



NightOwl Overview: Convenience Stores



Convenience Stores

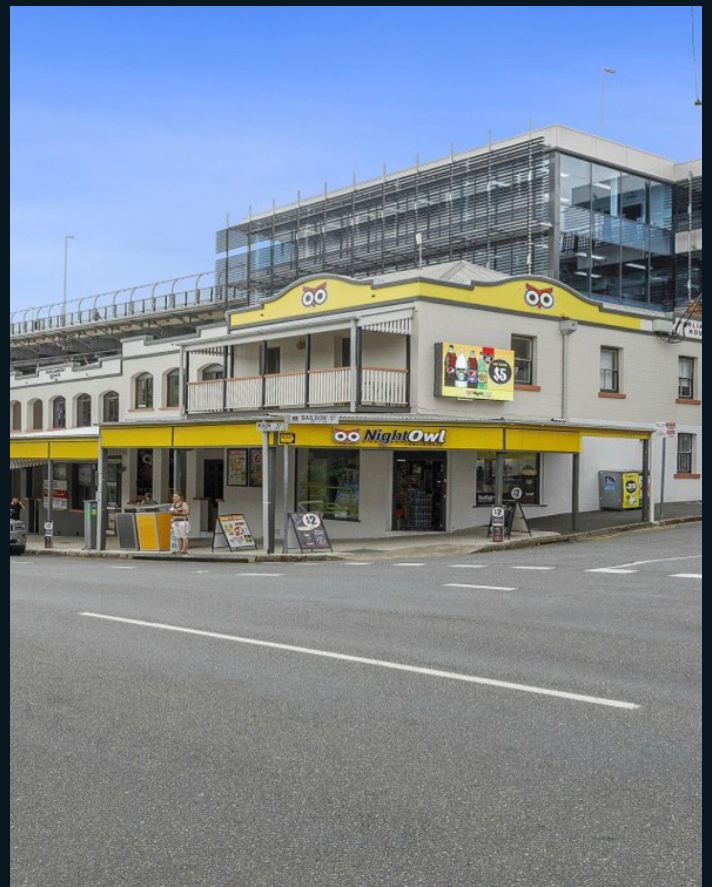
Why NightOwl



As Australia's first 24-hour convenience store, we've been leaders in an ever-changing market for over 40 years. Our franchise model is proven and we know what it takes to be a successful convenience and fuel store franchise in Australia.

Becoming part of a trusted and recognised convenience store brand (operating for over 40 years) gives our franchisees confidence that customers will come to you. It also means you benefit from the purchasing power of a large, respected and growing network.

Nationally our market share has grown, making us one of the largest convenience and fuel franchise operators in Australia. And with more than 75 NightOwl stores across the country (and more on the horizon), you can be confident that a strong community stands behind you.

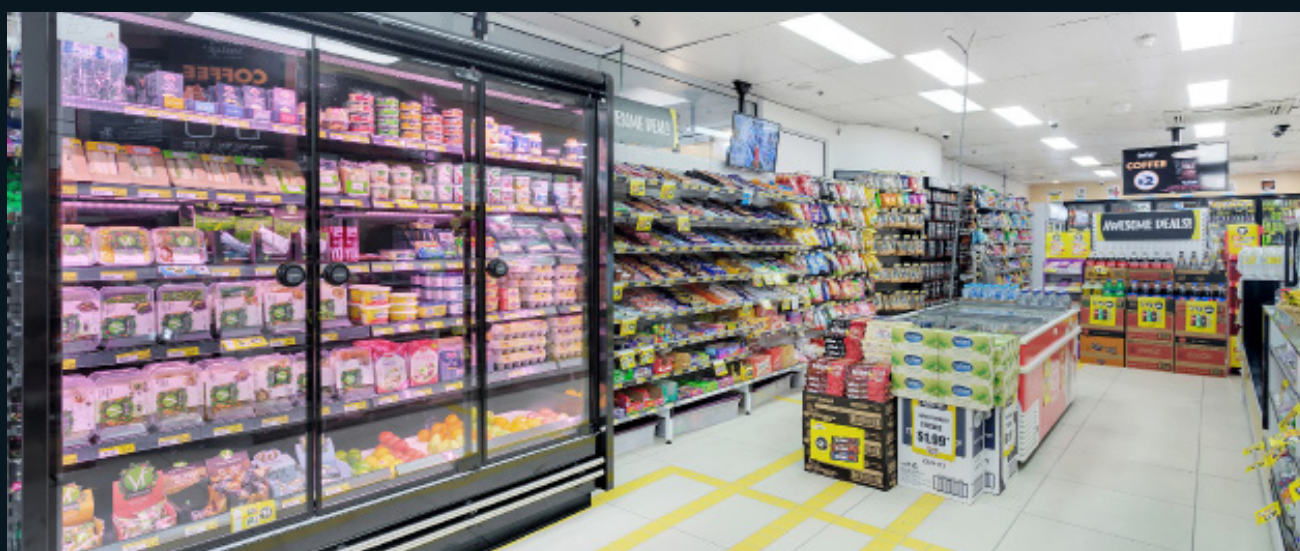


Support for your business

You don't need experience in the retail, convenience or supermarket franchise industry to be a successful NightOwl franchisee. You'll have a dedicated business manager to support and guide you as much or as little as you need.

