

insurance coverages, with minimum limits of each policy of at least ~~\$2,000,000~~1,000,000 and a maximum deductible of \$1,000. Additionally, you must purchase all risk Inland Marine coverage for full replacement value equal to the New Distributor Starter Inventory. You must also purchase “replacement cost” coverage for your Mobile Store, computer system, inventory and other items used in operating the Distributorship.

Matco reserves the right to modify its insurance policies from time to time. Matco may provide or designate a specified provider of insurance, and require that you purchase the insurance from the designated provider, or utilize Matco as a conduit to purchase the insurance from the designated provider. In the alternative, Matco may also require that you obtain insurance from a provider of your choosing that meets Matco’s standards and specifications.

For distributors that participate in Matco’s financing programs, Matco’s current policy is to require that all insurance policies are purchased through the Charles L. Crane Agency or Ayers Insurance Agency. The Distributor will make an initial payment toward the insurance premiums directly to Charles L. Crane Agency or Ayers Insurance Agency (approximately 25%). Thereafter, however, Matco will act as a conduit to pay the premium payments for this insurance. You will be charged monthly for these insurance premiums through your Open Purchase Account, such that you must make periodic payments to Matco to pay the cost of the insurance. Matco may modify this policy from time to time. Distributors who do not participate in Matco’s financing programs may obtain the required insurance from a provider of their choosing.

All insurance policies must (a) designate Matco as an additional named insured; (b) provide that Matco receive a copy of all notices of cancellation, nonrenewal, or coverage change at least 30 days prior to the effective date; (c) require the insurer to provide and pay for legal counsel to defend any claims or actions brought against you or Matco; and (d) properly name the Distributor as the insured. The Inland Marine policy must reflect Matco as the Lender’s Loss Payable, as their interests may appear. The “Lender’s Loss Payable” clause must provide, at a minimum, that any loss will be payable to the insured and Matco as the loss payee described on the schedule and that the insurance for the loss payee continues in effect even when the insured’s insurance may be void because of the insured’s acts, neglect, or failure to comply with the coverage terms. Insurance costs are highly dependent on the geographical location of your business, the dollar amount of your inventory, the type of Mobile Store you own and other factors. If Matco requires that you obtain your own insurance, you must provide a certificate of insurance to Matco showing compliance with Matco’s insurance requirements upon the initial purchase and upon the annual renewal of the policies. If Matco requires that you obtain your own insurance coverage, and you do not obtain and maintain the proper insurance coverage, Matco may purchase the required insurance on your behalf and charge your Open Purchase Account for the amount of the premium paid, as described in Item 6.

- (8) Travel expenses include the estimated cost of travel for your Principal Owner and any other attendees to and from the location of the initial training program and your home, and the cost of travel to the dealership to take delivery of your Mobile Store and to drive it home. The actual cost of travel will depend on your Principal Owner’s home location, your Principal Owner’s mode of travel and whether your Principal Owner’s Business Partner accompanies her or him to training. Travel to and from the airport for scheduled arrivals and departures, and daily travel to and from Matco’s headquarters, is provided to your Principal Owner and any Operator at no charge. (Unscheduled arrivals from the airport to the lodging facility will be at your expense.) Matco has negotiated lodging and meal accommodations at the initial training program. The cost of the room and meals will be billed directly to your Open Purchase Account. Lodging is located near Matco’s headquarters, Cleveland Hopkins International Airport, and/or Akron-Canton

Presented below in Sections 19-A and 19-B are certain operating and sales results from ~~1,502~~1,545 Distributors during the period from January 1, 2024 through December 31, 2024. The four different charts in each Section display this data for the three different types of Matco Distributorships that a Distributor may operate: (1) the “standard” Distributorship, (2) the 225, and (3) the ETD. The other (first) chart in each Section displays this data for all Distributors in the system, including standard Distributorships, 225s, and ETDs. For the purposes of this Item 19, a standard Distributorship has between 325 and 349 Potential Customers, a 225 has fewer than 325 Potential Customers, and an ETD has 350 or more Potential Customers. In 2024, there were ~~1,268~~1,311 standard Distributors, 31 225s, and 203 ETDs.

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 2024. Matco is not providing, and this Item 19 does not reflect, information regarding Distributors who started during 2024, or those who left the system or stopped selling Products during 2024.

