or operate Franchises at any location outside of existing Territories regardless of the proximity to your Franchise;
2. to use the Marks and the System to sell any services, similar to those which you will sell, through any alternative channels of distribution within or outside of existing Territories;
3. to purchase or be purchased by, or merge or combine with, any businesses, including a business that competes directly with your Franchise, wherever located;
4. to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

Multi-Unit Development (MUD) Agreement

Under the Multi-Unit Development Agreement, you will receive an exclusive territory, described as the "Development Area", so long as you are not in default under the Multi-Unit Development Agreement or any other agreement with us or any affiliates. If you fail to comply with your obligations under your MUD Agreement and any Franchise Agreement or any other agreement between you and us, we have the right to immediately terminate your exclusivity of the Development Area under the Multi-Unit Development Agreement. Should such action occur, your Exclusive Territory of any particular school operating under a then-current Franchise Agreement will remain intact and will not, otherwise, be affected by the loss of the Development

~~Area. Under the Multi-Unit Development Agreement, you will receive an exclusive territory, that is a designated geographic area in which Franchisor will only grant franchise units to Franchisee, described as the "Development Area".~~ If you sign a MUD Agreement, we will negotiate with you and you will receive a Development Area with the right to develop, open and operate a specific number of Aqua-Tots Swim Schools as designated in your MUD Agreement. We base our negotiations on factors that include population density, medium income levels and other potential factors as well as our future development plans. You may not establish Aqua-Tots Swim School outlets anywhere outside the designated Development Area. You must operate each Aqua-Tots Swim School outlet that you establish under your MUD Agreement under a

Confidentiality Agreements:

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

Associations and/or Organizations:

There are no trademark-specific franchisee organizations associated with the franchise system being offered which we have created, sponsored or endorsed.

There are no independent franchisee organizations that have asked to be included in this disclosure document.

Item 21. Financial Statements

Attached to the Disclosure Document as Exhibit B are our audited financial statements as of December 31, 2024, 2023 and 2022.

Attached to the Disclosure Document as Exhibit B-1 are our unaudited financial statements for the period ~~ending January 1, 2025 through March 19~~ November 11, 2025.

Our Fiscal Year End is December 31.

Item 22. Contracts

Attached to this Disclosure Document are the following contracts:

Exhibit C Franchise Agreement

Attachment I	Accepted Location and Territory
Attachment II	Electronic Payment Authorization
Attachment III	Proposed Trade Name and Delegation of Authority
Attachment IV	Confidentiality and Covenant not To Compete Agreement
Attachment V	Lease Assignment Agreement
Attachment VI	Full and Final Release
Attachment VII	Americans with Disabilities Act
Attachment VIII	Assignment of Agreement to Entity and Guaranty of Performance
Attachment IX	Payment and Performance Guarantee
Attachment X	Renewal Addendum

Exhibit F Multi-Unit Development Agreement

Item 23. Receipts

Included as the last page of this Disclosure Document is a detachable Receipt to be signed by you.

EXHIBIT B-I

**Un-Audited Financial Statements for the Period
January 1, 2025 through ~~March 19~~November 11, 2025**

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

2:09 PM
03/19/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Balance Sheet
As of March 19, 2025

Mar 19, 25

ASSETS

Current Assets

Checking/Savings

10250 · WFB - X 6209 - Accounts Payable	79,298.11
10300 · Wells Fargo Savings 1703	1,571,387.56
10400 · Marketing Fund 3247	472,212.71
10610 · WFB - 3835 - Royalty & PR	-445,967.33
10630 · Wells Fargo - Ackroo - 6589	126,354.71

Total Checking/Savings 1,803,285.76

Accounts Receivable

11100 · Accounts Receivable	1,384,631.64
-----------------------------	--------------

Total Accounts Receivable 1,384,631.64

Other Current Assets

12000 · Undeposited Funds	885.37
---------------------------	--------

Total Other Current Assets 885.37

Total Current Assets 3,188,802.77

Fixed Assets

10112 · Investment in Greenfield HQ	-166,061.09
14520 · 2022 BMW - 540i	71,652.63
14530 · 2021 Chevrolet Suburban	94,130.78
14542 · 2024 Audi Q8	81,496.43

