

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		disclaim the representations made in the franchise disclosure document.
u. Dispute resolution by arbitration or mediation.	Section 18.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 18.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 18.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 17 Units open and operating during the entire 12-month period ending December 31, 2023 (the "Measurement Period"). These include 16 franchisee-owned Units and 1 company-owned Unit ("Traditional Units") that are substantially similar to the Nextaff Offices that you will operate under the Franchise Agreement.

These results exclude Units that either:

(1) did not operate during the entire 12 Month Measurement Period, of which nine locations met this criterion. or

(2) operate a “Non-Traditional Unit” which we define as a Unit with:

(a) Technology as their primary vertical, of which no location met this criterion, or,

(b) a location located on a client premises, commonly known as an “on-site” location, of which one location met this criterion, or,

(c) a location that has no full-time employees at a physical location, commonly known as a “satellite” location, of which nine 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 17 Traditional Units was \$2,583,887. For those 17 Units, six (or 35%) were above the average and eleven (or 65%) were below the average. The Median Gross Revenue for the 17 Traditional Units was \$2,293,699. The range for both average and median Gross Revenue was from \$204,896 to \$6,490,111.
2. The average Gross Wages for those 17 Units was \$1,767,521. Of those 17, seven (or 41%) were above the average cost of Gross Wages and ten (or 59%) were below the average cost of Gross Wages. The Median Gross Wages for those 17 Units was \$1,585,414. The range for both average and median Gross Wages for those 17 Units was from \$84,362 to \$4,232,959. 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 17 Units was \$253,667. Of those 17, eight (or 47%) were above the average cost for Payroll Burden and nine (or 53%) were below the average cost of Payroll

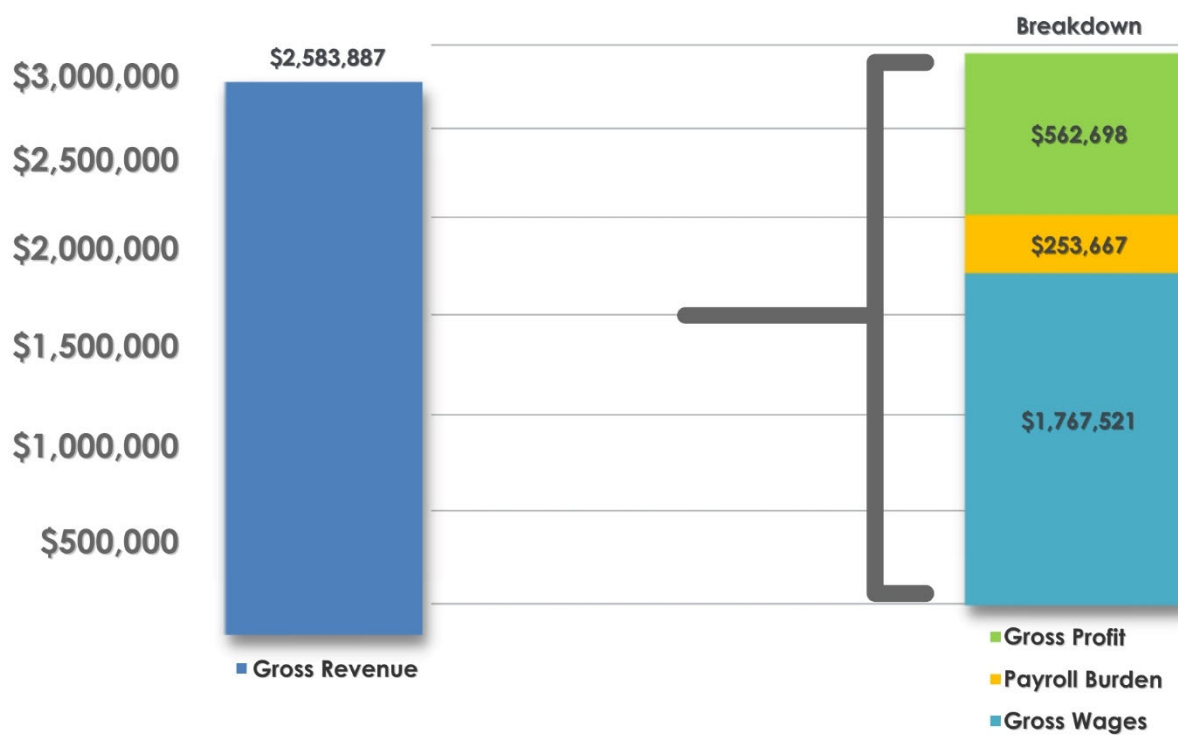
Burden. The Median Payroll Burden for those 17 Units was \$208,781. The range for both average and median Payroll Burden for those 17 Units was from \$22,609 to \$745,090.

