

| | | |
|---|--------|---|
| u. Dispute resolution by arbitration or mediation | 11.7 | Good faith participation in negotiation and mediation are preconditions to arbitration. Aside from requests for injunctions and related claims, all disputes that are not settled must be decided by binding arbitration by the AAA under its rules for commercial arbitration. |
| v. Choice of forum | 11.7.5 | Mediation and arbitration must be in Franklin County, Ohio (except as modified by applicable state law) |
| w. Choice of law | 11.2 | Except as to claims governed by federal law, Ohio law governs (except as modified by applicable state law). |

ITEM 18. PUBLIC FIGURES

We do not use any public figures to promote our 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 buying; or (2) 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.

Here we set forth certain historical financial performance representations in the tables further below, using the following definitions.

DEFINITIONS

a) Annual Gross Revenues – means the actual gross revenues derived by each franchisee for the 12 months previous to the survey as determined by franchisees royalty reports.

b) Annual Gross Profit - means the actual gross revenues derived by each franchisee for the 12 months previous to the survey, less the cost of services sold, which includes credit card fees, 3D Upload and Floor Plan fees, the Technology/Syndication fee, Virtual Staging fees, Agent Transparent Background fees, 40% split on the Featured Agent Membership fees, Broker Team Leader fees, Curb Lead fees, Lender Network Advertising Program fees, Sales Tax and total Royalty paid, during the same period as determined by franchisees royalty reports. Cost of services does not include operating expenses such as insurance, online accounting software, labor, auto expenses, advertising, phone or internet service.

- c) Franchise Network – "Franchise Network" means the interdependent network composed of all HOMMATI® franchisees.
- d) Franchisee Benchmark Survey – refers to a survey that was sent out to all franchisees in our Franchise Network in November 2024 and the results of this survey in addition to the monthly Royalty Reports for the 12 months prior which were used to create this Financial Performance Representation.
- e) Full-Time Basis – means those Franchise Outlets that reported in the survey they were operating at 40 or more hours per week.
- f) Operating Time Period – means the period of time that each franchisee had been operating and within the tier levels shown.
- g) Part-Time Basis – means those Franchise Outlets that reported in the survey they were operating at less than 40 hours per week.

Royalty Report – means the automated electronic system in our franchise dashboard that totals the Monthly Gross Revenue from the billings each franchisee made in the month and then calculates the royalties payable by each franchisee. All billings for all jobs performed must be billed within your franchise dashboard and only within your dashboard.

BASIS AND ASSUMPTIONS

The financial information was prepared on a basis consistent with generally accepted accounting principles during the respective measurement periods. The information in this analysis has not been audited, it is based on actual historical financial data for the 12 months period prior to the survey as per the Royalty Report generated for those 12 months as well as the answers provided in a Franchisee Benchmark Survey that was conducted.

FRANCHISE NETWORK

We surveyed our Franchise Network in November 2024. At that time, we had 124 franchisees. Of those 124 franchisees, 83 franchisees (66.9%) completed the survey. Of those 83 franchisees, 14 franchises (16.9%) were not operating for the entire 12 months previous and were excluded from these tables.

Of the 69 remaining franchisees, 27 franchises (39.1%) reported they were operating on a Full-Time Basis and 42 franchisees (60.9%) reported they were operating on a Part-Time Basis.

Table 1 reflects the Hommati Franchisees in our Franchise Network operating on a Full-Time Basis.