15200 · Furniture and Equipment 442,025.90

15410 · Suburban 2014 45,156.37

15500 · Greenfield Pool Build 72,468.56

15532 · 2023 Ford F150 72,697.43

15600 · Software 11,812.50

15700 · Guardian Investment

15701 · Guardian R. Sciarro 564,768.75

15702 · Guardian J. Sciarro 496,249.65

15703 · Guardian H. Preston 508,313.90

15704 · Guardian P. Preston 528,144.91

Total 15700 · Guardian Investment 2,097,477.21

16100 · Accumulated Depreciation -58,143.42

Total Fixed Assets 2,764,713.30

Other Assets

11450 · Allowance for Bad Debt -20,988.19

16200 · Accumulated Amortization -30,338.76

19700 · Intangible Asset - Fees 47,733.07

Total Other Assets -3,593.88

TOTAL ASSETS 5,949,922.19

LIABILITIES & EQUITY

Liabilities

Current Liabilities

2:09 PM
03/19/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Balance Sheet
As of March 19, 2025

	<u>Mar 19, 25</u>
Accounts Payable	
20000 · Accounts Payable	544,247.70
Total Accounts Payable	<u>544,247.70</u>
Other Current Liabilities	
24000 · Payroll Liabilities	4.21
24515 · Accrued Expenses	52,975.00
25605 · Note Payable Suburan	39,714.93
25612 · Guardian Loan on 2023 F 150	39,696.63
25615 · Note Payable 2022 BMW 540	25,087.57
25655 · Note Payable 2024 Audi - PNC	46,768.51
26000 · Inter Company Scuba	-1,282.00
26100 · InterCompany ATSS	2,345.61
26200 · InterCompany WSS	-2,382.59
26300 · National Marketing Fund	1,187,798.94
26510 · Intercompany - Sunset Lake	-7,264.16
26550 · Intercompany KTR	-1,828.86
26600 · InterCompany ATD	-12,550.51
26700 · InterCompany Greenfield HQ	-3,008.40
26710 · InterCompany - PKS Group	-9,209.77
26770 · Aqua Tots - Gilbert	-1,145.71
26800 · UB Greenfield llc	-31.74
27100 · Payable Due Kuwait - Master Dev	3,567.81
27300 · Payable Due - Master Dev. - Jaa	2,444.48
Total Other Current Liabilities	<u>1,361,639.95</u>
Total Current Liabilities	<u>1,905,887.65</u>
Long Term Liabilities	
25920 · Ackroo Gift Card Liability	99,037.23
Total Long Term Liabilities	<u>99,037.23</u>
Total Liabilities	<u>2,004,924.88</u>
Equity	
30300 · Distributions R. Sciarro	-9,462,793.73
30400 · Capital R. Sciarro	44,107.59
30500 · Distributions P. Preston	-9,462,793.72
30600 · Capital P. Preston	44,107.59
32000 · Retained Earnings	21,751,936.24
Net Income	1,030,433.34
Total Equity	<u>3,944,997.31</u>
TOTAL LIABILITIES & EQUITY	<u><u>5,949,922.19</u></u>

2:10 PM
03/19/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Profit & Loss

January 1 through March 19, 2025
Jan 1 - Mar 19, 25

Ordinary Income/Expense

Income

40000 · Franchise Initiation Fees	
40050 · Franchise Renewal Fees	3,000.00
40000 · Franchise Initiation Fees - Other	25,000.00
Total 40000 · Franchise Initiation Fees	<u>28,000.00</u>
40100 · Software License Fees	218,520.70
40200 · Franchise Royalty Fees	
40210 · Franchise Royalty Fees - USA	1,746,785.01
40220 · Franchise Royalty Fees - Canada	138,437.57
40225 · Franchise Royalty Fees - MD Sch	131,018.93
40230 · Franchise Royalty Fees Int'n	15,069.13
40200 · Franchise Royalty Fees - Other	0.00
Total 40200 · Franchise Royalty Fees	<u>2,031,310.64</u>
40550 · Other Income	2,029.26
40555 · Management Fee	12,500.00
42000 · National Marketing Fund Fees	
42001 · Digital Marketing Fees - NMF	104,113.08
42002 · Digital Income - Adwords	233,163.87
42003 · Digital Income - Social Media	169,452.60
42004 · Digital Income - Programmatic	117,714.69
42000 · National Marketing Fund Fees - Other	<u>888,813.54</u>
Total 42000 · National Marketing Fund Fees	<u>1,291,257.78</u>
42030 · International Marketing Fund Fe	22,871.90
46000 · Training Class Revenue	197,134.00
48700 · Reimbursed wages	77,545.71
Total Income	<u>3,881,169.99</u>
Gross Profit	3,881,169.99

