

The franchisees will not be required to enroll in state or federal reimbursement programs. The services offered through the franchise are not reimbursable by Medicare. Thus, while Medicare beneficiaries may be seen, the services they receive will not result in any federal reimbursement. The Federal Anti-Kickback Statute is not implicated in this model since there is no federal reimbursement involved in this franchise.

## **Item 2**

### **BUSINESS EXPERIENCE**

#### **Amanda Watts: Board Member and President**

Ms. Watts has served as a Board Member and President since our inception in February 2024 in Jacksonville, Florida. She has also served as President of our affiliate Degree Wellness LLC since August 2022. Prior to this she served as CEO of Rito, LLC , located in Jacksonville, FL, from July 2020 to August 2022. Prior to this she served as CEO of Sheau, LLC, located in New York, NY, from October 2018 to December 2020.

#### **Tyler Moore: Senior Vice President of Operations**

Mr. Moore has served as our Vice of Operations since December 2025. Prior to this he served as our Vice President of Operations from May 2025 to December 2025. Prior to this he served as the COO of Glo30, located in Bethesda, MD, from August 2024 to April 2025. Prior to this he served as Senior Vice President of Operations for Wellbiz Brands, located in Denver, CO, the national franchisor of Drybar, Amazing Lash Studio, Elements Massage, Radiant Waxing, and Fitness Together from July 2012 to August 2024.

#### **Tom Lightcap: Board Member**

Mr. Lightcap has served on our Board since November 2025. He is Managing Partner of Atlantic Coast Investment Group, located in New York, NY, a position he has held since September 2025. Prior to this he served as Investment Manager at Southpoint Capital, located in New York, NY, from June 2016 to September 2025.

## **Item 3**

### **LITIGATION**

No information is required to be disclosed in this Item.

## **Item 4**

### **BANKRUPTCY**

No information is required to be disclosed in this Item.

## **Item 5**

### **INITIAL FEES**

#### **Initial Franchise Fee**

You must pay to us a lump sum initial franchise fee upon signing your Franchise Agreement. The initial franchise fee for a Studio is \$49,500 for the first franchise purchased. The

If you purchase a franchise, you irrevocably consent to the use of your name and likeness, including voice and image, by us and its respective affiliates, successors and assigns, for all commercial purposes, including advertising and promotion, in any media, throughout the world in perpetuity, including but not limited to, on the internet.

We may require you to use a website controlled by us and to require you to use search engine optimization services. In the event we establish a website, or series of websites, for our Systems and Studio franchises, you agree to give us information and materials that we may periodically request concerning your Studio franchise, and to otherwise participate in the System website in the manner that we may require. All advertising and promotional materials that you develop for your Studio franchise must contain the URL of the System website in the manner that we may designate.

### **Local and Regional Advertising Cooperatives**

We may, in our sole discretion, elect to form an advertising cooperative and/or advertising council for the benefit of the franchise system. If advertising cooperatives or councils are formed, we will retain the right to change, dissolve or merge any such cooperative or council, in our sole discretion. As of the date of this disclosure document we have not established any advertising cooperative or council, however, when applicable, the terms of the Franchise Agreement require you to participate in any such advertising cooperative or council as directed by us. The members of the Cooperative for any such area will consist of all Degree Wellness Studios whether operated by us, our affiliate, or by any of our affiliate's wholly-owned subsidiaries or by franchisees. The franchisees will administer the cooperative. If we require you to participate in an established cooperative advertising campaign for your market area, your minimum contribution will be \$1,000 per month. The actual amount will be set by the cooperatives governing documents, of which we do not have a copy to provide to you. **In no event will you be required by us to expend more than \$5,000 on cooperative contributions.** Each cooperative will establish their own governing documents and self-govern. If Franchisor-owned locations are a part of the advertising cooperative, then they will contribute at the same rate as franchisee-owned locations and have the same voting rights. Each franchisee in the same market will be required to be a member. Your \$1,000 minimum monthly cooperative contribution will apply to the satisfaction of your local advertising requirement once the Studio is open at least 12 full months. Governing documents are not available for the franchisee's review. The contribution amount will be set by a majority vote of the members of the cooperative. A membership of the cooperative is determined by the numbers of locations a franchisee may have. For example if a franchisee has three locations within the cooperative, they have three memberships and will be entitled to three votes.

### **Advertising Councils**

There is currently not an advertising council ("Council"), but we reserve the right to establish one in the future. We will select the Council's members, and we may change or dissolve the Council at any time. We anticipate that a Council would serve in an advisory capacity, but may grant to the Council any operational or decision-making powers that we deem appropriate. We, or one or more of our affiliated companies or persons, may also offer separate, optional, advisory councils or groups that may have additional costs to you should you decide to participate.

### **Advertising by Us – Brand Fund**

licensure. **You will be solely responsible and liable to ensure that all advertising, marketing, and promotional materials and activities you prepare comply with applicable federal, state, and local law including any regulations established by your state’s licensing board, and the conditions of any agreements or orders to which you may be subject.**

d. You irrevocably consent to the use of your name and likeness, including voice and image, by us and its respective affiliates, successors and assigns, for all commercial purposes, including advertising and promotion, in any media, throughout the world in perpetuity, including but not limited to, on the internet.

11.3 **Local and Regional Advertising Cooperatives.** We may, from time to time, form local or regional advertising cooperatives (“Advertising Cooperative”) to pay for the development, placement and distribution of advertising for the benefit of Studios located in the geographic region served by the Advertising Cooperative. Any Advertising cooperatives established by we will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the aforementioned purposes. If we form an Advertising Cooperative for the region in which your Studio is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 11.3 in the amount we determine. **Your minimum contribution will be \$1,000 per month. The actual amount will be set by the cooperatives governing documents. In no event will you be required by us to expend more than \$5,000 on cooperative contributions.**

#### 11.4 **Websites**

a. You acknowledge and agree that any Website (as defined below) will be deemed “advertising” under this Agreement, and will be subject to, among other things, the need to obtain our prior written approval in accordance with Paragraphs 7.2 and 11.2. As used in this Agreement, the term “Website” means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate, and that refers to the Franchise, the Marks, us, and/or the System. The term Website includes, but is not limited to, internet and World Wide Web home pages. In connection with any Website, you agree to the following:

(1) Before establishing any Website, you will submit to us a sample of the Website format and information in the form and manner we may require.

(2) You will not establish or use any Website without our prior written approval. You will not develop, maintain, or authorize any other Website, other online presence, or other electronic medium that mentions or describes the Franchised Business, or displays any of the Marks without our prior written approval.

(3) In addition to any other applicable requirements, you will comply with our standards and specifications for Websites as we prescribe in the Operations Manual or otherwise

### State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	<del>July 9, 2025</del> January 7, 2026
Illinois	<del>June 10</del> December 23, 2025
Indiana	April 22, 2025
Maryland	<del>August 5, 2025</del> Pending
Michigan	June 26, 2025
Minnesota	<del>May 27, 2025</del> Pending
New York	<del>November 10, 2025</del> Pending
North Dakota	<del>April 28</del> December 23, 2025
Rhode Island	<del>July 11</del> December 29, 2025
South Dakota	April 22, 2025
Virginia	<del>June 3, 2025</del> Pending
Washington	NA
Wisconsin	April 20, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.