

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 is a financial performance representation titled "Music Go Round® Statement of Average Annual Sales and Gross Profit." The gross profit figures in this Item 19 do reflect the cost of sales but do not reflect the operating expenses that must be deducted from the gross profit figures to obtain your net income or profit. The best source of cost and expenses data may be from franchisees and former franchisees, some of whom may be listed in Exhibit A.

MUSIC GO ROUND® STATEMENT OF AVERAGE ANNUAL SALES AND GROSS PROFIT

The following statement of average annual sales and gross profits includes annual gross sales and gross profits as reported by the 34 franchised Music Go Round® Stores located in the United States that commenced operations during the years 1996 through 2023, and were not transferred during 2024. This represents a subset of the 34 Music Go Round® Stores in the United States that were open and operating as of December 28, 2024. This statement includes information from only those franchised Music Go Round® Stores located in the United States that had been in operation by the same franchisee or owners for the 12 month period ended December 28, 2024. No other franchised Music Go Round® Stores are included in this statement due to insufficient history of operations (not in operation for the 12 month period ended December 28, 2024 or transferred during this period). There were 34 franchised Music Go Round® Stores which had been in operation by the same franchisee or owners for the 12 month period ended December 28, 2024. All 34 Stores are reflected in the average. No Stores closed in 2024 after being open less than 12 months.

Statement of average gross sales and gross profits of the 34 franchised Music Go Round® Stores for the fiscal year ended December 28, 2024, as reported by Music Go Round® franchisees to Winmark:

Year Opened ⁽¹⁾	# Stores Reported	# and % of Stores Attaining or Exceeding Average Gross Sales ⁽²⁾	# and % of Stores Attaining or Exceeding Average Gross Profit ⁽³⁾	2024 Average Gross Sales ⁽⁴⁾	2024 Median Gross Sales	2024 Average Gross Profit ⁽⁵⁾	2024 Median Gross Profit	Average Gross Profit Percentage ⁽⁶⁾	Sales Range ⁽⁷⁾
2023	1	1 / 100%	1 / 100%	1,958,335	1,958,335	935,105	935,105	47.75%	1,958,335 – 1,958,335
2022	1	0 / 0%	0 / 0%	914,542	914,542	486,262	486,262	53.17%	914,542 – 914,542
2021	1	0 / 0%	0 / 0%	514,320	514,320	271,767	271,767	52.84%	514,320 – 514,320
2020	3	1 / 33%	1 / 33%	1,123,751	821,931	536,578	369,129	47.75%	476,079 – 2,073,243
2019	2	0 / 0%	0 / 0%	923,684	923,684	414,938	414,938	44.92%	742,677 – 1,104,691
2018 & Prior	26	11 / 42%	13 / 50%	1,511,183	1,325,853	734,593	663,138	48.61%	282,719 – 3,774,148
Total Store Average	34	13 / 38%	15 / 44%	1,408,723	1,115,849	683,299	529,120	48.50%	

- (1) None of the reporting Stores opened in 2016.
- (2) This percentage represents Stores Attaining or Exceeding Average Gross Sales as a percentage of Number of Stores Reported. This percentage is calculated based on the Total Store Average Gross Sales of the 34 Stores reported (\$1,408,723).
- (3) This percentage represents Stores Attaining or Exceeding Average Gross Profit as a percentage of Number of Stores Reported. This percentage is calculated based on the Total Store Average Gross Profit of the 34 Stores reported (\$683,299).
- (4) “Gross Sales” means all revenues the franchisee receives from the sale of goods and services, whether by cash or by check, credit card or trade, in connection with the Store, less sales tax and customer refunds and returns.
- (5) The Average Gross Profit equals Gross Sales less Cost of Goods Sold. Gross Profit does not reflect any expenses related to the operation of a Music Go Round® Store other than the Cost of Goods Sold.
- (6) This figure represents Average Gross Profit as a percentage of Average Gross Sales.
- (7) As reported by Music Go Round® franchisees to Winmark.