Expense

60000 · Advertising and Promotion	
60002 · Facebook Ads Reimbursed	143,365.63
60007 · PPC/Google ADs Reimbursement	393,776.17
60008 · SEM Campaign Setup	80,402.99
60000 · Advertising and Promotion - Other	359,793.66
Total 60000 · Advertising and Promotion	<u>977,338.45</u>
60010 · Bank Service Charges	735.98
60017 · Marketing Other	
60011 · Business Listings & Directory	19,085.25
60012 · Website & SEO	95,799.64
60013 · Social Media	17,307.28
60018 · Campaigns & Programs	11,514.89
Total 60017 · Marketing Other	<u>143,707.06</u>
60030 · Computer and Internet Expenses	282,638.71

2:10 PM
03/19/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Profit & Loss

January 1 through March 19, 2025

Jan 1 - Mar 19, 25

60031 · Tech Fee Expenses	198,510.72
60032 · Ackroo Expense	1,425.58
60035 · Donations/Charity	-31,325.93
60040 · Automobile Expense	3,404.86
60045 · Bad Debt Expense	3,000.00
60050 · Dues and Subscriptions	6,212.28
60055 · Breakroom Supplies	2,052.71
60065 · Rent Expense	37,144.99
60078 · Equipment Lease	6,648.70
60080 · Insurance Expense	
60090 · Health Insurance	20,154.67
60096 · General Liability Insurance	30,000.00
60105 · Worker's Compensation	3,523.21
60110 · Insurance - Auto	2,650.57
Total 60080 · Insurance Expense	56,328.45
60115 · Professional Fees	39,285.00
60120 · Master Developer Fees	
60121 · Master Developer Royalties	65,509.43
Total 60120 · Master Developer Fees	65,509.43
60123 · Culture Budget-EmployeeBenefit	176.78
60124 · Employee Parties	7,848.33
60125 · Client Business Meals	57,948.55
60126 · Travel Expense	31,247.22
60127 · 401k Matching Contributions	26,946.49
60135 · Office Supplies	-1,678.52
60150 · Postage and Deliveries	644.09
60155 · Repairs and Maintenance	16,802.77
60165 · Payroll Expenses	
60168 · Employee Health and Wellness	1,716.59
60170 · Payroll Tax expense	54,871.30
60165 · Payroll Expenses - Other	708,439.83
Total 60165 · Payroll Expenses	765,027.72
60175 · Supplies for Franchisee Classes	14,900.63
60180 · Telephone Expense	4,979.79
60195 · Seminars and Education	16,946.12
60200 · Utilities	1,606.28
60205 · Interest Expense	1,324.47
60214 · Foreign Tax Expense	29,650.02
60246 · Contractor	73,242.29
63500 · Janitorial Expense	6,544.00
68500 · Uniforms	3,112.87
Total Expense	2,849,886.89
Net Ordinary Income	1,031,283.10

2:10 PM
03/19/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Profit & Loss

January 1 through March 19, 2025
Jan 1 - Mar 19, 25

Other Income/Expense	
Other Income	
40500 · Interest Income	232.01
Total Other Income	<u>232.01</u>
Other Expense	
60020 · Depreciation Expense	459.06
60220 · Amortization Expense	622.71
Total Other Expense	<u>1,081.77</u>
Net Other Income	<u>-849.76</u>
Net Income	<u><u>1,030,433.34</u></u>

9:13 AM
11/11/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Balance Sheet
As of November 11, 2025

