

Provision	Section in Franchise or Other Agreement	Summary
u. Dispute resolution by arbitration or mediation	Sections 7.11, 8.2(e), 9.7, and 10.12 of the Franchise Agreement, Section 3(d) of the Option and Shop Lease	Except for certain claims, all disputes must be arbitrated in Palm Beach Gardens, Florida (subject to state laws). In the case of determining rent, arbitration will be held the city where the premises are located. Under the Franchise Agreement, if a claim can be brought in court, both you and we agree to waive our rights to a jury trial.
v. Choice of forum	Section 10.12 of the Franchise Agreement	State court located in Palm Beach County, Florida or Federal court located in West Palm Beach, Florida (subject to state law).
w. Choice of law	Section 10.12 of the Franchise Agreement	Laws of the State of Delaware (subject to state law).

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a provision addressing limitations on when claims may be raised (See Section 7.11 of the Franchise Agreement.). We recommend that you carefully review all of these provisions, and each of the contracts attached to this Disclosure Document in their entirety, with a lawyer. Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit K.

## ITEM 18: PUBLIC FIGURES

We do not use any public figure 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.

The following information is provided for the purpose of helping you evaluate the potential earnings capability of a Midas Shop. Please carefully read all information in this Item 19, including the statements following the tables, which explain the information provided in the tables below and the limitations on this and the other information contained in this Item 19.

## A. Annual Gross Revenues

Part A of this financial performance representation includes the historical average annual Gross Revenues for U.S. Midas Shops that operated from January 1, 2023 through December 31, 2024 and met the following criteria: (i) the Shop had operated for at least 24 consecutive months as of December 31, 2024, and (ii) the Shop reported Gross Revenues data to us for each month of the 2023 and 2024 years. There were 970 total operating Shops in the U.S. as of December 31, 2024, however only 941 met the criteria (the “Part A Reporting Shops”), representing approximately 97.0% of the total franchised U.S. Shops. The 56 Shops operating as Midas/SpecDee Co-Branding Shops as of December 31, 2024 are excluded from this Part A. There were 25 Shops that closed for various reasons during 2023 and 2024, one of which had been open less than 12 months. “Gross Revenues” means all revenue from a franchised outlet as reported by royalty sales.

We separated the Part A Reporting Shops into 4 quartiles based on average Gross Revenues, with the Top Quartile reflecting the results of those with the highest average Gross Revenues for the 2023 and 2024 years and the 4<sup>th</sup> Quartile reflecting those with the lowest average. The 2<sup>nd</sup> and 3<sup>rd</sup> Quartiles reflect results of those Midas Shops with the second highest and second lowest average, respectively. The results of the Top 10% and Bottom 10% of Part A Reporting Shops, in terms of Gross Revenues, are also shown.

Of the Part A Reporting Shops included, 37.4% exceeded the overall average annual Gross Revenues of all Part A Reporting Shops of \$1,234,101.77.

Average Total Revenues from January 1, 2023 through December 31, 2024								
Total Midas US Franchise Outlets:		941						
Outlets per Quartile:		235						
Maximum/Minimum:		Top Quartile		2nd Quartile		3rd Quartile		4th Quartile
\$ 6,559,714	\$ 1,428,710	\$ 1,427,505	\$ 1,115,820	\$ 1,115,681	\$ 878,632	\$ 875,447	\$ 254,671	
\$ 1,778,775	\$ 1,984,575	\$ 1,233,981	\$ 1,252,302	\$ 993,414	\$ 992,896	\$ 724,811	\$ 708,869	
Exceeded Average:	84	36%	108	46%	118	50%	126	53%
Top/Bottom 10% Outlets								
Top 10%		Top 10%						
Maximum/Minimum:		\$ 6,559,714	\$ 1,911,362	\$ 692,039	\$ 254,671			
Median/Average:		\$ 2,235,491	\$ 2,490,456	\$ 601,657	\$ 590,191			
Exceeded Average:	35	37%	51	54%				

## B. Gross Revenues and Cost Analysis

Part B of this financial performance representation includes the average Total Income, Gross Profit, and Net Income, in addition to certain expense and margin information for U.S. Midas Shops that operated from January 1, 2024 through December 31, 2024 under the same business entity and met the following criteria: (i) the Shop had operated for at least 12 consecutive months as of December 31, 2024, and (ii) the Shop furnished financial data to us for year 2024 with information regarding expenses that we believe to be reliable. There were 970 total operating Shops in the U.S. as of December 31, 2024 and 438 met the criteria (the “Part B Reporting Shops”), representing approximately 45.1% of the total franchised U.S. Shops. The 56 Shops operating as Midas/SpecDee Co-Branding Shops as of December 31, 2024 are excluded from this Part B. There were 12 Shops that closed for various reasons during 2024, none of which had been open less than 12 months.

We separated the Part B Reporting Shops into 4 quartiles based on average Total Incomes, with the Top Quartile reflecting the results of those with the highest average Total Incomes for the 2024 Year and the 4<sup>th</sup> Quartile reflecting those with the lowest average.

The average Total Income of all of the Part B Reporting Shops was \$1,328,735 and the following averages represent a percentage of income of these Part B Reporting Shops: Cost of Goods Sold, 27.9%; Gross Profit, 72.1%, Total Labor, 29.6%; Total Operating Expense, 58.9%; Net Income From Operations, 13.2%.

