

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
r. Non-competition covenants after the franchise is terminated or expires.	Section 14.C	No involvement in any business that provides Services for 2 years within 60 miles of your location or within 60 miles of another NEXTAFF Franchise.
s. Modification of the agreement.	Sections 5.H and 18.M	No modifications generally, except in writing. Operations Manual may be modified.
t. Integration /merger clause.	Section 19.N	Only the terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation.	Section 19.F	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated at our headquarters in Overland Park, KS. You are limited to the recovery of actual damages. Subject to state law.
v. Choice of forum.	Section 19.L	Litigation must be in the state courts of Johnson County, Kansas or in the federal district court in Johnson County, Kansas.  Subject to state law.
w. Choice of law.	Section 19.G	The Franchise Agreement requires application of Kansas law.  Subject to state law.

## ITEM 18

### PUBLIC FIGURES

NEXTAFF does not use any public figure to promote its 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 buyer; 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.

This financial performance representation discloses historical information regarding the average and median Gross Revenue, Gross Wages, Gross Profit and Gross Profit Percentage (all terms defined below) for 21 Units open and operating during the entire 12-month period ending December 31, 2024 (the “Measurement Period”). The 16 Traditional Units include 14 franchisee-owned Units and 2 company-owned Unit (“Traditional Units”) that are substantially similar to the Nextaff Traditional Franchises that you will operate under the Franchise Agreement. The Virtual Units include 5 franchisee-owned Units and 0 company-owned Unit (“Virtual Units”) that are substantially similar to the Nextaff Virtual Franchises that you will operate under the Franchise Agreement.

These results exclude Units that did not operate during the entire 12 Month Measurement Period, of which ten locations met this criterion.

For purposes of this Item 19, we use the following defined terms.

“Gross Revenue” is all money and other consideration paid for the Services provided to Clients of a Nextaff Unit.

“Gross Wages” includes all wages paid to a Field Employee based upon the work hours reported.

“Payroll Burden” includes all Field Employee related payroll expenses EXCEPT Gross Wages.

“Direct Payroll Costs” includes Gross Wages + Payroll Burden

“Gross Profit \$ (Dollar)” for a Nextaff Unit equals Gross Revenue minus Direct Payroll Costs, expressed as a dollar amount.

“Gross Profit % (Percentage)” for a Nextaff Unit equals Gross Profit \$ divided by Gross Revenue, expressed as a percentage.

### **Traditional Units**

During the Measurement Period:

1. The average Gross Revenue for the 16 Traditional Units was \$2,065,409. For those 16 Units, five (or 31%) were above the average and eleven (or 69%) were below the average. The Median Gross Revenue for the 16 Traditional Units was \$1,464,546. The range for both average and median Gross Revenue was from \$243,400 to \$5,334,803.
2. The average Gross Wages for those 16 Units was \$1,384,330. For those 16 Units, five (or 31%) were above the average and eleven (or 69%) were below the average. The Median Gross Wages for those 16 Units was \$950,445. The range for both average and median Gross Wages for those 16 Units was from \$165,363 to 3,783,869. The Gross Wages figure does not include other Direct Payroll Costs such as employer taxes and workman’s compensations. Those items are included in Payroll Burden below.

3. The average Payroll Burden for those 16 Units was \$202,436. For those 16 Units, five (or 31%) were above the average and eleven (or 69%) were below the average. The Median Payroll Burden for those 16 Units was \$124,180. The range for both average and median Payroll Burden for those 16 Units was from \$21,486 to \$585,151.

4. The average Gross Profit \$ for those 16 Units was \$445,738. Of those 16, six (or 38%) were above the average and ten (or 62%) were below the average. The Median Gross Profit \$ for those 16 Units was \$316,722. The range for both average and median Gross Profit \$ for those 16 Units was from \$56,549 to \$1,208,804.

5. The average Gross Profit % for those 16 Units was 25.26%. Of those 16, six (or 38%) were above the average and ten (or 62%) were below the average. The Median Gross Profit % for those 16 Units was 22.21%. The range for both average and median Gross Profit Percentage for those 16 Units was from 15.01% to 43.28%.