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 2024. 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 – 2024

CHART 1

All Reporting Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$766,817	Average: \$489,391	Average: \$303,872 <u>302,140</u>
No. of Distributors Above Average: 191 <u>(37)191 (37%)</u>	No. of Distributors Above Average: 255 (50%)	No. of Distributors Above Average: 305 <u>308</u> (59 <u>60</u> %)
Median: \$717,524	Median: \$487,544	Median: \$3324,948 <u>324,948</u>
Highest: \$1,966,672	Highest: \$577,768	Highest: \$410,768
Lowest: \$579,613	Lowest: \$411,030	Lowest: \$16,995 <u>2,339</u>

CHART 2

Standard Distributorships		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>
Average: \$726,149 <u>726,124</u>	Average: \$477,882 <u>476,934</u>	Average: \$300,408 <u>299,345</u>
No. of Distributors Above Average: 167 <u>(39)175</u> <u>(40.0%)</u>	No. of Distributors Above Average: 210 <u>232</u> <u>(50.7)53.1%</u>	No. of Distributors Above Average: 250 <u>282</u> <u>(59.2)64.5%</u>
Median: \$687,626 <u>688,863</u>	Median: \$477,521 <u>481,009</u>	Median: \$318,327 <u>316,920</u>
Highest: \$1,483,674	Highest: \$557,851 <u>674,277</u>	Highest: \$404,452 <u>569,964</u>
Lowest: \$558,615 <u>438,922</u>	Lowest: \$404,737 <u>357,439</u>	Lowest: \$5,032 <u>2,339</u>

CHART 3

225 Distributorships			
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>	
Average: \$676,092 <u>702,172</u>	Average: <u>\$436,474</u>	Average: \$409,093 <u>247,432</u>	Average: \$186,583
No. of Distributors Above Average: 64 <u>(37.5)36.4%</u>	No. of Distributors Above Average: <u>6</u> <u>(60%)</u>	No. of Distributors Above Average: 7 <u>(43.8)70%</u>	No. of Distributors Above Average: 8 <u>(53.3%)</u>
Median: \$638,952 <u>633,829</u>	Median: <u>\$441,616</u>	Median: \$395,866 <u>266,596</u>	Median: \$227,159
Highest: \$987,608 <u>1,095,775</u>	Highest: <u>\$503,840</u>	Highest: \$532,232 <u>341,664</u>	Highest: \$288,784
Lowest: \$540,785 <u>584,321</u>	Lowest: <u>\$341,664</u>	Lowest: \$325,193 <u>104,710</u>	Lowest: \$7,159

CHART 4

Enhanced Territory Distributorships (ETDs)		
<u>Top 1/3</u>	<u>Middle 1/3</u>	<u>Bottom 1/3</u>

Average: \$964,951	Average: \$600,479	Average: \$365,323
No. of Distributors Above Average: 30 (44.1%)	No. of Distributors Above Average: 34 (50%)	No. of Distributors Above Average: 35 (52.2%)
Median: \$924,951 <u>\$924,639</u>	Median: \$599,528	Median: \$371,652
Highest: \$1,966,672	Highest: \$718,832	Highest: \$5483,477 <u>483,477</u>
Lowest: \$718,853	Lowest: \$485,192	Lowest: \$16,995

Notes for Section 19-A:

1. Chart 1 – *All Distributors*: Chart 1 chart reflects the operating data for ~~1,502~~ 1,545 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024 and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors in Chart 1 (Top 1/3, Middle 1/3 and Bottom 1/3) included 515 Distributors in the Top 1/3 group, 515 Distributors in the Middle 1/3 group, and 515 Distributors in the Bottom 1/3 group.

2. Chart 2 – *Standard Distributorships*: Chart 2 reflects the operating data for ~~1,268~~ 1,311 standard Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had between 325 and 349 Potential Customers, and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included ~~423~~ 437 Distributors in the Top 1/3 group, ~~423~~ 437 Distributors in the Middle 1/3 group, and ~~422~~ 437 Distributors in the Bottom 1/3 group.

3. Chart 3 – *225s*: Chart 3 reflects the operating data for 31 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had fewer than 325 Potential Customers, and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included ~~16~~ 11 Distributors in the Top 1/3 group, ~~16~~ 10 Distributors in the Middle 1/3 group, and ~~15~~ 10 Distributors in the Bottom 1/3 group.