4. The average Gross Profit \$ for those 17 Units was \$562,698. Of those 17, seven (or 41%) were above the average and ten (or 59%) were below the average. The Median Gross Profit \$ for those 17 Units was \$488,336. The range for both average and median Gross Profit \$ for those 17 Units was from \$97,924 to \$1,648,790.
5. The average Gross Profit % for those 17 Units was 26.19%. Of those 17, seven (or 41%) were above the average and ten (or 59%) were below the average. The Median Gross Profit % for those 17 Units was 21.70%. The range for both average and median Gross Profit Percentage for those 17 Units was from 14.41% to 55.10%.

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The tables below reflect combined information of a Traditional Unit and any satellite offices operating under the same franchise agreement. In 2023, three (3) or 18% of the 17 Traditional Units operated satellite offices.

**Average figure break-down**



## Office by Quartile Reporting

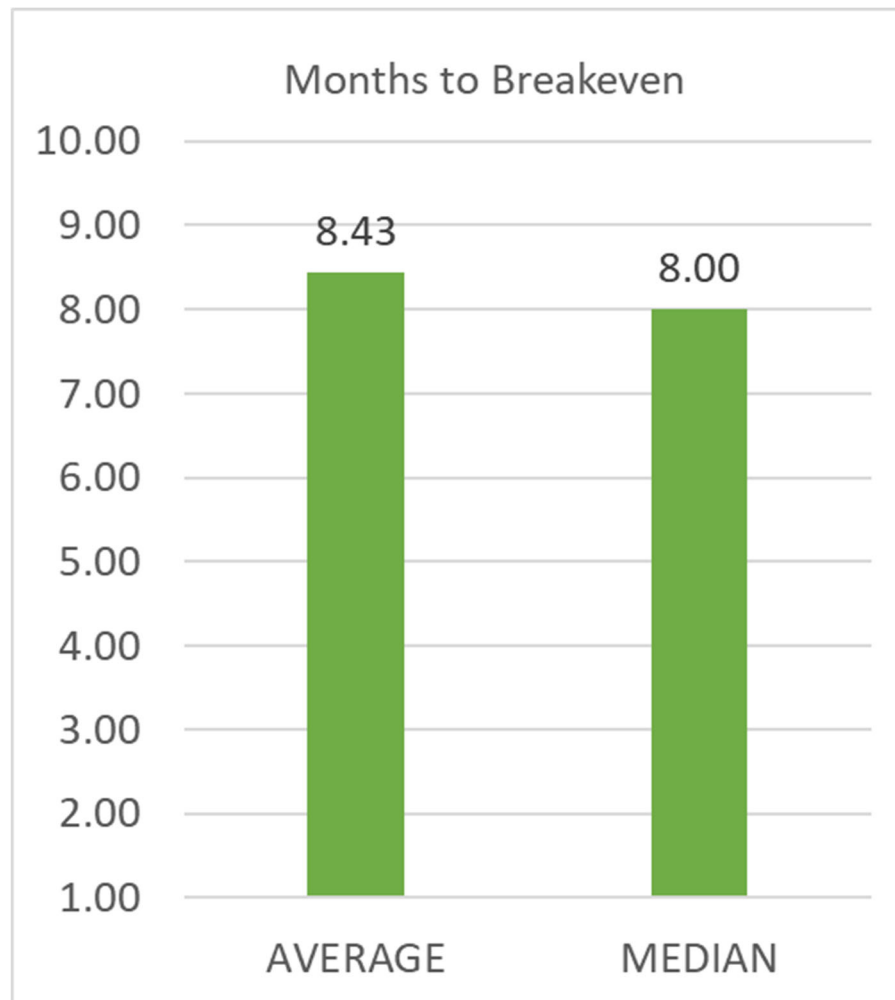
		Total Gross Revenue	Total Gross Wages	Total GP	Direct Labor	Payroll Burden	Gross Profit %
<b>Top 25%</b>	Unit #1	\$ 6,490,111.15	\$ 4,232,959.02	\$ 1,648,790.74	\$ 4,841,320.41	\$ 608,361.39	25%
	Unit #2	\$ 5,569,289.23	\$ 4,021,618.78	\$ 802,579.57	\$ 4,766,709.66	\$ 745,090.88	14%
	Unit #3	\$ 4,576,288.78	\$ 3,230,509.36	\$ 845,130.08	\$ 3,731,158.70	\$ 500,649.34	18%
	Unit #4	\$ 4,164,437.19	\$ 3,034,443.53	\$ 696,136.95	\$ 3,468,300.24	\$ 433,856.71	17%
	<b>average</b>	<b>\$ 5,200,031.59</b>	<b>\$ 3,629,882.67</b>	<b>\$ 998,159.34</b>	<b>\$ 4,201,872.25</b>	<b>\$ 571,989.58</b>	<b>19%</b>
	<b>median</b>	<b>\$ 5,072,789.01</b>	<b>\$ 3,626,064.07</b>	<b>\$ 823,854.83</b>	<b>\$ 4,248,934.18</b>	<b>\$ 554,505.37</b>	<b>18%</b>
<b>Upper Mid 25%</b>	Unit #5	\$ 3,993,232.39	\$ 2,944,840.84	\$ 656,898.17	\$ 3,336,334.22	\$ 391,493.38	16%
	Unit #6	\$ 3,540,455.83	\$ 2,255,821.57	\$ 995,751.22	\$ 2,544,704.61	\$ 288,883.04	28%
	Unit #7	\$ 2,486,369.05	\$ 1,786,977.84	\$ 418,169.44	\$ 2,068,199.61	\$ 281,221.77	17%
