



CONCEPT INFORMATION

1. ABOUT US

WrapChamp was founded by the three brothers of us: Samuel, Rickard and Pontus Eriksson.

This is our second franchise business, as we in 2011 founded the successful franchise chain Skyltstället which, based on own production, marketed and sold solutions for corporate signage in the Swedish market. Skyltstället had grown to in total 40 franchise outlets in Sweden when we eventually sold the entire business in 2020.

During this time, we had identified an exciting market opportunity both in Sweden and abroad for a strong and high-quality brand for vehicle vinyl decor. We therefore, again together, founded a new company in 2020 to exploit this opportunity and create from scratch a new franchise business with the brand name WrapChamp!



In January 2021, WrapChamp was launched in the Swedish market. During the first financial year 2021, the WrapChamp chain grew by 14 franchise studios in Sweden. At the beginning of 2022, the expansion of studios in Norway also started.

Our long-term objective is to have established the WrapChamp chain in at least 10 countries within 10 years.

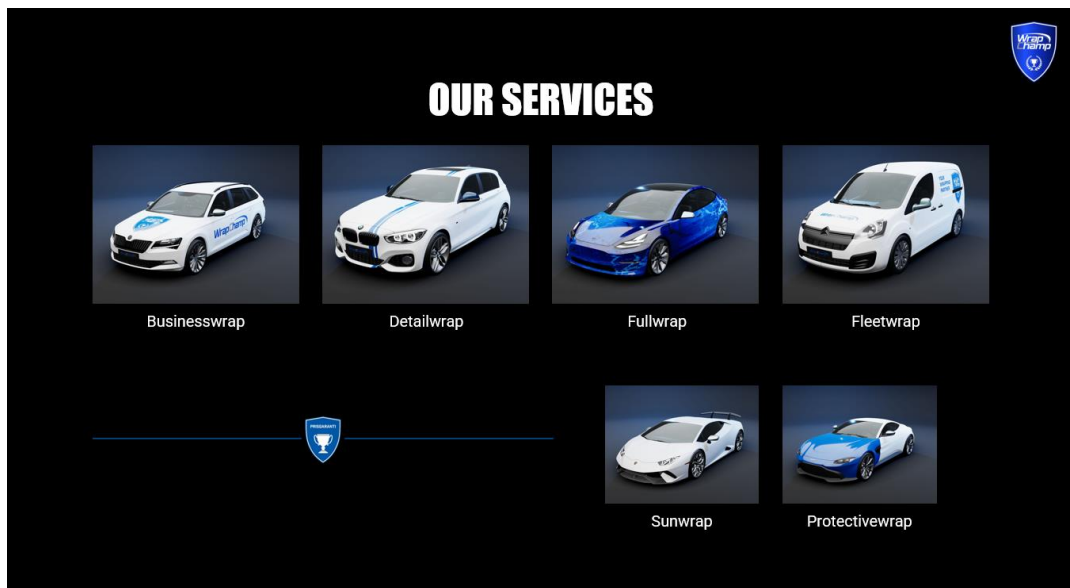


Pontus, Rickard and Samuel.

2. OUR SERVICES

The WrapChamp customer offering is based on the following service groups:

- **Businesswrap:**
Providing wrapping to corporate cars to visualise and emphasize brand identity.
- **Detailwrap:**
Providing wrapping to specific details on vehicles, such as external mirrors and wings.
- **Fullwrap:**
Providing wrapping to an entire vehicle.
- **Fleetwrap:**
Providing tailor-made and identical wrapping to corporate fleets.
- **Protectivewrap:**
Providing wrapping to achieve paint protection.
- **Sunwrap:**
Providing wrapping to vehicle windows to protect against strong sun or heat.



All Studios offer the same services based on the same equipment and materials, with no local changes or alternatives to the services unless approved by WCAB.

3. STUDIO

The services of the Concept can be applied to all kind of vehicles including corporate and private cars, lorries, trailers and boats.

The business model is based on Studios, which are specially designed garages with equipment supplied from WCAB. All Studios have the same design and equipment, according to specifications from WCAB.