The Statement of Sales Ranges by quartile for the 34 franchised Music Go Round® Stores open at December 28, 2024 and had been in operation for at least 12 months by the same franchisee or owners for the 12 month period ended December 28, 2024 are as follows:

Quartile ⁽¹⁾	# of Stores	2024 Gross Sales Range by Quartile	2024 Quartile Average Gross Sales	2024 Quartile Median Gross Sales	# and % of Stores Attaining or Exceeding Quartile Average Gross Sales	2024 Quartile Average Gross Profit	2024 Quartile Median Gross Profit	# and % of Stores Attaining or Exceeding Quartile Average Gross Profit	Quartile Average Gross Profit Percentage ⁽²⁾
1 st	8	2,073,243 - 3,774,148	2,621,486	2,279,093	3 / 38%	1,255,763	1,132,344	3 / 38%	47.90%
2 nd	8	1,266,641 - 1,958,335	1,591,041	1,627,773	5 / 63%	792,528	799,081	4 / 50%	49.81%
3 rd	9	821,931 - 1,127,007	973,573	940,897	4 / 44%	462,881	474,134	5 / 56%	47.54%
4 th	9	282,719 - 747,554	603,800	695,963	5 / 56%	297,767	334,450	5 / 56%	49.32%

(1) “Quartile” refers to that portion of the total number of Stores open that represents 25%. For example, the first Quartile identified those Stores which were in the top 25% of all Stores in Gross Sales.

(2) This figure represents Average Gross Profit as a percentage of Average Gross Sales.

Based on information reported by the 34 Music Go Round® Stores which had been in operation by the same franchisee or owner for the 12 month period ended December 28, 2024, the following chart sets forth the number of Stores, Average and Median Gross Sales, the lowest and highest Gross Sales amount in each range and the percentage of total number of Stores that fell within certain ranges of Average Gross Sales for 2024:

2024 Range of Average Gross Sales	# of Stores falling within noted range	Average Gross Sales Stores within noted range	# and % of Stores attaining or exceeding Average Gross Sales Stores within noted range	Gross Sales for lowest Store within noted range	Gross Sales for highest Store within noted range	Median Gross Sales for Stores within noted range	% of total number of Stores (34) within noted range
0 - \$250,000	0	0	0 / 0%	0	0	0	0%
\$250,001 - \$500,000	2	379,399	1 / 50%	282,719	476,079	379,399	5.88%
\$500,001 - \$1,000,000	12	760,352	5 / 42%	512,607	940,897	745,116	35.29%
\$1,000,001 - \$2,000,000	12	1,420,139	5 / 42%	1,004,699	1,958,335	1,392,939	35.29%
\$2,000,001 - \$3,000,000	6	2,279,129	2 / 33%	2,073,243	2,682,680	2,245,461	17.65%
>\$3,000,000	2	3,648,555	1 / 50%	3,522,961	3,774,148	3,648,555	5.88%

These results relate to specific Music Go Round® Stores located in the United States.

Some Stores have sold or earned these amounts. Your individual results may differ. There is no assurance that you will sell or earn as much.

Winmark has written substantiation in our possession to support the information appearing in this Item 19, and will make the written substantiation available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representations, Winmark 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 Renae Gaudette, Executive Vice President and Chief Operating Officer at Winmark Corporation, 605 Highway 169 N, Suite 400, Minneapolis, MN 55441, 763/520-8500, the Federal Trade Commission, and the appropriate state regulatory agencies.

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OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Store Summary⁽¹⁾
For Years 2022 to 2024

Store Type	Year	Stores at the Start of the Year	Stores at the End of the Year ⁽²⁾	Net Change
Franchised	2022	37	37	0
	2023	37	37	0
	2024	37	34	-3
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Stores	2022	37	37	0
	2023	37	37	0
	2024	37	34	-3

- (1) The numbers do not include information for any other franchise programs offered by Winmark as described in Item 1. Store information for each of these franchise programs is disclosed in a separate disclosure document.
- (2) The numbers are as of Winmark's fiscal year end for each of the last 3 years (December 31, 2022, December 30, 2023, and December 28, 2024).