	Unit #8	\$ 2,358,244.80	\$ 1,648,325.97	\$ 501,137.70	\$ 1,857,107.10	\$ 208,781.13	21%
	<b>average</b>	<b>\$ 3,094,575.52</b>	<b>\$ 2,158,991.56</b>	<b>\$ 642,989.13</b>	<b>\$ 2,451,586.39</b>	<b>\$ 292,594.83</b>	<b>21%</b>
	<b>median</b>	<b>\$ 3,013,412.44</b>	<b>\$ 2,021,399.71</b>	<b>\$ 579,017.94</b>	<b>\$ 2,306,452.11</b>	<b>\$ 285,052.41</b>	<b>19%</b>
<b>Lower Mid 25%</b>	Unit #9	\$ 2,293,699.00	\$ 1,585,414.40	\$ 437,263.31	\$ 1,856,435.69	\$ 271,021.29	19%
	Unit #10	\$ 2,250,345.33	\$ 1,560,624.21	\$ 488,336.06	\$ 1,762,009.27	\$ 201,385.06	22%
	Unit #11	\$ 1,321,722.55	\$ 873,116.61	\$ 441,934.80	\$ 879,787.75	\$ 6,671.14	33%
	Unit #12	\$ 1,293,863.83	\$ 812,815.45	\$ 362,124.94	\$ 931,738.89	\$ 118,923.44	28%
	<b>average</b>	<b>\$ 1,789,907.68</b>	<b>\$ 1,207,992.67</b>	<b>\$ 432,414.78</b>	<b>\$ 1,357,492.90</b>	<b>\$ 149,500.23</b>	<b>26%</b>
	<b>median</b>	<b>\$ 1,786,033.94</b>	<b>\$ 1,216,870.41</b>	<b>\$ 439,599.06</b>	<b>\$ 1,346,874.08</b>	<b>\$ 160,154.25</b>	<b>25%</b>
<b>Bottom 25%</b>	Unit #10	\$ 1,138,793.97	\$ 800,603.24	\$ 238,143.01	\$ 900,650.96	\$ 100,047.72	21%
	Unit #11	\$ 1,039,327.38	\$ 420,287.65	\$ 572,699.23	\$ 466,628.15	\$ 46,340.50	55%
	Unit #12	\$ 756,988.04	\$ 492,913.13	\$ 212,013.27	\$ 544,974.77	\$ 52,061.64	28%
	Unit #13	\$ 448,019.05	\$ 262,232.30	\$ 150,833.53	\$ 297,185.52	\$ 34,953.22	34%
	Unit #14	\$ 204,896.38	\$ 84,362.12	\$ 97,924.77	\$ 106,971.61	\$ 22,609.49	48%
	<b>average</b>	<b>\$ 717,604.96</b>	<b>\$ 412,079.69</b>	<b>\$ 254,322.76</b>	<b>\$ 463,282.20</b>	<b>\$ 51,202.51</b>	<b>37%</b>
	<b>median</b>	<b>\$ 756,988.04</b>	<b>\$ 420,287.65</b>	<b>\$ 212,013.27</b>	<b>\$ 466,628.15</b>	<b>\$ 46,340.50</b>	<b>34%</b>

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### **Break-Even Analysis/Reporting Survey**

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 office to ‘break-even’ (in months) when measured on a month-to-month basis. By ‘break-even,’ we mean that the Gross Revenue of the Office exceeds all the costs and expenses when measured on a monthly basis.”

