

Risk Factors Comparison 2025-04-15 to 2024-04-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

Risks Related to Our Business and Operations • Our independent registered public accounting firm’s report contains an explanatory paragraph that expresses substantial doubt about our ability to continue as a “ going concern. ” • We have a limited operating history with financial results that may not be indicative of future performance, and our revenue growth rate is likely to slow down **as our business matures and may slow down** due to the recent antitrust litigation ~~and as our business matures.~~ • Impairment of goodwill and intangible assets may adversely impact future results of operations. • We may not realize the expected benefits of our recent acquisitions because of integration difficulties and other challenges. • If we fail to raise additional capital, our ability to implement our business model and strategy could be compromised. • The residential real estate market is cyclical, and we can be negatively impacted by downturns in this market and by general economic conditions. • The lack of financing for homebuyers in the U. S. residential real estate market at favorable rates and on favorable terms has had a material adverse effect on our financial performance and results of operations. • The housing market is currently in flux with higher mortgage interest rates and generally increasing home prices which makes it difficult to predict future market trends. Any decrease in home sales in the future will have an adverse effect on our financial performance and results of operations. • We may fail to successfully execute our strategies to grow our business, including increasing our agent count, expanding the number of our franchisees and agents, or we may fail to manage our growth effectively, which could have a material adverse effect on our brand, our financial performance and results of operations. • We might not be able to attract and retain additional qualified agents and other personnel. • Our financial results are affected directly by the operating results of franchisees and agents, over whom we do not have direct control. • We are dependent upon the truthfulness of our franchisees to provide accurate reports and accounting to us. • We depend substantially on our Founder, Joseph La Rosa, and the loss of any our senior management or other key employees or the inability to hire additional qualified personnel could adversely affect our operations, our brand and our financial performance. • Concentration of ownership of our voting stock by Mr. La Rosa will prevent new investors from influencing significant corporate decisions. iii • Mr. La Rosa will control all matters that come before the stockholders for a vote and thus we are a “ controlled company ” within the meaning of the Nasdaq listing requirements and, as a result, the Company will qualify for exemptions from certain corporate governance requirements. If we take advantage of such exemptions, you will not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements. • We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business and financial condition. • Adverse outcomes in litigation and regulatory actions against the NAR **(as defined below)**, other real estate brokerage companies and agents in our industry could adversely impact our financial results. • If we attempt to, or acquire other complementary businesses, we will face certain risks inherent with such activities. Risks Associated with Our Capital Stock • **Our failure** ~~We may not be able to maintain the~~ **our compliance with Nasdaq’s continued listing of standards or other requirements could result in** our Common Stock ~~on being delisted from~~ Nasdaq, which could adversely affect our liquidity and the trading volume and market price of our Common Stock and decrease or eliminate your investment. • The market price for our Common Stock may be particularly volatile given our status as a relatively unknown company with a small and thinly traded public float, and minimal profits, which could lead to wide fluctuations in our share price. • If our securities become subject to the penny stock rules, it would become more difficult to trade our shares. • We may have violated Section 13 (k) of the Exchange Act (implementing Section 402 of the Sarbanes- Oxley Act of 2002) and may be subject to sanctions as a result. • Our status as an “ emerging growth company ” under the JOBS Act may make it more difficult to raise capital as and when we need it. • If we continue to fail to maintain an effective system of disclosure controls and fail to maintain an effective system of internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. General Risks • If we fail to protect the privacy of employees, independent contractors, or consumers or personal information that they share with us, our reputation and business could be significantly harmed. • Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business. • Anti- takeover provisions in our amended and restated articles of incorporation and bylaws, as well as provisions in Nevada law, might discourage, delay or prevent a change of control of our Company or changes in our management and, therefore, depress the trading price of our ~~Securities~~ **securities**. We discuss these and other risks and uncertainties in the **Part I, Item 1A** ~~“ 1A- Risk Factors ”~~ **“ 1A- Risk Factors ”** of this Annual Report on the Form 10- K. PART I Item 1. Business. Overview We are the holding company for ~~five six~~ **five six** agent- centric, technology- integrated, cloud- based, multi- service real estate segments. Our ~~primary business, La Rosa Realty, LLC, has been listed in the~~ **primary business, La Rosa Realty, LLC, has been listed in the** “ Top 75 Residential Real Estate Firms in the United States ” from 2016 through 2020 by the National Association of Realtors, ~~the leading real estate industry trade association in the United States.~~ Our business was founded by Mr. Joseph La Rosa, a successful real estate developer, business and life coach, author, podcaster, and public speaker. Mr. La Rosa’s self- help book “ Do It Now ” is a roadmap to personal success and well- being based on his transformative theories of family, passion and growth. His philosophy, seminars and educational forums have attracted numerous successful realtors that have spurred the growth of our business. In addition to providing person- to- person residential and commercial real estate brokerage services to the public, we cross ~~sell~~ **sell** ancillary technology- based products and services primarily to our sales agents and the sales agents associated with our franchisees. Our business is organized based on the services we provide internally to our agents and to the public, which are residential and commercial real estate brokerage, franchising, real estate brokerage education and coaching, ~~and~~ **and** property management, **and title services**. Our real estate brokerage business operates primarily under the trade name La

Rosa Realty, which we own, and, to a lesser extent, under the trade name Better Homes Realty which we license. We have 19 La Rosa Realty corporate real estate brokerage offices and branches located in Florida, California, Texas, and Georgia, North Carolina and Puerto Rico. We have 18 The Company also has 6 La Rosa Realty franchised real estate brokerage offices and branches and two 3 affiliated real estate brokerage offices, that pay us fees in two 7 states in the United States and Puerto Rico. Additionally, the Company has a full-service escrow settlement and title company in Florida. In April 2025, we also formed a company, offering a commission advancement program exclusively for La Rosa agents. Our real estate brokerage offices, both corporate and franchised, are staffed with 2, 454-769 licensed real estate brokers and sales associates as of March 31, 2024 2025. Our franchised offices are currently: Name Location La Rosa Realty Success LLC Apopka, Florida La Rosa Realty Bayamón LLC Bayamón, Puerto Rico Premier Properties LLC Carolina, Puerto Rico La Rosa Realty Internacional, LLC Celebration, Florida La Rosa Realty LLC Chappells, South Carolina La Rosa Realty Central Florida, LLC Davenport, Florida La Rosa Realty Beaches LLC Fort Lauderdale, Florida Baxpi Holdings LLC Fort Lauderdale, Florida La Rosa Realty Jacksonville, LLC Jacksonville, Florida La Rosa Realty Lakeland LLC Lakeland, Florida La Rosa Realty Kendall, LLC Miami, Florida La Rosa Realty Downtown Orlando LLC Orlando, Florida La Rosa Realty St. Augustine LLC St. Augustine, Florida The Realty Experience Powered By LRR LLC St. Cloud, Florida La Rosa Realty St. Petersburg LLC St. Petersburg, Florida La Rosa Realty THG Network LLC Venice, Florida La Rosa Realty The Elite LLC Wesley Chapel, Florida We have built our business by providing the home buying public with well-trained, knowledgeable realtors who have access to our proprietary and third-party in-house technology tools and quality education and training, and valuable marketing that attracts some of the best local realtors who provide value-added services to our home buyers and sellers that are attracted to our brands. We give our real estate brokers and sales agents who are seeking financial independence a turnkey solution and support them in growing their brokerages while they fund their own businesses. This enables us to maintain a low fixed-cost business with several recurring revenue streams, yielding relatively high margins and cash flow. Our agent-centric commission model enables our sales agents to obtain higher net commissions than they would otherwise receive from many of our competitors in our local markets. We believe that agents who join our Company from the major real estate brokerage firms have increased their income by an average of approximately forty percent (40%). They can then use this these additional income commissions to reinvest in their businesses or as take-home profit. We believe that This this is a strong incentive for them to compete against the discount, flat fee and internet brokerages that have sprung up in the past several years. Instead of us taking a greater share of their income, our agents pay what we believe to be reduced rates for training and mentorship and our proprietary technology. Our franchise model has a similar pricing methodology, permitting the franchise owner the freedom to operate their business with minimal control and lower expense than other franchise offerings. Moreover, we believe that our proprietary technology, training, and the support that we provide to our agents at a minimal cost to them is one of the best offered in the industry. Our business stands on three pillars: Family, Passion, and Growth. We believe that our support and philosophy have attracted and will continue to attract and retain the highest producing realtors in our local markets. We believe that our focus on the interaction between our human agents and their clients is a strong weapon against the internet-only commodity websites and the low touch discount brokerages. Our agent count continues to grow organically and through acquisition, we which can be attributed- attribute our organic growth to the positive culture created in our Company and the competitive plans that we offer our agents. By creating a custom solution and a unique experience, we believe that our agents are able to guide their clients seamlessly through what may be their most expensive lifetime purchase. Disruptions related to the COVID-19 pandemic resulted in a downturn in our local residential real estate market in 2020. However, our local real estate market rebounded significantly in 2021 and continues to hold up notwithstanding significant increases in mortgage rates as the pandemic has caused what appears to be a large migration into our market areas from other states. Because nearly all of our sales agents, who are independent contractors, were working remotely before the pandemic struck, and because Florida did not mandate stay-at-home orders like many other states, the manner in which our business is conducted during the pandemic has not changed significantly and has not affected the productivity of our sales agents in 2021, in 2022, or in 2023. In addition, a significant driver of our past growth was, and we believe, of our future growth is our ability to create revenue by referring or requiring that our agents and our franchisee s agents use the different business services that we provide. For example, all agents new to our Company are required to have a “coach” and to attend multi-day training sessions to learn the Company’s philosophy, technology and business practices. Concurrently, the agent works with their coach in obtaining listings, working with consumers and closing transactions. All of these activities are run through our La Rosa Coaching, LLC subsidiary that teaches advanced techniques for team building, personal growth and business development, which we believe will enhance our revenue at a nominal increase in cost to us. In addition, unlike other residential real estate brokerages, we encourage our sales agents to pursue commercial real estate transactions and require them to utilize the services of our commercial real estate company. We anticipate acquiring other complementary businesses, such as title and, for example, insurance agencies and a mortgage brokerage, in the near future to enhance our gross revenues and profit margins. On October 12, 2023, we consummated our initial public offering (the “IPO”). Following our IPO, during as of the date of this annual report fiscal year ended December 31, 2023, we have acquired majority ownership of the following franchisees of the Company: Nona Legacy Powered By La Rosa Realty, Inc. (formerly, La Rosa Realty Lake Nona Inc.), Horeb Kissimmee Realty, LLC, La Rosa Realty Premier, LLC, La Rosa Realty Orlando, LLC, La Rosa Realty Georgia, LLC, and La Rosa Realty California, and 100 % ownership of the following franchisees of the Company: La Rosa CW Properties, LLC, and La Rosa Realty North Florida LLC. In December 2023, we also formed our majority owned subsidiary La Rosa Realty Texas LLC. The following are developments in our business since the beginning of the fiscal year ended December 31, 2024:- In February 2023, we launched our proprietary technology system- JAEME, part of “My Agent Account.” JAIME is a real estate AI assistant created to support and inspire our agents with personalized content to drive marketing, efficiency, and sales. This advanced technology can help agents to provide services to their clients in a more efficient way- even from their mobile devices. In

October 2024, the Company launched My Agent Account version 3.0, a significant upgrade to its proprietary platform, which now includes a new module specifically designed for property management disbursements. This update is expected to improve operational efficiency for agents across the Company.- In March 2024, the Company officially launched its partnership with Final Offer, online platform that allows sellers to establish a minimum sales price and other deal terms online and pre-approved buyers to make bidding offers. Final Offer is available to real estate brokers on the Company's platform in key markets across Florida, California and Georgia, with plans to expand the offering across the organization.- In June 2024, the Company recruited a high-performing group of team leaders in Florida, who closed over 425 transactions and achieved sales exceeding \$100 million in their prior 12 months before joining the Company.- During the fiscal year ended December 31, 2024, we acquired majority ownership of the following companies: La Rosa Realty Georgia LLC, La Rosa Realty California, La Rosa Realty Lakeland LLC DBA La Rosa Realty Prestige, and La Rosa Realty Success LLC, and 100% ownership of La Rosa Realty Winter Garden LLC, BF Prime LLC, Nona Title Agency LLC, La Rosa Realty Beaches LLC, and Baxpi Holdings. Additionally, we acquired the remaining non-controlling interest portions of Nona Legacy Powered By La Rosa Realty, Inc. (formerly, La Rosa Realty Lake Nona Inc.) and La Rosa Realty Premier, LLC, making them both 100% owned entities.- In December 2024, the Company opened its first office and wholly owned subsidiary in North Carolina, La Rosa Realty NC LLC.- In December 2024, the Company announced that it will offer Bitcoin and other cryptocurrencies as a payment option for its network of agents. We intend to continue growing our business organically and by through acquisition. It is management's intention to acquire additional franchisees in and other entities through the remainder of 2024-2025. We continuously look to search for potential acquisition targets. Management is in discussions with several franchisees and other entities; however, any future agreements may have terms that are materially different than the terms of completed acquisitions. We cannot guarantee that the Company will actually enter into any binding acquisition agreements with any of those companies. If we do, we cannot assure you that the terms of such acquisitions will be substantially the same or better for the Company than those of completed acquisitions. On October 10, 2024, we received a letter from the Nasdaq Listing Qualifications Department notifying us that, for the 30 consecutive business day period between August 28, 2024 through October 9, 2024, our common stock (the "Common Stock") had not maintained a minimum closing bid price of \$1.00 per share required for continued listing on The Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5550 (a) (2) (the "Bid Price Rule"). Pursuant to Nasdaq Listing Rule 5810 (c) (3) (A), the Company was provided an initial period of 180 calendar days, or until April 8, 2025 (the "Compliance Period"), to regain compliance with the Bid Price Rule. In order to regain compliance with the Bid Price Rule, our Common Stock was required to maintain a minimum closing bid price of \$1.00 for a minimum of ten consecutive business days during the Compliance Period prior to April 9, 2025. As of April 8, 2025, the Common Stock has not regained compliance with the Bid Price Rule. However, in a letter dated April 9, 2025 (the "Second Nasdaq Bid Price Letter"), Nasdaq notified the Company that Nasdaq's Staff has determined that the Company is eligible for an additional 180 calendar day period, or until October 6, 2025, to regain compliance (the "Second Compliance Period"). As of the date of this report the Common Stock has not regained compliance with the Bid Price Rule. If the Company chooses to implement a reverse stock split, it must complete the split no later than ten business days prior to the end of the Second Compliance Period in order to timely regain compliance. If we fail to regain compliance with the Bid Price Rule within the Second Compliance Period, or if we fail to continue to meet all applicable continued listing requirements for Nasdaq in the future, Nasdaq could delist our securities. The Second Nasdaq Bid Price Letter has no immediate effect on the listing or trading of the Common Stock. Our Common Stock continues to be listed on the Nasdaq Capital Market under the symbol "LRHC". We are currently evaluating our options for regaining compliance. Recent Financings February 2024 Financing On February 20, 2024, we entered into a securities purchase agreement with the accredited investor (the "Investor") pursuant to which on February 20, 2024 we issued the Investor a 13% OID senior secured promissory note in the face amount of \$1,052,631.58 (the "February Note"), 67,000 shares of Common Stock as a commitment fee, a warrant (the "February First Warrant") to purchase up to 120,000 shares of Common Stock with an exercise price of \$3.00 exercisable until the five-year anniversary of the closing date of the financing, and a second warrant, to purchase up to 95,000 shares of Common Stock with an exercise price of \$2.25 exercisable until the five-year anniversary of the closing date (the "February Second Warrant," and collectively, the "February Warrants"). The Company also granted the Investor piggy-back registration rights and entered into registration rights agreement with the Investor with respect to the securities issued in this financing. The Company and its subsidiaries (collectively, the "Company Group") also entered into a security agreement with the Investor pursuant to which the Company Group granted the Investor a security interest in certain property of the Company Group to secure the Company's obligations under the February Note. The Company also agreed to obtain shareholder approval for the issuance of more than 19.99% of the issued and outstanding Common Stock in this financing. On February 20, 2024, the Investor paid the Company the purchase price of \$1,000,000.00 after an original issue discount of \$52,631.58. On February 20, 2024, Joseph La Rosa, as the majority stockholder of the Company, in accordance with Nasdaq Listing Rules 5635 (b) and 5635 (d), approved the transaction and issuance of the shares upon conversion of the February Note and exercise of the February Warrants, which was effective on March 31, 2024, or 20 days after the commencement of mailing of the definitive information statement regarding this approval to the stockholders of the Company. In connection with this financing, the Company also issued to its placement agent, Alexander Capital L.P., a 5-year common stock purchase warrant to purchase 21,053 shares of Common Stock at the exercise price of \$1.50 per share. The terms of this warrant were substantially similar to the terms of the warrants issued to the Investor. During fiscal year of 2024, the Company issued Investor 837,630 shares of Common Stock due to partial conversion of February Note. The remaining portion of February Note was repaid by the Company by February 2025 and February Second

