

nails
freecoat™

NON-TOXIC BEAUTY BAR

FRANCHISE OVERVIEW



our franchise process



CONNECT

A QUICK “GET-TO-KNOW-YOU” CALL WITH OUR TEAM



COMPLETE

FILL OUT OUR REQUEST FOR CONSIDERATION DOCUMENT & RETURN



REVIEW

REVIEW OUR FDD & CHAT ABOUT NEXT STEPS



DISCOVER

VISIT A FREECOAT LOCATION
& SPEND TIME GETTING TO KNOW OUR TEAM



APPROVE

ONCE OUR FRANCHISE LEADERSHIP TEAM HAS APPROVED YOUR APPLICATION
& WE HAVE ALL LEGAL DOCUMENTS, WE CREATE YOUR FRANCHISE AGREEMENT



BECOME

JOIN OUR FREECOAT FAMILY AS A FRANCHISE PARTNER

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why freecoat™?

More than ever we all are making every effort to live 'clean' and healthy lifestyles, and our beauty routines should be no exception! If you are (or know and love) a nail enthusiast, you know how much of a beloved regime getting your nails done is! You probably also know that your bi-weekly habit is exposing you to chemicals that you might not otherwise surround yourself with. We believe that everyone should have a non-toxic alternative to this habitual beauty practice.

Our non-toxic nail + beauty comes with a 6-free or better promise; meaning we omit the 6 most harmful chemicals and services found in typical salons as follows: DPB, TPHP, toluene, camphor, xylene, formaldehyde & formaldehyde resin.



fun. fresh. fume-free.

so what are we free of?

Our nail polish's are **FREE** of many of the toxic chemicals used in traditional polishes.

Our pedicure tubs are **FREE** of jets that can breed bacteria and gunk.

Our nail salon's air is **FREE** of toxic fumes because of our medical grade air filtration system.

Our stations are **FREE** of any exhaust from our custom, vented manicure tables.

Oh.. and as a gift of gratitude to our valued guests, you get to use our made-in-house organic sugar scrub **FREE** with every service!



fume-free & toxin-free

about us

- We are a contemporary, upscale nail and beauty concept
- We are early adopters of the nontoxic beauty revolution with our first location open in April 2017
- We are disrupting the industry by being the first to market nontoxic nail + beauty franchise in the USA
- We are franchising in major cities across the USA
- We are growing and will lead this niche sector of the market with planned expansion to 100 units by 2024

MAKING NON-TOXIC
the new normal





MEET THE FOUNDERS

Kat & Landon

Hi!

Our names are Landon and Kat Eckles. In addition to freecoat, we currently own and operate an organic juice bar franchise called Clean Juice, with 100+ locations across the country. Through this journey, we were introduced to the (rebranded) freecoat studios and fell in love with the high standards and beautiful aesthetic environment the brand offered. We are thrilled to expand our portfolio with this concept as it aligns with our mission, which is to inspire others to be healthy in body and strong in spirit (3 John 1:2). We also host a health & wellness based podcast called #BeOrganic and spend all of our free time outside of work with our 5 amazing children. The Lord has blessed us with amazing and like-minded franchise partners, employees, and customers throughout our Clean Juice story and we can't wait to see what he has in store for the freecoat brand as well.

We look forward to meeting you!

3 JOHN 1:2

“DEAR FRIEND, I HOPE ALL IS WELL WITH YOU AND THAT YOU ARE AS HEALTHY IN BODY AS YOU ARE STRONG IN SPIRIT.”

Our kingdom purpose has been and always will remain,

“To serve as an example of what it means to be good stewards of what God has entrusted us with.”

