

Provision	Section in Multi-Unit Agreement	Summary
(x) Security Interest	Section 8.7	Colorado law applies, subject to any contrary provision contained in the State-Specific Addendum (See <u>Exhibit N</u> ), subject to applicable state law. The Colorado Consumer Protection Act does not apply.

**ITEM 18**  
**PUBLIC FIGURES**

We do not 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.

**CHART I**  
**OPERATIONAL RESULTS OF**  
**AFFILIATED-OWNED KWIK KAR CENTERS**  
**BASED ON NET SALES RANGES**  
**FISCAL YEAR 2024**

SALES RANGE	Category "A" Less than \$400,000	Category "B" \$400,001 – \$600,000	Category "C" \$600,001 – \$800,000	Category "D" \$800,001 – \$1,000,000	Category "E" Greater than \$1,000,000
Number of Centers	0	4	6	6	8
Daily Vehicle Count Range	0	13 - 16	15 - 26	19 - 39	24 - 62
Ticket Range	N/A	\$80.84 - \$107.77	\$81.12 - \$147.48	\$59.82 - \$135.44	\$89.93 - \$135.88
Average Daily Vehicle Count	N/A	14	20	26	42
Average Ticket	N/A	\$97.78	\$108.90	\$99.93	\$110.83
Median Daily Vehicle Count	N/A	14.53	19.60	24.38	44.22
Median Ticket	N/A	\$101.26	\$105.68	\$101.15	\$110.07

SALES RANGE	Category "A" Less than \$400,000		Category "B" \$400,001 – \$600,000		Category "C" \$600,001 – \$800,000		Category "D" \$800,001 – \$1,000,000		Category "E" Greater than \$1,000,000	
<b>Operating Statement</b>										
<b>Average Net Sales</b>	N/A	<b>100%</b>	<b>\$502,750</b>	<b>100%</b>	<b>\$759,500</b>	<b>100%</b>	<b>\$870,500</b>	<b>100%</b>	<b>\$1,654,500</b>	<b>100%</b>
Cost of Goods Sold	N/A	N/A	\$113,500	22.6%	\$191,667	25.2%	\$196,000	22.5%	\$358,375	21.7%
<b>Gross Profit</b>	N/A	N/A	<b>\$389,250</b>	<b>77.4%</b>	<b>\$567,833</b>	<b>74.8%</b>	<b>\$674,500</b>	<b>77.5%</b>	<b>\$1,296,125</b>	<b>78.3%</b>
Salaries, Wages and Benefits	N/A	N/A	\$226,500	45.1%	\$297,000	39.1%	\$312,333	35.9%	\$490,875	29.7%
Retail Operating Expenses	N/A	N/A	\$105,250	20.9%	\$116,333	15.3%	\$116,167	13.3%	\$185,375	11.2%
Office and G&A Expenses	N/A	N/A	\$7,000	1.4%	\$6,167	0.8%	\$7,667	0.9%	\$8,125	0.5%
<b>EBITDAR</b>	N/A	N/A	<b>\$50,500</b>	<b>10.0%</b>	<b>\$148,333</b>	<b>19.5%</b>	<b>\$238,333</b>	<b>27.4%</b>	<b>\$611,750</b>	<b>37.0%</b>
Net Sales Range	N/A		\$431,000 – \$569,000		\$697,000 – \$783,000		\$827,000 – \$910,000		\$1,018,000 – \$2,164,000	
Median Net Sales	N/A		\$505,500		\$776,000		\$874,000		\$1,586,000	
#/% of Centers Exceeding Avg Net Sales	N/A		2/50.00%		4/66.67%		3/50.00%		3/37.50%	
#/% of Centers Exceeding Avg Gross Profits	N/A		2/50.00%		4/66.67%		3/50.00%		3/37.50%	
# of Centers Exceeding Avg EBITDAR	N/A		2/50.00%		3/50.00%		3/50.00%		3/37.50%	
Franchise costs not incurred by our Affiliate-Owned Kwik Kar Centers										
Royalties (6% of Net Sales)	N/A		\$30,165.00		\$45,570.00		\$52,230.00		\$99,270.00	
Advertising Contribution (0.5% of Net Sales)	N/A		\$2,513.75		\$3,797.50		\$4,352.50		\$8,272.50	

CHARTS CONTINUE ON NEXT PAGE

**CHART II**  
**OPERATIONAL RESULTS BASED ON QUARTILES OF AVERAGE SALES**  
**AFFILIATED-OWNED KWIK KAR CENTERS**  
**(24 CENTERS)**