Warrant was cancelled and extinguished in its entirety due to the full repayment of the note. February First Warrant was fully exercised in the first quarter of 2025. April 2024 Financing On April 1, 2024, we entered into a securities purchase agreement with the Investor pursuant to which on April 1, 2024 we issued the Investor a 13 % OID senior secured promissory note in the face amount of \$ 1, 316, 000 (the “ April Note ”), 50, 000 shares of Common Stock as a commitment fee, a warrant (the “ First April Warrant ”) to purchase up to 150, 000 shares of Common Stock with an exercise price of \$ 3. 00 exercisable until the five- year anniversary of the closing date of the financing, and a second warrant, to purchase up to 152, 300 shares of Common Stock with an exercise price of \$ 2. 25 exercisable until the five- year anniversary of the closing date (the “ Second April Warrant, ” and collectively, the “ April Warrants ”). The Company also granted the Investor piggy- back registration rights and entered into registration rights agreement with the Investor with respect to the securities issued in this financing. The Company Group also entered into a security agreement with the Investor pursuant to which the Company Group granted the Investor a security interest in certain property of the Company Group to secure the Company’ s obligations under the April Note. The Company also agreed to obtain shareholder approval for the issuance of more than 19. 99 % of the issued and outstanding Common Stock in this financing. Pursuant to this financing, the Company received net proceeds of \$ 1, 122, 682, after deducting offering expenses, including a tail fee payable to Alexander Capital L. P. On April 1, 2024, Joseph La Rosa, as the majority stockholder of the Company, in accordance with Nasdaq Listing Rules 5635 (b) and 5635 (d), approved the transaction and issuance of the shares upon conversion of the April Note and exercise of the April Warrants, which was effective on May 8, 2024, or 20 days after the commencement of mailing of the definitive information statement regarding this approval to the stockholders of the Company. During fiscal year of 2024, the Company issued Investor 96, 600 shares of Common Stock due to partial conversion of April Note. Remaining portion of April Note was repaid by the Company by February 2025. July 2024 Financing On July 16, 2024, we entered into a securities purchase agreement with the Investor pursuant to which on July 16, 2024 we issued the Investor a 13 % OID senior secured promissory note in the face amount of \$ 468, 000 (the “ July Note ”), 29, 800 shares of Common Stock as a commitment fee, a warrant to purchase up to 53, 700 shares of Common Stock with an exercise price of \$ 3. 00 exercisable until the five- year anniversary of the closing date of the financing, and a second warrant, to purchase up to 54, 200 shares of Common Stock with an exercise price of \$ 2. 25 exercisable until the five- year anniversary of the closing date (collectively, the “ July Warrants ”). The Company also granted the Investor piggy- back registration rights and entered into registration rights agreement with the Investor with respect to the securities issued in this financing. The Company Group also entered into a security agreement with the Investor pursuant to which the Company Group granted the Investor a security interest in certain property of the Company Group to secure the Company’ s obligations under the July Note. The Company also agreed to obtain shareholder approval for the issuance of more than 19. 99 % of the issued and outstanding Common Stock in this financing. Pursuant to this financing, the Company received net proceeds of \$ 436, 100, after deducting offering expenses, including a tail fee payable to Alexander Capital L. P. On July 16, 2024, Joseph La Rosa, as the majority stockholder of the Company, in accordance with Nasdaq Listing Rules 5635 (b) and 5635 (d), approved the transaction and issuance of the shares upon conversion of the July Note and exercise of the July Warrants, which was effective on August 18, 2024, or 20 days after the commencement of mailing of the definitive information statement regarding this approval to the stockholders of the Company. The entire July Note was repaid in full by the Company by February 2025. July First Warrant was fully exercised in the first quarter of 2025. On January 22, 2025, the Company and Investor entered into Warrant Redemption and Cancellation Agreement, pursuant to which on January 28, 2025 July Second Warrant and April Warrants were redeemed, cancelled and terminated in full upon payment of \$ 379, 082. 79 by the Company to Investor. Brown Stone Financing On August 7, 2025, the Company entered into that certain securities purchase agreement (“ Brown Stone Agreement ”), with an institutional accredited investor, Brown Stone Capital Ltd. (the “ Brown Stone ”), pursuant to which the Company agreed to issue and sell to Brown Stone, up to 3, 051, 336 shares of Common Stock, and / or pre- funded warrants to purchase shares of Common Stock, at a price equal to \$ 0. 59 per share. Pursuant to the terms of the Brown Stone Agreement, on August 12, 2024 (“ First Closing Date ”), Company issued Brown Stone 761, 689 shares of Common Stock and a pre- funded warrant to purchase 509, 498 shares of Common Stock. The Company received net proceeds of \$ 725, 000 from this issuance, after deducting offering expenses. Remaining portion of 1, 780, 149 shares and / or pre- funded shall be issued to Brown Stone on or before the date that is 14 calendar days after the date of the effectiveness of the registration statement registering the shares issued on the First Closing Date and upon satisfaction of Additional Second Closing Conditions (as defined in the Brown Stone Agreement). Such second closing was never consummated by the parties because Additional Second Closing Conditions were not fully satisfied. Cash Advance Agreements In May 2024, the Company entered into a standard merchant cash advance agreement with Cedar Advance LLC (“ Cedar ”) where the Company sold in the aggregate \$ 761, 250 in future receipts of the Company for \$ 500, 000. Until the purchase price has been repaid, the Company agreed to pay Cedar \$ 23, 000 per week. The purchase price under this agreement was completely repaid in October 2024. On October 7, 2024, the Company entered into a second standard merchant cash advance agreement (“ Cedar Cash Advance Agreement ”) with Cedar pursuant to which the Company sold to Cedar \$ 616, 250 of its future receivables for a purchase price of \$ 425, 000 less underwriting fees and expenses paid. On October 7, 2024, the Company also entered into a Standard Merchant Cash Advance Agreement (the “ Arin Cash Advance Agreement ”) with Arin Funding LLC (“ Arin ”) pursuant to which the Company sold to Arin \$ 588, 000 of its future receivables for the sale of its goods and services, for a purchase price of \$ 420, 000 less fees and expenses paid. The purchase price under Cedar Cash Advance Agreement and Arin Cash Advance Agreement was fully repaid as a result of February 2025 financing described below. Private Placement On September 27, 2024, the Company issued to an unaffiliated private investor a promissory note in the principal amount of

\$ 200,000. Interest accrued on the principal amount at 12.5 % per annum. The promissory note was completely repaid in January 2025. Abri 2024 Financing On November 1, 2024, the Company entered into a securities purchase agreement with an institutional accredited investor, Abri Advisors, Ltd. (“ Abri ”), pursuant to which the Company agreed to issue and sell to Abri, up to 1,335,826 shares of Common Stock and / or pre-funded warrants to purchase shares of Common Stock, at a price equal to \$ 0.3743 per share. The Company also granted Abri piggy-back registration rights and entered into a registration rights agreement with respect to the securities being issued in this financing. The closing took place on November 1, 2024 and the Company issued Abri 936,264 shares of Common Stock and a pre-funded warrant to purchase 399,562 shares of Common Stock. The Company received net proceeds of \$ 480,000 on the closing date, after deducting offering expenses. ATM Offering On November 22, 2024, the Company entered into a sales agreement (“ ATM Agreement ”) with A. G. P. / Alliance Global Partners, as sales agent (“ AGP ”), relating to the sale of Common Stock. During the year ended December 31, 2024, the Company issued an aggregate of 222,000 shares of Common Stock pursuant to such ATM Agreement for net proceeds of \$ 169,236. The Company paid the sales agent compensation with respect to sale of such shares in the amount of \$ 5,728. February 2025 Financing On February 4, 2025 (the “ Closing Date ”), we entered into a securities purchase agreement (the “ SPA ”) with an institutional investor (“ 2025 Investor ”) pursuant to which we agreed to issue and sell to 2025 Investor, upon the terms and conditions set forth in the SPA: (i) a Senior Secured Convertible Note in the original principal amount of \$ 5,500,000 which matures on the two-year anniversary of the Closing Date (the “ Initial Note ”); and (ii) sixteen (16) warrants (“ Incremental Warrants ”), each to purchase additional Notes in an original principal amount up to \$ 2,500,000 at an exercise price of \$ 2,256,250, in substantially the same form as the Initial Note (“ Incremental Notes ” and together with the Initial Note, the “ Notes ”). The Incremental Warrants and Initial Note were issued to 2025 Investor on the Closing Date. The purchase price paid by 2025 Investor under the SPA for the Initial Note and Incremental Warrants was \$ 4,963,750, which was used by the Company to pay-off certain indebtedness, pay certain outstanding fees and expenses, acquisitions and general corporate purposes. The Company also granted 2025 Investor registration rights in the shares of Common Stock issuable pursuant to the SPA and conversion of the Notes. The Company Group also entered into a security agreement with 2025 Investor pursuant to which the Company Group granted the 2025 Investor a security interest in certain property of the Company Group to secure the Company’s obligations under the Notes. The Company also agreed to obtain shareholder approval for the issuance of more than 19.99 % of the issued and outstanding Common Stock in this financing. On February 4, 2025, as required by the SPA, Joseph La Rosa, as the majority stockholder of the Company, approved (i) the issuance of the Initial Note, the Incremental Warrants and Incremental Notes, all Interest Shares and all of the Conversion Shares and Incremental Conversion Shares in excess of 19.99 % (without regard to any limitation on conversion or exercise thereof) of the Company’s issued and outstanding Common Stock at a price less than the minimum price required by the Nasdaq in accordance with Nasdaq Listing Rules 5635 (b) and 5635 (d); (ii) authorization to complete a reverse split of our Common Stock; and (iii) authorization to increase the number of authorized shares of our Common Stock to ensure that the Company has a sufficient number of authorized shares reserved for issuance to equal at least 200 % of the maximum number of shares issuable upon conversion of the Notes, as determined under the Securities Purchase Agreement. Such approval was effective on March 27, 2025, or 20 days after the commencement of mailing of the definitive information statement regarding this approval to the stockholders of the Company.

Our Organization La Rosa Holdings Corp. was incorporated in the State of Nevada on June 14, 2021 by its founder, Mr. Joseph La Rosa, to become the holding company for five Florida limited liability companies in which Mr. La Rosa held or controlled a one hundred percent ownership interest: (i) La Rosa Coaching, LLC (“ Coaching ”); (ii) La Rosa CRE, LLC (“ CRE ”); (iii) La Rosa Franchising, LLC (“ Franchising ”); (iv) La Rosa Property Management, LLC (“ Property Management ”); and (v) La Rosa Realty, LLC (“ Realty ”). Coaching, CRE, Franchising, Property Management and Realty became direct, wholly owned subsidiaries of the Company as a result of the closing of the Reorganization Agreement and Plan of Share Exchange dated July 22, 2021, which was effective on August 4, 2021. Pursuant to the Reorganization Agreement, each LLC exchanged 100 % of their limited liability company membership interests for one share of the Company’s common stock, \$ 0.0001 par value per share (the “ Common Stock ”), which share was automatically redeemed for nominal consideration upon the closing of the transaction, resulting each LLC becoming the direct, wholly owned subsidiary of the Company. The Company conducts its operations through its ~~fifteen~~ **24** subsidiaries: • La Rosa Realty, LLC is engaged in the residential real estate brokerage business; • La Rosa Coaching, LLC is engaged in the delivery of coaching services to our brokers and franchisee’s brokers; • La Rosa CRE, LLC is engaged in the commercial real estate brokerage business; • La Rosa Franchising, LLC is engaged in the franchising of real estate brokerage agencies; • La Rosa Property Management, LLC is engaged in property management services to owners of single-family residential properties; • La Rosa Realty Premier, LLC is engaged mostly in the residential real estate brokerage business; • La Rosa Realty CW Properties, LLC is engaged mostly in the residential real estate brokerage business; • La Rosa Realty North Florida, LLC is engaged mostly in the residential real estate brokerage business; • La Rosa Realty Orlando, LLC is engaged mostly in the residential real estate brokerage business; • Nona Legacy Powered By La Rosa Realty, Inc. (formerly, La Rosa Realty Lake Nona Inc.) is engaged mostly in the residential real estate brokerage business; • Horeb Kissimmee Realty, LLC is engaged mostly in the residential real estate brokerage business; • La Rosa Realty Winter Garden, LLC is engaged mostly in the residential real estate brokerage business; ~~and~~ • La Rosa Realty Texas, LLC is engaged mostly in the residential real estate brokerage business; • La Rosa Realty Georgia, LLC is engaged mostly in the residential real estate brokerage business; ~~and~~ • La Rosa Realty California is engaged mostly in the residential real estate brokerage business; • **La Rosa Realty Lakeland, LLC is engaged mostly in the residential real estate brokerage business; • La Rosa Realty Success, LLC is engaged mostly in the residential real estate brokerage business; • BF Prime, LLC is engaged mostly in the residential real estate brokerage business; • Nona Title Agency, LLC is engaged in providing title services related to real**

estate transactions; • La Rosa Realty Beaches, LLC is engaged mostly in the residential real estate brokerage business; • Baxpi Holdings, LLC is engaged mostly in the residential real estate brokerage business; • La Rosa Realty NC, LLC is engaged mostly in the residential real estate brokerage business; • LR Luxury, LLC is engaged mostly in the residential real estate brokerage business; and • LR Agent Advance, LLC, formed in April 2025 for the purpose of offering a commission advancement program exclusively for La Rosa agents. We are a “ controlled company ” as defined under the corporate governance rules of Nasdaq because our Founder, Mr. Joseph La Rosa, as of April 16-15, 2024-2025, controls 75-50.5% of the total voting power of our Common Stock based on his ownership of Common Stock and the 20, 000, 000 votes provided by his Series X Super Voting Preferred Stock, \$ 0. 0001 par value per share, (the “ Series X Preferred Stock ”) that votes with the Common Stock, with respect to director elections and other matters. Our Business—We operate primarily in the United States residential real estate market which totaled \$ 47-49. 5-7 trillion at the end of 2023-2024 reflecting a year over year gain of \$ 2. 4-5 trillion due to a shortage sufficient number of houses for sale buyers competing over a relatively small number of listings, according to Redfin Corp1. The Company is the holding company for its direct, majority owned subsidiaries, and has no other operations. Realty was a traditional residential real estate brokerage firm founded in 2004 by Mr. La Rosa to serve the Florida market. In 2011, La Rosa Realty shifted to an agent- centric real estate brokerage format, offering agents more tools and value while offering experienced agents a 100 % commission split. Newly licensed and agents still in training operate on a New Agent Coaching (NAC) 70 % to agent / 30 % commission split (6 % to La Rosa Coaching, 14 % to the La Rosa individual coach, 7 % to the brokerage office who engaged the new agent, and 3 % to the Director of Coaching who is employed by La Rosa Holdings) Alternatively, they may choose the Ultimate Plan Business Builder (“ UPBB ”) and operate on a 60 % to agent / 40 % that includes 10 % revenue share commission split (13-6% to La Rosa Coaching, 14 % to the La Rosa individual coach, 10-7 % to the brokerage office who engaged the new agent, and 3 % to the Director of Coaching who is employed by La Rosa Holdings). Realty has expanded its geographic footprint over the years by integrating technology into its operations and creating a brokerage that provides its agents with the tools to handle their transactions, accounting, marketing, social media and customer relations. Realty’ s full service, high touch engagement with its clients assists them with navigating the complexity of the home purchase / sale transaction through their intimate knowledge of the local market, guiding them on the right pricing for their sale or purchase, assisting in the negotiation of the sales contract, overseeing the home inspections and possible repairs, reviewing the financial details of the transaction to assure that there are no errors and attending the closing of the sale to ensure that there are no last minute surprises. Realty believes that its services build referrals and repeat clients who appreciate the expertise and personal relationships that they develop with our agents. In 2018, Mr. La Rosa organized Franchising to study the potential to expand nationally by means of creating a franchise model that would be easily duplicable. Franchising began franchising real estate brokerage businesses based on its Franchise Disclosure Document filed with the Federal Trade Commission in 2019 and converted several of its largest offices in Florida to “ La Rosa Realty ” franchises. Better Homes Realty, Inc., a national real estate franchise founded in 1964, with offices located from coast to coast in the United States, licensed Franchising to sell Better Homes Realty franchises throughout the United States, Canada and elsewhere. Franchising also oversees and administers the offices that it sells, no matter their brand. Franchising uses the typical model for licensing the use of our two brands together with our proprietary business methodology, technology, tools, and training. Our franchisees own their own brokerage businesses, are solely responsible for their operations and risks, and are able to retain the substantial upside of their business if they are profitable. Our franchisees use our successful and well- known brands, our systems and technology, training and personal assistance and guidance to help run their businesses more efficiently and, we believe, more successfully than other branded real estate franchisees. Our franchisees pay us an initial licensing fee, a royalty fee based on their gross commissions, an annual membership fee, a coaching fee payable to Coaching for coaching services, a commercial royalty fee payable to La Rosa CRE for all commercial real estate transactions, a training fee for its administrative personnel and a fee to use our proprietary software. Because our franchise “ product ” has been developed over the years and is delivered in a “ package ” format, our fixed costs are low and our franchising gross margins are relatively higher than our more labor intensive businesses. While we intend to continue the to sell franchises— franchise arm of the business, we will, in the future, concentrate on opening corporate offices that produce higher revenue and increased margins. Coaching grew out of Mr. La Rosa’ s life and business coaching seminars which were organized in 2019 to provide education and mentoring to new real estate agents who join Realty in any of our offices. Each agent in coaching is assigned an experienced real estate agent / coach who assists and advises the new agent for, at a minimum, their first three sales transactions and the successful completion of our exclusive core competency courses and examinations. Brokers compensate us for the courses and mentoring by splitting their commissions with us when they are involved in the sale and purchase of a property for which we receive thirty percent (30 %) of their share of the real estate brokerage commission. Our franchisee brokers also take the in-house course and ongoing coaching that cover topics, including but not limited to local real estate brokerage law, lead generation, recruiting, business management, industry trends, and leadership. We added a second tier of coaching in 2021 that we believe will provide business and personal growth and advanced real estate courses to our and our franchisees’ agents for various fees based on the subject matter and length of the course. <https://www.redfin.com/news/housing-market-value-december-2023-2024/>—Unlike most other residential real estate brokerage companies, we encourage our sales agents to seek out property management business. Property Management, which was organized in 2014, trains our sales agents to provide residential property management services to owners of single- family residential properties and provides our agents with the tools to service those property owners. These tools include management, marketing, accounting and financial services. Our agents generally charge the homeowners between eight to twelve percent (8- 12 %) of the monthly rental. Our agents pay Property Management to be the point of contact for the property owner and their tenants, handle all tenant screenings, applications, contracts, forms and documents, and deal with attorneys if necessary to enforce the agreements. We manage the collect collection the of rents and the disburse disbursement of payments to vendors, service providers, the agents, and the