	Nov 11, 25
ASSETS	
Current Assets	
Checking/Savings	
10250 · WFB 6209 Accounts Payable	90,134.97
10300 · WFB Savings 1703	1,510,069.30
10400 · WFB Marketing Fund 3247	734,495.66
10610 · WFB Royalty & PR 3835	311,179.01
10630 · WFB Ackroo 6589	75,127.10
Total Checking/Savings	2,721,006.04
Accounts Receivable	
11100 · Accounts Receivable	2,322,536.12
Total Accounts Receivable	2,322,536.12
Other Current Assets	
12000 · Undeposited Funds	13,751.29
Total Other Current Assets	13,751.29
Total Current Assets	5,057,293.45
Fixed Assets	
10112 · Investment in Greenfield HQ	-166,061.09
14520 · 2022 BMW - 540i	71,652.63
14530 · 2021 Chevrolet Suburban	94,130.78
14542 · 2024 Audi Q8	81,496.43
15200 · Furniture and Equipment	442,025.90
15410 · 2014 Suburban	45,156.37
15500 · Greenfield Pool Build	72,468.56
15532 · 2023 Ford F150	72,697.43
15600 · Software	11,812.50
15700 · Guardian Investment	
15701 · Guardian R. Sciarro	406,414.72
15702 · Guardian J. Sciarro	485,686.91
15703 · Guardian H. Preston	488,297.43
15704 · Guardian P. Preston	474,740.57
Total 15700 · Guardian Investment	1,855,139.63
16100 · Accumulated Depreciation	-115,368.32
Total Fixed Assets	2,465,150.82
Other Assets	
11450 · Allowance for Bad Debt	-71,040.51
16200 · Accumulated Amortization	-30,803.91
19700 · Intangible Asset - Fees	47,578.81

9:13 AM
11/11/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Balance Sheet
As of November 11, 2025

	Nov 11, 25
19900 · Suspense	13,668.36
Total Other Assets	-40,597.25
TOTAL ASSETS	7,481,847.02
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	848,875.73
Total Accounts Payable	848,875.73
Other Current Liabilities	
24515 · Accrued Expenses	467,100.25
25605 · 2021 Suburan Note Payable	29,674.19
25612 · 2023 Ford F250 Guardian ...	32,236.19
25615 · 2022 BMW Note Payable	16,042.33
25655 · 2024 Audi PNC Note Paya...	41,476.41
26000 · Intercompany Scuba	-1,292.00
26100 · Intercompany ATSS	2,424.83
26200 · Intercompany WSS	-1,844.88
26300 · National Marketing Fund	1,204,628.15
26510 · Intercompany - Sunset La...	2,582.42
26550 · Intercompany KTR	-6,233.29
26600 · Intercompany ATD	-12,883.75
26700 · Intercompany Greenfield ...	-3,000.00
26710 · Intercompany PKS Group	-15,385.06
26770 · Aqua Tots - Gilbert	-1,059.67
26950 · I/C Level Up Mesa	-19,190.04
26995 · I/C Nebraska West	-30,562.85
Total Other Current Liabilities	1,704,713.23
Total Current Liabilities	2,553,588.96
Long Term Liabilities	
25920 · Ackroo Gift Card Liability	104,697.42
Total Long Term Liabilities	104,697.42
Total Liabilities	2,658,286.38
Equity	
30300 · Distributions R. Sciarro	-10,758,612.28
30400 · Capital R. Sciarro	44,107.59
30500 · Distributions P. Preston	-10,758,612.28
30600 · Capital P. Preston	44,107.59

9:13 AM
11/11/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Balance Sheet
As of November 11, 2025

	<u>Nov 11, 25</u>
32000 · Retained Earnings	21,155,789.46
Net Income	5,096,780.56
Total Equity	4,823,560.64
TOTAL LIABILITIES & EQUITY	<u>7,481,847.02</u>

9:12 AM
11/11/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Profit & Loss
January 1 through November 11, 2025

