

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) Calendar Year – means, as to each respective year, the 12-month period commencing on January 1 and ending on December 31.
- (b) Company Owned Outlet – means an Outlet 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.
- (c) Cost of Goods Sold – means the total cost of all inventory sold to customers during the relevant Calendar Year.
- (d) Franchise Outlet – refers to a Mobility City Business operated under a Franchise Agreement that is not a Company Owned Outlet.
- (e) Gross Profit – means Gross Sales less Cost of Goods Sold.
- (f) Gross Sales – means the total revenue less sales tax, discounts, allowances, and returns.
- (g) 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.
- (h) 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.
- (i) Net Profit – means Gross Profit less Expenses.
- (j) 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.

- (k) 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 commencement of 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, 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.
- (l) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of 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, 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.
- (m) Outlet – refers to a Mobility City Business that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlet is based on information reported to us by our affiliate. Data for our Operational Franchise Outlets is based on financial information reported to us by our franchisees. 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.

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLET

During the 2022, 2023 and 2024 Calendar Years, we had one Company Owned Outlet. Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlet as a result of our extensively experienced management team; (b) brand recognition within the local market in which our Company Owned Outlet operates; and (c) no obligation to pay ongoing fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees. Table 1 below provides a description of our Company Owned Outlet. In Table 2 we provide financial data regarding our Company Owned Outlet.

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Table 1

Company Owned Outlet Description	
Outlet	Outlet Description
Boca Raton, Florida	Our Boca Raton, Florida Company Owned Outlet is located at 1200 Yamato Road, Suite A9, Boca Raton, Florida, 33431. This Outlet operates a showroom in a retail shopping center that is approximately 2,000 square feet with two Vehicles. Prior to October 2020, this Outlet was located in Fort Lauderdale, Florida, approximately 20 miles from its current location. Before June 2023, this Outlet served a population of approximately 1,300,000 people. In June 2023, a franchisee opened an Outlet in Palm Beach, Florida. Since that time, our Company Owned Outlet has served a population of approximately 750,000 people.

Table 2

Company Owned Outlet: Boca Raton, Florida Gross Sales and Disclosed Expenses Information						
	2022 Calendar Year		2023 Calendar Year		2024 Calendar Year	
	Total	% ¹	Total	% ¹	Total	% ¹
Gross Sales	\$936,726	100.00%	\$851,259	100.00%	\$972,197	100.00%
Less:						
Direct Cost of Goods Sold	\$295,130	31.50%	\$265,335	31.17%	\$310,902	31.98%
Gross Profit	\$641,596	68.49%	\$585,924	68.83%	\$661,295	68.02%
Less: Expenses						
Advertising and Promotion	\$65,566	7.00%	\$51,623	6.06%	\$71,475	7.35%
Insurance	\$6,556	0.70%	\$3,650	0.43%	\$6,254	0.64%
Licenses, Permits, and Fees	\$1,579	0.17%	\$705	0.08%	\$1,190	0.12%
Merchant Fees and Charges	\$29,219	3.12%	\$21,555	2.53%	\$22,103	2.27%
Office Supplies	\$1,078	0.12%	\$986	0.12%	\$1,180	0.12%
Payroll Expenses	\$179,046	19.11%	\$194,949	22.90%	\$187,200	19.26%
Professional Fees – Legal & Accounting	\$3,500	0.37%	\$1,500	0.18%	\$1,500	0.15%
Rent and Lease	\$55,139	5.89%	\$72,000	8.46%	\$76,320	7.85%
Repairs and Maintenance	\$1,419	0.15%	\$1,555	0.18%	\$609	0.06%
Subscriptions and Dues	\$1,050	0.11%	\$1,125	0.13%	\$1,300	0.13%
Telephone, Cell Phone, Internet	\$4,973	0.53%	\$4,750	0.56%	\$4,250	0.44%
Utilities	\$3,174	0.34%	\$2,750	0.32%	\$3,250	0.33%
Vehicle Expense (two vehicles)	\$26,154	2.79%	\$18,821	2.21%	\$17,335	1.78%
Net Profit	\$263,143	28.09%	\$209,955	24.66%	\$267,329	27.49%
Less: Adjustments for Select Franchise Related Expenses						
Royalty Fee ²	\$65,571	7.00%	\$59,588	7.00%	\$68,054	7.00%
Brand Development Fund Fee ³	\$9,367	1.00%	\$8,513	1.00%	\$9,721	1.00%
Technology Fee ⁴	N/A	N/A	N/A	N/A	N/A	N/A
Local Marketing ⁵	N/A	N/A	N/A	N/A	N/A	N/A
Net Profit Less Expenses and Adjustments for Select Franchise Related Expenses	\$188,205	20.09%	\$141,854	16.66%	\$189,554	19.50%

Notes to Table:

¹ “%” represents the percentage of total Gross Sales.

² The Royalty Fee is equal to 7% of Gross Sales, subject to a Minimum Monthly Royalty Fee Requirement of \$4,000 per month. If our Company Owned Outlet was a Franchise Outlet, it would have paid this amount as a Royalty Fee.

³ The Brand Development Fund Fee is 1% of Gross Sales.

⁴ The Technology Fee is not currently charged. However, we reserve the right to charge of Technology Fee of up to \$500 per month at any time in the future.