property owners, while retaining a fee of \$ 44-55 . 00 per agent , per property , per month. As of April 16- March 31 , 2024-2025 , we had have provided property management services for approximately 600-650 properties in across Florida, including single-family residences, condominiums, townhouses , and other types of residential real estate. Consistent with industry custom, management contract terms typically range from one to three years, although some contracts can be terminated at will at any time following a short notice period, usually 30 to 120 days, as is typical in the industry. Property Management has recently added a division to directly manage properties in Florida and to expand those services to our other offices in other states in the future. Unlike many other real estate brokerages, we encourage our sales agents to seek out commercial real estate business. CRE was organized in 2014 originally to provide “ residential- commercial ” real estate advisory services such as helping sales agents’ customers lease office space. CRE now assists agents who have customers who wish to purchase multifamily, office, storage, mixed use and apartment properties. We provide, on a fee basis, training to sales agents who wish to work in the commercial real estate space, and advise customers with respect to office leasing, multi- family property sales and leasing, and land and subdivision development. Our customers come primarily from referrals from our Realty brokers who are asked by their clients to assist them in with various commercial real estate property transactions. From October In January 2023-2025 to March 2024, the Company also acquired hired a leader for this division who possesses vast experience in commercial real estate. We expect stronger growth of this segment of our business in 2025 and beyond. For our title insurance and settlement services segment, we operate under the majority brand FPG Title Group which provides comprehensive title insurance and settlement services to protect real estate transactions for residential, commercial, agency, home builders, and vacation ownership of properties. Providing the these following franchisees of services we aim to ensure that both homeowners and lenders are safeguarded against potential legal claims or disputes related to property ownership. Key services include title insurance services, which help to protect against risks such as undisclosed heirs, errors in public records, forgery or fraud in previous ownership documents, and outstanding liens or unpaid taxes, and settlement services, which help to facilitate smooth and secure property transactions, in compliance with industry regulations. We believe that FPG Title Group is positioned as a trusted partner in Florida, offering tailored solutions for local banks, national lenders, and mortgage servicers. Our expertise allows us to close loans quickly, accurately, and in full compliance with industry standards. Our goal is to provide flexible and customizable services to meet the Company: Nona Legacy Powered By specific requirements of various lenders and demonstrate our commitment to client satisfaction through our comprehensive service offerings and dedicated team We have 26 La Rosa Realty corporate , Inc. (formerly, La Rosa Realty Lake Nona Inc.), Horeb Kissimmee Realty, LLC, La Rosa Realty Premier, LLC, La Rosa Realty Orlando, LLC, La Rosa Realty Georgia, LLC, La Rosa Realty California, and 100 % ownership of the following franchisees of the Company: La Rosa CW Properties, LLC, La Rosa Realty North Florida LLC, and La Rosa Realty Winter Garden LLC. All of these franchisees are engaged in the residential real estate brokerage business. The offices and branches located in Florida, California, Texas, Georgia, North Carolina and Puerto Rico, and a title services Company company has located in Florida. In April 2025, we also recently formed LR Agent Advance, LLC, offering a commission advancement program exclusively for La Rosa agents Realty Texas LLC, its 90 % owned subsidiary with a 51 % profit share. We also have a number of affiliated companies that are wholly, or majority owned by Mr. La Rosa that we refer to in this report as our affiliates. While our affiliates are not owned by us, some do use our services and contribute to our revenue stream. Our affiliates operate residential real estate brokerage, insurance brokerage and real estate title and full commercial real estate brokerage businesses. Our Focus Our Mission Statement is that “ we are here to support, empower and elevate those who we serve with integrity. ” We are committed to excellence in all we do and are respectful, compassionate, trustworthy, responsible, joyful, inspiring and adaptive. At La Rosa, we inculcate these core values to our sales agents and employees and strive to live by them every day. We believe home buyers and sellers choose the agent because of their individual marketing prowess, professionalism, and personality. To capitalize on this, we focus on helping our agents improve professionally and in increase their financial ability to invest in their personal marketing, and, therefore, capture a greater percentage of customers. We have built our business on what we know to be our customer’ s needs. The purchase of a home is likely the most expensive purchase a consumer will make in his or her lifetime. Many first- time home buyers are young and require knowledgeable, experienced guidance from our agents and our franchisor’ s agents. Home sellers need the market ken and potential buyer reach that our agents and our franchisee’ s agents provide. Our agents and our franchisee’ s agents build lasting relationships with their clients that result in repeat business and referral business. Notwithstanding claims of the internet- only brokerages that homes are a commodity that can be bought and sold like a can of beans, this consumer need is borne out in reality. The research conducted by the National Association of Realtors (the “ NAR ”) 2 in 2023-2024 shows that: • 89-88 % of buyers recently purchased their home through a real estate agent or broker and 6-5 % purchased directly through the previous owner; • having an agent to help them find the right home was what buyers wanted most when choosing an agent at 50-49 %; • 71-77 % of buyers interviewed only one real estate agent during their home search; • 90 % of buyers would use their agent again or recommend their agent to others, and 2 % of sellers recommended their agent four or more times since selling their home. https:// edn- www . nar. realtor / sites / default / files / documents-2024- 11 / 2023-2024 - profile- of- home- buyers- and- sellers- highlights- 11- 13-04 - 2023-2024 2 . pdf • 89-88 % of buyers would use their agent again or recommend their agent to others, and 66 % of sellers recommended their agent at least once since selling their home; • 90 % of all sellers used an agent or broker to sell their home ; 7- and 6 % sold to the buyer directly (via FSBO) (all- time low), and less than 1 % sold via iBuyer; • 43-40 % of buyers used an agent that was referred to them by a friend, neighbor, or relative, 13-21 % used an agent that they had worked with in the past to buy or sell a home; and • 71-81 % of all sellers contacted only one agent before finding the right one to assist with the sale of their home. We believe that our agents’ training, knowledge of the market, access to public and non- public data related to transactions, and experience with past transactions gives them a unique insight to provide our home buyer clients with invaluable advice and judgement. Their ability to reach potential buyers and our relationships with other brokers, both within and without our

Company and franchisors, ~~helps~~ **help** our seller clients achieve the maximum possible price for their properties. Our Company works in the present but has its eye on the future. We understand that the housing market will change over time and are focusing on how to prepare for that change. The following chart is a projection of the past and future of home ownership rates based on age groups, with the projections noting either slow or fast change. ³ As the market slows slightly in our years, we started ~~and~~ and intend to continue ~~increasing~~ **our the** use of our technology tools to make our agents more efficient and ~~more~~ productive. Our People Our people are our most important asset. We spend significant time and effort in attracting and retaining talented people for our businesses. Many agents contact us after hearing of or experiencing Mr. La Rosa's personal and business growth seminars, his book or his podcasts. They are attracted to the Company because they desire to work in a diverse, inclusive, welcoming and learning environment that allows the agents to attain their individual potential. The financial attraction is our ability to offer competitive salaries for our employees, a 100 % commission "split" with our experienced realtors and a ~~60-70~~ **60-70** % / ~~40-30~~ **40-30** % commission split with our new and inexperienced agents and ~~low annual and monthly dues~~. Our **Experience** agents can ~~also receive advanced commissions through an affiliated commission advance company that charges a percentage fee to the agent~~. Our agents are also eligible to participate in **three** different types of compensation plans **:**, including our New Agent Commission Plan, Premier Plan, Blue Plan, and the Ultimate Plan **Business Builder with**, which provides for a 90 % / 10 % commission split **, our** ~~In the Ultimate Plan~~ **and our Premier Plan, both with 100 % commission and low annual and monthly dues. In our UPBB plan**, an agent can participate in the Company's Revenue Share Plan rewarding an agent for the recruitment of other agents and for the **additional** agents these recruited agents ~~are recruiting~~ **recruit**. We ~~are also commencing~~ **have** an Agent Incentive Plan ~~by pursuant to~~ which agents can earn restricted ~~share stock~~ **units of convertible into** our Common Stock through their outstanding performance. But, most importantly, we believe it is the training, education and ongoing support that we provide to our agents that gives them an edge in a very competitive and crowded real estate brokerage marketplace. Our businesses emphasize diversity and inclusion in the workplace and the value of home ownership. We strive to create a workplace that is inclusive of everyone, where every person can be authentic, and where that authenticity is celebrated as a strength. Management works diligently to make the Company a desirable place to work by creating learning experiences, programs, compensation, and benefits that attract, develop, train, engage, motivate, reward, and retain the best talent. With a focus on teamwork, collaboration, and diversity and inclusion, we aspire to be a company where the best people want to work and are engaged every day. Outside the office, our agents comply and observe non-discrimination laws and policies and work with all clients to ensure that they are able to acquire the home of their dreams. ~~https://www.urban.org/sites/urban-wire/2040/default/files/publication/103501/the-future-us-of-will-headship-experience-and-modest-ownership_0-homeownership.pdf-declines-black-households-impact-will-be-dramatic~~ Our Technology We provide our agents and employees with cloud-based real estate brokerage services by utilizing our consumer-facing websites, including our corporate website ~~https://www.larosarealty.com~~ and our proprietary technology that provides brokerage operations management tools. When an agent is on-boarded, they are required to take our monthly Foundations Series which covers the use of our proprietary applications. Through our websites, we provide buyers, sellers, landlords, and tenants with access to all of the available properties for sale or lease on the multiple listing service ("MLS"), in each of the markets in which we operate. We provide each of our Company franchisees and their agents with their own personal website that they can modify to match their personal branding. Our website also gives consumers access to our network of professional real estate agents and vendors. Additionally, the websites we provide use Artificial Intelligence ("AI") integrated Client Relationship Management ("CRM") software to enhance the consumers' internet experience and assist our agents with lead generation and lead capture through the AI features. For example, our CRM software, which is integrated into our websites, uses artificial intelligence to generate marketing leads for our agents by sending marketing materials to potential buyers and sellers automatically without any agent involvement. Our technology platform also provides unique automated blogging and comprehensive social media marketing campaigns for our agents to create top of mind public awareness of our brand. In October 2023, we launched our proprietary technology system – JAEME, part of "My Agent Account." JAIME is a real estate AI assistant created to support and inspire our agents with personalized content to drive marketing, efficiency, and sales. This advanced technology can help agents to provide services to their clients in a more efficient way – even from their mobile devices. Through JAEME, La Rosa's agents can easily create:- Compelling property descriptions- Effective email campaigns- Detailed business plans- Innovative video scripts- High-conversion newsletter campaigns **Exclusive lead generation ideas** Our proprietary technology and third-party services and platforms provide our agents and franchisees with commission management and accounting systems, an internal agent "intranet" application, customer relationship management applications, a transaction management solution, and automated marketing and social media applications and privacy and identity protections. The combination of our brands, proprietary technology, services, data, lead generation, and marketing tools gives our agents the power to offer best-in-class service to their clients. Internally, we use our technology to provide our Company agents, employees and franchisees with the means to find and develop new business, manage their relationships both externally with their clients and internally with the Company or their franchisor, develop better skills and knowledge in their areas of endeavor and, we believe, enhance their earning potential. While no one can predict the ups and downs of the real estate market, we believe that the "weapons" we provide to our Company agents, employees and franchisees help them fight the adverse economic conditions, a volatile market and the competition. While our offices and our franchisor's offices act as their "home base," most agents use our offices primarily for real estate closings and training. We monetize our technology by charging our agents and our franchisor's agents what we believe to be a reasonable ~~a~~ monthly fee for the use of our suite of tools. Our Intellectual Property It is important that we protect our technology and intellectual property. We rely upon a combination of trademarks, trade secrets, copyrights, patents, confidentiality procedures, contractual commitments, domain names, and other legal rights to establish and protect our intellectual property. We generally enter into confidentiality agreements and invention or work product assignment agreements with our officers, employees, agents, contractors, and business partners to control access

to, and clarify ownership of, our proprietary information. As of April 16-15, 2024-2025, we had service mark registrations in the United States, including registration for “ LR La Rosa Realty ” and LR logo. We also had trademark and service mark registrations and applications in certain foreign jurisdictions. Additionally, we are the registered holder of a number of domain names, including “ larosarealty. com ” and “ larosaholdings. com ”. We continually review our development efforts to assess the existence and patentability of new intellectual property. We intend to continue to evaluate the benefit of patent protection with respect to our technology and will file additional applications when we believe it will be beneficial. Our ~~Recent Strategic Partnerships~~ In November 2023, the Company entered into a strategic referral partnership agreement with Janover Inc. (Nasdaq: JNVR) (“ Janover ”), an AI-enabled B2B fintech marketplace connecting commercial property borrowers and lenders with a human touch. Janover operates an online commercial loan marketplace that connects prospective borrowers and lenders for originating loans and will introduce the Company to clients that need commercial real estate brokers. The partnership is expected to provide our brokers with new tools to facilitate commercial loans, thereby generating a new revenue stream for our brokers and the Company. In end of 2023, the Company entered into a strategic partnership with Final Offer, a consumer-facing offer management and negotiation platform driven by agents. Final Offer is a technology platform that is designed to simplify real estate transactions, enabling buyers to make successful offers and sellers to maximize the outcome of their sales. Final Offer’s online process allows sellers to establish a minimum sales price and other deal terms online and pre-approved buyers to make binding offers. If a seller sets a “ Final Offer ” price and terms, an interested buyer can accept it instantly, putting the property under contract. We believe that the Final Offer’s innovative platform is designed to empower both real estate agents and their clients with real-time transparency, streamlining the offer management and negotiation process, creating a fair playing field for all while also providing accountability and trust. In March 2024, the Company officially launched Final Offer. Final Offer is available to real estate brokers on the Company’s platform in key markets across Florida and Georgia, with plans to expand the offering across the organization. Our Markets Our primary market is in the United States. As of April 16-15, 2024-2025, we have 19-26 La Rosa Realty corporate real estate brokerage offices and branches located in Florida, California, Texas, and Georgia, North Carolina and Puerto Rico. We have 18 The Company also has 6 La Rosa Realty franchised real estate brokerage offices and branches and two-3 affiliated real estate brokerage offices that pay us fees in two states in the United States and Puerto Rico. Additionally, the Company has a full-service escrow settlement and title company in Florida. In April 2025, we also formed LR Agent Advance, LLC in Florida, offering a commission advancement program exclusively for La Rosa agents.

