

Sequel is the direct parent company to three other franchisors, Pilates Addiction Franchisor LLC (“**Pilates Addiction Franchisor**”), Beem Franchisor LLC (“**Beem Franchisor**”), and iFlex Franchisor LLC (“**iFlex Franchisor**”), each of which shares our principal business address.

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 January 2025, Beem Franchisor has franchised beem® Light Sauna studios offering consumer-grade infrared, red light, and chromotherapy solutions and related services and products in a private spa-like setting. Beem Franchisor’s predecessor franchised such studios from March 2022 to January 2025. As of December 31, 2024, there were 38 franchised and one affiliate-owned beem® Light Sauna 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 (i) body training exercises using state-of-the-art electro-muscle stimulation (“**EMS**”) technology and equipment, and (ii) related products and services.

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 custom-built millwork (reception counters, cubbies, and display slatwalls), XBody equipment, baselayers, lighting, signage, furniture, flooring, and functional décor and accessories (FloWater) (as well as related 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

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. Prior to conducting your Studio presale (which occurs in the three-month period prior to the Studio’s opening) 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**”). Prior to your Required Trainees’ attending Initial Training, you must pay us a nonrefundable Initial Training fee of \$2,500, which will cover Initial Training for your initial Required Trainees, as long as they attend 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) any initial Required Trainee, (b) any person who is repeating the program (whether pre-opening or during the term of the Franchise Agreement as a refresher training program (whether required by us or requested by you) or replacing a person who did not pass, and (c) any subsequent Operating Principal, any subsequent Designated Manager, or any employee who attends the program. If we elect, in our discretion, to provide Initial Training to your Required Trainees at your Studio, you must pay us an additional training fee of up to \$1,000 (currently, \$500) per trainer per day. You are responsible for the travel and living expenses of your trainees and, as applicable, our trainers. Our Initial Training is described in greater detail in Item 11.

Coach Onboarding Fees. Each individual who will provide fitness coaching at the Studio must attend and successfully complete our fitness coach onboarding program (“**Coach Onboarding**”) before providing any fitness coaching at the Studio. You must pay us a fee of \$125 for each fitness coach attending Coach Onboarding (the “**Coach Onboarding Fee**”). We anticipate that some of your coaches may require additional practice, coaching, or follow-up instruction, depending on comprehension and readiness, the estimated cost of which is up to an additional \$1,000 per coach. If a fitness coach has attended and successfully completed our

Coach Onboarding through another Studio within the prior two years, they will not be required to attend Coach Onboarding at that time. Each fitness coach, however, must attend and successfully complete our then-current Coach Onboarding every two years. The total fees payable to us for your initial fitness coaches to attend Coach Onboarding is estimated to range from \$250 to \$4,500, excluding travel and living expenses (which you are also responsible for covering). The low estimate assumes that only two coaches will attend Coach Onboarding, and they will not receive the supplemental training. The high estimate assumes that four coaches will attend and also receive the supplemental training. If we, at your request, provide Coach Onboarding at your Studio, your costs may be higher.

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 \$1,060 per month. The Technology Fee currently includes fees for various technology services that we will provide or arrange for third parties to provide, such as Studio systems, software and programming fees for electromagnetic stimulation suits, email services, and our intranet.

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 in accordance with a plan that you must submit to us for our approval. If you fail to meet the required minimum number of pre-opening members and/or paid membership sales (at least 100 members and/or memberships that will generate at least \$20,000 in recurring monthly Gross Sales), with the intent and effect that the pre-sold memberships will commence immediately on the Studio’s opening date, we may terminate the Franchise Agreement. In lieu of terminating the Franchise Agreement, however, we may require you to spend an additional \$10,000 for grand opening advertising and promotion for the Studio. We reserve the right to require you to pay us the \$15,000 (or, as applicable \$25,000) minimum grand opening spend, and we will use those funds to conduct grand opening advertising and promotion for your Studio on your behalf 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 custom-built millwork (reception counters, cubbies, and display slatwalls), XBody equipment, baselayers, lighting, signage, furniture, flooring, and functional décor and accessories (FloWater), 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 \$8,298 to \$41,777. 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 \$95,218 to \$114,158, which payment is nonrefundable.~~

MINNESOTA

1. **Surety Bond.** Based on the financial condition of our guarantor, Sequel Brands Holdings, LLC, the Minnesota Department of Commerce has required a financial assurance. Consequently, we have posted a surety bond, which is on file with the Minnesota Department of Commerce.

~~2. **Initial FF&E Package.** The paragraph in Item 5 entitled “Initial FF&E Package” is deleted and replaced with the following:~~

~~Under our standard offering, you are expected to lease to purchase an opening package through our approved vendor. We may periodically permit you to purchase some items directly from us or our affiliates.~~

2. ~~3.~~ **Trademarks.** The following is added at the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, the franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

3. ~~4.~~ **Renewal, Termination, Transfer and Dispute Resolution.** The following is added at the end of Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) of the Development Agreement and Franchise Agreement and 180 days’ notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Development Agreement or Franchise Agreement can abrogate or reduce any of Developer’s or Franchisee’s rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.