⁵ Beginning in month seven after you sign a franchise agreement, and on an on-going monthly basis thereafter, you must spend not less than 5% of your Gross Sales on the local marketing of your Mobility City Business. During the 2022, 2023 and 2024 Calendar Years our Company Owned Outlet spent more than 5% on local marketing. As such, we do not make an adjustment during those Calendar Years.

ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2022 Calendar Year we had a total of 29 Franchise Outlets. Of the 29 Franchise Outlets, 12 Outlets were Operational Franchise Outlets and 17 Outlets were New Franchise Outlets. During the 2023 Calendar Year we had a total of 34 Franchise Outlets. Of the 34 Franchise Outlets, 22 Outlets were Operational Franchise Outlets and 12 Outlets were New Franchise Outlets. During the 2024 Calendar Year we had a total of 45 Franchise Outlets. Of the 45 Franchise Outlets, 31 Outlets were Operational Franchise Outlets and 14 Outlets were New Franchise Outlets. All of our Operational Outlets operate from a single Showroom. About half of our Operational Outlets operate with more than one Vehicle.

In Table 3 below, we report data related to our Operational Franchise Outlets during the 2022, 2023 and 2024 Calendar Years. We do not include data for New Franchise Outlets that were not open during the respective Calendar Years.

Table 3

Operational Franchise Outlets Gross Sales Data Summary			
Operational Franchise Outlet	2022 Calendar Year	2023 Calendar Year	2024 Calendar Year ¹
Outlet 1	\$279,026	\$384,864	\$476,025
Outlet 2	\$540,624	\$789,347	\$952,151
Outlet 3	\$479,371	\$632,975	\$606,616
Outlet 4	\$540,091	\$640,195	\$657,411
Outlet 5	\$399,861	\$525,629	\$448,672
Outlet 6	\$883,703	\$1,090,567	\$1,218,217
Outlet 7	\$577,814	\$727,117	\$1,256,385
Outlet 8	\$502,156	\$575,471	\$737,284
Outlet 9	\$565,267	\$852,798	\$1,092,784
Outlet 10	\$1,035,940	\$1,092,495	\$800,199
Outlet 11	\$331,169	\$412,378	\$364,824
Outlet 12	\$388,830	\$623,315	\$899,680
Outlet 13	N/A	\$832,761	\$1,104,632
Outlet 14	N/A	\$290,011	\$377,432
Outlet 15	N/A	\$873,358	\$956,107
Outlet 16	N/A	\$607,731	\$518,311
Outlet 17	N/A	\$685,187	\$671,775
Outlet 18	N/A	\$517,164	\$641,352
Outlet 19	N/A	\$343,440	\$433,197
Outlet 20	N/A	\$321,247	\$301,906
Outlet 21	N/A	\$430,614	\$451,051
Outlet 22	N/A	\$589,093	\$849,944
Outlet 23	N/A	N/A	\$708,366
Outlet 24	N/A	N/A	\$682,404
Outlet 25	N/A	N/A	\$397,835
Outlet 26	N/A	N/A	\$1,967,315

Outlet 27	N/A	N/A	\$449,875
Outlet 28	N/A	N/A	\$727,768
Outlet 29	N/A	N/A	\$951,387
Outlet 30	N/A	N/A	\$410,963
Outlet 31	N/A	N/A	\$887,843

Notes to Table:

¹ In September 2024, we changed our method from reporting revenue from a cash basis to an accrual basis. Beginning in September 2024, Gross Sales were deemed realized at the time franchisees generate cash receipts or invoice customers.

Table 3

Operational Franchise Outlet Summary 2022, 2023 and 2024 Calendar Year Gross Sales; Average, Median, High, and Low					
Calendar Year	Average	Number of Outlets Above/Below Average	Median	High	Low
2022 ¹	\$543,654	Above: 4 (33%) Below: 8 (67%)	\$521,124	\$1,035,940	\$279,026
2023 ²	\$628,989	Above: 10 (45%) Below: 12 (55%)	\$615,523	\$1,092,495	\$290,011
2024 ³	\$741,926	Above: 12 (39%) Below: 19 (61%)	\$682,404	\$1,967,315	\$301,906

Notes to Table:

¹ For the 2022 Calendar Year the data compiled in this table is based on 12 Operational Franchise Outlets.

² For the 2023 Calendar Year the data compiled in this table is based on 22 Operational Franchise Outlets.

³ For the 2024 Calendar Year the data compiled in this table is based on 31 Operational Franchise Outlets. In September 2024, we changed our method from reporting revenue from a cash basis to an accrual basis. Beginning in September 2024, Gross Sales were deemed realized at the time franchisees generate cash receipts or invoice customers.

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 representations, Mobility City Holdings, Inc. 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 Diane Baratta, Mobility City Holdings, Inc., 1200 Yamato Road, Suite A9, Boca Raton, Florida 33431 and (561) 300-4100, 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	16	29	+13
	2023	29	34	+5
	2024	34	45	+11
Company Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	17	30	+13
	2023	30	35	+5
	2024	35	46	+11

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
Arizona	2022	0
	2023	0
	2024	1
Nevada	2022	0
	2023	0
	2024	1
Florida	2022	0
	2023	0
	2024	1
Totals	2022	0
	2023	0
	2024	3

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