

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.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Historical Financial Performance Representation

This Item 19 presents certain historic financial performance information about (i) one (1) of our affiliate-owned businesses during the 2024 and 2025 calendar years, and (ii) certain of our Franchised Businesses during the calendar years 2021 through 2026 (each such time period above the "Applicable Measurement Period").

From May 2020 until April 2025, our affiliates operated two (2) IHeart Caregiver Services businesses, one of which operated primarily in Los Angeles County, California (the "LAC Affiliate-Owned Business"), and one of which operated primarily in Orange County, California (the "OC Affiliate-Owned Business"). In May 2025, our affiliate owner of the OC Affiliate-Owned Business was dissolved, and its clients and business operations were transferred to the LAC Affiliate-Owned Business, which continues to service such clients. Accordingly, as of the fiscal year ended December 31, 2025, we have one (1) affiliate-owned business that operates in both Los Angeles County and in parts of Orange County, California. For purposes of this Item 19, our one (1) remaining affiliate-owned business is referred to as the "Reporting Affiliate-Owned Business."

Part I of this Item 19 discloses the total gross revenue and certain disclosed expenses for the Reporting Affiliate-Owned Business during the 2024 and 2025 calendar years. In Part I of this Item 19, we have excluded the financial performance of the OC Affiliate-Owned Business because it ceased operating as of April 2025.

As disclosed above, the Reporting Affiliate-Owned Business now operates in both Los Angeles County, California, and in parts of Orange County, California, in a geographic area that would comprise approximately three (3) Territories of a size typically awarded to System franchisees. The Reporting Affiliate-Owned Business offers all approved services and products that our franchisees are authorized to offer at and from a Franchised Business, however, please note that the Affiliate-Owned Business is a mature business that first opened and commenced operating in September 2008, and therefore the Affiliate-Owned Business (i) has more employees and personnel than would a Franchised Business during its initial period of operations, and (ii) has more operational history as of the commencement of the Applicable Measurement Period than would a newly operational Franchised Business.

As of our 2025 fiscal year end, we also had a total of 27 franchise owners that operate within a collective thirty-three (33) territories (each such territory a “Franchised Business,” and collectively, the “Franchised Businesses”).

Part II of this Item 19 discloses the average gross revenue and associated data for certain of these Franchised Businesses during the calendar years 2021 through 2025. In Part II of this Item 19, we have excluded the financial performance data of the following Franchised Businesses: (i) in calendar year 2021, four (4) Franchised Businesses, because (a) one (1) Franchised Business was reacquired by the franchisor before the end of that year and (b) three (3) Franchised Businesses had not been operating for twelve (12) months as of December 31, 2021; (ii) in calendar year 2022, four (4) Franchised Businesses, because these businesses had not been operating for twelve (12) months as of December 31, 2022; (iii) in calendar year 2023, eight (8) Franchised Businesses, because (c) six (6) Franchised Businesses had not been operating for twelve (12) months as of December 31, 2023, and (d) an additional two (2) Franchised Businesses were resold and transferred to another System franchisee, and consequently changed ownership during the Measurement Period; (iv) in calendar year 2024, four (4) Franchised Businesses, because they had not been operating for twelve (12) months as of December 31, 2024; and (v) in calendar year 2025, ten (10) Franchised Businesses, because they had not been operating for twelve (12) months as of December 31, 2025. The remaining Franchised Businesses for which the financial performance data is reported below are referred to in this Item 19 as the “Reporting Franchised Businesses.”

From the period of January 1, 2020, to December 31, 2025, no 1Heart Caregiver Services Businesses closed after being open less than twelve (12) months.

The information in this Item 19 was reported to us by the owners of the Reporting Affiliate-Owned Business and Reporting Franchised Businesses, respectively. We have not audited this information. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

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PART I – Disclosed Financial Performance of Reporting Affiliate-Owned Business

(1/1/2024 – 12/31/2025)