Our Revenue Streams Our financial results are driven by the total number of sales agents in our Company, the number of sales agents closing commercial real estate transactions, the number of sales agents utilizing our coaching services, and the number of agents who work with our franchisees. We grew our total agent count from our founding in 2004 to 2, 454-769 agents as of April 16-March 31, 2024-2025. The majority of our revenue is derived from a stable set of fees paid by our brokers, franchisees, and consumers. We have multiple revenue streams, with the majority of our revenue derived from commissions paid by consumers who transact business with our and our franchisee’s agents, royalties paid by our franchisees, dues and technology fees paid by our sales agents, our franchisees and our franchisees’ agents. Our major revenue streams come from such sources as: (i) residential real estate brokerage revenue, (ii) revenue from our property management services, (iii) franchise royalty fees, (iv) fees from the sale or renewal of franchises and other franchise revenue, (v) coaching, training and assistance fees, (vi) brokerage revenue generated transactionally on commercial real estate, and (vi) title services revenue and (vii-viii) fees from our events and forums. Our revenue streams are illustrated in the following chart: REVENUE STREAM DESCRIPTION PERCENT OF TOTAL 2023-2024 REVENUE PERCENT OF TOTAL 2022-2023 REVENUE

Revenue Stream Description	Percent of Total 2023-2024 Revenue	Percent of Total 2022-2023 Revenue
Brokerage Revenue	82%	64%
Property Management Revenue	16%	31%
Franchise Sales and Other Franchise Revenues	1%	3%
Coaching / Training / Assistance Revenue	1%	2%
Commercial Real Estate Revenue	1%	2%
Event fees and break-out sessions	1%	2%
Commercial Real Estate Revenue	10%	10%
Other revenues recognized monthly (monthly dues charged to our agents)	* N / A	100%
Other revenues recognized monthly (annual membership, technology, interest, late fees, renewal, transfer, successor, accounting, other related fees)	* N / A	100%
Other revenues recognized monthly (monthly dues charged to our agents)	* N / A	100%
Other revenues recognized monthly (monthly dues charged to our agents)	* N / A	100%

* Less than 1%. Our Industry The residential real estate industry is cyclical in nature but has shown strong historical long-term growth. We believe that long-term demand for housing in the U. S. will be primarily driven by the economic health of the domestic economy and local factors such as demand relative to supply, and that the residential real estate market in the U. S. will also benefit over the long term from the following fundamental factors: ● a strong job market and rising real wage growth as the United States continues to recover from the Covid-19 pandemic; ● pent up demand for affordable housing in the Millennial and Gen Z generations that are seeking to acquire single-family homes; ● an increase in existing home stock as the Boomer generation downsizes due to retirement, illness and death; and ● not enough housing starts or resales to accommodate the demand, especially in the Florida market that we primarily serve. Our brokers deal primarily in sales of existing homes, rather than the sales of new homes that are typically sold by builders. The recent cycle of the growth of the real estate market hit headwinds in the second half of 2022. Mortgage rates dipped from 20-year highs in early 2023, but have risen again and sales have resumed an extended period of declines. The National Association of Realtors (NAR) reported that for February 2024-2025 (the seasonally adjusted annual rate) there were 4. 38-26 million existing home sales, an increase of 9-4. 5-2% over January 2024-2025 but a decrease of 3-1. 3-2% from the prior year. Total housing inventory at the end of February 2024-2025 was 1. 07-24 million units, up 5. 9-1% from January and 17-10. 3% from one year ago (970,000-1. 06 million). There was a 2 3. 9-5-month unsold inventory supply in at their February 2024-2025, identical to down from 3. 0 months in January but up from 2-3. 6-0 months in February 2023-2024. The median existing-home sales price increased to \$ 384-398, 500-400, an

increase of 5.3% from February 2023-2024 (\$ 363-383, 600-800). Properties typically remained on the market 42 days in February 2025, up from 41 days in January and 38 days in February, up from 36 days in January and 34 days in February 2023-2024 . Realtors continue to be an integral part of the home buying process. According to NAR: 89.88% of buyers recently purchased their home through a real estate agent or broker, 5% purchased their home directly from a builder or builder's agent, and 7.5% purchased directly through from the previous owner; • Having having an agent to help them find the right home was what buyers wanted most when choosing an agent at 50.49%; • most 43% of buyers used an agent that was referred to them by a friend, neighbor, or relative, 13% used an agent that they had worked with in the past to buy or sell a home, and 7% found their agent when inquiring about a specific property found online; • 71% of buyers interviewed only one real estate agent during their home search, with 77% of repeat buyers; and • 90.88% of buyers would use their agent again or recommend their agent to others, and nearly 66% of sellers recommended their agent at least once since selling their home. The • 40% of buyers used an agent that was referred to them by a friend, neighbor, or relative and 21% used an agent that they had worked with in the past to buy or sell a home. On July 7, 2024, the NAR has noted on its website: 6 • There are more than 100-360,000 residential real estate brokerage firms and over an estimated 3-1.5 million active real estate licensees operating in the United States; • 89.88% of all realtors are independent contractors; 4.5% are employees and 7.8% are "other;" 5https- https://edn-www.nar.realtor/sites/default/files/documents-2024-11/2023-2024-profile-of-home-buyers-and-sellers-highlights-11-13-04-2023-2024_2.pdf 6https- https://www.nar.realtor/research-and-statistics/quick-real-estate-statistics • The median tenure for realtors with their current firm was six-five years, up from a median of four years in the 2020 NAR survey; • Of the Realtors-NAR members that use drones in their real estate business of office, 43.46% hire a professional, 11.12% have someone in their office that uses drones, and 7.6% personally use drones. 23.18% do not use drones; and • 68.64% of broker / broker associates and 66.73% of sales agents have a website, 86.82% of NAR members have their own listings on their website, 70% have information about buying and selling, and 66.65% have a link to their firm's website; 67 and • 77% of realtors use Facebook and 49.55% use LinkedIn for professional purposes, and 20.19% of all realtor members of the NAR get 1-5% of their business from social media, and 10% get 6-10%. Seasonality Our business is affected by the seasons and weather. The spring and summer seasons, when school is out, have typically resulted in higher sales volumes compared to fall and winter seasons. With the slowdown in the later months, we have experienced slower listing activity, fewer transaction closings and lower revenues and have seen more agent turnover as well. Bad weather or natural disasters also negatively impact listings and sales, which reduces our operating income, net income, operating margins and cash flow. While this pattern is fairly predictable, there can be no assurance that it will continue. Moreover, with the impact of climate change, we expect more business disruptions in the coming years, many of which could be unpredictable and extreme. Our revenues and operating margins will fluctuate in successive quarters due to a wide variety of factors, including seasonality, weather, health exigencies, holidays, national or international emergencies, the school year calendar's impact on timing of family relocations, and changes in mortgage interest rates. This fluctuation may make it difficult to compare or analyze our financial performance effectively across successive quarters. In addition, the residential real estate market and the real estate industry in general is cyclical, characterized by "bubbles" that reflect faster-than-usual housing price increases, heavy demand for single-family homes, interest rate fluctuations, easy credit standards and lax government housing policies on the one hand, and protracted periods of depressed home values, lower buyer demand, inflated rates of foreclosure and often changing regulatory or underwriting standards applicable to mortgages on the other hand. It is unclear as to whether the U. S. is currently experiencing a "bursting bubble" from the unusual pent-up demand and move to remote work created by the Covid-19 pandemic followed by the rapid and extreme mortgage rate hikes that has slowed the market in recent months. The best example of the bubble bursting was the significant downturn in the U. S. residential real estate market between 2005 and 2011. While we believe we are well-positioned to compete during a downturn, our business is affected by these cycles in the residential real estate market, which can make it difficult to compare or analyze our financial performance effectively across successive periods. Competition The real estate brokerage business is highly competitive. We primarily compete against other independent real estate brokerage agencies in our local markets as well as the international and national real estate brokerage franchisors seeking to grow their franchise system. We compete against other brokerages to attract transactional clients based on our personalized service with experienced brokers who know the local market, the number and quality of listings, our brand and reputation and our marketing efforts. We also compete to attract real estate professionals based on our brand and reputation, the quality of our training and coaching, our marketing efforts, our generous 100% commission "split" for experienced brokers and our technology tools that make the brokers more efficient and productive. Our largest national franchise competitors in the U. S. include RE/MAX, Realty Holdings Corp. (which operates several brands including Century 21 and Coldwell Banker), Fathom Holdings Inc., and eXp World Holdings Inc. We believe that competition in the real estate brokerage franchise business is based principally upon the reputational strength of the brand, the quality of the services offered to franchisees, and the amount of franchise-related fees to be paid by franchisees. We also face competition from internet-based real estate brokers including Realtor.com, Fathom Holdings Inc., Redfin.com, and Zillow.com, brokers offering deeply discounted commissions like SimpleShowing Simple Showing Holdings, Inc., Houwzer LLC and Real Estate Exchange, Inc. (Rexhomes.com) and "flat fee" brokers such as Homie Technology, Inc., Cottage Street Realty, LLC (FlatFeeGroup.com) and Trelora, Inc. These companies do not provide the same personalized brokerage services that we do and emphasize low price and a do-it-yourself philosophy. FPG Title Group operates in a competitive landscape, facing significant competition from other title insurance and settlement service providers in Florida. Key competitors include First American Title Insurance Company, Fidelity National Title Group, and Old Republic National Title Insurance Company. These companies offer similar services, such as title insurance and escrow services, and have established strong market positions through extensive networks and robust client relationships. To differentiate itself, FPG Title Group focuses on providing customizable solutions tailored to the specific needs of local banks, national lenders, and mortgage servicers.

Additionally, FPG Title Group emphasizes client satisfaction through dedicated service teams and streamlined transaction processes, aiming to close loans quickly and accurately while maintaining full compliance with industry standards. This strategic approach helps FPG Title Group maintain a competitive edge in the market.

In the property management arena, we compete against independent local property management companies and the major national and international commercial real estate property managers such as Jones Lang LaSalle and Cushman & Wakefield plc. While most of our property management business comes from referrals in our local market, we compete on price and our ability to be on the ground and available to handle day-to-day matters for our clients. Our real estate coaching business competes against other in-house training services operated by independent real estate brokerage agencies and the international and national franchisors named above, as well as online providers including The Mike Ferry Organization, Keller Williams Mega Agent Production Systems, Buffini and Co., Tony Robbins Coaching, Craig Proctor Coaching, and Tom Ferry Coaching. We compete on the basis of personalized instruction, our mentorship program that provides a neophyte agent with an experienced coach to guide her and answer questions on an on-going basis after the classroom instruction has ended. Many of our existing and potential competitors have substantial competitive advantages, including a larger national and international footprint and more recognizable brand, greater financial resources, longer operating histories, a greater breadth of marketing coverage, more extensive relationships in the residential and commercial real estate industry with brokers, agents, service providers and advertisers, stronger relationships with third party data providers such as multiple listing services and listing aggregators, maintain their own in-house software development, have access to larger user bases and greater intellectual property portfolios. Government Regulation The residential real estate industry is regulated by federal, state and local authorities as well as private associations or state sponsored associations or organizations. We must comply with federal, state, and local laws, as well as private governing bodies' regulations, which, when combined, results in a highly regulated industry. We are also subject to federal and state regulations relating to employment, contractors, and compensation practices. Except for our employed Company agents, all agents in our brokerage operations have been retained as independent contractors, either directly or indirectly through our franchisors. With respect to these independent contractors, like most brokerage firms, we are subject to the Internal Revenue Service regulations and applicable state law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation. Federal Regulation The Real Estate Settlement Procedures Act of 1974, as amended, became effective on June 20, 1975. RESPA requires lenders, mortgage agents, or servicers of home loans to provide borrowers with pertinent and timely disclosures regarding the nature and costs of the real estate settlement process. RESPA also protects borrowers against certain abusive practices, such as kickbacks, and places limitations upon the use of escrow accounts. RESPA also requires detailed disclosures concerning the transfer, sale, or assignment of mortgage servicing, as well as disclosures for mortgage escrow accounts. RESPA is administered and enforced by Consumer Financial Protection Bureau (the "CFPB"). We are also subject to the Fair Housing Act of 1968 (the "FHA") which prohibits discrimination in the purchase or sale of homes and applies to real estate brokers and agents, among others. The FHA prohibits expressing any preference or discrimination based on race, religion, sex, handicap, and certain other protected characteristics, and applies broadly to many forms of advertising and communications. Other federal laws and regulations applicable to our business include (i) the Federal Truth in Lending Act of 1969; (ii) the Federal Equal Credit Opportunity Act; (iii) the Federal Fair Credit Reporting Act; (iv) the Home Mortgage Disclosure Act; (v) the Gramm-Leach-Bliley Act; (vi) the Consumer Financial Protection Act; (vii) the Fair and Accurate Credit Transactions Act; and (viii) the Do Not Call / Do Not Fax Act and other federal and state laws pertaining to the privacy rights of consumers, our collection, use, and disclosure of data collected from our website and mobile users, and the manner and circumstances under which we or third parties may market and advertise our services to consumer which affects our opportunities to solicit new clients. Our business is also subject to various antitrust and competition laws, including the Sherman Antitrust Act, the Federal Trade Commission Act, the Clayton Act, and other related federal, state, and provincial laws in the jurisdictions in which we operate. These laws prevent anti-competitive behaviors such as price-fixing and other conduct that unreasonably restrains trade and competition. In 2021, the Department of Justice ("DOJ") withdrew its consent to a November 2020 proposed settlement with NAR concerning alleged anti-competitive practices in real estate. While the DOJ dismissed its lawsuit against NAR in July 2021, it indicated a broader investigation into NAR's activities. In November 2021, NAR modified its rules to implement most of the changes the DOJ settlement sought. In January 2023, a court set aside the DOJ's new investigative demand related to NAR. The indirect and direct effects, if any, of this action upon the real estate industry are not yet clear. While anti-competition enforcement has intensified across industries, there is a unique focus on the real estate industry in the United States and Canada. For example, the White House issued an Executive Order in July 2021 identifying real estate brokerages and listings as an area of focus. In 2018, a joint workshop by the DOJ and FTC addressed potential competition issues in the residential real estate sector which could be the subject of future enforcement actions. **In recent months** **During late 2023**, lawsuits **were** have been filed against the NAR and a number of large real estate brokers around the country alleging antitrust violations. We **have** **were** not, ~~as of the date hereof, been~~ named as a defendant in any antitrust litigation. On March 15, 2024, the National Association of REALTORS® announced an agreement that would end litigation of claims brought on behalf of home sellers related to broker commissions. This settlement resolves claims against NAR and nearly every NAR member; all state, territorial and local REALTOR® associations; all association-owned MLSs; and all brokerages with an NAR member as principal whose residential transaction volume in 2022 was \$2 billion or below and is subject to court approval. The settlement makes clear that NAR continues to deny any wrongdoing in connection with the Multiple Listing Service cooperative compensation model rule (the MLS Model Rule) that was introduced in the 1990s in response to calls from consumer protection advocates for buyer representation. Under the terms of the agreement, NAR would pay \$418 million over approximately four years. In the settlement, effective mid-July 2024, NAR ~~has~~ agreed to put in place a new rule prohibiting offers of compensation on the MLS, as well as adopt new rules requiring written agreements between buyers and buyers' agents. However, the direct and indirect effects, if any, of the judgment upon the real estate industry are not yet entirely clear.

These lawsuits, together with similar lawsuits against other businesses in our industry, have prompted discussion of regulatory changes to rules established by local or state real estate boards or MLSSs. At this time, we do not believe to be negatively affected by such lawsuits due to flexibility of our agent- centric commission model, creating multiple revenue streams for our agents, and due to our consumer- centric technology model. However, the resolution of the antitrust litigation and / or other regulatory changes may require changes to our or our brokers' business models, including changes in agent and broker compensation. This could reduce the fees we receive from our affiliated real estate professionals, which, in turn, could adversely affect our financial condition and results of operations. Internationally, our operations are also subject to laws against improper payments, including the U. S. Foreign Corrupt Practices Act and similar global regulations. State and Local Regulation We are subject to state real estate and brokerage licensing laws and requirements that vary from state to state. In general, all individuals and entities lawfully conducting businesses as real estate agents or sales associates must be licensed in the state in which they carry on business and must at all times be in compliance. Real estate brokers are required to be employed by the brokerage firm or as an independent contractor and the broker may work for another broker conducting business on behalf of the sponsoring broker. Generally, attorneys may act as brokers in some states without being separately licensed. States may require a person licensed as a real estate agent, sales associate or salesperson, to be affiliated with a broker, as either an employee or an independent contractor, in order to engage in licensed real estate brokerage activities or allow the agent, sales associate or salesperson to work for another agent, sales associate or salesperson conducting business on behalf of the sponsoring agent, sales associate or salesperson. Engaging in the real estate brokerage business requires obtaining a real estate broker license (although in some states the licenses are personal to individual agents). In order to obtain this license, most jurisdictions require that a member or manager be licensed individually as a real estate broker in that jurisdiction. If applicable, this member or manager is responsible for supervising the licensees and the entity' s real estate brokerage activities within the state. Real estate licensees, whether they are salespersons, individuals, agents or entities, must follow the state' s real estate licensing laws and regulations. These laws and regulations generally specify minimum duties and obligations of these licensees to their clients and the public, as well as standards for the conduct of business, including contract and disclosure requirements, record keeping requirements, requirements for local offices, escrow trust fund management, agency representation, advertising regulations and fair housing requirements. Our Company' s management and our franchisors provide oversight with respect to the observance of the statutes and regulations set forth in each state where we or our franchisors, respectively, operate. Many jurisdictions have local county or city regulations that govern the conduct of the real estate brokerage business. Local regulations generally require additional disclosures by the parties to a real estate transaction or their agents, or the receipt of reports or certifications, often from the local governmental authority, prior to the closing or settlement of a real estate transaction as well as prescribed review and approval periods for documentation and broker conditions for review and approval. Climate regulation On March 6, 2024, the SEC ~~has~~ issued final climate disclosure rules to require public companies to include enhanced disclosure regarding corporate climate-related information in their periodic reports and registration statements. Such information would include climate- related risks that are reasonably likely to have a material impact on a registrant' s business or results of operations, as well as certain climate-related financial statement metrics. ~~On However, on~~ March 15, 2024, the Fifth Circuit Court of Appeals, in the case Liberty Energy Inc. and Nomad Proppant Services LLC temporarily enjoined the enforcement of those rules. ~~Soon other~~ ~~Moreover, we~~ ~~expect state~~ ~~states~~ laws and regulations regarding private parties also challenged these -- the rules topics to continue to evolve and impose new and additional requirements. For example, ~~The litigation was then consolidated in October~~ ~~the Eighth~~ ~~Circuit, and the SEC previously stayed effectiveness of the rules pending completion of that litigation. Briefing in the cases was completed before the change in Administrations, but on March 27, 2023-2025~~ . California enacted a new ~~the~~ ~~SEC voted to end its defense of the rules requiring disclosure of~~ climate - related risks and accountability package pursuant to its new Climate Corporate Data Accountability Act that will require annual disclosure of certain greenhouse gas emissions and new Climate- Related Financial Risk Act that will require biennial disclosure of certain climate- related financial risks and mitigation measures, each beginning in 2026, subject to applicable implementing regulations and rulemaking that may impact final scope and compliance timing. Globally, the International Sustainability Standards Board and applicable sustainability disclosure standards impact how national regulators and governance bodies approach these and related topics. ~~We intend to comply with applicable rules as they are enacted~~. Other regulation We are also subject to rules established by private real estate groups and / or trade organizations, including, among others, the NAR, state and local associations of realtors, local Multiple Listing Services and homeowners' associations that have rules governing the sale of properties within their neighborhoods. Each third- party organization generally has prescribed policies, bylaws, codes of ethics or conduct, and fees and rules governing the actions of members in dealings with other members, clients and the public, as well as how the third- party organization' s brand and services may or might not be deployed or displayed. Human Capital Resources As of December 31, 2023-2024 , we had ~~42~~ ~~39~~ full- time employees in our Company and our majority owned subsidiaries, and approximately 2, 434-581 real estate agents that are independent contractors with Realty ~~and other subsidiaries of the Company~~ . Our operations are overseen directly by our management. Our management functions cover corporate administration, training, agent relations, business development, technology, and research. We intend to expand our current management to retain skilled employees with experience relevant to our business. Our management' s relationships with our agents and technology team are good. We do not have any collective bargaining agreements , and our employees are not represented by a union. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. The principal purposes of our equity and cash incentive plans are to attract, retain and reward personnel through the granting of stock- based and cash- based compensation awards, in order to increase stockholder value and the success of our Company by motivating such individuals to perform to the best of their abilities and achieve our objectives. Available Information Our website address is www.larosaholdings.com. Our Annual Report on Form 10- K, Quarterly Reports on Form 10- Q, Current Reports on Form 8- K, any amendments to those reports, proxy and registration statements filed or furnished with