TABLE 1 FULL-TIME BASIS

| HIGHEST FULL-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
|---|------------------------------|----------------------------|
| Over 5 + Years (1 Franchisee) | \$531, 587.33 | \$445,867.27 |
| Over 4 Years (1 Franchisee) | \$395,045.25 | \$308,897.27 |
| Over 3 Years (1 Franchisee) | \$125,5607.76 | \$109,654.27 |
| Over 2 Years (1 Franchisee) | \$112,459.95 | \$93,836.82 |
| Over 1 Year (1 Franchisee) | \$90,484.79 | \$75,636.36 |
| AVERAGE FULL-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
| Over 5+ Years (Average of 7 Franchisees) | \$204,292.74 | \$166,868.00 |
| Over 4 Years (Average of 7 Franchisees) | \$149,334.77 | \$119,322.08 |
| Over 3 Years (Average of 7 Franchisees) | \$86,718.40 | \$72,867.29 |
| Over 2 Years (Average of 5 Franchisees) | \$71,807.86 | \$60,118.83 |
| Over 1 Year (Average of 1 Franchisee) | \$90,484.79 | \$75,636.36 |
| MEDIAN FULL-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
| Over 5 + Years (Average of 7 Franchisees) | \$180,561.52 | \$137,077.07 |
| Over 4 Years (Average of 7 Franchisees) | \$90,111.70 | \$65,918.58 |
| Over 3 Years (Average of 7 Franchisees) | \$96,227.22 | \$79,622.95 |
| Over 2 Years (Average 5 Franchisees) | \$58,941.75 | \$49,213.16 |
| Over 1 Year (Average 1 Franchisee) | \$90,484.79 | \$75,636.36 |
| LOWEST FULL-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
| Over 5 + Years (1 Franchisee) | \$59,651.05 | \$47,716.38 |
| Over 4 Years (1 Franchisee) | \$50, 473.92 | \$40,033.07 |
| Over 3 Years (1 Franchisee) | \$36, 064.14 | \$26,056.76 |
| Over 2 Years (1 Franchisee) | \$41, 679.70 | \$33,160.34 |
| Over 1 Year (1 Franchisee) | \$90, 484.79 | \$75,636.36 |

TABLE 1.1 FULL-TIME BASIS STATED RESULTS

| | Annual Gross Revenues | Annual Gross Profit | Number Who Attained or Surpassed Stated Result* | Percentage Who Attained or Surpassed Stated Result* |
|--------------------------|-----------------------|---------------------|---|---|
| HIGHEST FULL-TIME | | | | |
| | \$531,587.33 | \$445,867.27 | 1 | 4% |
| | | | | |
| AVERAGE FULL-TIME | | | | |
| | \$130,812.79 | \$107,023.41 | 7 | 26% |
| | | | | |
| MEDIAN FULL-TIME | | | | |
| | \$96,227.22 | \$81,515.89 | 14 | 52% |
| | | | | |
| LOWEST FULL-TIME | | | | |
| | \$36,064.14 | \$9,145.62 | 27 | 100% |

Notes to Table 1.1

1. This table takes into account all franchisees who were operating on a Full-Time Basis regardless to their Operating Time Period. It includes all franchisees who were operating for the entire 12 months prior to the survey.

2. * The “stated result” in the table above refers to Annual Gross Profit. The number and percent that attained or surpassed the stated result refers to the number and percent for all tiers of the table above that attained or surpassed the Annual Gross Profit.

TABLE 1.2 NUMBER OF FULL-TIME FRANCHISEES PER OPERATING LEVEL

| FULL-TIME FRANCHISEE’S OPERATING TIME | NUMBER OF FULL-TIME FRANCHISEES AT THIS LEVEL |
|---------------------------------------|---|
| | |
| Over 5 Years | 7 |
| | |
| Over 4 Years | 7 |
| | |
| Over 3 Years | 7 |
| | |
| Over 2 Years | 5 |
| | |
| Over 1 Year | 1 |

Table 2 reflects the Hommati Franchisees in our Franchise Network operating on a Part-Time Basis.