4. Chart 4 – *ETDs*: Chart 4 reflects the operating data for 203 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had more than 350 Potential Customers, and who reported sales for at least 48 weeks during 2024. The three groupings of Distributors (Top 1/3, Middle 1/3 and Bottom 1/3) included 68 Distributors in the Top 1/3 group, 68 Distributors in the Middle 1/3 group, and 67 Distributors in the Bottom 1/3 group.

5. The term “Total Completed Business,” as used in Section 19-A, means the total cash or revenue a Distributor received during 2024 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.

6. 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.

7. 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 515 Matco Distributors. The “median” Total Completed Business of \$717,524 means that ~~191~~257 of the 515 Distributors in the group had Total Completed Business greater than ~~\$766,817~~717,524 of the 515 Distributors with group had Total Completed Business of less than that figure, and one Distributor had Total Completed Business of exactly that figure.

8. 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 – 2024

CHART 5

All Reporting Distributorships	
National Distributor Sales Average:	\$9,693
Distributors Reporting:	1,502 <u>1,545</u>
Distributors At or Above Average:	666 (43.1%)
Median:	\$9,074
Highest:	\$38,133
Lowest:	\$(1,819)

CHART 6

Standard Distributorships	
National Distributor Sales Average:	\$9,391 <u>9,633</u>
Distributors Reporting:	1,268 <u>1,311</u>
Distributors At or Above Average:	555 (43.8%) <u>544 (41.5%)</u>
Median:	\$8,871 <u>8,872</u>
Highest:	\$26,285
Lowest:	\$(1,819)

CHART 7

225 Distributorships	
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National Distributor Sales Average:	\$8,603 8,603
Distributors Reporting:	31
Distributors At or Above Average:	14 (45.2%)
Median:	\$8,125
Highest:	\$19,562
Lowest:	\$686

CHART 8

Enhanced Territory Distributorships (ETDs)	
National Distributor Sales Average:	\$11,936
Distributors Reporting:	203
Distributors At or Above Average:	93 (45.9%)
Median:	\$11,062
Highest:	\$38,133
Lowest:	\$181

Notes for Section 19-B:

1. Chart 5 – *All Distributors*: Chart 5 reflects the operating data for ~~1,502~~1,545 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024 and who reported sales for at least 48 weeks during 2024.
2. Chart 6 – *Standard Distributorships*: Chart 6 reflects the operating data for ~~1,268~~1,311 standard Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had between 325 and 349 Potential Customers, and who reported sales for at least 48 weeks during 2024.
3. Chart 7– *225s*: Chart 7 reflects the operating data for 31 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had fewer than 325 Potential Customers, and who reported sales for at least 48 weeks during 2024.
4. Chart 8 – *ETDs*: Chart 8 reflects the operating data for 203 total Matco Distributors in the United States operating pursuant to Distributorship Agreements with Matco that were in business for all of 2024, who had more than 350 Potential Customers, and who reported sales for at least 48 weeks during 2024.
5. 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 2024 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.

6. 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 2024 was \$9,074. This means that of the ~~1,502~~1,545 Distributors reporting, ~~666~~772 had weekly sales greater than \$9,074, and ~~879~~772 had weekly sales less than ~~\$9,2179~~\$9,074.
7. 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 2024 was \$38,133 and the Lowest amount was ~~\$(1819)~~\$(1,819).
8. The number of Distributors reporting sales in 2024 was ~~1,502~~1,545. The ~~1,502~~1,545 Distributors were Matco Distributors in the United States who (i) were in business at the beginning of 2024, (ii) were operating at the end of 2024, and (iii) reported sales close-outs at least 48 weeks during 2024.
9. 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.
10. 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:

1. 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.
2. During the time period covered by this financial performance representation—the 2024 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.
3. Substantiation of the data used in preparing the materials in this Item 19 chart will be made available to you upon reasonable request.
4. 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.

5. **Some distributors have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.**
6. 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.

7. 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.
8. The Matco Distributors whose results are reflected in Sections 19-A and 19-B have been operating a Matco Distributorship during 2024. Some of the Distributors have been operating their Matco Distributorship for many years, and may have developed a large and loyal customer base.
9. The information in this Item 19 reflects the historical aggregate results of ~~1,502~~1,545 Matco Distributors in 2024. 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.