

Provision	Section in Distributorship Agreement	Summary
		Distributorship Agreement may not be enforceable. (See Note 1 below)
u. Dispute resolution by arbitration or mediation	Article 12	Except for certain claims, all disputes must be arbitrated in Summit or Cuyahoga County, Ohio. (See Notes 1 and 3 below)
v. Choice of forum	Article 12.10	Litigation must be in Summit or Cuyahoga County, Ohio (See Note 1 below)
w. Choice of law	Article 13.3	Governing law will be the laws of the State of Ohio (See Note 1 below)

Provisions of the Distributorship Agreement giving Matco the right to terminate in the event of your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Sec. 101, et seq.).

Notes:

1. If a state law requires any modifications to these provisions of the Distributorship Agreement, those modifications will be found in Appendix H, the State-Specific Disclosures and State-Specific Amendments to the Distributorship Agreement.
2. In addition to the provisions noted in the chart above, the Distributorship Agreement contains a number of provisions that may affect your legal rights, including a mutual waiver of a jury trial, mutual waiver of punitive or exemplary damages, and limitations on when claims may be raised. See the Distributorship Agreement Article 12. We recommend that you carefully review all of these provisions, and all of the contracts, with a lawyer.
3. If the Distributor has a claim or complaint, and before any claim is submitted to arbitration, Matco may, within its sole discretion, offer the Distributor the use of an Ombudsman to assist in resolving the claim or issue prior to initiating arbitration. The Ombudsman is a person trained in conflict resolution, and is hired or retained by Matco. Matco has no obligation to offer the use of an Ombudsman and will only offer it where Matco deems it appropriate as a method for resolving the claim or dispute prior to the initiation of arbitration. If offered, the Distributor is not required to use or work with the Ombudsman.

(18) PUBLIC FIGURES

Matco does not use any public figure to promote the Distributorships.

(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.

Presented below in Sections 19-A and 19-B are certain operating and sales results from 1,491 Distributors during the period from January 1, 2025 through December 31, 2025. The three different charts in each Section reflect data for (1) all Distributors in the system, (2) the “standard” Distributors, and (3) the “225” Distributors. (See the notes following the charts for descriptions of the groupings.) In 2025, of the 1,491 Distributors reported in this Item 19, 1,456 are reported as “standard” Distributors, and 35 are “225” Distributors.

This Item 19 only includes operating data for Matco Distributors in the United States that operated pursuant to Distributorship Agreements with Matco and were in business for all of 2025. Matco is not providing, and this Item 19 does not reflect, information regarding Distributors who started during 2025, or those who left the system or stopped selling Products during 2025.

Section 19-A reflects the average gross revenue figures, referred to as “Average Total Completed Business,” for the Matco Distributors, which includes the revenue from the sales of Products and any other items that were sold by the Mobile Store. Section 19-A also includes the Median, and the Highest and Lowest gross revenue figures. The information is segregated into thirds, based on Total Completed Business. Section 19-B reflects the average weekly sales figures for the Matco Distributors in 2025. Section 19-B also includes the Median, and the Highest and Lowest weekly sales figures. The information in Section 19-A and Section 19-B is explained below. Please read carefully all of the information in this Item 19, and all of the notes following the data, in conjunction with your review of the historical data.

Section 19-A:

Average, Median, and Highest and Lowest Numbers in the Range of Total Completed Business – 2025

CHART 1

All Reporting Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$765,946	Average: \$485,873	Average: \$298,304
No. of Distributors Above Average: 182 (37%)	No. of Distributors Above Average: 245 (49%)	No. of Distributors Above Average: 282 (57%)
Median: \$706,981	Median: \$483,198	Median: \$314,109
Highest: \$2,185,561	Highest: \$581,477	Highest: \$406,107
Lowest: \$582,092	Lowest: \$406,189	Lowest: \$21,799

CHART 2

Standard Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$767,665	Average: \$486,956	Average: \$289,980
No. of Distributors Above Average: 176 (36%)	No. of Distributors Above Average: 239 (49%)	No. of Distributors Above Average: 276 (57%)
Median: \$708,799	Median: \$485,527	Median: \$315,486
Highest: \$2,185,561	Highest: \$583,195	Highest: \$406,379
Lowest: \$583,223	Lowest: \$406,593	Lowest: \$21,799