	<u>2025</u>		<u>2024</u>	
	<u>Total</u>	<u>% of Gross Revenue</u>	<u>Total</u>	<u>% of Gross Revenue</u>
GROSS REVENUE	\$3,421,801.40***	100%	\$2,028,315.89	100%
<i>Caregiver Payroll</i>	<i>\$1,694,032.30</i>	<i>49.51%</i>	<i>\$1,074,485.36</i>	<i>52.97%</i>
TOTAL GROSS REVENUE LESS CAREGIVER PAYROLL	\$1,727,769.10	50.49%	\$953,830.53	47.03%
ADDITIONAL DISCLOSED EXPENSES				
<i>Employee Payroll, Payroll Taxes, and Workers' Comp</i>	<i>\$577,062.40</i>	<i>16.86%</i>	<i>\$372,746.11</i>	<i>18.38%</i>
<i>Caregiver Training</i>	<i>\$5,206.07</i>	<i>0.15%</i>	<i>\$3,976.46</i>	<i>0.20%</i>
<i>Rent & Occupancy</i>	<i>\$21,165.35</i>	<i>0.62%</i>	<i>\$34,285</i>	<i>1.69%</i>
<i>Recruitment Expenses</i>	<i>\$7,960.00</i>	<i>0.23%</i>	<i>\$8,847.03</i>	<i>0.44%</i>
<i>Retention</i>	<i>\$859.33</i>	<i>0.03%</i>	<i>\$4,781.64</i>	<i>0.24%</i>
<i>Promotional and Client Relation Expenses</i>	<i>\$11,251.22</i>	<i>0.33%</i>	<i>\$15,173.79</i>	<i>0.75%</i>
<i>Marketing and Advertising Expenses</i>	<i>\$36,078.36</i>	<i>1.05%</i>	<i>\$45,585.33</i>	<i>2.25%</i>
<i>Insurance</i>	<i>\$21,836.15</i>	<i>0.64%</i>	<i>\$8,589.00</i>	<i>0.42%</i>
<i>Accounting Expenses</i>	<i>\$1,650.00</i>	<i>0.05%</i>	<i>\$2,885.00</i>	<i>0.14%</i>
<i>Vehicle and Auto Insurance Expenses</i>	<i>\$3,607.46</i>	<i>0.11%</i>	<i>\$5,981.41</i>	<i>0.29%</i>

<i>Telephone and Internet Expenses</i>	\$7,934.23	0.23%	\$5,554.00	0.27%
<i>Dues and Software Subscriptions</i>	\$16,013.29	0.47%	\$9,804.00	0.48%
<i>Office Expenses</i>	\$7,325.77	0.21%	\$5,684.10	0.28%
<i>Licenses & Permits</i>	\$5,252.75	0.15%	\$5,603.00	0.28%
<i>Bank Service Charges</i>	\$1,770.30	0.05%	\$778.04	0.04%
TOTAL ADDITIONAL DISCLOSED EXPENSES	\$724,972.68	21.19%	\$495,988.91	24.45%
GROSS REVENUE LESS CAREGIVER PAYROLL & ADDITIONAL DISCLOSED EXPENSES	\$1,002,796.42	29.31%	\$457,841.62	22.57%
IMPUTED FEES (FRANCHISE)				
<i>Royalty (Imputed)</i>	\$171,090.07	5%	\$101,415.79	5%
<i>Brand Fund Contribution (Imputed)</i>	\$68,436.03	2%	\$40,566.32	2%
GROSS REVENUE LESS CAREGIVER PAYROLL, DISCLOSED EXPENSES & IMPUTED FEES	\$763,270.32	22.31%	\$315,859.51	15.57%

***Of the Gross Revenue reported by the Affiliate-Owned Business in 2025, a total of \$758,473 is attributable to the dissolution of the OC Affiliate-Owned Business in May 2025 and the subsequent transfer of such business's assets and clients to the LAC Affiliate-Owned Business.

**PART II – Average Gross Revenue and Associated Data of Reporting Franchised Businesses
During Applicable Measurement Periods
(Calendar Years 2021, 2022, 2023, 2024, and 2025)**

Reporting Franchised Businesses: 2021 Gross Revenue	
Number of Reporting Franchised Businesses	6
Highest Gross Revenue	\$2,050,191
Lowest Gross Revenue	\$258,928
Average Annual Gross Revenue	\$1,106,648
Median Annual Gross Revenue	\$1,066,986
Number of Reporting Franchised Businesses Greater Than Average	3

Reporting Franchised Businesses: 2022 Gross Revenue	
Number of Reporting Franchised Businesses	10
Highest Gross Revenue	\$2,706,737
Lowest Gross Revenue	\$208,927
Average Annual Gross Revenue	\$1,047,523
Median Annual Gross Revenue	\$556,901
Number of Reporting Franchised Businesses Greater Than Average	4

Reporting Franchised Businesses: 2023 Gross Revenue	
Number of Reporting Franchised Businesses	13
Highest Gross Revenue	\$3,167,558
Lowest Gross Revenue	\$221,239
Average Annual Gross Revenue	\$1,177,629
Median Annual Gross Revenue	\$602,639
Number of Reporting Franchised Businesses Greater Than Average	4

Reporting Franchised Businesses: 2024 Gross Revenue	
Number of Reporting Franchised Businesses	20
Highest Gross Revenue	\$5,193,119
Lowest Gross Revenue	\$155,089
Average Annual Gross Revenue	\$1,268,227
Median Annual Gross Revenue	\$662,526
Number of Reporting Franchised Businesses Greater Than Average	8

Reporting Franchised Businesses: 2025 Gross Revenue	
Number of Reporting Franchised Businesses	23
Highest Gross Revenue	\$4,972,597.36
Lowest Gross Revenue	\$210,688
Average Annual Gross Revenue	\$1,539,383.35
Median Annual Gross Revenue	\$1,259,517.61
Number of Reporting Franchised Businesses Greater Than Average	11

NOTES TO ITEM 19:

A. Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

B. In Part II of this Item 19, all figures are rounded to the nearest dollar.

C. Defined Terms

(1) "Caregiver Payroll," in Part I, means the total wages paid to caregivers as independent contractors during the Measurement Period, as reported by the Reporting Affiliate-Owned Business.