The entire customer process is carried out in the Studio, and entails:

- Based on the customer's requirements, suggest a wrapping design and total price and conforming this in a written order.
- Produce the foliage on site with materials either from stock or on order.
- Bring the vehicle into the Studio and apply the foliage on the vehicle.

Each Studio is owned and operated by a Sub-franchisee, or corporate owned.

The Studio is designed to occupy a floor space of typically 125 sqm with space for working with at least one vehicle at the time. The Studio must also have space for the specialist equipment, working tools, etc.



Studios can typically be located in areas with light industry corporates and close to city areas, with a catchment population of above 25 000 people.

4. TRAINING

The Franchisor will provide both initial and recurring training in a comprehensive training program to the MF. The training is structured as a 'train-the-trainer', with the MF responsible for the training of own staff and Sub-franchisees.

- The concept
- Manuals
- Document
- Recruitment
- Marketing
- Business system
- Study establishment
- Education SUB-Franchisee
- Wrapping
- Machine maintenance
- Design
- Economy
- etc, etc.

MF arranges several conferences and trainings for its SUB-Franchisees every year. Twice (2) a year, MF arranges KickOn for the local chain. After New Year and after the Summer. Education is an important part of the chain's development. The training shall include wrapping, finance, sales, marketing and technical support.

Everything about this is clearly described in the manuals



5. SUPPLIER

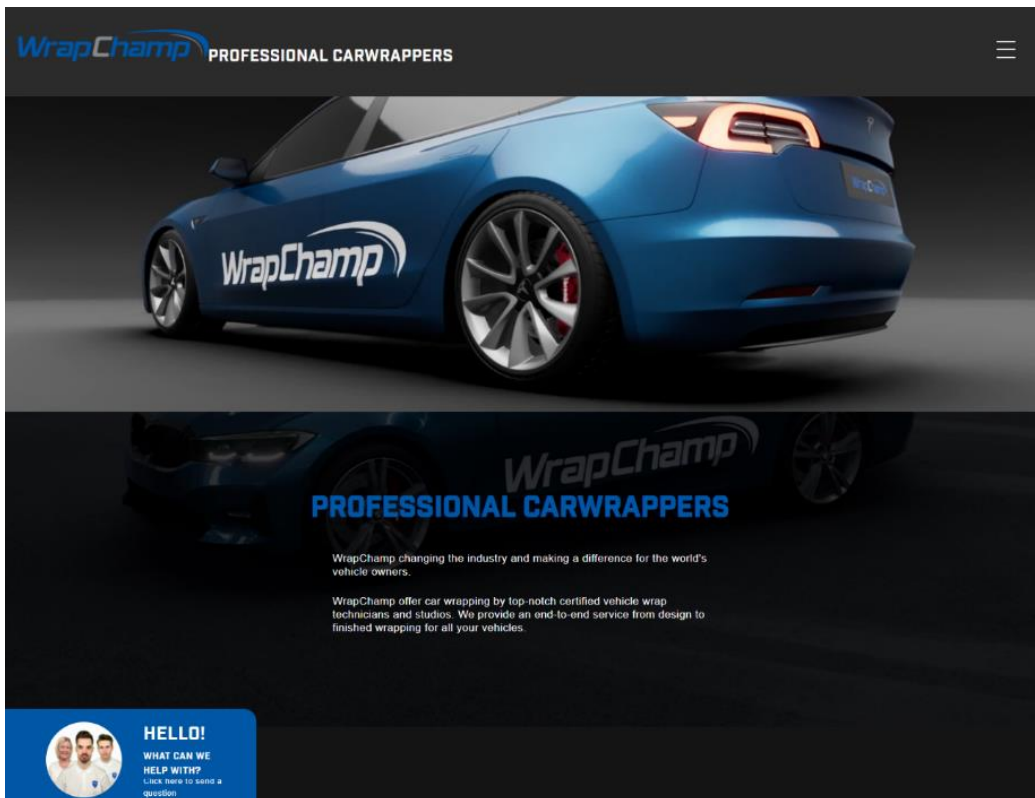
The Studios are supplied directly from central suppliers, arranged by the MF and approved by WCAB as regards to materials and equipment.