	Jan 1 - Nov 11, 25
Ordinary Income/Expense	
Income	
40000 · Franchise Initiation Fees	
40050 · Franchise Renewal Fees	66,500.00
40000 · Franchise Initiation Fees - Other	413,500.00
Total 40000 · Franchise Initiation Fees	480,000.00
40100 · Software License Fees	839,022.74
40200 · Franchise Royalty Fees	
40210 · Franchise Royalty Fees - USA	7,724,942.78
40220 · Franchise Royalty Fees - Canada	557,595.22
40225 · Franchise Royalty Fees - MD Sch	842,099.93
40230 · Franchise Royalty Fees Int'n	102,240.71
40200 · Franchise Royalty Fees - Other	12,549.51
Total 40200 · Franchise Royalty Fees	9,239,428.15
40300 · AT Merchandise	-148.88
40400 · Vendor Partnerships	76,000.00
40550 · Other Income	8,007.38
40555 · Management Fee	47,500.00
42000 · National Marketing Fund Fees	
42001 · Digital Marketing Fees - NMF	758,062.35
42002 · Digital Income - Adwords	1,672,872.06
42003 · Digital Income - Social Media	1,161,647.13
42004 · Digital Income - Programmatic	1,052,074.55
42000 · National Marketing Fund Fees - O...	2,834,162.10
Total 42000 · National Marketing Fund Fees	7,478,818.19
42030 · International Marketing Fund Fe	110,813.71
46000 · Training Class Revenue	206,088.70
48700 · Reimbursed wages	292,920.29
Total Income	18,778,450.28
Gross Profit	18,778,450.28
Expense	
60000 · Advertising and Promotion	
60002 · Facebook Ads Reimbursed	619,630.87
60007 · PPC/Google ADs Reimbursement	2,826,878.81
60008 · SEM Campaign Setup	793,002.21
60000 · Advertising and Promotion - Other	779,023.47
Total 60000 · Advertising and Promotion	5,018,535.36
60010 · Bank Service Charges	7,815.89
60017 · Marketing Other	

9:12 AM
11/11/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Profit & Loss
January 1 through November 11, 2025

	Jan 1 - Nov 11, 25
60011 · Business Listings & Directory	80,083.75
60012 · Website & SEO	358,459.84
60013 · Social Media	205,747.91
60018 · Campaigns & Programs	28,387.47
Total 60017 · Marketing Other	672,678.97
60030 · Computer and Internet Expenses	843,032.62
60031 · Tech Fee Expenses	720,031.03
60032 · Ackroo Expense	11,394.83
60035 · Donations/Charity	628,647.48
60040 · Automobile Expense	18,710.31
60045 · Bad Debt Expense	59,000.00
60050 · Dues and Subscriptions	60,830.83
60055 · Breakroom Supplies	12,094.14
60065 · Rent Expense	184,334.35
60078 · Equipment Lease	65,369.13
60080 · Insurance Expense	
60090 · Health Insurance	69,133.95
60096 · General Liability Insurance	100.00
60105 · Worker's Compensation	7,122.66
60110 · Insurance - Auto	11,994.91
Total 60080 · Insurance Expense	88,351.52
60115 · Professional Fees	201,255.21
60120 · Master Developer Fees	
60121 · Master Developer Royalties	442,765.62
60120 · Master Developer Fees - Other	55,000.00
Total 60120 · Master Developer Fees	497,765.62
60123 · Culture Budget-EmployeeBenefit	1,227.41
60124 · Employee Parties	23,894.78
60125 · Client Business Meals	111,315.30
60126 · Travel Expense	281,850.19
60127 · 401k Matching Contributions	101,773.28
60135 · Office Supplies	15,280.28
60150 · Postage and Deliveries	8,413.80
60155 · Repairs and Maintenance	34,856.78
60165 · Payroll Expenses	
60168 · Employee Health and Wellness	7,330.75
60170 · Payroll Tax expense	231,272.69
60165 · Payroll Expenses - Other	3,070,206.89

9:12 AM
11/11/25
Accrual Basis

Aqua-Tots Swim School Holding LLC
Profit & Loss
January 1 through November 11, 2025