the SEC, are available free of charge through our website. We make these materials available through our website as soon as reasonably practicable after we electronically file such materials with, or furnish such materials to, the SEC. The reports filed with the SEC by our executive officers and directors pursuant to Section 16 under the Exchange Act are also made available, free of charge on our website, as soon as reasonably practicable after copies of those filings are provided to us by those persons. These materials can be accessed through the “Financial Filings” section of our website. The information contained in, or that can be accessed through, our website is not part of this Annual Report on Form 10-K. Item 1A. Risk Factors. Our business is subject to many risks and uncertainties, which may affect our future financial performance. If any of the events or circumstances described below occur, our business and financial performance could be adversely affected, our actual results could differ materially from our expectations, and the price of our stock could decline. The risks and uncertainties discussed below are not the only ones we face. There may be additional risks and uncertainties not currently known to us or that we currently do not believe are material that may adversely affect our business and financial performance. You should carefully consider the risks described below, together with all other information included in this report including our financial statements and related notes, before making an investment decision. The statements contained in this report that are not historic facts are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by forward-looking statements. If any of the following risks actually occurs, our business, financial condition or results of operations could be harmed. In that case, the trading price of our Common Stock could decline, and investors in our securities may lose all or part of their investment.

Risks Related to Our Business and Operations—Our independent registered public accounting firm’s report contains an explanatory paragraph that expresses substantial doubt about our ability to continue as a “going concern.” The Company has incurred recurring net losses, including a net loss of \$ **7,148,823,349,763,996** for the year ended December 31, **2024, compared to \$ 7,823,763 for the year ended December 31, 2023**, and the Company’s operations have not provided net positive cash flows in the year ended December 31, **2023-2024**. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern. The Company’s continuation as a going concern is dependent upon its ability to generate positive cash flows from operations and to secure additional sources of equity and / or debt financing. Despite the Company’s intent to fund operations through equity and debt financing arrangements, there is no assurance that such financing will be available on terms acceptable to the Company, if at all. Our independent auditors have included an explanatory paragraph in their audit report, included in this Annual Report on ~~the~~ Form 10-K, regarding the Company’s ability to continue as a going concern. This going concern risk may materially limit our ability to raise additional funds through the issuance of new debt or equity or may adversely affect the terms upon which such capital may be available. The inability to obtain sufficient financing on acceptable terms could have a material adverse effect on the Company’s financial condition, results of operations, and business prospects. The Company is actively pursuing strategies to mitigate these risks, focusing on **expansion through continuing to expand via** acquisitions, which can help achieve future profitability, and **expanding growing** its customer base. However, there can be no assurance that these efforts will prove successful or that the Company will achieve its intended financial stability. The failure to successfully address these going concern risks may materially and adversely affect the Company’s business, financial condition, and results of operations. Investors should consider the substantial risks and uncertainties inherent in the Company’s business before investing in the Company’s securities. We have a limited operating history with financial results that may not be indicative of future performance, and our revenue growth rate is likely to slow down as our business matures and may slow down due to the recent antitrust litigation. We began operations in 2021. As a result of our limited operating history, we have limited financial data that can be used to evaluate our current business, and such data may not be indicative of future performance. We have encountered, and expect to continue to encounter, risks and difficulties frequently experienced by growing companies, including challenges in financial forecasting accuracy, hiring of experienced personnel, hiring of technology employees, determining appropriate investments, developing new products and features, assessing legal and regulatory risks, among others. Any evaluation of our business and prospects should be considered in light of our limited operating history, and the risks and uncertainties inherent in investing in early-stage companies. In addition, recent settlements of litigation based on alleged violations of federal and state antitrust laws may have an adverse impact on our potential growth. See “- Adverse outcomes in litigation and regulatory actions against the NAR, other companies and agents in our industry could adversely impact our financial results,” below. Impairment of goodwill and intangible assets may adversely impact future results of operations. An impairment in the carrying value of goodwill, trade names and other long-lived assets could negatively affect our consolidated results of operations and net worth. Goodwill and indefinite-lived intangible assets, such as trade names, are recorded at fair value at the time of acquisition and are not amortized, but are reviewed for impairment at least annually or more frequently if impairment indicators arise. In evaluating the potential for impairment of goodwill and trade names, we make assumptions regarding future operating performance, business trends and market and economic conditions. Such analyses further require us to make certain assumptions about our sales, operating margins, growth rates and discount rates. There are inherent uncertainties related to these factors and in applying these factors to the assessment of goodwill and trade name recoverability. Goodwill reviews are prepared using estimates of the fair value of reporting units based on the estimated present value of future discounted cash flows. We could be required to evaluate the recoverability of goodwill or trade names prior to the annual assessment if we experience disruptions to the business, unexpected significant declines in operating results, a divestiture of a significant component of our business or market capitalization declines. **For the year ended December 31, 2024, we conducted such a review and recorded an impairment of \$ 787,438.** We also continually evaluate whether events or circumstances have occurred that indicate the remaining estimated useful lives of our definite-lived intangible assets, such as franchise agreements, agent relationships, real estate listings, and non-compete agreements, and other long-lived assets may warrant revision or whether the remaining balance of such assets may not be recoverable. We use an estimate of the related undiscounted cash flow over the remaining life of the asset in measuring whether the asset is recoverable. We may not realize the expected benefits of our recent acquisitions because of

integration difficulties and other challenges. The success of our recent acquisitions will depend, in part, on our ability to realize the anticipated revenue, cost- savings, tax, collaboration and other synergies from integrating our two recent acquisitions with our existing business. The integration process may be complex, costly, and time- consuming. The difficulties of integrating the operations could include, among others: • failure to implement our business plan for the combined business; • unanticipated issues in integrating logistics, information, communications, and other systems; • unanticipated changes in applicable laws and regulations; • negative impacts on our internal control over financial reporting accounting; and • other unanticipated issues, expenses, or liabilities that could impact, among other things, our ability to realize any expected synergies on a timely basis, or at all. We may not accomplish the integration smoothly, successfully, or within the anticipated costs or time frame. The diversion of the attention of management from our current operations to the integration effort and any difficulties encountered in combining operations could prevent us from realizing the full benefits anticipated to result from the share exchanges and could adversely affect our business. In addition, the integration efforts could divert the focus and resources of the management of the Company from other strategic opportunities and operational matters during the integration process. If we fail to raise additional capital, our ability to implement our business model and strategy could be compromised. We have limited capital resources and operations. From time to time, we may seek additional financing to provide the capital required to expand the production of our business operation and development initiatives and / or working capital, as well as to repay outstanding loans if cash flow from operations is insufficient to do so. We cannot predict with certainty the timing or amount of any such capital requirements. If we do not raise sufficient capital to fund our ongoing development activities, it is likely that we will be unable to carry out our business plans. We may not be able to obtain additional financing on terms acceptable, or at all. Even if we obtain financing for near term operations, we may require additional capital beyond the near term. If we are unable to raise capital when needed, our business, financial condition and results of operations would be materially adversely affected, and we could be forced to reduce or discontinue our operations. The residential real estate market is cyclical, and we can be negatively impacted by downturns in this market and by general economic conditions. The residential real estate market tends to be cyclical and typically is affected by changes in general economic conditions which are beyond our control. These conditions include short- term and long- term interest rates, inflation, fluctuations in debt and equity capital markets, levels of unemployment, consumer confidence and the general condition of the U. S. and the global economy. The residential real estate market also depends upon the strength of financial institutions, which are sensitive to changes in the general macroeconomic environment. Lack of available credit or lack of confidence in the financial sector could impact the residential real estate market, which in turn could materially and adversely affect our business, financial condition and results of operations. Due to the cyclicity of the real estate market, we cannot predict whether the prior several year period of sustained growth will continue, whether mortgage rates which have climbed over 2022 - 2024 will remain at relatively higher levels than in years past and whether home prices will stabilize. The U. S. has experienced housing “ bubbles ” in the past which have burst, resulting in significant price declines, mortgage defaults and home foreclosures by lenders, the last one occurring in the early 2000’ s. Any of the following could be associated with cyclicity in the housing market by halting or limiting the current growth in the housing market, and have a material adverse effect on our business by causing periods of lower growth or a decline in the number of home sales and / or home prices which, in turn, could adversely affect our revenue and profitability: • a continued rise in inflation; • a period of slow economic growth or recessionary conditions; • a continued increase in mortgage interest rates; • a tightening of credit standards by financial institutions; • legislative, tax or regulatory changes that would adversely impact the residential real estate market, including but not limited to those relating to mortgage financing, restrictions imposed on mortgage originators as well as retention levels required to be maintained by sponsors to securitize certain mortgages, the elimination of the deductibility of certain mortgage interest expense, the application of the alternative minimum tax, and real property taxes and employee relocation expense; • insufficient home inventory levels in our markets; • a continued increase in the acquisition of single- family homes by corporate buyers for rental purposes; • a decrease in the affordability of homes; • a decrease in consumer confidence; • increase in the cost of premiums for home insurance due to recent hurricanes; and • natural disasters, such as hurricanes, earthquakes and other disasters that disrupt local or regional real estate markets. The lack of financing for homebuyers in the U. S. residential real estate market at favorable rates and on favorable terms has had a material adverse effect on our financial performance and results of operations. Our business is significantly impacted by the availability of financing at favorable rates or on favorable terms for homebuyers, which may be affected by government regulations and policies. Certain on- going governmental actions or inactions, such as the U. S. federal government’ s conservatorship of Fannie Mae and Freddie Mac, capital standards imposed on banks by the Office of the Comptroller of the Currency, the monetary policy of the U. S. government, and any rising interest rate environment may adversely impact the housing industry, including homebuyers’ ability to finance and purchase homes. The monetary policy of the U. S. government, and particularly the Federal Reserve Board, which regulates the supply of money and credit in the U. S., significantly affects the availability of financing at favorable rates and on favorable terms, which in turn affects the domestic real estate market. Policies of the Federal Reserve Board can affect interest rates available to potential homebuyers. Further, we will be adversely affected by any rising interest rate environment. Changes in the Federal Reserve Board’ s policies, the interest rate environment and mortgage market are beyond our control, are difficult to predict and could restrict the availability of financing on reasonable terms for homebuyers, which could have a material adverse effect on our business, results of operations and financial condition. We review all aspects of the current state of legislation, regulations and policies affecting the domestic real estate market and cannot predict whether or not such legislation, regulation and policies may result in increased down payment requirements, increased mortgage costs, and result in increased costs and potential litigation for housing market participants, any of which could have a material adverse effect on our financial condition and results of operations. The U. S. Bureau of Labor Statistics (“ BLS ”) reported that the Consumer Price Index for All Urban Consumers (CPI- U), a broad- based measure of goods and services costs, rose 0. 4 percent in February 2024 seasonally adjusted, and rose 3-2. 8 percent over the last 12 months, not seasonally adjusted. This increase was well above the Federal Reserve System’ s

(the “ Fed ”) targeted inflation rate of 2.0%, **The 2024** resulting in the Fed’s continuation of its course of raising the short-term federal funds interest rate **decreased** to **4** a target range of **5.25–5.33** primarily due to moderating inflation and a **weakening labor market**. **The Federal** **50%**, the highest level since September 2007 at the July 2023 meeting of its Open Market Committee **decided to lower the key overnight borrowing rate by 50 basis points, marking the first rate cut since the early days of the COVID-19 pandemic. Additionally, inflation was coming under control after a period of rising prices, which contributed to the decision. The Fed aimed to provide financial relief to borrowers and cool down an overheated economy**. Fed funds rates impact interest rates on government bonds that have a correlated effect on mortgage interest rates, which, as of March **21-20, 2024-2025**, the average rate for a 30-year fixed rate mortgage was **6.87-67** according to Freddie Mac, the federally chartered home mortgage loan securitizer. **Peak mortgage** **Mortgage** interest rates have continued to have a depressing effect on the sale of existing homes, that include single-family homes, townhomes, condominiums and co-ops, with a year over year decrease of **3-1, 3-2%** in February 2024 to a seasonally adjusted annual rate of **4.38-26** million. The slowdown of home sales transactions resulted from many would-be buyers being priced out of homeownership while many homeowners with mortgage rates below 4.0% feeling stuck in place, since selling would mean taking on a mortgage with a significantly higher interest rate. This has had an adverse effect on our agents’ ability to close sales and thus on our results of operations in the year ended December 31, **2023-2024**. Thus, we expect these trends to continue to adversely affect our revenues in **2024-2025**. Any further increase in the Fed funds rate could push the U. S. economy into a recession which is likely to have a further negative effect on our operations, income and financial condition. The housing market is currently in flux with higher mortgage interest rates and generally increasing home prices which makes it difficult to predict future market trends. Any decrease in home sales in the future will have an adverse effect on our financial performance and results of operations. The combination of high mortgage rates, continuing high home prices and limited inventory slowed the housing market substantially in **2023-2024**. Tight inventory was reflected by the rise in the national median existing home sale price in February **2024-2025** of **5-3, 7-8%** to \$ **384-398, 500-400** from a year earlier (\$ **363-384, 600-500**). Homes usually go under contract a month or two before they close, so the February data is based on purchase decisions made in December **2023-2024** and January **2024-2025**. The average rate for a 30-year fixed mortgage was **6.87-67%** as of March **21-20, 2024-2025**, down from **7.79-22%** during the most recent 52 week period, according to Freddie Mac. This combination of higher mortgage rates and higher sales prices has kept many sellers, who would have to relinquish a mortgage at 4.0% or less, from selling, and has pushed many prospective buyers, especially first-time home buyers, out of the market. Total housing inventory at the end of February 2024 was **1.07-24** million units, up **5.9-1%** from January and up **10-17, 3-0%** from one year ago (**970,000-1.06 million**). There was an unsold inventory supply of **2-3, 9-5** months at the current sales pace, **equal to down from 3.0 months in** January 2024 but up from **2-3, 6-0** months in February **2023-2024**. Management expects the housing-market slowdown to persist throughout **2024-2025** because home-buying affordability is near its lowest level in decades. Any decline in home sales directly affects the productivity and income of our agents who are paid only upon the closing of their clients’ home purchase or sale. A prolonged depression in home sales will force the least successful agents out of the industry and a decrease in the number of earning agents will have a negative impact on our financial performance and results of operations. We may fail to successfully execute our strategies to grow our business, including increasing our agent count, expanding the number of our franchisees and agents, or we may fail to manage our growth effectively, which could have a material adverse effect on our brand, our financial performance and results of operations. We intend to pursue a number of different strategies to grow our revenue and earnings. However, we may not be able to successfully execute these strategies. We intend to pursue a strategy of increasing our agent count by increasing our recruiting efforts. Recent history has shown that a strong real estate market brings in more realtors, some of whom have worked in the industry on a part-time basis. As the market continues to grow, we believe that will enable us to sell more franchises and recruit and retain higher numbers of agents, increasing our revenue and profitability. However, competition for qualified and effective agents is intense, and we may be unable to recruit and retain enough qualified and effective agents to satisfy our growth strategies. This competition creates challenges that include: ● our ability to discover and recruit independent brokerage firms in new markets and being able to acquire them; ● our ability to increase our brand awareness in new markets in order to penetrate them with our brokerages; ● our ability to effectively train and mentor a larger number of new agents and franchisees; ● our ability to continually improve the performance, features and reliability of our technological developments in response to both evolving demands of the marketplace and competitive product offerings; ● our ability to scale our business services and support quickly enough to meet the growing needs of our real estate agents by improving our internal systems, integrating with third-party systems, and maintaining infrastructure performance; ● our ability to attract and retain senior management to operate and control the expansion of our business, organically and potentially, through acquisitions; and ● our ability to enhance our financial reporting, internal control, human resources, legal and other administrative areas to effectively manage the growth of our Company. If we do not effectively manage our growth, our brand could suffer. In order to successfully expand our business, we must effectively recruit, develop and motivate new franchisees and new agents and employees, and we must maintain the beneficial aspects of our “ three pillars ” philosophy. We may not be able to hire new agents or employees and our franchisees may not be able to recruit new agents necessary to manage our growth quickly enough to meet our needs. If we fail to effectively manage our hiring needs and successfully develop our franchisees, our franchisee, agent and employee morale, productivity and retention could suffer, and our brand and results of operations could be harmed. These improvements could require significant capital expenditures and place increasing demands on our management. We may not be successful in managing or expanding our operations or in maintaining adequate financial and operating systems and controls. If we do not successfully manage these processes, our results of operations, financial condition and prospects could be adversely affected. The failure to attract and retain highly qualified franchisees and to acquire and open new corporate offices could compromise our ability to pursue our growth strategy. The success of our franchisees depends largely on the efforts and abilities of franchisees and their agents, which are subject to numerous factors, including the fees or sales commissions they receive, and

