

Since February 2025, Pilates Addiction Franchisor has franchised Pilates Addiction™ (formerly known as WundaBar®) studios offering Pilates and other specialized exercise classes using designated equipment and related products and services. Pilates Addiction Franchisor's predecessor franchised such studios under the WundaBar® name from November 2011 to February 2025. As of December 31, 2024, there were two franchised and nine affiliate-owned WundaBar® studios.

Since December 2024, iFlex Franchisor has franchised iFlex® studios offering personalized assisted stretch programs, techniques, and systems and recovery sessions. iFlex Franchisor's predecessor franchised such studios from September 2022 to December 2024. As of December 31, 2024, there were three franchised and one affiliate-owned iFlex® studios. In addition, there were nine franchised iFlex® area representatives.

Other than as described above, these affiliates have not offered franchises in other lines of business or operated any business of the type being offered under this Disclosure Document.

Except for Sequel Holdings, none of our affiliates provide products or services to our franchisees.

**The Business and Franchises Offered.** We are offering, under the terms of this Disclosure Document, the opportunity to become a franchisee to develop and operate one or more Studios (each, a **"Franchise"**). Studios offer consumer-grade infrared, red light, and chromotherapy solutions and related services and products in a private spa-like setting.

A Studio operates under the Brand and certain other trademarks, service marks, trade names, signs, associated designs, artwork, and logos (collectively, the **"Marks"**). We may designate other trade names, service marks, and trademarks as Marks and may change the Marks at any time.

A Studio operates under a prescribed system of specifications and operating procedures that we have developed and will continue to develop (the **"System"**). The distinguishing characteristics of the System include our Studio designs, layouts, and identification schemes (collectively, the **"Trade Dress"**): an initial package of furniture, fixtures, and equipment for the Studio, including saunas, red light system, 42 to 50-inch touchscreen monitor, iPads, and certain other furniture, fixtures, and items (décor, retail display, shelving, and related items) (as well as shipping and installation services) (the "Initial FF&E Package"); our specifications for equipment, inventory, accessories, and supplies; our website or series of websites for the Studios (the **"System Website"**); our relationships with vendors; our software and computer programs; our online booking system; our reservation procedures; the therapy programs or sessions (collectively, **"Sessions"**) that you offer to customers; any Sessions that we have developed or may develop; the accumulated experience reflected in our operating procedures, customer service standards methods, and marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements (collectively, the **"System Standards"**) stated in our operations manuals (the **"Manuals"**) and otherwise in writing. We may change, improve, add to, and further develop the elements of the System periodically.

You may purchase a Franchise to develop and operate one Studio at a mutually agreed upon site (the **"Site"**) within an area (**"Site Selection Area"**) that we will specify in the Franchise Agreement, which we and you will execute.

Fee will be \$55,000 per Studio. If you commit to develop four or more Studios, the Franchise Fee will be \$55,000 for each of the first three Studios and \$45,000 for the fourth and each subsequent Studio.

In 2024, Predecessor collected Franchise Fees, each in the amount of \$59,900.

**Development Fee.** If you enter into a Development Agreement, you must pay us, upon signing the Development Agreement, a development fee equal to 100% of the aggregate of all of the Franchise Fees due for each Studio that you agree to develop (the “**Development Fee**”). The Development Fee will range between \$165,000 to \$480,000 if you commit to develop between three to 10 Studios. The Development Fee will be credited towards the Franchise Fee due for each Studio developed under the Development Agreement, and there will be no additional Franchise Fee due under each Franchise Agreement signed under the terms of this Development Agreement.

**Presale Kit.** Prior to opening your Studio and as we specify, you must pay us \$6,000 for a presale kit, plus our actual shipping costs (collectively, the “**Presale Kit Payment**”), which payment is nonrefundable. Currently, we estimate that shipping costs will range from \$0 to \$3,000. The Presale Kit Payment is paid in consideration of a kit of branded items, such as a pop-up tent, event banners, and other promotional materials that we will supply to you to support grassroots and community outreach events (the “**Presale Kit**”). The Presale Kit will be automatically shipped to you upon the purchase of your Initial FF&E Package ~~(as defined below)~~.

