

BODY20 FRANCHISE

Body20 is the market leader in the EMS fitness revolution and offers franchise opportunities to entrepreneurs in one of the fastest growing industries within the franchising sector.

Body20 helps you capitalize on one of the fastest growing fitness movements globally. Your very own Body20 Franchise will cost you from as little as R900k including all of your equipment, aesthetic fit-out, signage, marketing, training and franchisee support.

The Body20 Studio franchise model offers:

- Low staffing & Small Space Requirement
- Low Investment Requirement that includes Operating Cash Flow
- Fast break-evens

Body20 prides itself on offering its franchisees high levels of accessible support from its team of in-house support specialists who are on hand to make sure you are getting the most out of your Body20 Franchise.

We invite you to take a look further, I'm sure you will be impressed!

BERTUS ALBERTSE

FOUNDER AND CHAIRMAN



IN OUR QUEST TO BECOME THE LEADERS IN

TECHNOLOGY TRAINING, WE'VE ALSO ACHIEVED

THE FOLLOWING ACCOLADES.

2017 NEWCOMER FRANCHISOR OF THE YEAR.2018 FRANCHISEE OF THE YEAR.

2018 FINALIST IN 5 OUT OF 6 CATEGORIES.

(BRAND BUILDER, JOB CREATOR, FRANCHISOR & FRANCHISEE OF THE YEAR)

BODY20STUDIO CONCEPT

Body20 is a rapidly growing franchise model within the fitness industry that provides a high return on investment thanks to strong-unit economics and streamlined operations. The combination of state of the art and exclusive wireless EMS Technology, modern personal training, Body20 for Life program and rapid fitness results makes Body20 the most exciting franchise opportunity in fitness this decade.

Electro Muscular Stimulation (EMS) gets you fit and healthy in a short amount of time and keeps your body in shape. This exclusive beauty and sports technology was created in Spain and leverages the effect of your workout to another level. Muscle structure gets strengthened, fat cells get burnt effectively and the joints are spared.

Body20 helps franchisees set up their own turn-key Body20 EMS Studios to capture huge client demand and also supplies systems and support to ensure ongoing success.

The appeal of a stronger, fitter you in only 20 minutes per week attracts potential members, while the expertly designed layout of each club appeals to investors by utilising space and resources efficiently, so that owners are not paying for space and utilities that go unused.

Along with the strategic membership pricing model, Body20 retains members through additional offerings, which provides owners with multiple revenue streams.





The **Body20** Advantage

- Earn Subscription Revenue
- Low Overheads
- Powerful Systems that work for your fitness business Member Self-Booking App, Listen360 & Franconnect
- Automated Client Management Systems
- Extended Franchise & Staff Training Curriculum - Onboarding Program, Training Academy, BIZFIT and more
- Lifestyle Orientated Opportunity

One of the Fastest Growing Fitness Movements Globally.

BODY20 WIRELESS EMS TECHNOLOGY IS A GAME CHANGER

Body20 is a full body training exercise using impulse current.

EMS stands for "Electro Muscular Stimulation". Technically it is a full body training exercise using impulse current. In everyday life our central nervous system constantly sends electrical impulses to control our muscle action. EMS uses this natural principle and is able to intensify this process to reach deeper muscle layers, which are hard to activate through conventional training. This is achieved by applying EMS electrodes to the skin directly above the muscle.

All in all you can call EMS simply a selective intensification of electrical stimuli from the outside. You gain the best results if you work out actively while using our wireless EMS system. Muscles are additionally stimulated through the electrodes while doing a series of low-impact exercises. This combined training leads to an additional increase of tension producing highly effective training results.



ST EFFE

Your personal trainer can control each muscle group by adjusting the training intensity according to your individual goals. With Body20 training you can achieve you achieve visible and tangible success in a very short time.