CHART 3

225 Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$703,293	Average: \$456,967	Average: \$282,996
No. of Distributors Above Average: 4 (36%)	No. of Distributors Above Average: 7 (58%)	No. of Distributors Above Average: 6 (50%)
Median: \$693,297	Median: \$470,265	Median: \$283,700
Highest: \$922,770	Highest: \$526,151	Highest: \$383,199
Lowest: \$544,641	Lowest: \$385,380	Lowest: \$148,760

Notes for Section 19-A:

1. Chart 1 – *All Distributors*: Chart 1 chart reflects the operating data for 1,491 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2025 and who reported sales for at least 48 weeks during 2025. The three groupings of Distributors in Chart 1 (Top 1/3, Middle 1/3 and Bottom 1/3) included 497 Distributors in the Top 1/3 group, 497 Distributors in the Middle 1/3 group, and 497 Distributors in the Bottom 1/3 group.

2. Chart 2 – *Standard Distributorships*: Chart 2 reflects the operating data for 1,456 “standard” Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2025, and who reported sales for at least 48 weeks during 2025. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included 485 Distributors in the Top 1/3 group, 485 Distributors in the Middle 1/3 group, and 486 Distributors in the Bottom 1/3 group.

3. Chart 3 – *225s*: Chart 3 reflects the operating data for 35 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2025, who had fewer than 325 Potential Customers, and who reported sales for at least 48 weeks during 2025. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included 11 Distributors in the Top 1/3 group, 12 Distributors in the Middle 1/3 group, and 12 Distributors in the Bottom 1/3 group.

4. The term “Total Completed Business,” as used in Section 19-A, means the total cash or revenue a Distributor received during 2025 including sales tax collected, from the sale of all products and services. This includes revenue from the sale of Products and any other items that were sold by the Mobile Store. The revenue received by the Distributors is comprised of cash sales, Time Payment collections from previous sales, credits received by the Distributor from the sale of PSA (Purchase Security Agreements, which are installment contracts; see Item 10 above), and cash received based on monthly invoices and customers (usually products sold to a shop or business, and not an individual). This does not include any Volume Payment to Terms bonus, or rebate payments.

5. The “Average” is calculated by adding the total business for all Distributors in the group, and dividing that number by the number of Distributors in the group.

6. The term “Median” means the data point that is in the center of all data points used. For example, in the “Top 1/3” group in Chart 1 (all Distributorships) there were 497 Matco Distributors. The “median” Total Completed Business of \$681,311 means that 248 of the 497 Distributors in the group had Total Completed Business greater than \$681,311, and 248 of the 497 Distributors in that group had Total Completed Business of less than that figure, and one Distributor had Total Completed Business of exactly that figure.

7. The term “Highest” and “Lowest,” as used in Section 19-A, refers to the highest and lowest numbers in the range.

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Section 19-B
Weekly National Distributor Sales Average – 2025

CHART 4

All Reporting Distributorships	
National Distributor Sales Average:	\$9,294
Distributors Reporting:	1,491
Distributors At or Above Average:	654 (44%)
Median:	\$8,621

Highest:	\$40,503
Lowest:	\$670

CHART 5

Standard Distributorships	
National Distributor Sales Average:	\$9,312
Distributors Reporting:	1,456
Distributors At or Above Average:	639 (44%)
Median:	\$8,638
Highest:	\$40,503
Lowest:	\$670

CHART 6

225 Distributorships	
National Distributor Sales Average:	\$8,520
Distributors Reporting:	35
Distributors At or Above Average:	15 (43%)
Median:	\$8,076
Highest:	\$16,715
Lowest:	\$1,582

Notes for Section 19-B:

8. Chart 4 – *All Distributors*: Chart 5 reflects the operating data for 1,491 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2025 and who reported sales for at least 48 weeks during 2025. See Note 1 in Section 19-A for discussion of the “*All Distributors*” category.

9. Chart 5 – *Standard Distributorships*: Chart 6 reflects the operating data for 1,456 standard Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2025, and who reported sales for at least 48 weeks during 2025.

10. Chart 7– *225s*: Chart 7 reflects the operating data for 35 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2025, who had fewer than 325 Potential Customers, and who reported sales for at least 48 weeks during 2025.

11. The terminology “National Distributor Sales Average” as used in Section 19-B means the total reported sales of all Products by the reporting Distributors in 2025 in each group, divided by the number of weekly “close-outs” of those same Distributors. Each week the Distributors are required to report their

sales of Products which are the gross selling price of all Products, whether or not the sale is for cash, for credit, or partial cash and partial credit, or trade-in. When a Distributor closes out its sales for the week, it triggers a report. The total sales for a year may not be reported for each of 52 weeks, as Distributors may not close out sales each week. Therefore, the annual National Sales Average may not represent 52 weeks of sales.

