

Participant Information Supplement Agent Equity Program MEXICO

OVERVIEW

This supplement has been prepared to provide you with a summary of the tax consequences and certain other issues associated with the offering of and your participation in the 2015 Equity Incentive Plan (the “Plan”) by eXp World Holdings Inc. (the “Company”).

This supplement is based on tax laws in effect in your country as of January 2021.

Tax laws often are complex and can change frequently. As a result, you should consult with your personal tax advisor for current information and further guidance regarding your personal tax liabilities and responsibilities associated with your enrollment in the Plan, the purchase of Company shares, the payment of any dividends on such shares, and the sale of Company shares acquired under the Plan.

Please note that this supplement is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to your particular tax or financial situation, and the Company is not in a position to assure you of any particular tax result. If any dividends are paid on shares, it is assumed that the dividends will be paid by the broker into an offshore brokerage account (i.e., they will not be paid by a bank in your country or into an account in your country). You should consult with an appropriate professional advisor as to how the tax or other laws in your country apply to your specific situation.

If you are a citizen or resident of another country or transfer residency after you enroll in the Plan or if you are no longer actively providing services at the time of the taxable event, the information contained in this supplement may not be applicable to you.

Finally, the information in this supplement assumes that you are not a U.S. tax resident and that you have completed a Form W-8BEN to certify your status as a non-U.S. person.

This document constitutes part of a prospectus covering securities that have been registered with the U.S. Securities and Exchange Commission under the U.S. Securities Act of 1933, as amended.

TAX	
Enrollment	No taxation.
Purchase	On the date(s) shares are purchased on your behalf under the Plan, you will be subject to taxation.
<i>Taxable Amount</i>	The difference between the fair market value of the shares at purchase and the purchase price (the “discount”).
<i>Nature of Taxable Amount</i>	Income from Business or Profession (Commission).
<i>Is Income Tax Payable?</i>	Yes.
<i>Are Social Insurance Contributions Payable?</i>	No.
<i>Are Other Taxes Payable?</i>	No.

COMPANY TAX WITHHOLDING AND REPORTING	
Withholding	
<i>Is Income Tax Withheld?</i>	No.
<i>Are Social Insurance Contributions Withheld?</i>	Not applicable.
<i>Are Other Taxes Withheld?</i>	Not applicable.
Reporting	
<i>Does the Taxable Amount Need to be Reported?</i>	No. The local entity (with which you have entered into an Independent Contractor Agreement) will not be subject to any reporting obligations in connection with your participation in the Plan.

DIVIDENDS	
Taxation in Your Country	If you acquire shares and a dividend is subsequently declared on the Company’s shares, any dividends paid with respect to the shares will be subject to tax in your country.
Taxation in the U.S.	Further, any dividends paid will be subject to United States (“U.S.”) federal tax withholding at source. You may be able to claim a reduced rate of U.S.

DIVIDENDS	
	<p>federal tax withholding on such dividends as a resident of a country with which the U.S. has an income tax treaty. You must have a properly completed U.S. Internal Revenue Service Form W-8BEN on file with the broker with which your Company shares are deposited in order to claim the treaty benefit. You also may be entitled to a tax credit in your country for the U.S. federal tax withheld at source. <i>You should consult with your personal tax advisor regarding the availability of such a credit.</i></p>

SALE OF SHARES	
Taxation in Your Country	<p>When you subsequently sell Company shares acquired under the Plan, you will be subject to taxation on any gain you recognize.</p> <p>Generally, the taxable gain will equal the difference between the sale proceeds and your cost basis in the shares (generally, the fair market value of the shares on the date of acquisition).</p> <p>At sale, you will be subject to a 20% tax on the <i>gross sale proceeds</i> as described below under Your Tax Reporting and Payment Obligations.</p> <p>To determine your tax liability (assuming you do not elect the optional net basis tax treatment), the following method shall apply: the taxable gain is calculated separately for each asset type (such as Company shares), and then divided by the number of years such asset was held, up to a maximum of 20 years. One year’s worth of taxable gain (or 1/20th, if you held your shares more than 20 years) is taxed in the same manner as your regular salary. The balance of the gain (or 19/20ths of the gain if you held your shares more than 20 years) is subject to tax at either your effective rate of tax in the year of sale or, at your election, your average effective tax rate over the five (5) year period ending with the year of sale.</p> <p>If you sell Company shares acquired under the Plan at a price that is less than your cost basis in the shares, you will realize a capital loss. Capital losses may be offset from any capital gain, dividend, rental or other capital income realized in the same tax year and during the following three (3) years, but cannot be used to offset other income. Please note that share identification rules may affect the cost basis (and, therefore, any taxable capital gain or allowable loss) for the purposes of calculating your capital gains tax liability.</p> <p><i>These rules are complex and their impact will vary according to your personal circumstances. You should consult with your personal tax advisor prior to acquiring or selling Company shares.</i></p>
Taxation in the U.S.	<p>Assuming you are not a U.S. tax resident and have provided the Company and/or the broker with a Form W-8BEN to certify your status as a non-U.S. person, you will not be subject to tax in the U.S. on any gain you realize when shares acquired under the Plan are sold. If you have not provided a Form W-8BEN, the broker will perform U.S. back-up withholding on the gain at a rate of 24%.</p>