Based on our survey, 15 of the 17 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.



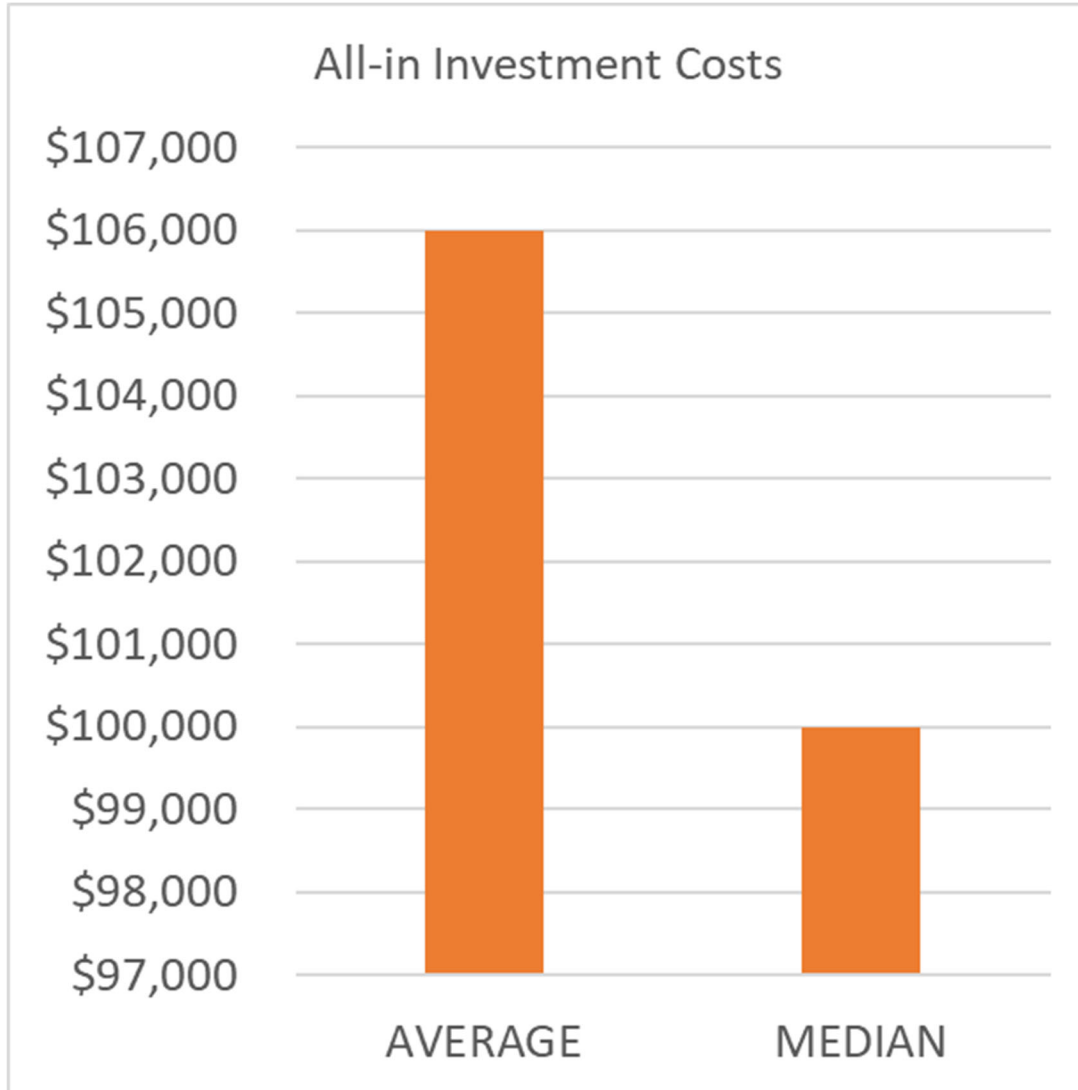
- Note: It was up to each respondent to determine the starting point of the measurement period. We did not ask to base their answer on signing the franchise agreement or upon opening. That was left to the determination of the respondent.