	<u>Jan 1 - Nov 11, 25</u>
Total 60165 · Payroll Expenses	3,308,810.33
60175 · Supplies for Franchisee Classes	31,684.43
60180 · Telephone Expense	20,630.38
60195 · Seminars and Education	104,891.01
60200 · Utilities	13,867.03
60205 · Interest Expense	4,600.77
60214 · Foreign Tax Expense	86,780.40
60215 · Property Tax Expense	1,987.22
60230 · AZ PTE Tax expense	78,595.30
60246 · Contractor	321,044.73
63500 · Janitorial Expense	20,762.88
68500 · Uniforms	16,277.59
Total Expense	<u>13,678,391.18</u>
Net Ordinary Income	5,100,059.10
Other Income/Expense	
Other Income	
40500 · Interest Income	327.36
Total Other Income	327.36
Other Expense	
60020 · Depreciation Expense	1,530.20
60220 · Amortization Expense	2,075.70
Total Other Expense	<u>3,605.90</u>
Net Other Income	<u>-3,278.54</u>
Net Income	<u><u>5,096,780.56</u></u>

EXHIBIT H

AQUA-TOTS SWIM SCHOOL HOLDING LLC

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below.

STATE	EFFECTIVE DATE	AMENDMENT DATE
California	October 3, 2025	<u>Pending</u>
Florida	May 18, 2025	<u>January 12, 2026</u>
Illinois	June 5, 2025	<u>Pending</u>
Indiana	May 15, 2025	<u>January 12, 2026</u>
Maryland	June 27, 2025	<u>Pending</u>
Michigan	May 30, 2025	<u>January 12, 2026</u>
Minnesota	June 5, 2025	<u>Pending</u>
New York	September 18, 2025	<u>Pending</u>
Rhode Island	June 13, 2025	<u>Pending</u>
Utah	May 1, 2025	<u>January 12, 2026</u>
Virginia	May 27, 2025	<u>Pending</u>
Washington	Pending	
Wisconsin	April 30, 2025	<u>January 12, 2026</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT (FRANCHISEE COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Aqua-Tots Swim School Holding LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

In the States of New York and Rhode Island, the delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale.

Michigan requires the delivery of the Disclosure Document at least 10 business days before the execution of the franchise or other agreement, or the payment of any consideration, whichever comes first.

If Aqua-Tots Swim School Holding LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington, D.C. 20580 and the state agency listed on Exhibit F.

Date of Issuance: ~~April 30~~December 31, 2025

The franchise seller for this offering is Paul Preston, President, at 1110 S. Greenfield Rd., Suite 201, Mesa, Arizona 85206; and Phone: (480) 621-3226.

See Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated ~~April 30~~December 31, 2025, on _____, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
 - B. Audited Financial Statements
 - C. Franchise Agreement, including:
 - D. Manual Table of Contents
 - E. State Addendum to the Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement
 - F. Multi-Unit Development Agreement
 - G. List of Current and Former Franchisees
 - H. State Effective Dates
- Last Page/Receipts

PROSPECTIVE FRANCHISEE:

Signature: _____

Date signed: _____

Printed name: _____

Please print your name, sign and date this copy of the Receipt and retain it for your records.

RECEIPT (FRANCHISOR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Aqua-Tots Swim School Holding LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

In the States of New York and Rhode Island, the delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration to us or an affiliate in connection with the proposed franchise sale.

Michigan requires the delivery of the Disclosure Document at least 10 business days before the execution of the franchise or other agreement, or the payment of any consideration, whichever comes first.

If Aqua-Tots Swim School Holding LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington. D.C. 20580 and the state agency listed on Exhibit F.

Date of Issuance: ~~April 30~~December 31, 2025

The franchise seller for this offering is Paul Preston, President, at 1110 S. Greenfield Rd., Suite 201, Mesa, Arizona 85206; and Phone: (480) 621-3226.

See Exhibit A for our registered agents authorized to receive service of process.

I have received a disclosure document dated ~~April 30~~December 31, 2025, on _____, that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
 - B. Audited Financial Statements
 - C. Franchise Agreement, including:
 - D. Manual Table of Contents
 - E. State Addendum to the Disclosure Document and Franchise Agreement and Multi-Unit Development Agreement
 - F. Multi-Unit Development Agreement
 - G. List of Current and Former Franchisees
 - H. State Effective Dates
- Last Page/Receipts

PROSPECTIVE FRANCHISEE:

Signature: _____
Printed name: _____

Date signed: _____

Please print your name, sign and date this copy of the Receipt, then return it to Aqua-Tots Swim School Holding LLC.