The Body20 Fitness System is regarded as one of the world's most advanced fitness systems serving in the following markets.:

- Sports + Training
- Health + Medical
- Beauty + Wellness

CONSUMER OFFERING



Clients looking to reduce cellulite, build muscle, lose fat or just improve their overall health and performance will benefit from Body20

Training with the Body20 system is growing due to the following facts:

- Rapid results can be achieved in just 20 minutes a week
- Specific muscle groups can be targeted with customized muscle recruitment intensity
- The technology used in Body20's personal training system is safe
- Active results tracking with assessments and consultations
- Completely holistic approach with our Body20 for Life Program

Clients also benefit from:

- World class equipment
- Convenient locations
- Affordable memberships
- Well trained staff
- Free leisure time

- Progress & performance monitoring
- Self booking mobile application
- Wellness coach consultations
- Nutrition & Lifestyle plans from 24/7 Nutrition Doctor



Body20 members benefit from a reduced rate per session based on the initial fixed term membership they choose.

There is no joining fee, but new clients need to purchase a Lycra training suit. Vouchers are also exclusively available through Body20 Studios and make the perfect gift for upcoming weddings, dances and photo-shoots or just for anybody that wants to train on their own terms. Voucher clients often upgrade to a membership option once they have seen the positive effects of Body20 EMS.

*VAT INCLUSIVE

Package Name	Package Type	Cost	Credits	Redemption Period	Cancellation Fee
Lifestyle	Membership	R1200 pm	1 Credits per week	12 Months	30% of remaining term
Lifestyle Plus	Membership	R1700 pm	6 Credits per month	12 Months	30% of remaining term
Transformation	Membership	R2200 pm	2 Credits per week	12 Months	30% of remaining term
Body20 Voucher	Voucher	R4000 once-off	10 Credits	12 Months	N/A
Makeover Voucher	Voucher	R5950 once-off	16 Credits	8 Weeks	N/A
Body20 Single Voucher	Voucher	R450 once-off	1 Credit	12 Months	N/A

^{**}NO FIXED TERM AVAILABLE FOR ALL MEMBERSHIPS FOR AN ADDITIONAL R300 PM.

^{*}Please note that pricing is subject to change and excludes value added services like pro rata vouchers.



^{**24} MONTH MEMBERSHIP TERM AVAILABLE FOR ALL MEMBERSHIPS AT A 20% DISCOUNT.

^{*}Off Peak and Discretionary Discount of 10%-20% available at selected studios and applicable for corporate and insurance discounts.

^{*}Top-up credits can be purchased at a pro-rata fee equal to the cost per session of the respective package.

INBODY20 ASSESSMENTS

Body20 is about results and accountability.

The InBody20 is an express body assessment tool that is used to establish a baseline for each of your clients body compositions that includes results on their body fat % and lean mass content amongst other valuable information.

InBody20 active progress evaluations enable clients to accurately track results and monitor progress throughout their Body20 training regime.

Studio owners can now monitor their clients muscle imbalances and identify body fat areas to strategically target critical areas with Body20 training to achieve maximum results.

InBody20 monitors the following values:

- Total Body Weight
- Skeletal Muscle Mass
- Ory Lean Mass
- Body Fat Mass
- Total Body Water Percentage
- Waist Hip Ratio
- Segmented Lean & Fat Mass Analyses
- Basal Metabolic Rate



FRANCHISEOFFERING

South African Working Population By Income

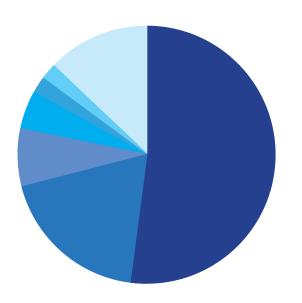
Ensuring the highest level of support is provided to our Franchisees is extremely important to us at Body20 Global. To achieve this, all Franchisees are provided with the following:

Franchise & Staff Training

Onboarding Program, PreReq, Brand Induction (BIT) & Management (MIT) Training and BIZFIT

Location Services

Detailed demographic profiles, nationwide real estate/lease/purchase negotiating.