**Initial Retail Inventory Kit.** Prior to opening your Studio and as we specify, you must pay us \$6,000 for an initial retail inventory kit, plus our actual shipping costs (collectively, the “**Initial Retail Inventory Kit Payment**”), which payment is nonrefundable. Currently, we estimate that shipping costs will range from \$0 to \$3,000. The Initial Retail Inventory Kit Payment is paid in consideration of the initial retail inventory kit that we will supply to you, which typically includes branded apparel, as well as merchandise intended for promotional and early sales activities (the “**Initial Retail Inventory Kit**”). The Retail Inventory Kit will be automatically shipped to you upon the purchase of your Initial FF&E Package.

**Initial Training Fees.** At least 30 days prior to opening the Studio (or by such earlier deadline that we specify), you (or, if you are an Entity, your Operating Principal) and your Designated Manager (collectively, “**Required Trainees**”) must personally attend and satisfactorily complete our initial training program (“Initial Training”). We will provide Initial Training for your initial Required Trainees at no additional charge, as long as all of those trainees are trained during the same training session. We reserve the right to charge a training fee of up to \$1,000 (currently, \$500) per trainee per day for each person who attends a subsequent Initial Training program, including (a) each person who is repeating the program or replacing a person who did not pass, and (b) each subsequent Operating Principal, Designated Manager, or employee who attends the program. You are responsible for the travel and living expenses of your trainees. Our Initial Training is described in greater detail in Item 11.

**Technology Fees.** Beginning three months prior to the opening of the Studio, you must pay us a technology fee (the “**Technology Fee**”), which currently is \$450 per month for this presale period (and, as detailed in Item 6, \$550 per month thereafter, subject to any increase by us). The Technology Fee currently includes fees for various technology services that we will provide or arrange for third parties to provide, including email services, our website, our mobile application, search engine optimization services, and other software and services.

**Opening Deadline Extension Fee.** Under the Franchise Agreement, we may, in our sole discretion, extend the date by which you must open the Studio (*i.e.*, no later than 270 days after the effective date of the Franchise Agreement) (the “**Opening Deadline**”), which we may condition on your paying us an extension fee of \$2,500 for each Studio for each month (or portion of a month) for which the Opening Deadline is extended and your executing a general release. Under the Development Agreement, we also may extend any Signing Deadline or any Opening Deadline (as those Deadlines are stated in the Development Schedule) on the same terms.

**Grand Opening Marketing.** You must spend a minimum of \$15,000 for grand opening advertising and promotion beginning at least 60 days before, and ending 30 days after, the opening of your Studio according to a plan that you must submit to us for our approval. We may require you to pay to us the \$15,000, which we will use to conduct grand opening advertising and promotion for your Studio in a manner that we determine in our sole discretion.

~~**Initial FF&E Package.** Prior to opening your Studio and as we specify, you must purchase an initial package of furniture, fixtures, and equipment for the Studio, such as saunas, red light system, 42 to 50-inch touchscreen monitor, iPads, and certain other furniture, fixtures, and items (décor, retail display, shelving, and related items), including shipping and installation services (the “Initial FF&E Package”). We will specify the items in your Initial FF&E Package. Our standard franchise offering and business model assume that you will purchase the Initial FF&E Package from one of our designated third-party vendors via a lease-to-own or equivalent financing arrangement. As detailed in Item 7, we estimate that your pre-opening payments for the Initial FF&E Package, if financed, will range from \$12,941 to \$71,545. You may, however, elect to forego financing and instead purchase the Initial FF&E Package outright. Under these circumstances, we may require you to purchase the Initial FF&E Package from us or one of our affiliates, in which case the estimated cost of the Initial FF&E Package will range from \$148,500 to \$195,500, which payment is nonrefundable.~~

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The fees described in this Item 5 are not refundable under any circumstances. Except as described above, the fees described in this Item 5 are uniform for all franchisees and must be paid in a lump sum.

**ITEM 6 OTHER FEES**

**OTHER FEES (Note 1)**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (2)	8% of the Gross Sales of the Studio.	Currently due weekly by the 5 <sup>th</sup> of each month (the “ <b>Payment Due Date</b> ”)	See Note 2 for the definition of Gross Sales.
Brand Fund Fee	Currently, 2% of Gross Sales of the Studio.	The Payment Due Date	We have established and administer a Brand Fund and require you to contribute the Brand Fund Fee to it. We may increase the fee up to 4% of the Gross Sales of the Studio. See Note 2 for the definition of Gross Sales.