Operating Statement									
TOP QUARTILE OF SALES REVENUE AVERAGES (6 Centers)									
	Average Sales			Low Performer		Median Performer		High Performer	#/% of Centers Exceeding Average
<b>Average Net Sales</b>	\$1,814,167	100.0%		\$1,488,000		\$1,776,500		\$2,164,000	
<b>Gross Profit</b>	\$1,420,333	78.3%		\$1,165,000		\$1,408,000		\$1,696,000	
<b>EBITDAR</b>	\$691,167	38.1%		\$547,000		\$680,000		\$869,000	
THIRD QUARTILE OF SALES REVENUE AVERAGES (6 Centers)									
	Average Sales			Low Performer		Median Performer		High Performer	#/% of Centers Exceeding Average
<b>Average Net Sales</b>	\$983,833	100.0%		\$862,000		\$902,000		\$1,333,000	
<b>Gross Profit</b>	\$764,333	77.7%		\$661,000		\$698,500		\$1,034,000	
<b>EBITDAR</b>	\$267,000	27.1%		\$168,000		\$243,500		\$415,000	
SECOND QUARTILE OF SALES REVENUE AVERAGES (6 Centers)									
	Average Sales			Low Performer		Median Performer		High Performer	#/% of Centers Exceeding Average
<b>Average Net Sales</b>	\$797,833	100.0%		\$774,000		\$782,000		\$844,000	
<b>Gross Profit</b>	\$611,167	76.6%		\$584,000		\$595,000		\$666,000	
<b>EBITDAR</b>	\$205,000	25.7%		\$106,000		\$190,000		\$289,000	
BOTTOM QUARTILE OF SALES REVENUE AVERAGES (6 Centers)									
	Average Sales			Low Performer		Median Performer		High Performer	#/% of Centers Exceeding Average
<b>Average Net Sales</b>	\$575,333	100.0%		\$431,000		\$560,000		\$744,000	
<b>Gross Profit</b>	\$434,167	75.5%		\$337,000		\$431,500		\$541,000	
<b>EBITDAR</b>	\$72,833	12.7%		\$(17,000)		\$82,500		\$146,000	

**Notes to Charts:**

1. The charts include a historic financial performance representation for the calendar year 2024 from our affiliate-owned Centers that were in operation as Kwik Kar Centers for the entire calendar year 2024. All numbers reported by the affiliate-owned Centers have been rounded to the nearest thousand. Our affiliate operating these outlets is GMI. GMI acquired these Centers in 2022.
2. The charts include a historic financial performance representation from all 24 affiliated-owned Centers that operated for the entire calendar year 2024. The total number of affiliated-owned Centers as of January 1, 2024 was 26. No Centers were permanently closed in calendar year 2024. The chart does not include the results of two outlets that began the year 2024 operating under a different brand name which were each converted to a Kwik Kar Center during the course of the year.
3. Because we did not start offering Kwik Kar Centers franchises until calendar year 2024, we did not have any franchisees operating in calendar year 2024 and cannot provide any financial information for franchisee-owned Centers. We also do not have company-owned Centers.
4. The Centers included in Chart I were classified into five separate categories based on Net Sales during calendar year 2024 with Category A being Centers with annual Net Sales of up to \$400,000, Category B being Centers with annual Net Sales between \$400,001 and \$600,000; Category C being Centers with annual Net Sales between \$600,001 and \$800,000; Category D being Centers with annual Net Sales between \$800,001 and \$1,000,000; and Category E being Centers with annual Net Sales in excess of \$1,000,000. The statistical and financial averages and median ranges shown in Chart I were then compiled within each category for each chart.
5. The Centers in Chart II are the same Centers shown in Chart I, but classified into quartiles based on Net Sales. There are 6 Centers shown in each of the quartiles.
6. The operating statement figures are averages of Net Sales, Cost of Goods Sold, Gross Profit, salaries, wages and benefits, retail operating expenses, office and general administrative expenses, and EBITDAR of the Centers in each category.
7. The charts also include the median Net Sales for all the Centers in each category, the Center with the lowest Net Sales and the Center with the highest Net Sales in each category as well as the number of Centers and percentage of Centers in each category that exceeded the average numbers shown in the charts for each category. Chart I also shows the average, median, and range of daily vehicle counts and tickets sales range in each category.
8. The “median” number for purposes of the charts means the results of the Center falling in the middle of the group of Centers in each category, or, where there is an even number of Centers, the average of the results of the two Centers falling in the middle of the group.
9. Net Sales mean the aggregate amount received from all sales of services, products or merchandise of every kind or nature, performed or sold from, at or in connection with the operation of the Center or arising out of the operation or conduct of the Center, whether for cash or credit, but excluding (i) the amount of the discount given off the regular retail price of such services or products in connection with the use of coupons or other discount promotions; and (ii) federal, state or municipal sales or services taxes collected from customers and paid to the appropriate taxing authority.
10. Cost of Goods Sold includes only inventory items (oil, filters, greases, fluids, etc.).