Our mission statement is

“To deliver a true non-toxic beauty experience, creating a clean and healthy environment for both our customers and employees.”

core values

- 1. GOD IS IN US AND USING US IN ALL THAT WE DO.**
[IT IS ALL FOR HIM & THROUGH HIM] – PHILIPPIANS 2:13
- 2. FUN IS A NON-NEGOTIABLE. SMILING IS OUR FAVORITE.**
[JOY] - PSALM 47:1
- 3. WE ARE ALL AN EQUALLY IMPORTANT PIECE OF THE PUZZLE.**
[SIGNIFICANCE] – 1 CORINTHIANS 12:14
- 4. INVITE FEEDBACK. RELY ON OPEN AND HONEST COMMUNICATION.**
[PUSH EACH OTHER TOWARDS GREATNESS] – PROVERBS 15:31
- 5. WE RESPECT OTHERS BY RESPECTING THEIR TIME.**
[HONOR] – JOHN 17:4
- 6. WE ARE GRINDERS.**
[110% IS THE EXPECTATION] – COLOSSIANS 3:23-24
- 7. TRANSPARENCY IS THE KEY TO TRUST.**
[WE HAVE NOTHING TO HIDE] - EPHESIANS 4:25
- 8. EMBRACE CHAOS. STAY CALM. LEARN AS YOU GO.**
[BE PATIENT] - MATTHEW 8:23-27
- 9. THE CUSTOMER ISN'T ALWAYS RIGHT. BUT WE TREAT THEM WITH LOVE AND KINDNESS ANYWAY.**
[GIVE GRACE] – EPHESIANS 4:2
- 10. WE AREN'T STOPPING HERE, WE ARE STARTING HERE.**
[ALWAYS GROWING] - 2 CORINTHIANS 9:10



meet our team



LANDON ECKLES
CHIEF EXECUTIVE OFFICER



KAT ECKLES
CHIEF BRANDING OFFICER



JEN GANDINO
DIRECTOR OF
OPERATIONS & TRAINING



DAVE CUFF
VICE PRESIDENT
OF DEVELOPMENT



STACI MCDONNELL
VICE PRESIDENT OF
FRANCHISE DEVELOPMENT



BRENNAN KERR
DIRECTOR OF
DEVELOPMENT



CHRIS CORNETT
DIRECTOR OF
CONSTRUCTION



NATHAN MORA
FINANCIAL CONTROLLER



LISA PALMER
FRANCHISE DEVELOPMENT
MANAGER



TAMARA MITAN
EXECUTIVE
ASSISTANT



ELY ROBERDS
GRAPHIC DESIGNER

services

WE OFFER AN ARRAY OF SERVICES INCLUDING:

several manicures + pedicures

a variety of add-on options

soaks

treatments

unique nail art designs

waxing

tinting

infrared sauna

& Celluma LED light therapy

TO VIEW OUR FULL SERVICE MENU OFFERINGS

visit: www.freecoatnails.com



THE FINANCIAL DETAILS

single unit

\$45,000 - \$60,000

FRANCHISE FEE

DUE AT SIGNING FRANCHISE AGREEMENT

\$227,000 - \$517,000

FRANCHISE INVESTMENT RANGE

MINIMUM \$500,000

NET WORTH REQUIREMENT

\$100,000

LIQUID CAPITAL

\$10,000

ADDITIONAL TRAINING & MARKETING PROGRAM

6% OF GROSS SALES

ROYALTY FEE

1% (up to 3%) GROSS SALES

MARKETING FEE

THE FINANCIAL DETAILS

multi unit

2 - 3 LOCATIONS

\$73,000-\$118,000

FRANCHISE FEE

DUE AT SIGNING FRANCHISE AGREEMENT

\$435,000 - \$1,527,000

FRANCHISE INVESTMENT RANGE

MINIMUM \$1,000,000

NET WORTH REQUIREMENT

\$200,000

LIQUID CAPITAL

\$10,000

ADDITIONAL TRAINING & MARKETING PROGRAM

6% OF GROSS SALES

ROYALTY FEE

1% (up to 3%) GROSS SALES

MARKETING FEE

WHY multi unit?

WE LOVE MULTI-UNIT PARTNERS

MULTI-UNIT FRANCHISEES CURRENTLY OWN 53 PERCENT OF THE 450,000 FRANCHISE UNITS IN THE U.S*. THERE ARE MANY BENEFITS TO A MULTI-UNIT AGREEMENT AND WOULD LOVE TO CHAT ABOUT THEM IN MORE DETAIL.

Multi-Unit Franchise Partners are drawn to the potential for significant financial gains produced by owning multiple units, and the ability to achieve greater operating efficiencies.

