

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration only in California. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in California than in your own state.
2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
3. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**TABLE NO. 5
PROJECTED OPENINGS FOR 2025**

State	Franchise Agreements Signed But Not Opened	Projected New Franchised Openings	Projected New Company-Owned Openings
All States	0	0	0
Totals	0	0	0

If you buy this franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

We have not sold any franchises as of the date of this Disclosure Document, therefore during the last 3 fiscal years, no franchisee has signed confidentiality clauses that restrict it from discussing with you their experiences as a franchisee in our franchised system.

There are no trademark-specific franchisee organizations representing Pilates Republic franchisees.

Item 21.

FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore, we are unable to provide three years of financial statements. Attached to this Disclosure Document as Exhibit DE are our: (i) audited balance sheets as of April 10, 2025 and December 31, 2024, and the related statements of operations and member’s equity and cash flows for the periods from January 1, 2025 to April 10, 2025 and August 15, 2024 (inception) to December 31, 2024; and (ii) our unaudited interim balance sheet as of October 31, 2025 and the profit and loss statement for the ten-month period ended October 31, 2025.

Our fiscal year end is December 31 each year.

Item 22.

CONTRACTS

The following contracts are attached as exhibits to this Disclosure Document:

- Exhibit B – Franchise Agreement
- Exhibit F – Sample General Release