(2) "Employee Payroll, Payroll Taxes, and Workers' Comp," in Part I, means the total amount of (i) salaries and other wages paid to employees of the Reporting Affiliate-Owned Business during the Measurement Period, (ii) the total payroll taxes incurred by the Reporting Affiliate-Owned Business during the Measurement Period, and (iii) the total amount of workers' compensation insurance expenses incurred by the Reporting Affiliate-Owned Business during the Measurement Period. This amount does not include the value of any employee benefits, bonuses or additional compensation, additional employee insurance expenses, or any other employment-related expenses incurred during the Measurement Period.

(3) "Caregiver Training," in Part I, means the total expenses incurred by the Reporting Affiliate-Owned Business in connection with providing in-house job-related training to caregivers during the Measurement Period. It does not include any expenses incurred by the Reporting Affiliate-Owned Business on additional outside training resources during the Measurement Period.

(4) "Rent & Occupancy," in Part I, means the total rent-related expenses incurred by the Reporting Affiliate-Owned Business during the Measurement Period. The Reporting Affiliate-Owned Business currently operates in the Los Angeles area from a premises substantially larger than that recommended for a typical franchised business.

(5) "Recruitment Expenses," in Part I, means expenses incurred by the Reporting Affiliate-Owned Business in connection with the recruitment of caregivers during the Measurement Period,

including but not limited to the preparation of promotional materials and nominal caregiver referral fees.

(6) “Retention,” in Part I, means expenses incurred by the Reporting Affiliate-Owned Business in connection with caregiver incentive programs, as well as uniform expenses, during the Measurement Period.

(7) “Insurance,” in Part I, means the total costs incurred by the Reporting Affiliate-Owned Business during the Measurement Period for the business’s general liability policy and bond. It does not include the business’s auto insurance (separately accounted for under “Vehicle and Auto Insurance Expenses” above), nor the costs of other policies the Reporting Affiliate-Owned Business may carry. You must comply with our System insurance requirements and the policies for your Franchised Business may differ from those carried by the Reporting Affiliate-Owned Business. See Item 8 for our current minimum insurance requirements.

(8) “Royalty (Imputed),” in Part I, means the total amount of Royalty fees the Reporting Affiliate-Owned Business would have been required to pay during the Measurement Period if the business had entered into our current form of franchise agreement. The Reporting Affiliate-Owned Business is not required to pay a Royalty, and this amount is included for illustrative purposes only.

(9) “Brand Fund Contribution (Imputed),” in Part I, means the total amount in Brand Fund monies the Reporting Affiliate-Owned Business would have been required to contribute to the Brand Fund during the Measurement Period if the business had entered into our current form of franchise agreement. The Reporting Affiliate-Owned Business may (but is not required to) contribute to our Brand Fund, and this amount is included for illustrative purposes only.

C. You should develop your own business plan for your franchise, including capital budgets, financial statements, projections, pro forma financial statements, and other elements appropriate to your circumstances. We encourage you to consult with your own accounting, business and legal advisors to assist you in preparing your business plan.

D. The information presented in this Item 19 does not include or reflect certain operating expenses, including bonuses and additional employee compensation, employee health insurance costs, meals and entertainment expenses, depreciation expenses, and certain other operating costs and expenses that you will incur in connection with the operation of your Franchised Business. Franchisees or former franchisees listed in Exhibit F to this Disclosure Document may be one source of this information.

E. Other than the payroll and workmen’s compensation tax information disclosed above, the information presented in this Item 19 excludes tax liabilities, including sales tax, property tax and local taxes. You will be responsible for all taxes incurred in connection with the operation of your Franchised Business. You are strongly advised to consult with a tax professional before investing in this franchise opportunity.

Other than the preceding financial performance representation, we do not make any financial performance representation. 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 our management by contacting our CEO, Belina Calderon-Nernberg, at 16530 Ventura Blvd., Suite 500, Encino, California 91436, Telephone (844) 814-3278, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2023 TO 2025				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	15	22	+7
	2024	22	26	+4
	2025	26	33	+7
Company Owned	2023	2	2	0
	2024	2	2	0
	2025	2	1	-1
TOTAL OUTLETS	2023	17	24	+7
	2024	24	28	+4
	2025	28	34	+6

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2023 TO 2025		
State	Year	Number of Transfers
California	2023	2
	2024	0
	2025	0
Total	2023	2
	2024	0
	2025	0