OUR DEVELOPMENT TIMELINES ARE DESIGNED TO OVERLAP TO ENSURE WE GET YOUR LOCATIONS OPEN ON TIME

- 1st Location - Open within 9 months of signing your Multi-Unit agreement
- 2nd Location - Open within 16 months of signing your Multi-Unit agreement
- 3rd Location - Open within 22 months of signing your Multi-Unit agreement

ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	DUE DATE	PAYMENT TO
Franchise Fee ¹	\$45,000	\$60,000	Lump Sum	Upon Signing Franchise Agreement	Freecoat Franchising, LLC
ATM Fee	\$10,000	\$10,000	Lump Sum	Upon Signing Franchise Agreement	Freecoat Franchising, LLC
Lease Security Deposit ³	\$2,500	\$5,000	Lump Sum	Before Opening	Landlord
Leasehold Improvements ²	\$80,000	\$250,000	Per Agreement w/ Landlord	As Agreed	Contractors/Landlord
Furniture, Fixtures and Equipment	\$25,000	\$60,000	Per Agreement	Per Agreement	Suppliers
Utility Deposits	\$500	\$1,000	Lump Sum	Before Opening	Utility Providers
Inventory	\$25,000	\$45,000	Lump Sum	Before Opening	Freecoat Franchising, LLC or Third Party
Signage	\$5,000	\$10,000	As Incurred	Before Opening	Suppliers
Traveling & Living Expenses While Training	\$1,000	\$3,000	Lump Sum	Before Opening	Suppliers
Business Licenses	\$500	\$1,500	Lump Sum	Before Opening	Various
Grand Opening Marketing and Event & Pre-Sales	\$10,000	\$10,000	Lump Sum	As Agreed	Various
Insurance Premiums ⁴	\$2,500	\$6,500	Lump Sum	Before Opening	Insurance Carrier
Professional Expenses	\$0	\$5,000	Lump Sum	As Agreed	Attorney, Accountant and Other Professionals
Architect Fee	\$5,000	\$10,000	Lump Sum	Before Opening	Architect
Additional Funds (3) Months	\$15,000	\$40,000	As Incurred	As Required During The (3) Months	Various
TOTAL⁵	\$227,000	\$517,000			

FINANCIAL PERFORMANCE REPRESENTATIONS

2018		
		Percent of Gross Sales
Gross Sales	\$565,260.31	100%
Payroll	\$346,284.59	61.26%
Brand Marketing Fund	\$5,652.60	1% of Gross Sales
Local Marketing	\$16,957.81	3% of Gross Sales
Gross Profit	\$196,365.31	34.74%
Known Franchisee Expenses That Are Not Paid By Affiliate-Owned Units		
Royalty	\$33,915.62	6% of Gross Sales

2019		
		Percent of Gross Sales
Gross Sales	\$657,615.51	100%
Payroll	\$301,647.69	45.87%
Brand Marketing Fund	\$6,576.15	1% of Gross Sales
Local Marketing	\$19,728.46	3% of Gross Sales
Gross Profit	\$329,663.21	50.13%
Known Franchisee Expenses That Are Not Paid By Affiliate-Owned Units		
Royalty	\$39,456.93	6% of Gross Sales

Based on our experience, we recommend that you have \$15,000 - \$40,000 in additional working capital to sustain your franchise for the first three months of operation.



COMPANY GROWTH & locations

2
OPEN LOCATIONS &
MULTIPLE IN DEVELOPMENT

16,587
PEDIS

4,174
NAIL DESIGNS

23,362
MANIS

921
WAXING & SKINCARE
SERVICES

INDUSTRY KEY METRICS AND POTENTIAL

9 BILLION DOLLAR PROBLEM + OPPORTUNITY

According to Statista, Americans spend 9 billion annually on nail services alone¹, yet there are limited options for a healthier alternative to the current neighborhood salons that have existed for decades.

Our passionate technicians are highly compensated for time and service. We pride ourselves on providing a clean & safe environment for employees and clients.

THE ADDITIONAL OPPORTUNITY: \$44 BILLION SALON + SPA SEGMENT

Americans spend a whopping 44 billion annually on general spa services, according to Statista in 2017.²

A recent poll, on behalf of Groupon, found that women who invest regularly in their appearance spend an average of \$3,756 a year, just narrowly surpassing their male counterparts who spend a comparative \$2,928 a year.

American women spend roughly \$8 per day on their face.