#### Traditional Units by Quartile Reporting

		Total Gross Revenue	Total Gross Wages	Total GP	Direct Labor	Payroll Burden	Gross Profit %
Top 25%	Unit 1	\$ 5,334,803.72	\$ 3,721,070.18	\$ 1,028,582.30	\$ 4,306,221.42	\$ 585,151.24	19.28%
	Unit 2	\$ 5,156,880.04	\$ 3,783,869.33	\$ 827,246.54	\$ 4,329,633.50	\$ 545,764.17	16.04%
	Unit 3	\$ 4,573,566.76	\$ 3,365,856.09	\$ 765,514.00	\$ 3,808,052.76	\$ 442,196.67	16.74%
	Unit 4	\$ 3,514,672.22	\$ 1,999,572.46	\$ 1,208,804.29	\$ 2,305,867.93	\$ 306,295.47	34.39%
	Average	<b>\$ 4,644,980.69</b>	<b>\$ 3,217,592.02</b>	<b>\$ 957,536.78</b>	<b>\$ 3,687,443.90</b>	<b>\$ 469,851.89</b>	<b>21.61%</b>
	Median	<b>\$ 4,865,223.40</b>	<b>\$ 3,543,463.14</b>	<b>\$ 927,914.42</b>	<b>\$ 4,057,137.09</b>	<b>\$ 493,980.42</b>	<b>18.01%</b>
Upper Mid 25%	Unit 5	\$ 3,110,950.57	\$ 2,190,422.27	\$ 513,762.22	\$ 2,597,188.35	\$ 406,766.08	16.51%
	Unit 6	\$ 1,709,798.63	\$ 1,224,472.20	\$ 290,951.24	\$ 1,418,847.39	\$ 194,375.19	17.02%
	Unit 7	\$ 1,524,837.84	\$ 1,012,155.88	\$ 367,305.28	\$ 1,157,532.56	\$ 145,376.68	24.09%
	Unit 8	\$ 1,509,117.84	\$ 908,591.81	\$ 478,886.15	\$ 1,030,231.69	\$ 121,639.88	31.73%
	Average	<b>\$ 1,963,676.22</b>	<b>\$ 1,333,910.54</b>	<b>\$ 412,726.22</b>	<b>\$ 1,550,950.00</b>	<b>\$ 217,039.46</b>	<b>22.34%</b>
	Median	<b>\$ 1,617,318.24</b>	<b>\$ 1,118,314.04</b>	<b>\$ 423,095.72</b>	<b>\$ 1,288,189.98</b>	<b>\$ 169,875.94</b>	<b>20.55%</b>
Lower Mid 25%	Unit 9	\$ 1,419,974.34	\$ 992,300.08	\$ 300,952.41	\$ 1,119,021.93	\$ 126,721.85	21.19%
	Unit 10	\$ 1,201,956.79	\$ 843,101.69	\$ 252,990.44	\$ 948,966.35	\$ 105,864.66	21.05%
	Unit 11	\$ 876,438.80	\$ 490,361.19	\$ 332,492.79	\$ 543,946.01	\$ 53,584.82	37.94%
	Unit 12	\$ 781,665.55	\$ 560,580.52	\$ 153,296.12	\$ 628,369.43	\$ 67,788.91	19.61%
	Average	<b>\$ 1,070,008.87</b>	<b>\$ 721,585.87</b>	<b>\$ 259,932.94</b>	<b>\$ 810,075.93</b>	<b>\$ 88,490.06</b>	<b>24.95%</b>
	Median	<b>\$ 1,039,197.80</b>	<b>\$ 701,841.11</b>	<b>\$ 276,971.43</b>	<b>\$ 788,667.89</b>	<b>\$ 86,826.79</b>	<b>21.12%</b>
Bottom 25%	Unit 13	\$ 603,137.75	\$ 309,831.55	\$ 261,044.65	\$ 342,093.10	\$ 32,261.55	43.28%
	Unit 14	\$ 578,972.01	\$ 372,353.37	\$ 148,482.22	\$ 430,489.79	\$ 58,136.42	25.65%
	Unit 15	\$ 379,909.47	\$ 209,380.95	\$ 144,952.19	\$ 234,957.28	\$ 25,576.33	38.15%
	Unit 16	\$ 243,400.12	\$ 165,363.95	\$ 56,549.99	\$ 186,850.13	\$ 21,486.18	23.23%
	Average	<b>\$ 451,354.84</b>	<b>\$ 264,232.46</b>	<b>\$ 152,757.26</b>	<b>\$ 298,597.58</b>	<b>\$ 34,365.12</b>	<b>32.58%</b>
	Median	<b>\$ 479,440.74</b>	<b>\$ 259,606.25</b>	<b>\$ 146,717.21</b>	<b>\$ 288,525.19</b>	<b>\$ 28,918.94</b>	<b>31.90%</b>