**Income Statement Performance From January 1, 2024 Through December 31, 2024**

Total Midas Franchise Outlets	438
Outlets Per Quartile	
	109
	110
	109
	110
Total Income	<b>Top Quartile</b>
Cost of Goods Sold	<b>2nd Quartile</b>
<b>Gross Profit</b>	<b>3rd Quartile</b>
Total Labor	<b>4th Quartile</b>
Royalty & Advertising	
Total Occupancy	
Utilities	
Other Expenses	
Total Operating Expenses	
<b>Net Income From Operations</b>	
Maximum/Minimum	<b>Total Income</b>
Median/Average	
Exceeded Average	
Maximum/Minimum	<b>Gross Profit</b>
Median/Average	
Exceeded Average	
Maximum/Minimum	<b>Net Income From Operations</b>
Median/Average	
Exceeded Average	

The accompanying footnotes are an integral part of these tables and should be read in their entirety for a full understanding of the information contained in them.

**FOOTNOTES:**

**(1)** Both of the tables show historic financial performance representations. Part A is an historic financial performance representation reflecting the average franchisee Annual Gross Revenues for the Part A Reporting Shops on an annual basis for the most recent two calendar years of January 1, 2023 through December 31, 2024. Part B is a historic financial performance representation reflecting the average franchisee Total Income, Gross Profit, and Net Income for the Part B Reporting Shops for the year from January 1, 2024 through December 31, 2024. For purposes of this Item 19, "Gross Revenues" or "Total Income" means the total revenue of a Midas Shop, less taxes, discounts, rebates, and returns. In Part B, "Gross Profit" means the Total Income less the Cost of Goods Sold, and "Net Income From Operations" means the Gross Profit less those "Operating Expenses" identified in the table (total labor, the royalty paid to us, advertising expenses, total occupancy expenses, utilities, and other expenses). See footnote 4 below regarding

these expenses. In Part B, we have also disclosed the percentage of the Total Income represented by each of the line items of expenses, Gross Profit, and Net Income From Operations. Additionally, the tables each disclose the maximum (highest) and the minimum (lowest) figures achieved by a Shop in each grouping.

- (2) Part A also sets forth the median of annual Gross Revenues for each grouping of Shops, and Part B also sets forth the median of Total Income, Gross Profit, and Net Income for each quartile of Shops. The “median” for purposes of these tables means the results of the Shops falling in the middle of each group in terms of each relevant category of data, or, where there is an even number of Shops, the average of the results of the two Shops falling in the middle of the group.
- (3) Each of the tables also indicates the number and percentage of the applicable Shops within each group that meet or exceed the averages stated.
- (4) Part B contemplates the Cost of Goods Sold and the expenses identified in the “Total Operating Expenses” portion of the table. The Costs of Goods Sold generally includes the cost of products sold which may include the cost of exhaust systems, brake components, suspension parts, heating and cooling system parts, tires and batteries and other motor vehicle parts, and other goods purchased for resale from Midas or others, but does not include labor costs. The “Other Expenses” portion of the Total Operating Expenses generally includes other expenses incurred toward generating income, but excluding the labor, royalty, advertising, occupancy and utility expenses otherwise noted. Expenses vary substantially and are based on particular factors relevant to each Shop. Your additional expenses may include wages and reimbursements for yourself, personal expenses, and other fees and expenses. You may incur operating expenses different from those stated above as well as other isolated or recurring expenses. See Items 5, 6, and 7 for fees and other expenses you may incur. Further, the tables do not show any sales taxes or income taxes that may be applicable. Taxes vary widely between geographic areas and from Shop to Shop. You should conduct an independent investigation of the costs and expenses you will incur in operating your Midas Shop. Franchisees or former franchisees listed in Exhibits A-1 and A-2 to this disclosure document may be one source of this information.
- (5) We offered substantially the same services to all of the Shops included in each chart, which offered substantially the same products and services to the public.
- (6) The foregoing tables cover only standard Midas Shop franchises and not any Co-Branding Shop franchises. In a Co-Branding Shop franchise, you will be offering additional service and products but will have additional expenses and fees as described in Items 6 and 7. We do not provide any financial performance representation related to the performance of Co-Branding Shop franchises.
- (7) The revenue and income information in the tables was compiled based on actual reported sales by our existing U.S. Midas Shop outlets during the applicable periods based on monthly sales reports submitted to us by Midas franchisees for the purpose of computing royalty fees. The expense and Net Income data in Part B was compiled based on the financial data of the Part B Reporting Shops that were submitted to us.
- (8) There were no company-owned Midas Shops as of December 31, 2024, and no company-owned Midas Shops are reflected in these tables.

Written substantiation of the data used in preparing the information set forth in this Item 19 will be made available to you on reasonable request.

We encourage you to consult with your financial advisors in reviewing the information in this Item 19, in particular, in estimating the categories and amount of expenses that may be incurred in establishing and operating a Midas Shop.

**Some outlets have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.**

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 President, Leonard Valentino Jr., either at 4260 Design Center Drive, Palm Beach Gardens, Florida 33410 or (914) 984-2500, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

### **Midas Shop Outlets**

**TABLE NO. 1**

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

(2022 fiscal year represents the period from April 1, 2022 to March 31, 2023)  
(2023 fiscal year represents the period from April 1, 2023 to March 31, 2024)  
(2024 fiscal year represents the period from April 1, 2024 to March 31, 2025)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	970	963	-7
	2023	963	967	+4
	2024	967	975	+8
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
<b>Total Outlets</b>	<b>2022</b>	<b>970</b>	<b>963</b>	<b>-7</b>
	<b>2023</b>	<b>963</b>	<b>967</b>	<b>+4</b>
	<b>2024</b>	<b>967</b>	<b>975</b>	<b>+8</b>