RETAIL OPPORTUNITY: \$17 BILLION SEGMENT

The skincare market segment alone is expected to reach \$17 billion in 2019 according to Statista.

Within the skincare segment, natural and nontoxic products are the fastest growing sector with more than a billion spent on this category annually. Recent studies indicate, naturals have outpaced standard beauty care with 7% growth in the U.S., compared to a 2% rise in the overall beauty market in 2015. (Statista)

¹ <https://www.statista.com/statistics/276605/revenue-nail-salon-services-united-states/#:~:text=In%202018%2C%20approximately%208.36%20billion,salon%20services%20in%20the%20U.S.>
² <https://brandongaille.com/23-salon-and-spa-industry-statistics-and-trends/>
<https://www.statista.com/statistics/862477/natural-beauty-care-sale-growth-in-the-us/>
<https://www.statista.com/topics/4517/us-skin-care-market/>
<https://www.fastcompany.com/3068710/whats-driving-the-billion-dollar-natural-beauty-movement>



STORE FRONT & unit operations



FEATURES:

- Medical Grade Ventilation System
- Jet Free Pedicure Bowls
- Online Booking/Appt Based Schedule
- Autoclave Sterilization
- Digital Marketing at Point of Sale
- Curated Retail Boutique
- And More!

FREECOAT WILL ASSIST IN:

- Site selection
- LOI and lease negotiation
- Introductions to architecture firms
- Introductions to general contractors
- Introductions to signage companies
- Introductions to produce and equipment vendors

STORE HOURS

Monday – Saturday | 10AM–7PM

Sunday | 12–6PM

*Varies by Location

EMPLOYEES

1 General Manager

1 Assistant Manager

7-10 Technicians

we would LOVE to hear from you

JOIN THE TEAM THAT DOES IT RIGHT!

Reach out to our team to talk about your future Freecoat.
We can't wait to hear from you!



LISA PALMER
FRANCHISE DEVELOPMENT MANAGER

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DISCLAIMER

I KNOW, I KNOW! LEGAL JARGON... WHAT A BUZZ KILL.

This advertisement is not a franchise offering. A franchise offering can be made by us only in a state if we are first registered, filed, excluded, exempted or otherwise qualified to offer franchises in that state, and only if we provide you with an appropriate franchise disclosure document. Follow up or individualized responses to you that involve either effecting or attempting to effect the sale of a franchise will be made only if we are first in compliance with state registration or notice filing requirements, or are covered by an applicable state exclusion or exemption. The following states regulate the offer and sale of franchises: California, Florida, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. If you reside, plan to operate or will communicate about the franchise in one of these states, you may have certain rights under applicable franchise laws or regulations. We are currently not registered, filed, or approved to sell franchises in California, Connecticut, Florida, Georgia, Hawaii, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Nebraska, New York, North Carolina, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Washington or Wisconsin.



FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet you are considering buying or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances. Franchisor opened the first company-owned store, Mt. Pleasant, located at 920 Houston Northcutt Blvd A4, Mt Pleasant, SC 29464 in August 2017.

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ENDNOTES

1 THE INITIAL FRANCHISE FEE FOR UP TO THE FIRST 5 INITIAL FRANCHISEES, CONVERSION OWNERS, EXISTING FRANCHISEES THAT ACQUIRE AN EXISTING BUSINESS AND CONVERT IT TO A FRANCHISED BUSINESS, AND EXISTING FRANCHISEES THAT ENTER INTO ADDITIONAL FRANCHISE AGREEMENTS, RANGES FROM \$0 TO \$45,000.