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## **Virtual Units Reporting**

<b>ALL</b>	<b>Total Gross Revenue</b>	<b>Total Gross Wages</b>	<b>Total GP</b>	<b>Direct Labor</b>	<b>Payroll Burden</b>	
Unit 1	\$ 264,305.93	\$ 188,790.00	\$ 56,654.26	\$ 207,651.67	\$ 18,861.67	21.44%
Unit 2	\$ 132,437.93	\$ 72,156.15	\$ 49,736.85	\$ 82,701.08	\$ 10,544.93	37.55%
Unit 3	\$ 589,239.86	\$ 369,279.41	\$ 156,786.40	\$ 432,453.46	\$ 63,174.05	26.61%
Unit 4	\$ 1,684,638.30	\$ 1,140,994.98	\$ 552,246.18	\$ 1,284,320.06	\$ 295,253.02	26.89%
Unit 5	\$ 205,460.72	\$ 147,356.90	\$ 41,460.99	\$ 163,999.73	\$ 16,642.83	20.18%
<b>Average</b>	<b>\$ 575,216.55</b>	<b>\$ 383,715.49</b>	<b>\$ 171,376.94</b>	<b>\$ 434,225.20</b>	<b>\$ 80,895.30</b>	<b>26.53%</b>
<b>Median</b>	<b>\$ 264,305.93</b>	<b>\$ 188,790.00</b>	<b>\$ 56,654.26</b>	<b>\$ 207,651.67</b>	<b>\$ 18,861.67</b>	<b>26.61%</b>

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### **Break-Even Analysis/Reporting Survey – Traditional Units**

We conducted a survey of our Traditional Units that have opened since 2017 regarding their time to break-even. We asked the question: “how long it took your Franchise to ‘break-even’ (in months) when measured on a month-to-month basis. By ‘break-even,’ we mean that the Gross Revenue of the Franchise exceeds all the costs and expenses when measured on a monthly basis.”

Based on our survey, 15 of the 16 Traditional Units responded. The average break-even response was 8.43 months. The Median response was 8 months. The range was between 3 months and 15 months.