11. Gross Profit is Net Sales minus Cost of Goods Sold.
12. Salaries, Wages, and Benefits includes the salaries, wages (including overtime), benefits, payroll taxes, worker's compensation, training, and payroll processing fees for all employees, including managers. Salaries, Wages and Benefits can vary significantly depending on local and regional employment conditions and the availability of labor.
13. Retail Operating Expenses include the following items: advertising, sales promotions, customer satisfaction, customer warranties, mystery shopper program, equipment rental, equipment maintenance and repair, computer maintenance and support, laundry and uniforms, building maintenance and repairs, security service, operating supplies, small tools, over and short cash drawer, utilities including water, gas and sewer, trash disposal, bank charges, late charges, merchant card fees, and other miscellaneous operating expenses.
14. Office and G&A Expenses include the following items: office supplies and expenses, bad debt expense, charitable contributions, licenses and fees, postage and freight, property taxes, telephone, accounting, legal and professional fees, beverage service, dues and subscriptions, general insurance, and other miscellaneous overhead expenses.
15. EBITDAR means Earnings before Interest, Taxes, Depreciation, Amortization, Occupancy Costs, and Non-Operating Income/Expense. This figure is not an actual amount earned. Your occupancy costs will vary based on the location of your Center, whether you secure a build-to-suit lease, purchase the property and construct a building, or select another rental or ownership arrangement, as well as other factors relating to your occupancy. Your interest expense will depend on your borrowing requirements. You should determine the occupancy costs which will apply based on the location and the rental or ownership arrangement alternatives which are available to you. Non-Operating Income/Expenses include: travel and entertainment expenses, interest income, owners' compensation, draws and life insurance expenses, overhead expense allocations by multi-unit operators, and other non-operating income/expense items.

### **General Notes**

The compiled statistical and financial information in Chart I and Chart II (collectively referred to as the “Statement”) are based on the Profit and Loss Statements provided to us by our affiliate, GMI, for its Centers and have not been audited or reviewed by an independent certified public accountant. The Statement does not include any estimate of the federal income tax that would be payable or the state or local income tax that may be applicable to the particular jurisdiction in which a Center is located. In addition, the Statement does not include any information or estimate regarding the occupancy expenses which will be incurred at a particular location. You are strongly urged to consult with your tax and other advisors regarding the impact that federal, state, and local taxes and occupancy expenses will have on the amounts shown in the Statement.

You are urged to make your own investigation and determine whether your Center will be profitable, including consulting with your financial, business, and legal advisers to conduct your own analysis of the information contained in this Item 19.

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee at our company headquarters in Greenwood Village, Colorado upon your reasonable request.

Other than the financial performance representation set forth above, KKF 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 Center, however, we may provide you with the actual records of that Center. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our President at 5575 DTC Parkway, Suite 100, Greenwood Village, Colorado 80111, (303) 308-1660, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

TABLE No. 1  
System-wide Outlet Summary  
Kwik Kar Branded Franchised and Company-Owned Outlets  
For Years 2022 – 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company Owned	2022	0	36**	+36
	2023	36	24	-12
	2024	24	26	+2
<b>Total Outlets</b>	<b>2022</b>	<b>0</b>	<b>36**</b>	<b>+36</b>
	<b>2023</b>	<b>36</b>	<b>24</b>	<b>-12</b>
	<b>2024</b>	<b>24</b>	<b>26</b>	<b>+2</b>

\*We did not commence selling franchises until February 12, 2024.

\*\*Acquired and operated by our affiliate, GMI, in 2022.

TABLE No. 2  
Transfers of Franchised Outlets to New Owners  
(other than the Franchisor)  
For Years 2022 – 2024

State	Year	Number of Transfers
<b>Totals</b>	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

TABLE No. 3  
Status of Franchised Outlets  
For Years 2022 – 2024\*

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
<b>Totals</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*We did not commence selling franchises until February 12, 2024.