our ability to train and oversee their operations to ensure that they provide the quality service promoted by our brands. If our franchisees do not continue to believe in the value proposition we offer with our brand, believe that we are overcharging them for the services we provide, or, for other reasons decide not to renew their franchise agreements with us, our business may be materially adversely affected. Additionally, if our franchisees are not successful, they will fail to attract and retain productive agents and will fail to generate the revenue necessary to pay the contractual fees and dues owed to us. In addition, if we are unable to organically increase the number of, and acquire new, corporate realty offices in the future, our growth will stagnate and we could lose high producing agents to other competing brokerages, all of which would have a material adverse effect on our results of operations, financial condition and prospects. We might not be able to attract and retain additional qualified agents and other personnel. In order to grow our business, we must attract and retain highly qualified agents and other personnel. In particular, we compete with both national and local real estate brokerages for qualified agents who manage our operations in each state and who are our on- the- ground representatives. With the evolving real estate brokerage market, we must find ways to attract and retain these people. And with the change in the way people work that has been accelerated by the COVID- 19 pandemic, finding qualified agents and employees has become more difficult. We might have difficulty in finding, hiring and retaining highly skilled personnel with appropriate qualifications. Many of the companies with whom we compete for experienced personnel have greater resources than we do. In addition, in making decisions about where to work, in addition to cash compensation, people often consider the value of the stock options or other equity incentives they receive. We currently have an equity incentive plan to offer stock incentives to our employees and our agents that we believe is competitive with plans offered by other publicly traded real estate brokerage companies. However, if those plans fail to encourage new hires or to motivate our existing staff, we may fail to attract new personnel or fail to retain our current personnel which would severely harm our growth prospects. Moreover, the forthcoming changes in the way real estate brokers will be compensated brought about by the recent antitrust litigation settlements will likely diminish the revenues earned by lesser producing agents and agents that represent home buyers. This decrease in earnings is likely to result in many agents leaving the industry, increasing competition for high performing agents. Competition in the residential real estate franchising business is intense and may adversely affect our financial performance. We compete against national and international real estate brokerage franchisors as well as smaller franchisors. Our products are the brands we sell and their reputation in the marketplace. Potential franchisees, when shopping for a brand, look to see the level of support that they can receive compared to the fees and dues that they will have to pay. This is our value proposition. While the national and international brands far exceed us in financial resources, geographic coverage, marketing ability and infrastructure, we believe that our “ family- oriented ” style of business, based on our “ three pillars ” philosophy, is a strong selling point. So, while competing franchisors may offer franchisees monthly ongoing fees that are lower than those we charge, or that are more attractive in particular market environments, we believe that our “ high touch ” approach is able to overcome many of the factors that competitors sell. Corporate- owned competitors compete primarily on the basis of commission payments to their agents. While we believe that we are competitive in that market, our brand is not as strong as competitors who have been in the market longer and have the financial wherewithal to promote themselves in the media. Our largest competitors in this industry in the U. S. include RE / MAX Holdings, Inc., Realty Holdings, Corp. (which operates several brands including the Coldwell Banker and Century 21 brands), Fathom Holdings Inc., eXp World Holdings Inc., Real Brokerage Inc., among others. Our Company owned brokerage business is subject to competitive pressures. Our Company owned brokerage business, like that of our franchisees, is generally subject to intense competition. We compete with other national and independent real estate organizations including our franchisees and those of other national real estate franchisors, franchisees of local and regional real estate franchisors, regional independent real estate organizations, discount brokerages, internet- based brokerages and smaller niche companies competing in local areas. Competition is particularly intense in the densely populated metropolitan areas in which we operate. In addition, in the real estate brokerage industry, new participants face minimal barriers to entry into the market. We also compete for the services of qualified licensed agents as well as franchisees. The ability of our Company owned brokerage offices to retain agents is generally subject to numerous factors, including the sales commissions, the training and coaching and technological support that they receive and their perception of our brand value. Our largest competitors in the corporate- owned space include Compass Holdings, Inc. and Fathom Holdings, Inc. Our financial results are affected directly by the operating results of franchisees and agents, over whom we do not have direct control. Our real estate franchises generate revenue in the form of monthly ongoing royalties and fees, including monthly broker fees tied to gross commissions, training and technology fees charged to our franchisees. Our agents pay us dues out of their income from real estate transactions and new agents split their transaction- based commissions with us. Accordingly, our financial results depend upon the operational and financial success of our franchisees and their agents and our corporate agents, all of whom are independent contractors that we do not control. If industry trends or economic conditions are not sustained or do not continue to improve, our franchisees’ and our agents’ financial results could worsen, and our revenue may decline. We may also have to terminate franchisees more frequently in the future due to non- reporting and non- payment. Further, if franchisees fail to renew their franchise agreements our revenue from ongoing monthly fees may decrease, and profitability may be lower than in the past due to reduced ongoing monthly fees. We are dependent upon the truthfulness of our franchisees to provide accurate reports and accounting to us. While we have significant insight into the business activity of our domestic and international regional franchisees and are able to observe their books and records in real time, the franchisees self- report their agent counts, agent commissions and fees due to us. Our tools to validate or verify these reports are not equipped to ferret out under or erroneous reporting, even if unintentional or intentional fraud. If any of those circumstances occur, we may not receive all of the annual agent dues or monthly ongoing fees due to us. In addition, to the extent that we are underpaid, we may not have a definitive method for determining such underpayment. If a material number of our franchisees were to under report or erroneously report their agent counts, agent commissions or fees due to us, it could have a material adverse effect on our financial performance and results of operations. Our franchise operations are subject to

additional business risks. Our franchise business is exposed to other business risks which may impact our ability to collect recurring, contractual fees and dues from our franchisees, may harm the goodwill associated with our brand, and / or may materially and adversely impact our business, results of operations, financial condition and prospects. One such risk is that one of our franchisees could declare bankruptcy which could have a substantial negative impact on our ability to collect fees and dues owed under such franchisee's franchise arrangements. In a franchisee bankruptcy, the bankruptcy trustee may reject its franchise contract pursuant to Section 365 under the U. S. Bankruptcy Code, in which case there would be no further payments for fees and dues from such franchisee. Other risks include the risk that our franchisees may be uninsured or underinsured against certain business hazards or that insurance may be unavailable, as was hurricane insurance in Florida for a number of years. Any casualty loss happening to our franchisees could put their entire business at risk and potentially result in its failure and the termination of our franchise agreement. Any such loss or delay in an insurance payment could have a material and adverse effect on a franchisee's ability to satisfy its obligations under its franchise agreement with us, including its ability to make payments for contractual fees and dues or to indemnify us. Each franchise agreement is subject to termination by us in the event that the franchisee breaches its contract, generally after expiration of applicable cure periods, although under certain circumstances a franchise agreement may be terminated by us upon notice without an opportunity to cure. The default provisions under the franchise arrangements are drafted broadly and include, among other things, any failure to meet operating standards and actions that may threaten our brands. In addition, each franchise agreement eventually expires and upon expiration, we or the franchisee may or may not elect to renew the franchise arrangement. If our agreement is renewed, such renewal is generally contingent on the franchisee's execution of the then-current form of franchise contract (which may include terms the franchisee deems to be more onerous than the prior franchise agreement), the satisfaction of certain conditions and the payment of a renewal fee. If a franchisee is unable or unwilling to satisfy any of the foregoing conditions, the expiring franchise agreement will terminate upon expiration of the term of the franchise arrangement. Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult. The residential real estate industry is subject to seasonality. Sales activity is typically stronger in the spring and summer months when school is not in session compared to the fall and winter seasons. This is true even in the Southeastern U. S. where weather patterns do not change significantly with the seasons. However, extreme weather does affect our business by keeping people focused on matters other than home buying. We have historically experienced lower revenues during the fall and winter seasons, as well as during periods of unseasonable weather, which reduces our operating income, net income, operating margins and cash flow. Real estate listings precede sales, and a period of poor listings activity will negatively impact revenue. Our revenue and operating margins each quarter will remain subject to seasonal fluctuations, which may make it difficult to compare or analyze our financial performance effectively across successive quarters. A significant increase in private sales of residential property, including through the internet, could have a material adverse effect on our business, prospects and results of operations. Although, as of 2023-2024, NAR estimated that almost nine in ten home sellers worked with a real estate agent to sell their home, a significant increase in the volume of private sales due to, for example, increased access to the internet and the proliferation of websites that facilitate such sales, and a corresponding decrease in the volume of sales through real estate agents could have a material adverse effect on our business, prospects and results of operations. The real estate brokerage business is highly regulated and any failure to comply with such regulations or any changes in such regulations could adversely affect our business. Our Company owned real estate brokerage business and our franchising business are highly regulated and must comply with Federal and state requirements governing the licensing and conduct of real estate brokerage and brokerage-related businesses and franchising in the jurisdictions in which we and they do business. These laws and regulations contain general standards for and prohibitions on the conduct of real estate brokers and agents, including those relating to licensing of brokers and agents, fiduciary and agency duties, administration of trust funds, collection of commissions, advertising and consumer and franchising disclosures. Under state law, the franchisees and our real estate brokers have certain duties to supervise and are responsible for the conduct of their brokerage business. Our Company owned real estate brokerage business and our franchisees (excluding commercial brokerage transactions) must comply with the Real Estate Settlement Procedures Act ("RESPA"). RESPA and comparable state statutes, among other things, restrict payments which real estate brokers, agents and other settlement service providers may receive for the referral of business to other settlement service providers in connection with the closing of real estate transactions. Such laws may to some extent restrict preferred vendor arrangements involving our franchisees and our Company owned brokerage business. RESPA and similar state laws also require timely disclosure of certain relationships or financial interests that a broker has with providers of real estate settlement services. In addition, the Dodd- Frank Wall Street Reform and Consumer Protection Act (the "Dodd Frank Act") contains the Mortgage Reform and Anti- Predatory Lending Act (the "Mortgage Act"), which imposes a number of additional requirements on lenders and servicers of residential mortgage loans, by amending certain existing provisions and adding new sections to RESPA and other federal laws. We are also subject to various other rules and regulations such as: • the Gramm- Leach- Bliley Act which governs the disclosure and safeguarding of consumer financial information; • the Sherman Antitrust Act which governs anti- competitive practices in the marketplace; • various state and federal privacy laws protecting consumer data; • the USA PATRIOT Act; • the sale of franchises is regulated by various state laws as well as by the Federal Trade Commission (the "FTC") that generally require that franchisors make extensive disclosure to prospective franchisees and several states have "franchise relationship laws" or "business opportunity laws" that limit the ability of franchisors to terminate franchise agreements or to withhold consent to the renewal or transfer of these agreement; • restrictions on transactions with persons on the Specially Designated Nationals and Blocked Persons list promulgated by the Office of Foreign Assets Control of the Department of the Treasury; • the Fair Housing Act; • state and federal employment laws and regulations, including any changes that would require classification of independent contractors to employee status, and wage and hour regulations; • federal and state, "Do Not Call," "Do Not Fax," and "Do Not E- Mail" laws; • laws and regulations in jurisdictions outside the U. S. in which we do business; and • consumer

fraud statutes that are broadly written. Federal, state and local regulatory authorities also have relatively broad discretion to grant, renew and revoke licenses and approvals and to implement regulations. Accordingly, such regulatory authorities could prevent or temporarily suspend our Company owned brokerages or our franchisees from carrying on some or all of our activities or otherwise penalize them if their financial condition or our practices were found not to comply with the then current regulatory or licensing requirements or any interpretation of such requirements by the regulatory authority. Our failure to comply with any of these requirements or interpretations could limit our ability to renew current franchisees or sign new franchisees or otherwise have a material adverse effect on our operations. We might not be aware of all the laws, rules and regulations that govern our business, or be able to comply with all of them, given the rate of regulatory changes, ambiguities in regulations, contradictions in laws and regulations between jurisdictions, and the difficulties in achieving both Company- wide and region- specific knowledge and compliance. If we fail, or we have been alleged to have failed, to comply with any existing or future applicable laws, rules and regulations, we could be subject to lawsuits and administrative complaints and proceedings, as well as criminal proceedings. Our noncompliance could result in significant defense costs, settlement costs, damages and penalties. **Adverse U. S. and global market, economic and political conditions, including the ongoing conflict between Ukraine and Russia, recent events in the Middle East and other events or circumstances beyond our control could have a material adverse effect on us. Another economic or financial crisis or rapid decline of the consumer economy, significant concerns over energy costs, geopolitical issues, including the ongoing conflict between Ukraine and Russia, recent events in the Middle East, the availability and cost of credit, the U. S. mortgage market, or a declining real estate market in the U. S. can contribute to increased volatility, diminished expectations for the economy and the markets, and high levels of structural unemployment by historical standards. Market, political and economic challenges, including dislocations and volatility in the credit markets, general global economic uncertainty, uncertainty or volatility from matters such as the implementation of the governing agenda of President Donald J. Trump, and changes in governmental policy on a variety of matters such as trade, tariffs and manufacturing policies may adversely affect the economy and financial markets, our financial condition, results of operations, cash flows and our ability to pay distributions on, and the per share trading price of, our Common Stock.** Climate change and environmental risks could increase our costs and subject us to liability. Our operations are affected by ~~Federal~~ **federal**, state and / or local environmental laws in the countries in which we operate, and we may face liability with respect to environmental issues occurring at properties we manage or occupy. We may face costs or liabilities under these laws as a brokerage company if our agents violate applicable disclosure laws and regulations or as a result of our agents' role as a property manager. The impact of climate change presents a significant risk. Damage to assets caused by extreme weather events linked to climate change is becoming more evident, highlighting the fragility of global infrastructure. We believe that the effects of climate change will increasingly impact our own operations and those of properties we manage, especially when they are in coastal cities. The impact includes the relative desirability of locations and the cost of operating and insuring acquired properties. Due to residential property damages resulting from hurricanes in the past several years, many insurers have either raised premiums above the national average or ceased doing business in Florida, our main market area. We also may face several layers of national and regional regulations. The risks may not be limited to fines and the costs of remediation. We continue to monitor the effects of climate change and the changes in law, regulation and policies of other companies, especially insurance companies and intend to adjust our business accordingly in the future. If we re- commence activities abroad, we will be subject to risks of operating in foreign countries. We **have also recently commenced an expansion of our business in Europe, starting with engaging an area developer in Spain. Previously, we** had a franchisee located in Peru that closed in 2022, but we may franchise other international locations in the future. **When** ~~For the year ended December 31, 2022,~~ **revenue from these operations represented less than one percent (1.0%) of our total revenue.** If we re- commence activities abroad, our international operations will be subject to risks that are different from those of our U. S. operations that could result in losses against which we are not insured and therefore negatively affect our profitability. Those international risks include: • fluctuations in foreign currency exchange rates and foreign exchange restrictions; • exposure to local economic conditions and local laws and regulations, including those relating to the agents of our franchisees; • foreign economic and credit markets; • potential adverse changes in the political stability of foreign countries or in their diplomatic relations with the U. S.; • restrictions on the withdrawal of foreign investment and earnings; • government policies against businesses owned by foreigners; • investment restrictions or requirements; • diminished ability to legally enforce our contractual rights in foreign countries; • difficulties in registering, protecting or preserving trade names and trademarks in foreign countries; • potential governmental and industry corruption; • restrictions on the ability to obtain or retain licenses required for operation; and • changes in foreign tax laws. We depend substantially on our Founder, Joseph La Rosa, and **our Chief Operating Officer, Deana La Rosa, and** the loss of any of our senior management or other key employees or the inability to hire additional qualified personnel could adversely affect our operations, our brand and our financial performance. Our future success is largely dependent on the efforts and abilities of our Founder, Chief Executive Officer, **Interim Chief Financial Officer,** President and Chairman, Joseph La Rosa, our **Chief Operating Officer, Deana La Rosa, our** senior management and other key employees. The loss of the services of Mr. **La Rosa, Mrs** ~~his~~ **their** name, image and personality. We do not maintain key employee life insurance policies on Mr. La Rosa or our other senior management and therefore their loss could make it more difficult to successfully operate our business and achieve our business goals. As a result, we may not be able to cover the financial loss we may incur in losing the services of any of these individuals. Our ability to retain our employees is generally subject to numerous factors, including the compensation and benefits we pay, the mix between the fixed and variable compensation we pay our employees and prevailing compensation rates. As such, we could suffer significant attrition among our current key employees. Competition for qualified employees in the real estate brokerage and franchising industry is intense. We may be unable to retain existing employees that are important to our business or hire additional qualified employees. The process of locating employees