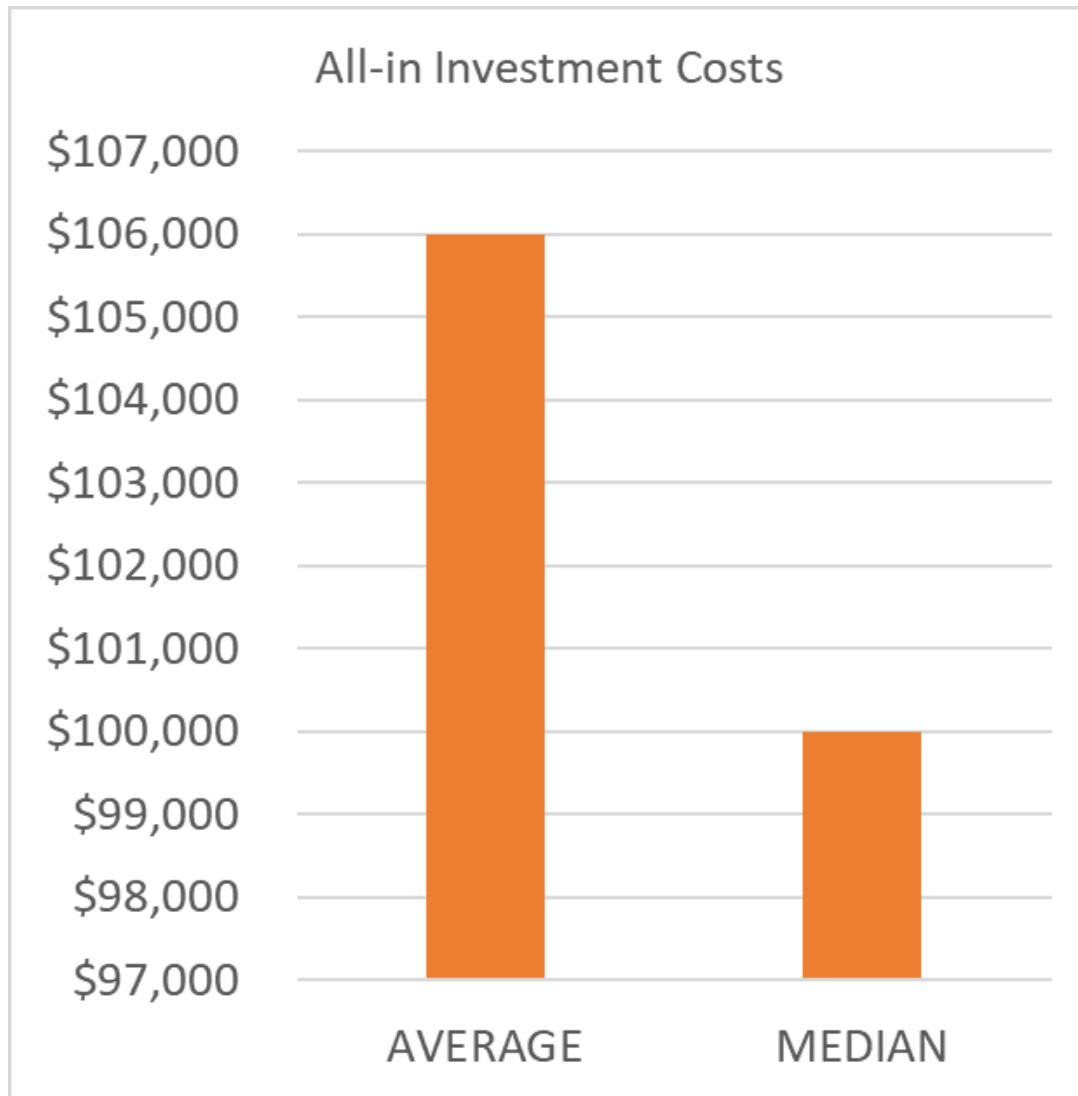
- Note: It was up to each respondent to determine the starting point of the measurement period. We did not ask to base their answer on signing the franchise agreement or upon opening. That was left to the determination of the respondent.

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### **Capital Investment/Reporting Survey – Traditional Units**

We conducted a survey of our Traditional Units that have opened since 2017 to determine the amount of investment capital that it took each Franchise to achieve “break-even” when measured on a month-to-month basis. We asked the question: “how much capital you had to invest before your Franchise reached ‘break-even’ when measured on a month-to-month basis. By ‘break-even,’ we mean that the Gross Revenue of the Franchise exceeds all the costs and expenses when measured on a monthly basis.”

Based on our survey, 15 of 16 Traditional Units responded. The average response was \$106,000. The Median response was \$100,000. The range was between \$60,000 and \$189,528.



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## **First Year Revenue Reporting – All Units**

We have tracked first year's revenue, by week, for 37 current and past Traditional and Virtual Franchises. Below represents the average and median revenue by week for those Franchises, from week 1 through week 52. The average first year revenue of those 37 Units was \$769,295. The median first year revenue of those 37 Units was \$586,710. The range for Units completing all 52 weeks was from \$93,380 to \$3,050,745.

	All Averages	Median		All Averages	Median
Week 1	1,503	936	Week 27	17,098	12,964
Week 2	2,818	1,521	Week 28	16,066	11,968
Week 3	3,264	2,395	Week 29	16,286	12,615
Week 4	4,036	3,055	Week 30	16,437	13,022
Week 5	5,701	3,848	Week 31	17,200	13,878
Week 6	5,779	3,089	Week 32	18,269	13,766
Week 7	5,984	4,076	Week 33	18,614	16,202
Week 8	7,324	4,882	Week 34	17,708	14,131
Week 9	8,068	5,308	Week 35	20,135	14,418
Week 10	8,199	5,055	Week 36	19,386	15,824
Week 11	8,955	6,992	Week 37	18,982	14,153
Week 12	9,948	7,680	Week 38	20,111	16,694
Week 13	11,055	8,002	Week 39	19,104	15,666
Week 14	10,915	8,039	Week 40	18,329	15,260
Week 15	12,605	7,267	Week 41	19,259	13,781
Week 16	11,615	8,753	Week 42	19,490	17,558
Week 17	13,377	8,315	Week 43	19,512	17,769
Week 18	13,398	9,586	Week 44	19,104	16,664
Week 19	14,942	10,917	Week 45	19,712	17,732
Week 20	14,796	10,094	Week 46	21,984	17,178
Week 21	15,696	10,458	Week 47	23,048	17,911
Week 22	14,586	10,790	Week 48	20,786	16,680
Week 23	15,080	10,803	Week 49	21,296	16,252
Week 24	15,788	11,447	Week 50	20,768	16,775
Week 25	15,857	10,334	Week 51	22,364	17,393
Week 26	15,820	11,715	Week 52	21,138	15,102