■ R50 000 - R99 999

R100 000 - R299 000

R300 000 - R499 999

■ R500 000 - R749 000

R750 000 - R999 000

> +R1 million



Exclusive Studio Licence

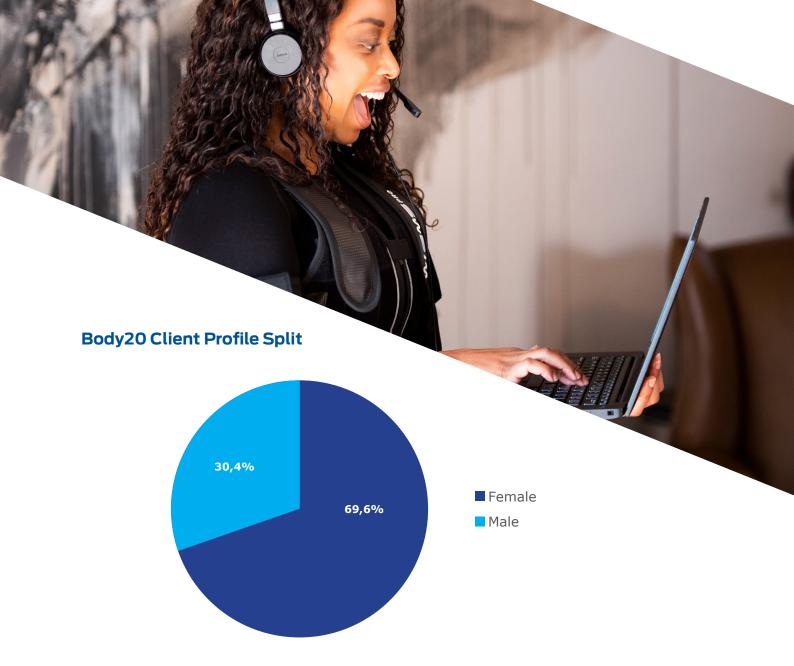
Capture the market with your very own Express, Standard of Flagship Studio within the Body20 Framework.

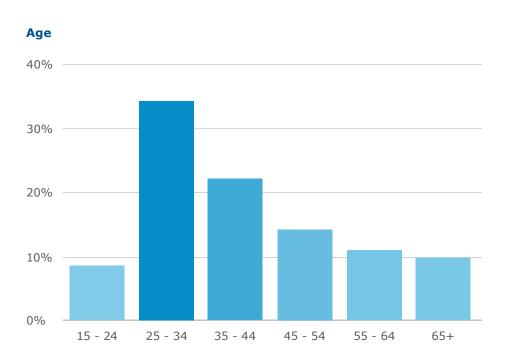


Aesthetic Fit Out Including Construction, Painting, Flooring and Finishings

A professional environment ensures an unparralleled training experience.











External & Internal Signage

Our signage experts will make sure you are visible to your clients.

Use of the Body20 Brand And Corporate Identity

Leverage off the Body20 brand and benefit from overall network exposure, growth and equity.

Full Operational Equipment Support & Supply

Body20 Global is the supplier for all of the EMS Equipment. The Inbody and gym equipment can be purchased directly from approved suppliers.

Systems & Website Management

Octiv: All-in-one management and performance tracking platform.

FranConnect: Franchise management software.

Listen360: Used to survey, collect, and analyze customer engagement and customer feedback. Helps improve client retention with us.









Web Marketing

We generate a considerable amount of leads nationally via online mechanisms, which are delivered to our franchises in real time, these in turn become memberships for your Body20 franchise.





ONGOING OPERATIONAL SUPPORT & SYSTEMS

Body20 Centralized Client Billing & Collections - Sagepay

We use the latest electronic banking and debit recovery systems to ensure memberships are collected accurately.

Reduced admin means our franchisees can focus on sales growth and client experience.

Body20 Client Relationships Management Software (CRM):

Give great client service and improve your sales cycle. Body20 CRM helps you manage your leads, opportunities and clients ensuring maximum client retention with full reporting functionality.

Body20 Online Purchase Portal:

Body20 franchisees have access to the Body20 Portal to order equipment, training suits, consumables, and marketing material at group discounted pricing.





Body20 Online Video Tutorial Training & Quizzes:

Online training videos are available to ensuring your staff receive adequate training to deliver the Body20 experience.