12. The terminology, “Median” means the data point that is in the center of all data points used. The Median amount of weekly Product sales in 2025 was \$8,621. This means that of the 1,491 Distributors reporting, 745 had weekly sales greater than \$8,621, and 745 had weekly sales less than \$8,621.

13. The terminology “Highest” and “Lowest,” as used in Section 19-B refers to the highest and lowest numbers in the range. The Highest amount of Product sales reported in a week during 2025 was \$40,503 and the Lowest amount was \$670.

14. The number of Distributors reporting sales in 2025 was 1491. The 1,491 Distributors were Matco Distributors in the United States who (i) were in business at the beginning of 2025, (ii) were operating at the end of 2025, and (iii) reported sales close-outs at least 48 weeks during 2025.

15. One of the differences between the “Total Completed Business” and “Sales” is that “Sales” (Section 19-B) reflects all sales, even if some of the payments have not been received, and “Total Completed Business” (Section 19-A) reflects sales only based on cash collected and PSA credits collected. Therefore, there is a difference due to timing and collections. Another difference between “Total Completed Business” and “Sales,” is that the figures reported by Distributors for Total Completed Business includes sales tax collected, and that the figures for Sales do not include sales tax.

16. The National Distributor Sales Average will be utilized in connection with the performance criteria discussed in Items 8 and 12. Also, as discussed in Items 8 and 12, Matco may utilize a “District” Distributor Sales Average to evaluate performance (but those figures are not reflected in this Item 19).

Notes for both Sections 19-A and 19-B, and this entire Item 19:

17. As noted above “*All Distributors*” includes all of the Matco Distributors that satisfied the reporting requirements for this Item 19. The “225” distributors are that group of distributors that have chosen to operate with significantly fewer than 325 to 349 Potential Customers, and have signed the 225 Amendment. The “*standard*” distributors identified in this Item 19 include those distributors who started out with 325 to 349 Potential Customers, as well as the distributors who have, over time, increased their customer base to more than 349 Potential Customers, or were or are designated as “ETDs” regardless of changes in Potential Customer counts. Matco does not re-categorize distributors each year based on customer counts. As noted at the end of this Item 19, Matco will provide substantiation of the data, upon reasonable request. If a prospective franchisee would like a more granular breakdown of the data, to the extent Matco is able to do so as part of its database, and is permitted to do so under applicable law, Matco will provide that information upon reasonable written request.

18. The data in the charts are obtained from the Distributors through the MDDBS system (see Item 11). As Distributors purchase Products from Matco, they also report on sales made and revenue received. A weekly sales report is generated if the Distributor places an order to purchase Products in a given week. Therefore, the information in the charts is based solely on data received from the Distributors through MDDBS. These figures have not been reviewed or audited by Matco.

19. During the time period covered by this financial performance representation—the 2025 calendar year—265 Distributors closed or ceased operations. Of these, 12 were open for less than 12 months,

including 10 that closed or ceased operations pursuant to the Test Drive program that is described in Item 5.

20. Substantiation of the data used in preparing the materials in this Item 19 chart will be made available to you upon reasonable request.

21. Your sales, revenue and income will be affected by a variety of factors, including the sales and marketing skills of your Principal Owner; your Principal Owner's or Operator's frequency of visits to actual and Potential Customers; efforts to collect on unpaid invoices or installment contracts; retail prices you charge for products; discounts you may offer; prevailing economic or market conditions; demographics; interest rates; your capitalization level; the amount and terms of any financing that you may secure; and your Principal Owner's business and management skills.

22. **Some distributors have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**

23. Other than revenue figures above, the charts do not include any estimate of, or specific or historic data regarding, costs, expenses or debts that a Distributor has incurred, or may in the future incur. We cannot predict or project your costs and expenses. The following is a list of the types of expenses that a Matco Distributor may incur:

- Labor costs, including payroll, taxes and benefits (which may include health and/or life insurance, vacation, and pension plan contributions) for your Principal Owner or any other employee.
- Cost of goods sold, which includes wholesale cost of products that may be offered.
- Mobile Store costs, including lease or purchase payments, maintenance, gas, and similar costs.
- Insurance.
- Marketing and promotional costs.
- Freight costs incurred with tool returns and warranty repairs, as well as those incurred for receiving shipments of certain items from Matco.