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## **Expense Proformas – Traditional Unit**

We have compiled example pro-forma expense budgets based on our low and high investment ranges for a Traditional Unit.

<b>Traditional Low Estimate Expense Only Proforma Budget</b>					
	Pre Launch (1)	Month 1	Month 2	Month 3	<b>First 6 Months</b>
<b>Item 7 Expenses (using low estimate)</b>					
Franchise Fee	49,000				<b>49,000</b>
Office & Facility Costs	2,000				<b>2,000</b>
Leasehold Improvements	1,000				<b>1,000</b>
Signage	500				<b>500</b>
FF&E	5,000				<b>5,000</b>
Computer System	4,434				<b>4,434</b>
Utility Deposits and Fees	-				-
Business Licenses & Taxes	150				<b>150</b>
Insurance	1,500				<b>1,500</b>
Launch Fee	6,321				<b>6,321</b>
Misc Expenses	4,800				<b>4,800</b>
					-
Additional Expenses					
Internal Staff Costs					
Owner/Manager	-	-	-	-	-
Recruiter / Account Manager	4,167	4,167	4,167	4,167	<b>12,500</b>
Admin/Account Manager	-	-	-	-	-
Sales Development Rep	5,000	5,000	5,000	5,000	<b>15,000</b>
Bonuses	-	109	213	213	<b>322</b>
Other Staff Costs					
Taxes	885	895	905	905	<b>2,685</b>
Benefits	1,008	1,020	1,032	1,032	<b>3,060</b>
					-
Advertising - Candidate (2)	1,000	1,000	1,000	1,000	<b>3,000</b>
Advertising - Client (2)	400	400	400	400	<b>1,200</b>
Auto and Mileage Expenses	100	100	100	100	<b>300</b>
Bank Fees	25	25	25	25	<b>75</b>
Drug Testing	100	100	100	100	<b>300</b>
Dues & Subscriptions	81	25	25	25	<b>131</b>
Legal & Professional	480	50	50	50	<b>580</b>
Brand Fund	400	400	400	400	<b>1,200</b>
Meals & Entertainment	200	200	200	200	<b>600</b>
Office Supplies	760	50	50	50	<b>860</b>
Postage	100	100	100	100	<b>300</b>
Printing & Reproduction	25	25	25	25	<b>75</b>
Rent (3)	-	1,667	1,667	1,667	<b>3,333</b>
Royalty Fees (4)					-
Technology	1,070	1,070	1,070	1,070	<b>3,210</b>
Telephone & Internet	150	150	150	150	<b>450</b>
<b>TOTAL SG&amp;A</b>	<b>74,705</b>	<b>15,951</b>	<b>16,553</b>	<b>16,679</b>	<b>123,887</b>
(1) Pre launch is typically 60-90 days					
(2) Based on historical averages and recommendations made in training					
(3) Assumes first month's rent is paid in Item 7 expenses. Also assumes 1000 sf at \$20/foot					
(4) Royalty Fees do not begin until the 7th month after signing a franchise agreement.					