with the combination of skills and attributes required to carry out our goals is often lengthy. We cannot assure you that we will be successful in attracting and retaining qualified employees. Concentration of ownership of our voting stock by Mr. La Rosa will prevent new investors from influencing significant corporate decisions. Based on our Common Stock outstanding as of December 31, ~~2023~~ **2024**, Mr. La Rosa beneficially owned approximately ~~44.28~~ **44.28** % of our outstanding Common Stock and all 2,000 shares of our Series X Preferred Stock that provides for 10,000 votes per share when voting with the Common Stock, representing ~~77.62~~ **77.62** % of the total voting power of our capital stock. Thus, Mr. La Rosa, our President and Chief Executive Officer, **Interim Chief Financial Officer**, Chairman of the Board of Directors **of the Company (“ Board ” or “ Board of Directors ”)**, and majority stockholder, controls all matters requiring stockholder approval, including the election and removal of directors and any merger or other significant corporate transactions. The interests of Mr. La Rosa may not coincide with the interests of other stockholders. Mr. La Rosa may have interests different than yours and may vote in a way with which you disagree and that may be adverse to your interests. In addition, Mr. La Rosa’s concentration of ownership could have the effect of delaying or preventing a change in control or otherwise discouraging a potential acquirer from attempting to obtain control of us, which could cause the market price of our Common Stock to decline or prevent our stockholders from realizing a premium over the market price for their Common Stock. In addition, he may want the Company to pursue strategies that deviate from the interests of other stockholders. Investors should consider that the interests of ~~the~~ Mr. La Rosa may differ from their interests in material respects. Mr. La Rosa will control all matters that come before the stockholders for a vote and thus we are a “ controlled company ” within the meaning of the Nasdaq listing requirements and, as a result, the Company will qualify for exemptions from certain corporate governance requirements. If we take advantage of such exemptions, you will not have the same protections afforded to stockholders of companies that are subject to such corporate governance requirements. Mr. Joseph La Rosa has voting control with respect to director elections and all other matters. Subject to any fiduciary duties owed to other stockholders under Nevada law, Mr. La Rosa controls all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, acquisition, consolidation or sale of all or substantially all of our assets. In addition, due to his significant ownership stake and his service as our Chairman of the Board of Directors and Chief Executive Officer, Mr. La Rosa controls the management of our business and affairs. Mr. La Rosa may have interests that are different than yours and may support proposals and actions with which you may disagree. This concentration of ownership could have the effect of delaying, deferring or preventing a change in control, or impeding a merger or consolidation, takeover or other business combination that could be favorable to our other stockholders and adversely affecting the market price of our Common Stock. Because Mr. La Rosa controls, as of April ~~16-15, 2024~~ **16-15, 2024-2025**, ~~75-50.5~~ **75-50.5** % of the total voting power of our capital stock, we are considered a “ controlled company ” for the purposes of the listing requirements of the Nasdaq Capital Market. A controlled company is not required to have a majority of independent directors or form an independent compensation or nominating and corporate governance committee. Nevertheless, we have a majority of independent directors who will serve on our Audit, Compensation and Nominating and Corporate Governance Committees. However, although we have no current plans to do so, for as long as we remain a controlled company, we could take advantage of such exemptions in the future. Infringement, misappropriation, or dilution of our intellectual property could harm our business. We regard our “ LR La Rosa Realty ” service mark and the “ LR ” logo that we own, as ~~well as the Better Homes trademark and logo that we license, as~~ **brands-- brand** . We believe that this and other intellectual property are valuable assets that are critical to our success. We rely on a combination of protections provided by contracts, as well as copyright, trademark, trade secret and other laws, to protect our intellectual property from infringement, misappropriation, or dilution. We have registered certain trademarks and service marks and have other trademark and service mark registration applications pending in the U. S. and foreign jurisdictions. However, not all trademarks or service marks that we currently use have been registered in all of the countries in which we may do business in the future, and they may never be registered in all of those countries. Although we monitor trademark portfolios internally and impose an obligation on franchisees to notify us upon learning of potential infringement, there can be no assurance that we will be able to adequately maintain, enforce and protect our trademarks or other intellectual property rights. We are not aware of any challenges to our right to use any of our brand names or trademarks. We are vigilant in enforcing our intellectual property and protecting our brands. Unauthorized uses or other infringement of our trademarks or service marks, including ones that are currently unknown to us, could diminish the value of our brands and may adversely affect our business. Effective intellectual property protection may not be available in every market in which we have franchised or intend to franchise. Failure to adequately protect our intellectual property rights could damage our brands and impair our ability to compete effectively. Even where we have effectively secured statutory protection for our trademarks and other intellectual property, our competitors may misappropriate our intellectual property. Defending or enforcing our trademark rights, branding practices and other intellectual property, and seeking an injunction and / or compensation for misappropriation of confidential information, could result in the expenditure of significant resources and divert the attention of management, which in turn may materially and adversely affect our business and operating results. Although we monitor and restrict our franchisees’ activities through our franchise agreements, franchisees may refer to our brands improperly in writings or conversations, resulting in the dilution of our intellectual property. Franchisee noncompliance with the terms and conditions of our franchise agreements and our brand standards may reduce the overall goodwill of our brands, whether through the failure to meet the FTC guidelines or applicable state laws, or through the participation in improper or objectionable business practices. Moreover, unauthorized third parties may use our intellectual property to trade on the goodwill of our brand, resulting in consumer confusion or dilution. Any reduction of our brand’s goodwill, consumer confusion, or dilution is likely to impact sales, and could materially and adversely impact our business and operating results. We are subject to certain risks related to litigation filed by or against us, and adverse results may harm our business and financial condition. The real estate industry often involves litigation, ranging from individual lawsuits by brokerage clients, sales associates, employees and franchisees to large class actions and government investigations. We often are involved

in various lawsuits and legal proceedings that arise in the ordinary course of business. Such litigation and other proceedings have included, and may in the future include, but are not limited to, actions relating to breach of contract, employment matters, sales agent commissions, intellectual property, commercial arrangements, negligence and fiduciary duty claims arising from our brokerage operations, fraud or failure to disclose matters in our franchise documents or agreements, standard brokerage disputes like the failure to disclose hidden defects in a property such as mold, vicarious liability based upon the conduct of individuals or entities outside of our control, including our agents, third- party service or product providers, antitrust claims, general fraud claims, employment law claims, including claims challenging the classification of our agents as independent contractors and compliance with wage and hour regulations, and claims alleging violations of the Real Estate Settlement Procedures Act or state consumer fraud statutes. Each lawsuit filed against or by us has factors that are unpredictable, including but not limited to, legal fees, insurance coverage, or the ultimate outcome of litigation and remedies or damage awards. Adverse results in such litigation and other proceedings may harm our business, our brands and our financial condition. We have general liability and an errors and omissions insurance policy to help protect us against claims of inadequate work or negligent action. This insurance might not continue to be available to us on commercially reasonable terms or at all, or a claim otherwise covered by our insurance may exceed our coverage limits, or a claim might not be covered at all. We may be subject to errors or omissions claims that could have an adverse effect on us. Moreover, defending a suit, regardless of its merits, could entail substantial expense and require the time and attention of our senior management. Substantial financial judgments against us would have a material adverse effect on our business, brands, results of operations, financial condition and prospects. Adverse outcomes in litigation and regulatory actions against the NAR, other real estate brokerage companies and agents in our industry could adversely impact our financial results. Adverse outcomes in legal and regulatory actions against the NAR, other companies, brokers, and agents in the residential and commercial real estate industry may adversely impact our financial condition and our real estate brokers and agents when those matters relate to business practices shared by the Company, our real estate brokers and agents, or our industry at large. Such matters may include, without limitation, antitrust and anticompetition, RESPA, Telephone Consumer Protection Act of 1991 and state consumer protection law, and worker classification claims. Additionally, if plaintiffs or regulatory bodies are successful in such actions, this may increase the likelihood that similar claims are made against the Company and / or our real estate brokers and agents which claims could result in significant liability and be adverse to our financial results if we or our brokers and agents are unable to distinguish or defend our business practices. As an example, in the matter of *Burnett v. National Association of Realtors* (U. S. District Court for the Western District of Missouri), a federal jury found that the NAR and certain other remaining brokerage defendants liable for \$ 1. 8 billion in damages on claims that these companies conspired to artificially inflate brokerage commissions, which is in violation of federal antitrust law (the “ Burnett Ruling ”). The verdict was appealed on October 31, 2023. Additionally, certain other brokerage defendants settled with the plaintiffs, including both monetary and non- monetary settlement terms. That same day, the NAR, EXP World Holdings, Inc., Compass, Inc., Redfin Corporation, Weichert Realtors, United Real Estate, Howard Hann Real Estate Services, and Douglas Elliman, Inc. were named as defendants in *Gibson v. National Association of Realtors* (U. S. District Court for the Western District of Missouri), alleging a similar fact pattern and antitrust violations. On or about March 15, 2024, NAR agreed to settle the Burnett Ruling, along with a sister litigation, by agreeing to pay \$ 418 million over approximately four years, and changing certain of its rules surrounding agent commissions (the “ Burnett Settlement ”). **The On November 26, 2024, the Burnett Settlement received is its final subject to court approval. On More recently, on** March 22, 2024, real estate brokerage company Compass Inc. announced that it will pay \$ 57. 5 million as part of a proposed settlement to resolve lawsuits over real estate commissions and agreed to change its business practices to ensure clients can more easily understand how brokers and agents are compensated for their services. While the Company was not named as a defendant in any of these actions, it is possible that it could be a litigant at some point in the future. These settlements can result in changes in the way real estate brokers are compensated for their services. Most notably, home sellers will no longer be required to pay buyer agent commissions which will result in lower buyer agent compensation. We cannot predict the full breadth of the outcome of these lawsuits but believe that they will result in a significant adverse effect on our financial condition and results of operations for the foreseeable future. Security breaches, interruptions, delays and failures in our systems and operations could materially harm our business. The performance and reliability of our systems and operations and third- party applications are critical to our reputation and ability to attract franchisees and agents to join us. Our systems and operations, as well as the third- party applications that we license are vulnerable to security breaches, interruption or malfunction due to certain events beyond our control, including natural disasters, such as earthquakes, fire and flood, power loss, telecommunication failures, break- ins, sabotage, computer viruses, intentional acts of vandalism and similar events. In addition, we rely on third- party vendors to provide ~~the~~ website platforms and additional systems and related support. If we cannot continue to retain these services on acceptable terms, our access to these systems and services could be interrupted. Any security breach, interruption, delay or failure in our systems and operations could substantially harm our franchisees and agents by interfering with their daily business routines, reducing their transaction volume, impairing the quality of the services we provide, increasing our costs, prompting litigation and other claims, and damaging our reputation, any of which could substantially harm our results of operations, financial condition and prospects. If we attempt to, or acquire other complementary businesses, we will face certain risks inherent with such activities. We may seek to acquire, and acquire, certain complementary businesses, including one or more of our affiliates. Any future growth through acquisitions will depend in part on the availability of suitable acquisition targets at favorable prices and with advantageous terms and conditions, which may not be available to us. In addition, we may take on debt to finance these acquisitions which will create new financial risks, or use our Common Stock as currency, which could dilute our then current stockholders. Acquisitions subject us to several significant risks, any of which may prevent us from realizing the anticipated benefits or synergies of the acquisition. The integration of companies is a complex and time- consuming process that could significantly disrupt our businesses and the business of the acquired company, including the diversion of management attention, failure to identify certain liabilities and

issues during the due diligence process, the inability to retain personnel and clients of the acquired business and litigation. Any negative outcomes from acquisitions or attempted acquisitions could result in a material adverse effect on our financial condition, results of operations and prospects. If we were deemed to be an investment company under the Investment Company Act of 1940, as amended (the “1940 Act”) as a result of our ownership of our subsidiaries, applicable restrictions could make it impractical for us to continue our business as contemplated and could have an adverse effect on our business. Under Sections 3 (a) (1) (A) and (C) of the 1940 Act, a company generally will be deemed to be an “investment company” for purposes of the 1940 Act if: (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an “investment company,” as such term is defined in either of those sections of the 1940 Act and intend to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business and prospects.

Risks Associated with Our Capital Stock We may not be able to maintain our compliance with Nasdaq’s continued listing standards or other requirements could result in our Common Stock being delisted from Nasdaq, which could adversely affect our liquidity and the trading volume and market price of our Common Stock and decrease or eliminate your investment. Our Common Stock is currently listed on the Nasdaq Capital Market on Nasdaq under the symbol “LRHC.” Nasdaq requires listed issuers to comply with certain standards in order to remain listed on its exchange. If, for any reason, Nasdaq should delist our securities from trading on its exchange and we are unable to obtain listing on another reputable national securities exchange, a reduction in some or all of the following may occur, each of which could materially adversely affect our stockholders. **If On November 24, 2023, we violate received written notification from the staff (the “Staff”) of Nasdaq indicating that, the Company no longer meets Nasdaq Listing Rule 5550 (b) (2) (the “Rule”) requiring the Company to maintain a minimum market value of listed securities (“MVLS”) of \$ 35 million. The notice was based on a review of the Company’s MVLS for the past 30 consecutive business days. Nasdaq’s listing rules provide requirements, or if we fail to meet any of Nasdaq’s listing standards, our Common Stock may be delisted. A delisting of our Common Stock from Nasdaq may materially impair our stockholders’ ability to buy and sell our Common Stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our Common Stock. The delisting of our Common Stock could significantly impair our ability to raise capital and the value of your shares. On October 10, 2024, we received a letter from Nasdaq notifying us that we were no longer in compliance with the \$ 1. 00 minimum bid price requirement for continued listing on Nasdaq under the Bid Price Rule. Pursuant to Nasdaq Listing Rule 5810 (c) (3) (A), the Company with a compliance was provided an initial period of 180 calendar days, or until May 22, 2024-2025, in which to regain compliance with the Bid Price Rule. If at any time during this compliance period On April 9, 2025, Nasdaq notified the Company that Nasdaq’s MVLS closes at \$ 35 million or more Staff has determined that the Company is eligible for an additional 180 calendar a minimum of ten consecutive business days– day period, or until October 6, 2025, to regain compliance. If we fail to regain compliance with the Bid Price Rule until October 6, 2025, or if we fail to continue to meet all applicable continued listing requirements for Nasdaq in will provide written confirmation of compliance and the matter will be closed future, Nasdaq could delist our securities. Although Nasdaq has granted us additional 180 calendar days, or until May 22, 2024, to regain compliance with the Bid Price Rule, there can be no assurance that we will regain such compliance, or that we will maintain compliance with all applicable continued listing requirement for Nasdaq in the future, and Nasdaq could make a determination to delist our Common Stock. Any delisting determination by Nasdaq could seriously decrease or eliminate the value of an investment in our Common Stock and other securities linked to our Common Stock. While a listing on an over-the-counter exchange could maintain some degree of a market in our Common Stock, we could face substantial material adverse consequences, including, but not limited to, the following: limited availability for market quotations for our Common Stock; reduced liquidity with respect to and decreased trading prices of our Common Stock; a determination that shares of our Common Stock are “penny stock” under the Securities and Exchange Commission rules, subjecting brokers trading our Common Stock to more stringent rules on disclosure and the class of investors to which the broker may sell the Common Stock; limited news and analyst coverage for our Company, in part due to the “penny stock” rules; decreased ability to issue additional securities or obtain additional financing in the future; and potential breaches under or terminations of our agreements with current or prospective large stockholders, strategic investors and banks. The perception among investors that we are at heightened risk of delisting could also negatively affect the market price of our securities and trading volume of our Common Stock.**