- Each Franchisee is Provided with a Dedicated Onboarding Coordinator & Franchise Relationship Manager (In-Studio Training & Studio Excellence Review)
- Ongoing Monthly Global Power Hour and Online Training & Workshops to Connect, Communicate & Collaborate
- FAB Team Franchise Advisory Board



BUSINESS INVESTMENTREQUIRED

An investment in a Body20 franchise is an investment in lifestyle. Our current franchise owners come from diverse industries and backgrounds, but they have one thing in common: they were looking for an outstanding investment opportunity that would benefit themselves and their families as well as a balance between lifestyle and business investment and they found it.

Body20 has 3 different studio options available:

Body20 Express

- Ideally suited to an owner operator
- Single person per time-slot
- 100 Member capacity
- 30-60 Sqm premises
- Forms part of an existing premises

Body20 Standard

- Ideally suited to an owner operator or skilled networker
- 2 People per time-slot
- 200 Member capacity
- 65-90 Sqm premises

Body20 Flagship

- Ideally suited to an investor or skilled business owner
- 2 4 People per time-slot
- Multi studio strategy
- Network growth incentives
- Marketing leadership
- 200 Member capacity
- 90-120 Sqm premises

LICENCE FEE	R75 000
BUILD	R69 500
EQUIPMENT	R244 000
OTHER	R52 000
TOTAL (Ex. VAT)	R440 500
VAT	R66 075
CASH FLOW REQUIREMENT	R50 000

LICENCE FEE	R100 000
BUILD	R258 000
EQUIPMENT	R365 000
OTHER	R87 000
TOTAL (Ex. VAT)	R810 000
VAT	R121 500
CASH FLOW REQUIREMENT	R80 000

LICENCE FEE	R125 000
BUILD	R348 000
EQUIPMENT	R365 000
OTHER	R126 000
TOTAL (Ex. VAT)	R964 000
VAT	R144 600
CASH FLOW REQUIREMENT	R130 000

^{*}Equipment pricing dependent on ROE. Current pricing based on R16.00 : \$1.00



^{*&}quot;Other" costs include Application & Financial Planning Fee, Studio Startup Kit, Rental Deposit, Contingency, electronics, etc.

^{*}The Equipment Upgrade to accommodate the 3rd and 4th session per time slot is not included in this Investment Projections.

^{*}Licence fee displayed is equal to 57.5% of the total licence fee. Remainder of the balance is payable after three years.



Application

R5 750 (incl. VAT)

- Assessment of Application (qualifications, financial standing, etc.)
- Deal making (risk assessment, security, contract, etc.)

Strategic Management & Business Planning

R17 250 (incl. VAT)

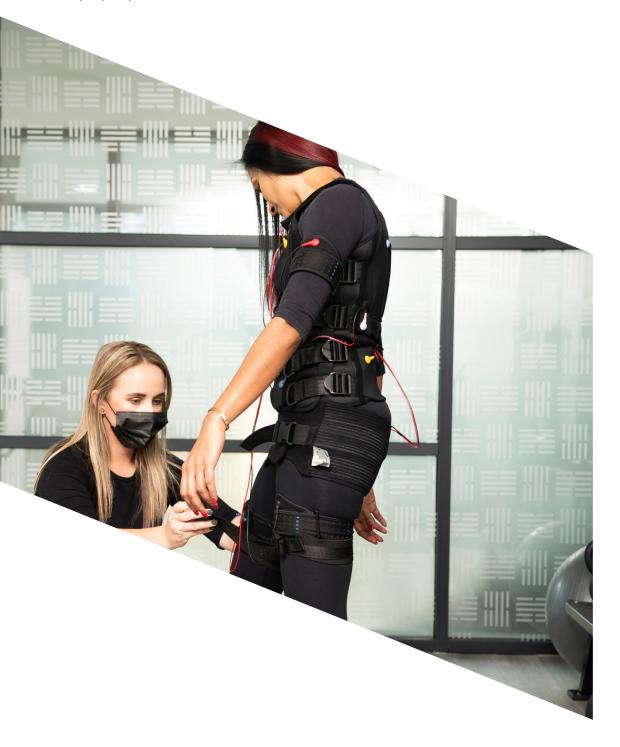
- (Once-off)
- Structure & set-up of Business (consultation, risk management specific to owners)
- Venue Selection (landlord negotiation, approval and space planning)
- Marketing Plan (specific to location & venue)
- Financial Planning (financial model/projections, budget, etc.)