TABLE 2 PART-TIME BASIS

| HIGHEST PART-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
|--|------------------------------|----------------------------|
| Over 5 + Years (1 Franchisee) | \$119,990.41 | \$101,834.87 |
| Over 4 Years (1 Franchisee) | \$111,694.38 | \$93,613.03 |
| Over 3 Years (1 Franchisee) | \$ 73,397.30 | \$59,396.05 |
| Over 2 Years (1 Franchisee) | \$ 58,948.85 | \$45,584.74 |
| Over 1 Year (1 Franchisee) | \$ 52,067.70 | \$39,282.20 |
| AVERAGE PART-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
| Over 5 + Years (Average of 8 Franchisees) | \$48,851.05 | \$37,467.12 |
| Over 4 Years (Average of 9 Franchisees) | \$32,729.42 | \$24,581.76 |
| Over 3 Years (Average of 9 Franchisees) | \$20,082.64 | \$14,526.91 |
| Over 2 Years (Average of 8 Franchisees) | \$18,686.31 | \$12,875.97 |
| Over 1 Year (Average of 8 Franchisees) | \$14,642.13 | \$9,095.26 |
| MEDIAN PART-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
| Over 5 + Years (Average of 8 Franchisees)* | \$35,240.56 | \$25,799.01 |
| Over 4 Years (Average of 9 Franchisees) | \$17,259.94 | \$11,545.34 |
| Over 3 Years (Average of 9 Franchisees) | \$14,130.06 | \$9,171.48 |
| Over 2 Years (Average of 8 Franchisees)* | \$16,600.82 | \$11,223.69 |
| Over 1 Year (Average of 8 Franchisees)* | \$5,716.46 | \$2,258.47 |
| LOWEST PART-TIME | ANNUAL GROSS REVENUES | ANNUAL GROSS PROFIT |
| Over 5 + Years (1 Franchisee) | \$15,626.36 | \$10,429.81 |
| Over 4 Years (1 Franchisee) | \$1,610.85 | -\$583.34 |
| Over 3 Years (1 Franchisee) | \$2,970.44 | \$121.89 |
| Over 2 Years (1 Franchisee) | \$1,006.81 | -\$1,560.39 |
| Over 1 Year (1 Franchisee) | \$414.45 | -\$1,997.37 |

Notes to Table 2

* There were an even number of franchisees in these tiers, so we added the two middle values and divided by 2 in order to get an accurate median value.

TABLE 2.1 PART-TIME BASIS STATED RESULTS

| | Annual Gross Revenues | Annual Gross Profit | Number Who Attained or Surpassed Stated Result* | Percentage Who Attained or Surpassed Stated Result* |
|--------------------------|-----------------------|---------------------|---|---|
| HIGHEST PART-TIME | | | | |
| | \$119,990.41 | \$101,834.87 | 1 | 2.4% |
| | | | | |
| AVERAGE PART-TIME | | | | |
| | \$26,970.10 | \$19,702.02 | 14 | 33.3% |
| | | | | |
| MEDIAN PART-TIME | | | | |
| | \$19,631.99 | \$11,694.81 | 21 | 50% |
| | | | | |
| LOWEST PART-TIME | | | | |
| | \$ 414.45 | -\$1,997.37 | 42 | 100% |

Notes to Table 2.1

1. This table takes into account all franchisees who were operating on a Part-Time Basis regardless to their Operating Time Period. It includes all franchisees who were operating for the entire 12-month period prior to the survey.

2. * The “stated result” in the table above refers to Annual Gross Profit. The number and percent that attained or surpassed the stated result refers to the number and percent in each tier of the table above that attained or surpassed the Annual Gross Profit shown in each row for that tier.

TABLE 2.2 NUMBER OF PART-TIME FRANCHISEES PER OPERATING LEVEL

| PART-TIME FRANCHISEE’S OPERATING TIME | NUMBER OF PART-TIME FRANCHISEES AT THIS LEVEL |
|---------------------------------------|---|
| | |
| Over 5 Years | 9 |
| | |
| Over 4 Years | 8 |
| | |
| Over 3 Years | 9 |
| | |
| Over 2 Years | 8 |
| | |
| Over 1 Year | 8 |

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

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 Jerry Clum, CEO, 6264 S. Sunbury Rd. Ste.100, Westerville, OH 43081 and (833) 466-6284, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

**System Wide Outlet Summary
For Fiscal Years Ending November 30, 2022, 2023, 2024**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|--------------------------|-------------|---|---|-------------------|
| Franchised | 2022 | 125 | 140 | +15 |
| | 2023 | 140 | 128 | -12 |
| | 2024 | 128 | 124 | -4 |
| Company Owned | 2022 | 0 | 0 | 0 |
| | 2023 | 0 | 8 | +8 |
| | 2024 | 8 | 9 | +1 |
| Total Outlets | 2022 | 125 | 140 | +15 |
| | 2023 | 140 | 136 | -4 |
| | 2024 | 136 | 133 | -3 |