Furthermore, on April 7, 2025, the closing price of our Common Stock was \$ 0. 17. Pursuant to Nasdaq Rule 5810 (c) (3) (A) (iii), if the closing price of our Common Stock is \$ 0. 10 or less for 10 consecutive trading days, we will be issued a Staff Delisting Determination by Nasdaq. If we receive a Staff Delisting Determination Letter resulting from our Common Stock trading at or below \$ 0. 10 for 10 consecutive trading days, we will have 7 calendar days to request a hearing before a Nasdaq hearings panel to review the Staff Delisting Determination, which will determine the delisting of our Common Stock by Nasdaq. A hearing would then take place within 45 days of the hearing request to determine whether or not our Common Stock would be delisted. If, in the future, we receive a Staff Delisting Determination there can be no assurance that we would be successful in preventing a determination by the Nasdaq hearing panel that our stock will be delisted. The market price for our Common Stock may be particularly volatile given our status as a relatively unknown company with a small and thinly traded public float, and minimal profits, which could lead to wide fluctuations in our share price. The market for our Common Stock is characterized by significant price volatility when compared to the shares of

larger, more established companies that have large public floats, and we expect that our share prices will be more volatile than the shares of such larger, more established companies for the indefinite future, although such fluctuations may not reflect a material change to our financial condition or operations during any such period. Such volatility can be attributable to a number of factors. First, as noted above, our Common Stock will, compared to the shares of such larger, more established companies, likely be sporadically and thinly traded. The price for our Common Stock could, for example, decline precipitously in the event that a large number of our shares are sold on the market without commensurate demand. Secondly, we are a speculative or “risky” investment due to our minimal profits to date. As a consequence of this enhanced risk, more risk-averse investors may, under the fear of losing all or most of their investment in the event of negative news or lack of progress, be more inclined to sell their shares on the market more quickly and at greater discounts than would be the case with the stock of a larger, more established company that has a large public float. Many of these factors are beyond our control and may decrease the market price of our Common Stock regardless of our operating performance. In addition to being highly volatile, our Common Stock could be subject to rapid and substantial price volatility in response to a number of factors that are beyond our control, including, but not limited to: ● variations in our revenues and operating expenses; ● actual or anticipated changes in the estimates of our operating results or changes in stock market analyst recommendations regarding our Common Stock, other comparable companies or our industry generally; ● market conditions in our industry and the economy as a whole; ● actual or expected changes in our growth rates or our competitors’ growth rates; ● developments in the financial markets and worldwide or regional economies; ● announcements of innovations or new products or services by us or our competitors; ● announcements by the government relating to regulations that govern our industry; ● sales of our Common Stock or other securities by us, or in the open market; ● changes in the market valuations of other comparable companies; and ● other events or factors, many of which are beyond our control, including those resulting from such events, or the prospect of such events, including war, terrorism and other international conflicts, public health issues including health epidemics or pandemics, such as the COVID-19 pandemic, and natural disasters such as fire, hurricanes, earthquakes, tornados or other adverse weather and climate conditions, whether occurring in the United States or elsewhere, could disrupt our operations, disrupt the operations of our suppliers or result in political or economic instability. There have recently been instances of extreme stock price run-ups followed by rapid price declines and stock price volatility seemingly unrelated to company performance following a number of recent initial public offerings, particularly among companies, like ours, that have had relatively smaller public floats. Such volatility, including any stock run-up, may be unrelated to our actual or expected operating performance and financial condition or prospects, making it difficult for prospective investors to assess the rapidly changing value of our Common Stock. If, for example, the market for real estate related stocks or the stock market in general experiences loss of investor confidence, the trading price of our Common Stock could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our shares might also decline in reaction to events that affect other companies in our industry, even if these events do not directly affect us. Each of these factors, among others, could harm the value of our Common Stock. Further, in the past, following periods of volatility in the market, securities class-action litigation has often been instituted against companies. Such litigation, if instituted against us, could result in substantial costs and diversion of management’s attention and resources, which could materially and adversely affect our business, operating results and financial condition. Future issuances of debt securities, which would rank senior to our Common Stock upon our bankruptcy or liquidation, and future issuances of preferred stock, which could rank senior to our Common Stock for the purposes of dividends and liquidating distributions, may adversely affect the level of return you may be able to achieve from an investment in our Securities. In the future, we may attempt to increase our capital resources by offering debt securities. Upon bankruptcy or liquidation, holders of our debt securities, and lenders with respect to other borrowings we may make, would receive distributions of our available assets prior to any distributions being made to holders of our Common Stock. Moreover, if we issue preferred stock, the holders of such preferred stock could be entitled to preferences over holders of Common Stock in respect of the payment of dividends and the payment of liquidating distributions. Because our decision to issue debt or preferred stock in any future offering, or borrow money from lenders, will depend in part on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any such future offerings or borrowings. Holders of our Securities must bear the risk that any future offerings we conduct or borrowings we make may adversely affect the level of return, if any, they may be able to achieve from an investment in our Securities. If our securities become subject to the penny stock rules, it would become more difficult to trade our shares. The SEC has adopted rules that regulate broker-dealer practices in connection with transactions in penny stocks. Penny stocks are generally equity securities with a price of less than \$ 5.00 per share, other than securities registered on certain national securities exchanges or authorized for quotation on certain automated quotation systems, provided that current price and volume information with respect to transactions in such securities is provided by the exchange or system. If we do not retain a listing on Nasdaq or another national securities exchange and if the price of our securities is less than \$ 5.00, our securities could be deemed a penny stock. The penny stock rules require a broker-dealer, before a transaction in a penny stock not otherwise exempt from those rules, to deliver a standardized risk disclosure document containing specified information. In addition, the penny stock rules require that before effecting any transaction in a penny stock not otherwise exempt from those rules, a broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive (i) the purchaser’s written acknowledgment of the receipt of a risk disclosure statement; (ii) a written agreement to transactions involving penny stocks; and (iii) a signed and dated copy of a written suitability statement. These disclosure requirements may have the effect of reducing the trading activity in the secondary market for our Common Stock, and therefore shareholders may have difficulty selling their Common Stock. We may have violated Section 13(k) of the Exchange Act (implementing Section 402 of the Sarbanes-Oxley Act of 2002) and may be subject to sanctions as a result. Section 13(k) of the Exchange Act provides that it is unlawful for a company that has a class of securities registered under Section 12 of the Exchange Act to, directly or indirectly, including through any subsidiary, extend or maintain credit in the form of a personal loan to or for any of its directors or

executive officers. From February 2017 to July 2023, La Rosa Realty, LLC, a subsidiary of the Company, provided interest free, due on demand advances to La Rosa Insurance LLC, a company owned by our Chief Executive Officer, which may have been deemed to be personal loans made by us to Mr. La Rosa that are not permissible under Section 13 (k) of the Exchange Act. Issuers that are found to have violated Section 13 (k) of the Exchange Act may be subject to civil sanctions, including injunctive remedies and monetary penalties, as well as criminal sanctions. During the fourth quarter of 2023, upon us completing our IPO, the Compensation Committee reviewed the advance and determined that the existing related party receivable would be charged as part of the Company's chief executive officer's annual bonus as specified in his employment agreement. No outstanding balance exists as of December 31, 2023. Notwithstanding, the imposition of any of such sanctions on us could have a material adverse effect on our business, financial position, results of operations or cash flows. We are an "emerging growth company" and a "smaller reporting company" within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to emerging growth companies or smaller reporting companies, this could make our securities less attractive to investors and may make it more difficult to compare our performance with other public companies. We are an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor internal controls attestation requirements of Section 404 of the Sarbanes- Oxley Act of 2002 ("Sarbanes- Oxley Act"), reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, our stockholders may not have access to certain information they may deem important. We could be an emerging growth company for up to five years, although circumstances could cause us to lose that status earlier, including if the market value of our shares held by non- affiliates exceeds \$ 700 million as of the end of the prior fiscal year's second quarter, in which case we would no longer be an emerging growth company as of the following fiscal year end. We cannot predict whether investors will find our securities less attractive because we will rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile. Further, Section 102 (b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- emerging growth companies but any such an election to opt out is irrevocable. We have elected to avail ourselves of the extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of our financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accountant standards used. Additionally, we are a "smaller reporting company" as defined in Item 10 (f) (1) of Regulation S- K promulgated by the SEC. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We will remain a smaller reporting company until the last day of the fiscal year in which (i) the market value of our shares held by non- affiliates exceeds \$ 250 million as of the end of that year's second fiscal quarter, or (ii) our annual revenues exceeded \$ 100 million during such completed fiscal year and the market value of our shares held by non- affiliates exceeds \$ 700 million as of the end of that year's second fiscal quarter. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible. Our status as an "emerging growth company" under the JOBS Act may make it more difficult to raise capital as and when we need it. Because of the exemptions from various reporting requirements provided to us as an "emerging growth company" and because we will have an extended transition period for complying with new or revised financial accounting standards, we may be less attractive to investors, and it may be difficult for us to raise additional capital as and when we need it. Investors may be unable to compare our business with other companies in our industry if they believe that our financial accounting is not as transparent as other companies in our industry. If we are unable to raise additional capital as and when we need it, our financial condition and results of operations may be materially and adversely affected. If we continue to fail to maintain an effective system of disclosure controls and fail to maintain an effective system of internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act and the rules and regulations of the applicable listing standards of Nasdaq. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time- consuming and costly and place significant strain on our personnel, systems and resources. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. Based upon evaluation of our Chief Executive Officer and Interim Chief Financial Officer as of December 31, 2023-2024, our disclosure controls and procedures are ineffective, as we are a newly publicly traded company with limited resources in our finance department, and we are in the process of establishing our procedures around our disclosure controls. We are continuing to develop our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the applicable time periods specified in SEC rules and forms and that information required to be disclosed in reports under the

Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to improve and maintain the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. In addition, changes in accounting principles or interpretations could also challenge our internal controls and require that we establish new business processes, systems and controls to accommodate such changes. We have limited experience with implementing the systems and controls necessary to operate as a public company, as well as adopting changes in accounting principles or interpretations mandated by the relevant regulatory bodies. Additionally, if these new systems, controls or standards and the associated process changes do not give rise to the benefits that we expect or do not operate as intended, it could adversely affect our financial reporting systems and processes, our ability to produce timely and accurate financial reports, or the effectiveness of internal control over financial reporting. Moreover, our business may be harmed if we experience problems with any new systems and controls that result in delays in their implementation or increased costs to correct any post-implementation issues that may arise. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our business or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our ~~common~~ **Common stock** ~~Stock~~. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq. ~~We are not currently required to comply with the SEC rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required~~ **requires to make that we include a formal assessment of report from management on** the effectiveness of our internal control over financial reporting **in our** for that purpose. As a public company, we are required to provide an annual **Annual management report Reports** on the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K **and Quarterly Reports on Form 10-Q. Based on evaluation of our Chief Executive Officer and Interim Chief Financial Officer as of December 31, 2024, our management has identified a material weakness due to lack of segregation of duties and have therefore concluded that our internal controls over financial reporting are not effective at the reasonable assurance level**. Our independent registered public accounting firm is not required to formally attest to the effectiveness of our internal control over financial reporting until our first annual report filed with the SEC where we are an accelerated filer or a large accelerated filer, ~~which will not occur until at least our second annual report on Form 10-K~~. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could harm our business, financial condition, and results of operations and could cause a decline in the trading price of our Common Stock. If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline. The trading market for our Common Stock depends in part on the research and reports that securities or industry analysts publish about us or our business. As of the date of this annual report, no analysts cover our stock. If we do not obtain analyst coverage or if one or more of those analysts downgrade our stock or publish inaccurate or unfavorable research about our business, our stock price would likely decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline. We do not expect to pay dividends in the future, and any return on investment may be limited to the value of our stock. We currently intend to retain any future earnings to support the development of our business and do not anticipate paying cash dividends on our Common Stock in the foreseeable future. Our payment of any future dividends will be at the discretion of our Board of Directors after taking into account various factors, including, but not limited to, our financial condition, operating results, cash needs, growth plans and the terms of any credit agreements that we may be a party to at the time. In addition, our ability to pay dividends on our Common Stock may be limited by Nevada state law or any financial covenants to which we are bound by our debt obligations. Accordingly, investors must rely on sales of their Common Stock after price appreciation, which may never occur, as the only way to realize a return on their investment. Investors seeking cash dividends should not purchase our Common Stock. If we fail to protect the privacy of employees, independent contractors, or consumers or personal information that they share with us, our reputation and business could be significantly harmed. Consumers, agents, independent contractors, and employees have shared personal information with us during the normal course of our business processing residential real estate transactions. This includes, but is not limited to, social security numbers, annual income amounts and sources, names, addresses, telephone and cell phone numbers, and email addresses. The application, disclosure and safeguarding of this information is regulated by federal and state privacy laws. To comply with privacy laws, we invested resources and adopted a privacy policy outlining policies and procedures for the use of safeguarding personal information. This policy includes informing consumers, independent contractors and employees that we will not share their personal information with third parties without their consent unless required by law. Privacy policies and compliance with federal and state privacy laws present risk, and we could incur legal liability for failing to maintain compliance. We might not become aware of all privacy laws, changes to privacy laws, or third-party privacy regulations governing the real estate business or be unable to comply with all of these regulations, given the rate of regulatory changes, ambiguities in regulations, contradictions in regulations between

jurisdictions, and the difficulties in achieving both Company- wide and region- specific knowledge and compliance. Our policy and safeguards could be deemed insufficient if third parties with whom we have shared personal information fail to protect the privacy of that information. Our legal liability could include significant defense costs, settlement costs, damages, and penalties, plus, damage our reputation with consumers, which could significantly damage our ability to attract and maintain customers. Any or all of these consequences would result in meaningful unfavorable impact on our brand, business model, revenue, expenses, income, and margins. Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business. Cybersecurity threats and incidents directed at us could range from uncoordinated individual attempts to gain unauthorized access to information technology systems to sophisticated and targeted measures aimed at disrupting our business or gathering personal data of our customers. In the ordinary course of our business, we collect and store sensitive data, including proprietary business information and personal information about our customers. Our business, and particularly our cloud- based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance, and transmission of information are critical to our operations, especially the processing and closing of real estate transactions. Although we employ measures designed to prevent, detect, address, and mitigate these threats (including access controls, data encryption, vulnerability assessments, **multi- factor authentication**, and maintenance of backup and protective systems), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including potentially sensitive personal information of our customers) and the disruption of business operations. Any such compromises to our security could cause harm to our reputation, which could cause customers to lose trust and confidence in us or could cause agents to stop working for us. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage, and compensation to customers and business partners. We may also be subject to legal claims, government investigation, and additional state and federal statutory requirements. The potential consequences of a material cybersecurity incident include regulatory violations of applicable U. S. and international privacy and other laws, reputational damage, loss of market value, litigation with third parties (which could result in our exposure to material civil or criminal liability), diminution in the value of the services we provide to our customers, and increased cybersecurity protection and remediation costs (that may include liability for stolen assets or information), which in turn could have a material adverse effect on our competitiveness and results of operations. Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful stockholder claims against us and may reduce the amount of money available to us. As permitted by Section 78. 7502 of Chapter 78 of the Nevada Revised Statutes (the “ NRS ”), our amended and restated articles of incorporation limit the liability of our directors to the fullest extent permitted by law. In addition, as permitted by Section 78. 7502 of the NRS, our amended and restated articles of incorporation and amended and restated bylaws provide that we shall indemnify, to the fullest extent authorized by the NRS, any person who is involved in any litigation or other proceeding because such person is or was a director or officer of ours or is or was serving as an officer or director of another entity at our request, against all expense, loss, or liability reasonably incurred or suffered in connection therewith. Our amended and restated articles of incorporation provide that indemnification includes the right to be paid expenses incurred in defending any proceeding in advance of its final disposition; provided, however, that such advance payment will only be made upon delivery to us of an undertaking, by or on behalf of the director or officer, to repay all amounts so advanced if it is ultimately determined that such director or officer is not entitled to indemnification. Section 78. 7502 of the NRS permits a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, except an action by or in the right of us, by reason of the fact that the person is or was a director, officer, employee, or agent of ours, or is or was serving at our request as a director, officer, employee, or agent of another company, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys’ fees, judgment, fines, and amounts paid in settlement actually and reasonably incurred by the person in connection with the action, suit, or proceeding if the person is not liable under Section 78. 138 of the NRS, or acted in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The above limitations on liability and our indemnification obligations limit the personal liability of our directors and officers for monetary damages for breach of their fiduciary duty as directors by shifting the burden of such losses and expenses to us. Certain liabilities or expenses covered by our indemnification obligations may not be covered by our directors’ and officers’ insurance policy or the coverage limitation amounts may be exceeded. As a result, we may need to use a significant amount of our funds to satisfy our indemnification obligations, which could severely harm our business and financial condition and limit the funds available to stockholders who may choose to bring a claim against us. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling the Company pursuant to provisions of Nevada law, the Company has been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in that Act and is, therefore, unenforceable. Anti- takeover provisions in our amended and restated articles of incorporation and bylaws, as well as provisions in Nevada law, might discourage, delay or prevent a change of control of our Company or changes in our management and, therefore, depress the trading price of our ~~Securities~~ **securities**. Our amended and restated articles of incorporation, bylaws and Nevada law contain provisions that could have the effect of rendering more difficult or discouraging an acquisition deemed undesirable by our Board of Directors (the “ Board ”). Our corporate governance documents include provisions: ● providing for a single class of directors where each member of the Board shall serve for a one- year term and may be elected to successive terms; ● authorizing blank check preferred stock, which could be issued with voting, liquidation, dividend and other rights superior to our Common Stock; ● limiting the liability of, and providing indemnification to, our directors, including provisions that require the Company to advance payment for defending pending or threatened claims; ● limiting the ability of our stockholders to call and

bring business before special meetings of stockholders; ● requiring advance notice of stockholder proposals for business to be conducted at meetings of our stockholders and for nominations of candidates for election to our Board; ● controlling the procedures for the conduct and scheduling of the Board and stockholder meetings; and, ● limiting the determination of the number of directors on our Board and the filling of vacancies or newly created seats on the Board to our Board then in office. These provisions, alone or together, could delay hostile takeovers and changes in control or changes in our management. As a Nevada corporation, we are also subject to provisions of Nevada corporate law, including NRS Section 78.411, et seq., which prohibits a publicly-held Nevada corporation from engaging in a business combination with an interested stockholder, generally a person who together with its affiliates owns, or within the last two years has owned, 10 % of our voting stock, for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is approved in a prescribed manner. The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our Common Stock. They could also deter potential acquirers of our Company, thereby reducing the likelihood that our stockholders could receive a premium for their Common Stock in an acquisition.