Variables For Studio Investment Requirement

- Build & Branding We quote the actual venue which has unique requirements due to the size, layout, flooring, ceiling, plumbing and electrical etc.
- Cash flow projections The difference between, the studio operating budget and projected performance assumptions compared to the actual operating expenses and monthly sales performance, affects the working capital required to cover expenses until the studio generates positive cash flow
- Brand Royalty Fee: Systems, General Franchise Support, Monthly Review of Financial Reports
 & Online Marketing Services (excludes operational management).

1. Bookkeeping

All network partners will use SageOne package for invoicing and inventory control. You are required to appoint an approved accountant service for your studios financial reporting requirements. Your accountant will need to ensure that your books are up to date at all times. They will require access to the respective SageOne accounts and you will need to ensure that your studio has all it's financial transactions properly recorded.



2. HR Services

We will provide each studio with an Employee Handbook that will spell out the Body20 policies and procedures. As the policies and procedures might change from time-to-time, we will ensure that studios and the staff are adequately informed. We will also provide each studio with a standard Body20 legally binding employment contract for their employees to sign. We can recommend HR specialist consultants who will consult with owners and employees in times of "difficulty" and who will ensure that owners are informed to deal with problem HR situations. These consultations will be for the cost of the owner. We will ensure that staff salaries, wages, commissions are documented for employee and employer records and payment. We will ensure that PAYE and UIF payments to SARS are posted on studio Internet bank sites for payment by owners. In addition, employee vacation and sick leave will be recorded according to the HR policies.

3. Financial Management

Your selected and approved accountant will be required to provide financial reporting on your monthly performance compared to your budget. Reporting will inform Global and studio owners of any discrepancies highlighted through the bookkeeping function or other possible financial or legal contraventions. The accountant service will need to include the drafting of monthly and annual Financial statements, income tax calculations and submissions, etc. Owners who require advisory services such as tax consulting, are required to consult their own specialist.

4. Marketing Services

Body20 has fully equipped activation kits and paraphernalia available to order on the online store. In addition, you are required to contribute 2% of gross sales to the national marketing fund, subject to a minimum contribution of R2 000 per month and 3% of gross sales are allocated to local marketing initiatives, subject to a minimum contribution of R3000 per month.



INCOME SCHEDULE

*VAT INCLUSIVE

		MONTHLY COMMISION		COMMISION
Package Name	Package Type	Monthly Cost	Franchise Comm	Franchisee Comm
Lifestyle	Memebership	R1200	R180	R1020
Lifestyle Plus	Memebership	R1700	R255	R1445
Transformation	Memebership	R2200	R330	R1870

^{*15%} membership commissions applies to all membership terms, including no fixed term and 24-month options. The above serves as an example of the commission split between Franchisor and Franchisee.

Membership Revenue Incentive Schedule

	TIER 1	TIER 2	TIER 3	TIER 4
Commission	15%	13%	12%	11%

Membership Sales

Memberships bring in recurring monthly revenue (subscription revenue) into your business which helps you plan and grow. This predictable income stream forms the nervous system of the Body20 operation as only with predictable and recurring income can you strategically grow your business.

Memberships are taken mostly via debit order via Body20's systems. Invoicing, collections, and unpaids are all handled centrally by the Body20 franchisor. Payments are then made to the franchisee on a monthly basis.

Membership monthly income is split between the Body20 Franchisor and the Body20 Franchisee in weight of the Franchisee (see above table). Income derived from lycra and other apparel sales is taken 100% by the franchisee.