2 YOU MUST LEASE OR OWN THE STORE. YOU MAY PAY REAL ESTATE FEES TO A BROKER, CONSULTANT, OR ADVISOR TO ASSIST YOU IN FINDING AND LEASING A SUITABLE LOCATION FOR YOUR STORE. YOUR FRANCHISED LOCATION MUST HAVE A MINIMUM OF 1,200 SQUARE FEET OF INTERIOR SPACE, [OR SUCH LESSER AMOUNT AGREED TO BY US ON A CASE-BY-CASE BASIS]. THE AMOUNT OF MONTHLY RENTAL EXPENSES FOR YOUR FRANCHISED LOCATION MAY VARY WIDELY AND WILL DEPEND ON GEOGRAPHIC LOCATION, SIZE, VISIBILITY, LOCAL RENTAL RATES, OTHER BUSINESSES IN THE AREA, OTHER LOCAL ECONOMIC CONDITIONS, THE SITE'S MARKET POTENTIAL AND OTHER FACTORS. THE STORE SHOULD HAVE CONVENIENT PARKING FOR BETWEEN 15-25 VEHICLES. IMPROVEMENT COSTS FOR THE RENTAL SPACE WILL ALSO VARY WIDELY DEPENDING UPON THE AMOUNT OF RENOVATION AND RETROFITTING YOU MUST PERFORM TO TRANSFORM THE SPACE INTO A STORE. YOUR LEASED SPACE MAY BE A PRE-EXISTING STORE THAT WILL BE RETROFIT TO MEET OUR SYSTEM STANDARDS. A LANDLORD MAY FINANCE ALL OR PART OF THE COST OF THE TENANT IMPROVEMENTS AS PART OF YOUR RENT OR SEPARATELY, AND MAY PROVIDE A PERIOD OF FREE OR REDUCED RENT TO OFFSET THE COSTS OF IMPROVEMENTS. YOU WILL BE RESPONSIBLE FOR PAYING AN ARCHITECT TO DRAFT PLANS AND SPECIFICATIONS FOR THE IMPROVEMENTS AND PRODUCE BLUEPRINTS FOR THE LANDLORD AND YOUR CONTRACTOR.

ENDNOTES

3 SECURITY DEPOSITS GENERALLY ARE REQUIRED BY UTILITIES, THE LANDLORD, AND THE EQUIPMENT LESSORS. AMOUNTS WILL VARY DEPENDING ON THE PROVISIONS OF VARIOUS LEASES, UTILITIES' POLICIES, AND YOUR CREDIT RATING. THE ESTIMATED COST INCLUDES A ONE (1) MONTH DEPOSIT TO THE LANDLORD. IT IS NOT LIKELY THAT CONVERSION OWNERS WILL INCUR ANY NEW EXPENSE FOR SECURITY DEPOSITS.

4 THE ESTIMATED COST COVERS THE TYPICAL FIRST YEAR'S INSURANCE PREMIUM FOR REQUIRED COVERAGE FOR EQUIPMENT, BUSINESS LIABILITY AND/OR WORKER'S COMPENSATION INSURANCE. PLEASE NOTE THAT IF YOU HAVE HAD PRIOR ISSUES OR CLAIMS FROM PREVIOUS OPERATIONS UNRELATED TO THE OPERATION OF A FRANCHISED BUSINESS, YOUR RATES MAY BE SIGNIFICANTLY HIGHER THAN THOSE ESTIMATED ABOVE.

5 THE EXPENSE WILL BE DUE TO THE AGENCY OR BRANCH OF GOVERNMENT TO WHOM A RELEVANT FEE IS OWED OR THE SERVICE PROVIDER FOR WHOM THE EXPENSE IS INCURRED. YOUR ACTUAL COSTS FOR INITIAL START-UP EXPENSES DURING THIS THREE (3) MONTH PERIOD WILL DEPEND ON HOW CLOSELY YOU FOLLOW OUR METHODS AND PROCEDURES, YOUR MANAGEMENT SKILLS, EXPERIENCE, AND BUSINESS ACUMEN, LOCAL ECONOMIC CONDITIONS, THE LOCAL MARKET FOR YOUR PRODUCTS, THE PREVAILING WAGE RATE, YOUR COMPETITION, AND THE SALES LEVEL YOU REACH DURING THE INITIAL PERIOD.

6 THIS IS AN ESTIMATE OF YOUR INITIAL STARTUP EXPENSES FOR ONE FREECOAT FRANCHISE. THESE FIGURES ARE ESTIMATES AND WE CAN NOT GUARANTEE THAT YOU WILL NOT HAVE ADDITIONAL EXPENSES STARTING YOUR FREECOAT FRANCHISE. YOU SHOULD REVIEW THESE FIGURES CAREFULLY WITH A BUSINESS ADVISOR BEFORE MAKING ANY DECISION TO PURCHASE THE FRANCHISE.