The types of expenses, and the amount of costs and expenses, are likely to vary from Matco Distributor to Matco Distributor and from list of calls to list of calls. These may not be all of the expenses that you may incur.

24. Prospective distributors should be aware that in evaluating a financial performance representation or an earnings claim that includes revenue or sales figures only, or does not include all costs of goods sold, operating expenses, and other expenses, that costs and expenses must be deducted from the gross revenue or gross sales figures to obtain net income or profit. This Item 19 financial performance representation does not include net income or profit.

25. The Matco Distributors whose results are reflected in Sections 19-A and 19-B have been operating a Matco Distributorship during 2025. Some of the Distributors have been operating their Matco Distributorship for many years, and may have developed a large and loyal customer base.

26. The information in this Item 19 reflects the historical aggregate results of 1,491 Matco Distributors in 2025. You are strongly advised to conduct an independent investigation of this opportunity to evaluate the expected or potential costs and expenses you will incur as a Matco Distributor. You should consult your attorney, accountant, and other professional advisors. Also, current and former Distributors listed in this Disclosure Document may be one source of information.

Other than the preceding financial performance representations in this Item 19, Matco does not make any financial performance representations. We do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing distributorship, however, we may provide you with the actual records of that business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Allen Plunk , Matco’s Director of Franchise, at Matco Tools Corporation, 4403 Allen Road, Stow, Ohio, 44224, 901-488-9473, the Federal Trade Commission and the appropriate state regulatory agencies.

(20) OUTLETS AND FRANCHISEE INFORMATION

As of December 31, 2025, Matco had 1,741 operational Matco® Distributorships and 0 company-owned Matco® Distributorships. The following tables provide information concerning the Matco® Distributorships by state:

Table 1
Systemwide Outlet Summary
For years 2023, 2024, and 2025 (Note 1)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	1809	1841	32
	2024	1841	1811	-30
	2025	1811	1741	-70
Company-Owned	2023	6	11	5
	2024	11	18	7
	2025	18	0	-18
Total Outlets	2023	1815	1852	37
	2024	1852	1829	-23
	2025	1829	1741	-88

Notes:

(1) All numbers are as of the fiscal year end. Each fiscal year ends on December 31.

Table 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years, 2023, 2024, and 2025 (Note 1)

State (Note 2)	Year	Number of Transfers
California	2023	2
	2024	0
	2025	0
Colorado	2023	0
	2024	1
	2025	0
Iowa	2023	1
	2024	0
	2025	0
Maryland	2023	1
	2024	0
	2025	0
Montana	2023	1
	2024	0
	2025	0
New Jersey	2023	1
	2024	0
	2025	0
Texas	2023	0
	2024	0
	2025	1
Utah	2022	0
	2023	1
	2024	0
Total	2023	7
	2024	1
	2025	1

Notes:

- (1) All numbers are as of the fiscal year end. Each fiscal year ends on December 31.
- (2) States not listed above did not have any activity or distributorships during these three years.

Table 3
Status of Franchised Outlets
For years , 2023, 2024 and 2025 (Note 1)

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2023	31	4	0	0	0	3	32
	2024	32	5	0	0	0	2	35
	2025	35	3	0	0	0	7	31
Alaska	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	1	0	0	0	2	6
Arizona	2023	50	8	2	1	0	7	48
	2024	48	8	1	0	0	7	48
	2025	48	10	3	0	0	6	49
Arkansas	2023	23	2	0	0	0	3	22
	2024	22	3	0	0	0	3	22
	2025	22	1	0	0	0	6	17
California	2023	173	17	4	2	0	19	165
	2024	165	10	7	1	0	19	148
	2025	148	11	9	1	0	16	133
Connecticut	2023	24	6	0	0	0	5	25
	2024	25	0	0	0	0	5	20
	2025	20	2	0	0	0	1	21
Colorado	2023	37	10	1	0	0	6	40
	2024	40	8	0	0	0	5	43
	2025	43	10	1	0	0	7	45
Delaware	2023	7	1	0	0	0	0	8
	2024	8	1	0	0	0	0	9
	2025	9	1	0	0	0	2	8
Florida	2023	105	18	3	0	0	14	106
	2024	106	20	1	0	0	16	109
	2025	109	14	2	2	0	13	106