*VAT INCLUSIVE

			ONCE OFF COMMISION	
Package Name	Package Type	Once-Off Cost	Franchisee Comm	
Body20	Voucher	R4000	R4000	
Makeover	Voucher	R5950	R5950	

Voucher Sales

Body20 franchisees have the opportunity to sell vouchers to clients as well. These suit clients who want to attend in their own time or have a specific need.



^{*}a sliding scale is in place whereby the split moves in favour of the Franchisee (85%>87%>88%>89%) as their membership revenue increases, based on the tiers laid out in the Operations Manual.

- Body20 Voucher 10 EMS Credits of choice, strength, cardio or relax programs to use over 12 months.
- Makeover Voucher 8 week transformation package with 8 strength sessions and 8 cardio session and also includes Inbody20 Express Assessments to monitor the clients progress.

Once-off income derived from voucher sales made directly via the franchisee is taken 100% by the franchisee. A healthy combination of rolling existing memberships and signing up new members and vouchers is key to Body20 success.

PROJECTED EXPENSES

The profit projection below is based on the following assumptions:

- 10 new membership sales are achieved per month
- 2 new voucher sales are achieved per month
- Subscription churn is maximum 5% per month
- A studio with a single Body20 EMS device can handle 100 active sessions per week

While it is possible to accommodate an active membership base with 100 active members per machine the calculations do not take into account inactive members, those clients who pay on a subscription but never come in for training. This inactive base can be as large as 5-10% of your active base which means more revenue for little work.

STUDIO TYPE	EXPRESS	STANDARD	FLAGSHIP
Estimated Premises Size Requirement	30-60 Sqm	70-90 Sqm	90-120 Sqm
Number of Memberships Approaching Capacity	100	200	300
Type of Package Subscribed - 1 Year Package (R1200)	R1 020	R1 020	R1 020*
TOTAL SUBSCRIBTION REVENUE PER MONTH	R102 000	R204 000	R306 000
10 x New Membership Sales Per Month (Lycra Sales)	R6 700	R6 700	R6 700
2 x Voucher Sales Per Month	R9 950	R9 950	R9 950
TOTAL ONCE-OFF REVENUE PER MONTH	R16 650	R16 650	R16 650
Income Monthly	R118 650	R220 650	R322 650
Expenses Monthly	R65 320	R87 670	R110 620
OPERATING PROFIT	R53 330	R132 980	R212 030

The projections provided above in no way represent any form of guarantee or undertaking by Body20 to the prospective franchisee or any third party that any figures set out therein will be achieved.



Expenses Breakdown	Express	Standard	Flagship
Studio Rental (Basic OP's, Rates etc)	R12 000	R16 000	R20 000
Electricity, Water, Rates etc	R2 000	R3 000	R4 000
Wages (Excluding owners)	R15 000	R25 000	R35 000
Sales Commissions	R3 000	R4 500	R6 500
Franchise Fee's (Support, Systems, Nutrition)	R9 775	R9 775	R9 775
Lycras (Cost of Sales)	R5 500	R5 500	R5 500
Telephone	R900	R1 000	R1 100
Internet	R500	R500	R500
Studio Consumables (Cleaning materials, Water etc)	R350	R450	R500
Insurance	R1 800	R2 000	R2 300
Accounting Software	R250	R250	R250
Bookkeeping	R1 000	R1 000	R1 000
Marketing Spend is 5% on Gross Sales for with minimum of 5k	R5 000	R10 000	R15 000
Brand Royalty Fee	R7 590	R7 590	R7 590
General Expenses	R1 000	R1 000	R1 500

^{*}Projected Expenses are estimates based on a typical Body20 Studio, each studio's expenses will be adjusted during the detailed financial planning

ARE YOU THE RIGHT BODY20 FIT?

Body20 is currently assembling an elite team of franchise partners who have the ability to run successful studios, to think strategically and to execute on a daily basis.