Our franchisees benefit from application through to marketing and staff training, we're here to help make your business be successful. Our convenience and fuel store franchise partners benefit from a range of business support services, including:

- State-of-the-art POS and reporting system (Coyote) used in all stores across the network
- Robust marketing programs and monthly promotional calendars
- LED screens, Beacon Technology and NightOwl Mobile App
- Access to group buying and marketing power
- Stock options to suit local demographics
- A proven Return on Investment (ROI) model
- End-to-end management tools
- Ongoing operations, training and merchandising



Our Training Approach



No experience in business or retail? No stress! We offer an extensive training program designed to help you gain the confidence and skills to be a successful business owner.

Our compulsory 5-week training program for new franchisees is designed to give you the tools and knowledge you need to successfully operate your NightOwl franchise. During this training, you'll benefit from access to a dedicated national training manager who can answer your questions and facilitate hands-on learning.

Ongoing, our franchisees receive additional support and training through our NightOwl E-Learning system (NOEL). NOEL provides online and real-time training for you and your staff at the touch of a button, together with a broad range of other helpful features, including:

- Reports and statistics
- Marketing and promotional collateral
- Business-specific document templates
- Latest NightOwl news and forums



Flexibility and Independence

While there are some compliance guidelines when becoming a NightOwl franchisee, we encourage innovation and entrepreneurship within your business so you can meet the needs of your local demographic.

NightOwl Partnership Structure¹

Convenience Stores

- Franchise Entry Commitments (Included in Purchase Price)

Convenience Franchise Fee

\$59,500 + GST

- Expenses additional to purchase price required to be met

Training Fee (Non-Refundable for 2 people)

\$5,500 + GST

Bank Guarantee (Rent)

3 months' rent

Working Capital (as a Guide)

\$20,000 min

Legal Costs

Fund own costs

Franchise Renewal of term (5 years)

\$5,000 + GST

- Franchisee Ongoing Commitments

Royalty (Not including commissions)

3.5% of shop turnover

Marketing (Not including commissions)

1.0% of shop turnover

Development (Not including commissions)

1.0% of shop turnover

Commission Levy

1.0% of commission turnover

Stock Consignment Levy

\$100 per week

ICT fees including NOEL, POS Hosting, Coyote IT

\$130 per week

Support, Pricing Upgrades

Coffee supply costs as below (incl iced coffee):

Capped at \$50

Cup-size	8oz	12oz	16oz
Sales levy	\$0.29	\$0.34	\$0.40
Marketing Levy	\$0.08	\$0.12	\$0.16

- Franchisee Exit Commitments

Transfer Fee (on sale)

\$15,000

Capital gain %

Franchisee retains 100%

¹ Subject to change without notice.

Franchisee Application Process

There are a number of key stages that need to be completed when purchasing a NightOwl Franchise that are in place to ensure franchisees are aware of their undertakings and responsibilities and also ensure they have received all the regulatory information required to make an informed commercial decision. Please don't be alarmed by the below list as the majority of this we prepare or assist you with along the way.

1. Application Form & Confidentiality agreement
2. Information Statement and Nightowl Overview
3. Meeting 1 – Supply of Cashflows and Financial Informatio
4. Due Diligence and Letter of Offer with conditions received from Buyer
5. Contract completed and signed
6. Deposit paid (10%)
7. Application for Finance made to lenders
8. Completion of Budgets, Bus Plan
9. Disclosure Documents, Sublease & Franchise Agreement and other documents issued to Buyer
10. Disclosure Documents Signed & Returned
11. Franchise Agreement and other documents signed and returned a minimum of 14 days after signing Disclosure Documents
12. Finance Confirmed
13. Training Start Date confirmed and fee paid. (5 Week in-house compulsory course for all owners & managers)
14. Training Completed
15. Relevant Accounts set up and licences organised including Epay/Eftpos/Bank account, ATM, Gold Lotto, Staff Retention/transfer, Premises licence agreement, Landlord consent, Food business licence, Phone, Electricity, Gas, Insurance, Suppliers etc
16. Stocktake and Handover

Should you have any questions regarding this process please contact:

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Confidentiality note and disclaimer

The contents of this document are strictly confidential and must not be disclosed to any other person. If you are not the intended recipient, please notify NightOwl Convenience immediately; you should not copy or use it for any purpose, nor disclose its contents. The information and projections contained herein are given in good faith for the purposes of discussion and review. Neither NightOwl Convenience nor any of its employees gives any warranty or representation as to the accuracy or completeness of the information, provide any guarantee as to a particular rate of return being achieved or repayment of capital invested or provide any undertaking that the proposed actions listed in this document will be carried out.