Traditional High Estimate Expense Only Proforma Budget					
	Pre Launch (1)	Month 4	Month 5	Month 6	First 6 Months
<b>Item 7 Expenses (using high estimate)</b>					
Franchise Fee	49,000				49,000
Office & Facility Costs	4,500				4,500
Leasehold Improvements	5,000				5,000
Signage	7,500				7,500
FF&E	10,000				10,000
Computer System	5,423				5,423
Utility Deposits and Fees	250				250
Business Licenses & Taxes	400				400
Insurance	3,000				3,000
Launch Fee	6,321				6,321
Misc Expenses	5,300				5,300
					-
Additional Expenses					
Internal Staff Costs					-
Owner/Manager	-	-	-	-	-
Recruiter / Account Manager	5,833	5,833	5,833	17,500	
Admin/Account Manager	-	-	-	-	-
Sales Development Rep	5,833	5,833	5,833	17,500	
Bonuses	-	109	213	322	
Other Staff Costs					-
Taxes	1,126	1,136	1,146	3,409	
Benefits	1,283	1,295	1,307	3,885	
					-
Advertising - Candidate (2)	1,000	1,000	1,000	3,000	
Advertising - Client (2)	400	400	400	1,200	
Auto and Mileage Expenses	100	100	100	300	
Bank Fees	25	25	25	75	
Drug Testing	100	100	100	300	
Dues & Subscriptions	25	25	25	75	
Legal & Professional	1,186	50	50	1,286	
Brand Fund	400	400	400	1,200	
Meals & Entertainment	200	200	200	600	
Office Supplies	605	50	50	705	
Postage	100	100	100	300	
Printing & Reproduction	25	25	25	75	
Rent (3)	-	3,400	3,400	6,800	
Royalty Fees (4)				-	
Technology	1,070	1,070	1,070	3,210	
Telephone & Internet	150	150	150	450	
<b>TOTAL SG&amp;A</b>	<b>96,694</b>	<b>19,462</b>	<b>21,302</b>	<b>21,428</b>	<b>158,886</b>

(1) Pre launch is typically 3 months

(2) Based on historical averages and recommendations made in training

(3) Assumes first month's rent is paid in Item 7 expenses. Also assumes 1200 sf at \$34/foot

(4) Royalty Fees do not begin until the 7th month after signing a franchise agreement.

## **Expense Proformas – Virtual Unit**

We have compiled example pro-forma expense budgets based on our low and high investment ranges for a Virtual Unit.

<b>Virtual Low Estimate Expense Only Proforma Budget</b>					
	Pre Launch (1)	Month 1	Month 2	Month 3	<b>First 6 Months</b>
<b>Item 7 Expenses (using low estimate)</b>					
Franchise Fee	49,000				<b>49,000</b>
Office & Facility Costs	-				-
Leasehold Improvements	-				-
Signage	-				-
FF&E	250				<b>250</b>
Computer System	1,678				<b>1,678</b>
Utility Deposits and Fees	-				-
Business Licenses & Taxes	150				<b>150</b>
Insurance	1,500				<b>1,500</b>
Launch Fee	1,808				<b>1,808</b>
Misc Expenses	-				-
Additional Expenses					-
Internal Staff Costs					-
Owner/Manager	-				-
Recruiter / Account Manager	-				-
Admin/Account Manager	-				-
Sales Development Rep	-				-
Bonuses	-				-
Other Staff Costs					-
Taxes	-				-
Benefits	-				-
Advertising - Candidate (2)	500	500	500		<b>1,500</b>
Advertising - Client (2)	100	100	100		<b>300</b>
Auto and Mileage Expenses	-	-	-		-
Bank Fees	25	25	25		<b>75</b>
Drug Testing	25	25	25		<b>75</b>
Dues & Subscriptions	25	25	25		<b>75</b>
Legal & Professional	480	25	25		<b>530</b>
Brand Fund	400	400	400		<b>1,200</b>
Meals & Entertainment	25	25	25		<b>75</b>
Office Supplies	250	25	25		<b>300</b>
Postage	25	25	25		<b>75</b>
Printing & Reproduction	25	25	25		<b>75</b>
Rent (3)	250	250	250		<b>750</b>
Royalty Fees (4)					-
Technology	268	268	268		<b>803</b>
Telephone & Internet	150	150	150		<b>450</b>
<b>TOTAL SG&amp;A</b>	<b>54,386</b>	<b>2,548</b>	<b>1,868</b>	<b>1,868</b>	<b>60,669</b>
(1) Pre launch is typically 60-90 days					
(2) Based on historical averages and recommendations made in training					
(3) Assumes small flex space office					
(4) Royalty Fees do not begin until the 7th month after signing a franchise agreement.					