YOUR TAX REPORTING AND PAYMENT OBLIGATIONS	
Purchase	<p>You will be personally responsible for reporting the taxable amount no later than the 17th day of the month following the month of the taxable event. In addition, you must report the taxable income in your annual income tax return no later than April 30 of the following year.</p> <p>Tax returns are filed through the website of the Mexican Tax Administration Service (www.sat.gob.mx). No filing extension can be requested. However, if the payment of taxes is made after the deadline but before an audit, fines and sanctions are unlikely to be applied.</p>
Dividends	<p>You will be personally responsible for reporting any dividends no later than the 17th day of the month following the month of the dividend payment and paying the applicable tax due. In addition, you must report any dividends in your annual income tax return for purposes of your personal gross income calculation no later than April 30 of the following year.</p> <p>Tax returns are filed through the website of the Mexican Tax Administration Service (www.sat.gob.mx). No filing extension can be requested. However, if the payment of taxes is made after the deadline but before an audit, fines and sanctions are unlikely to be applied.</p>
Sale of Shares	<p>When you sell your shares, you will be subject to a 20% tax on the <i>gross sale proceeds</i> (i.e., total sale price of the shares), which must be remitted within 15 days, unless you elect to apply the optional net basis tax treatment by securing a tax opinion (“<i>Dictamen Fiscal</i>”) prepared by a registered certified public accountant (“CPA”).¹ This 20% tax constitutes an estimated advance payment towards your annual tax liability. There is no specific form for this payment, but additional guidance can be found here: www.sat.gob.mx/declaracion/26984/declaracion-mensual-en-el-servicio-de-declaraciones-y-pagos.</p> <p>In addition, you must report any capital gains or losses in your annual income tax return and pay any additional taxes no later than April 30 of the following year. Tax returns are filed through the website of the Mexican Tax Administration Service (www.sat.gob.mx). No filing extension can be requested. However, if the payment of taxes is made after the deadline but before an audit, fines and sanctions are unlikely to be applied.</p>

OTHER INFORMATION	
Foreign Asset/Account Reporting	None.

¹ If you elect to apply the optional tax regime, the taxable gain will be subject to net tax treatment at marginal rates. The taxable gain is determined by subtracting the original cost of acquisition (adjusted for inflation) from the sale proceeds. This calculation must be supported by the *Dictamen Fiscal* mentioned above, which must be provided to the tax authorities under the following procedure: (i) a tax report notice (“*Aviso de Presentación de Dictamen*”), signed by you and the CPA, must be filed with the tax office corresponding to your tax domicile no later than the 10th day of the calendar month following the date of sale of your shares, and (ii) the *Dictamen Fiscal*, indicating the actual cost basis of the shares to be sold and the gain at sale, must be filed within 30 business days following the date on which the tax return is due (i.e., within 15 days of the date of sale).

OTHER INFORMATION	
Exchange Control	None.
U.S. Estate Tax	You should be aware that U.S. estate tax may be assessed at the time of death if you hold Company shares (and certain awards) at this time. U.S. estate tax law requires that, for the estates of non-U.S. citizens who reside outside the U.S. (“non-resident aliens”), an estate tax return must be filed if the gross estate exceeds USD 60,000, though if an estate tax treaty applies, the consequences will differ. The gross estate of a non-resident alien consists only of assets located in the U.S., which will include your Company shares (and certain awards granted under the Plan). <i>Due to the complexity of these laws, your heirs should consult with a personal tax or financial advisor.</i>