Do you possess the following:

- Sales and marketing abilities
- A passion for business and fitness
- A high standard of people management and communication skills
- The willingness to learn and acquire new skills
- An entrepreneurial, enthusiastic, positive attitude



BODY20 EXTENDED FRANCHISE TRAINING PROGRAM

Included in the once-off franchise fee is our entire extended training curriculum which consists of:

- Onboarding Program
- CHAMPFIT Program (Pre-Req Training Assessments, BIT, Recertification Workshops & Online Training)
- BIZFIT Program
- Monthly Power Hour Sessions: Connect | Communicate | Collaborate

2021: Training dates will be provided on request.

Space is limited so please book early.

The training is only for fully incorporated Body20 Franchisees.

HOW TO GET STARTED

Contact the Body20 Head Office on sales@body20.co.za or call us on 087 231 0359

Preliminary application to approval

- 1. Request an application form and complete in full.
- 2. A non-refundable preliminary application fee of R5 750 (incl. VAT) is then payable by the applicant. The applicant will then receive the welcome pack that includes the disclosure document, franchise agreement & letter of approval.
- You will then attend a franchise orientation session with our Body20 Directors for a personal interview. They will also discuss your preferred studio license and answer any questions you may have.
- 4. Once you are in receipt of our welcome pack, please ensure that you take any relevant legal and financial advice on the business opportunity that Body20 Global offer. Should you have any questions regarding either the documents provided or the opportunity offered, please address these to us in writing, so that we can properly address any concerns before taking any further steps.

Approval to Business Planning

5. A once off, non-refundable fee of R17 250 (incl. VAT) is required to start the Financial Application & Business Planning Service. Services include but are not limited to: Business Structure & Setup, Venue Selection, Marketing Plan, Financial Planning.

NOTE: The application fee and the business planning fee do not form part of the Franchise Fees, do not constitute a deposit, and shall be considered as fully earned by Body20 Global upon receipt of payment from the applicant.



Final Approval

6. Assessment of application (qualifications, financial standing, etc.) and deal making (risk assessment, security, contract, etc.) stages

Full license fee payable before attending franchise training

- 7. No less than 14 days after receipt of the welcome pack, more particularly the disclosure document and upon our mutual consent, you will enter into a Body20 Franchise Agreement with the Franchisor. Payment of the full license fee must be paid 30 days before your induction training. You will be afforded 10 business days after signature of the Franchise Agreement to exercise your rights in terms of s7(2) of the Consumer Protection Act to cancel the agreement, and upon receipt of your written notice to cancel, Body20 Global shall refund the license fee paid without costs or penalties. Accordingly, no training will be provided or further steps taken by Body20 Global until the lapse of this period, whereafter, the license fee paid will be deemed to have been fully earned, and will no longer be refund able. In the event that any further steps are taken at your instance, Body20 Global shall be reasonably entitled to retain the portion of the initial franchise fee, as set out in the Disclosure Document, paid in respect thereof from any refund due to you upon cancellation.
- 8. Once a Franchise Agreement has been finalized your Onboarding Program will commence and then book yourself into and complete your 5 day business management, sales, technical and hands on practical training at the Body20 Headquarters in Cape Town or at the Johannesburg regional office.

Join the fastest growing fitness movement globally

- 9. In the background, the site selection process will be underway and once a suitable site has been approved, and lease signed your Body20 development manager will co-ordinate your studio construction. At this point your second and final payment is due.
- 10. Body20 Global will then provide an Onboarding Coordinator and Franchise Relationship Manager to assist with pre & post operational training.
- 11. Your Body20 studio is handed over to you for the grand opening!

For more information please go to www.body20.co.za, all the necessary application forms are also available for download on the website.

Thank you for your interest and we look forward to welcoming you to Body20!

Bertus Albertse Founder & Chairman

Philip Hughes Chief Executive Officer















COMPANYREGISTRATION

Company Registered as: Body20 Global (Pty) Ltd

Employer Identification Number: 2014/139840/07

Nature Of Operation: Franschising of fitness studios specializing in

EMS technology and peripheral services.

National Contact Number: 087 231 0359

Website: body20.co.za

Address: 5 High Street (4th Floor), Rosenpark

Bellville 7530

Bank Details: FNB Cheque

62507566662

Branch Code 200912

VAT Number: 4210270858

Full FASA membership Number: F16/0745

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