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### **Capital Investment/Reporting Survey**

We conducted a survey of our Traditional Units that have opened since 2017 to determine the amount of investment capital that it took each Office 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 office reached ‘break-even’ when measured on a month-to-month basis. By ‘break-even,’ we mean that the Gross Revenue of the Office exceeds all the costs and expenses when measured on a monthly basis.”

Based on our survey, 15 of 17 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**

We have tracked first year's revenue, by week, for 36 Traditional and Non-Traditional Healthcare and Commercial Units. Below represents the average and median revenue by week for those Units, from week 1 through week 52. The average first year revenue of those 36 Units was \$810,295. The median first year revenue of those 36 Units was \$602,278. The range for Units completing all 52 weeks was from \$93,380 to \$3,050,745.

	<b>Average</b>	<b>Median</b>		<b>Average</b>	<b>Median</b>
Week 1	1,527	973	Week 27	17,293	13,729
Week 2	2,903	1,566	Week 28	17,056	12,083
Week 3	3,161	2,321	Week 29	16,783	12,730
Week 4	3,935	2,614	Week 30	17,247	14,098
Week 5	5,036	3,329	Week 31	18,130	13,887
Week 6	5,506	3,089	Week 32	20,427	13,917
Week 7	5,812	4,065	Week 33	20,874	16,367
Week 8	7,057	4,533	Week 34	19,928	15,348
Week 9	7,037	5,059	Week 35	22,594	16,354
Week 10	8,033	5,720	Week 36	21,660	15,866
Week 11	8,930	6,992	Week 37	20,968	14,943
Week 12	9,839	7,680	Week 38	22,388	16,772
Week 13	10,909	8,002	Week 39	21,326	16,155
Week 14	10,369	8,039	Week 40	20,465	15,589
Week 15	12,264	7,267	Week 41	21,473	17,414
Week 16	12,104	8,753	Week 42	21,617	17,695
Week 17	13,379	8,315	Week 43	21,554	18,044
Week 18	13,897	9,586	Week 44	21,396	17,014
Week 19	15,712	11,373	Week 45	22,080	18,021
Week 20	15,517	10,094	Week 46	22,695	17,178
Week 21	16,226	10,458	Week 47	23,656	17,911
Week 22	15,259	11,201	Week 48	21,444	17,040
Week 23	15,741	11,728	Week 49	21,848	16,252
Week 24	16,391	11,697	Week 50	21,286	16,775
Week 25	16,116	11,106	Week 51	22,839	17,393
Week 26	16,870	12,364	Week 52	21,738	15,778



## Expense Proformas

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

Low Estimate Expense Only Proforma Budget						
		Pre Launch (1)	Month 1	Month 2	Month 3	First 6 Months
<b>Item 7 Expenses (using low estimate)</b>						
Franchise Fee		49,000				49,000
Office & Facility Costs		2,000				2,000
Leasehold Improvements		1,000				1,000
Signage		500				500
FF&E		5,000				5,000
Computer System		4,434				4,434
Utility Deposits and Fees		-				-
Business Licenses & Taxes		150				150
Insurance		1,500				1,500
Launch Fee		9,125				9,125
Misc Expenses		5,025				5,025
						-
Additional Expenses						-
Internal Staff Costs						-
Owner/Manager			-	-	-	-
Recruiter / Account Manager			4,167	4,167	4,167	12,500
Admin/Account Manager			-	-	-	-
Sales Development Rep			5,000	5,000	5,000	15,000
Bonuses			-	109	213	322
Other Staff Costs						-
Taxes			885	895	905	2,685
Benefits			1,008	1,020	1,032	3,060
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			81	25	25	131
Legal & Professional			480	50	50	580
Marketing Fund			400	400	400	1,200
Meals & Entertainment			200	200	200	600
Office Supplies			760	50	50	860
Postage			100	100	100	300
Printing & Reproduction			25	25	25	75
Rent (3)			-	1,667	1,667	3,333
Royalty Fees (4)						-
Technology			998	998	998	2,994
Telephone & Internet			150	150	150	450
<b>TOTAL SG&amp;A</b>		<b>77,734</b>	<b>15,879</b>	<b>16,481</b>	<b>16,607</b>	<b>126,700</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.						

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	9,125				9,125
	Misc Expenses	5,525				5,525
						-
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
	Marketing 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		998	998	998	2,994
	Telephone & Internet		150	150	150	450
	<b>TOTAL SG&amp;A</b>	<b>99,723</b>	<b>19,390</b>	<b>21,230</b>	<b>21,356</b>	<b>161,700</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.