All suppliers must be approved by WCAB as Franchisor.

6. MARKETING

The main marketing tool in the WrapChamp Concept is the WrapChamp web site wrapchamp.com which is owned, maintained and updated by the Franchisor. The MF provides contents for local pages in the web site, including contact details for all Studios in the Territory.

Local marketing, such as PR and social media, is carried out by the MF and Sub-franchisees according to the Manual.



7. SUB-FRANCHISEE

WrapChamp was created to make it clearly better to belong to the chain than to run your own local studio. We have created this through lower purchase prices, better marketing, more efficient processes, etc. When we ask existing franchisees what they think is best with WrapChamp, they answer as below. Fees

The benefits that franchisees value



Entrance fee

The entrance fee that FP must pay to MF for an interior in the chain is €5,000

Franchise fee

For the services, including any not mentioned in this Agreement, that MF provides, as well as for using the rights pursuant to the provisions in this Agreement, there will be an on-going franchise fee payable by FP to MF of 10 (ten) % excl. VAT of the total turnover of FP.

Market development fee

For the brand building activities that MF provides on an on-going basis, there will be a monthly market development fee payable by FP to MF of 350€ (three hundred and fifty) excl. VAT.



8. ECONOMY

The economic parts below are based on figures from Sweden.

Franchisee - Profit and loss projections

EURO, excl VAT, no price/cost increases or inflation

	Year 1	Year 2	Year 3	Year 4	Year 5
Total sales (assumed to start January, 1 year 1)					
Businesswrap	51 744	66 528	73 920	81 312	89 443
Detailwrap	12 320	15 840	17 600	19 360	21 296
Fullwrap	40 040	51 480	57 200	62 920	69 212
Fleetwrap	12 936	16 632	18 480	20 328	22 361
Protective wrap	17 556	22 572	25 080	27 588	30 347
Sunwrap	4 928	6 336	7 040	7 744	8 518
Total	139 524	179 388	199 320	219 252	241 177
Direct cost of materials					
Total	30 948	39 790	44 211	48 632	53 496
<i>COGS</i>	<i>22,2%</i>	<i>22,2%</i>	<i>22,2%</i>	<i>22,2%</i>	<i>22,2%</i>
Franchise fee	13 952	17 939	19 932	21 925	24 118
	<i>10,0%</i>	<i>10,0%</i>	<i>10,0%</i>	<i>10,0%</i>	<i>10,0%</i>
Gross profit	94 624	121 659	135 177	148 694	163 564
<i>Gross margin</i>	<i>67,8%</i>	<i>67,8%</i>	<i>67,8%</i>	<i>67,8%</i>	<i>67,8%</i>
Operative costs					
Rent of studio/premises	21 875	21 875	21 875	21 875	21 875
Machinery and equipment	20 400	20 400	20 400	20 400	20 400
Corporate car	6 000	6 000	6 000	6 000	6 000
Waste removal	600	600	600	600	600
Market development fees	4 200	4 200	4 200	4 200	4 200
Local marketing and PR	1 800	1 800	1 800	1 800	1 800
IT and communication	1 200	1 200	1 200	1 200	1 200
POS system	600	600	600	600	600
Accounting	3 600	3 600	3 600	3 600	3 600
Auditing	1 200	1 200	1 200	1 200	1 200
Corporate insurance	900	900	900	900	900
Travel costs (WC chain and training)	900	900	900	900	900
Card payment costs	167	215	239	263	289
Other costs	1 200	1 200	1 200	1 200	1 200
Total	63 442	63 490	63 514	63 538	63 564
Results	31 181	58 169	71 663	85 156	100 000
<i>Results margin</i>	<i>22,3%</i>	<i>32,4%</i>	<i>36,0%</i>	<i>38,8%</i>	<i>41,5%</i>

9. PROCESS

Interested in knowing more about the concept? Contact WCAB to book the next step in the process.

Step 1: Video meeting

Step 2: NDA and Offering memorandum

Step 3: Video meeting

Step 4: Physical meeting

