

ROSELLA

DISCLOSURE DOCUMENT

FRANCHISE OPTIONS

UPMARKET BOUTIQUES

CLOTHING | SHOES | ACCESSORIES

EXECUTIVE SUMMARY



The ROSELLA fashion brand offers high-end, quality clothing, footwear and accessories from around the world. With a proudly African origin and international essence, ROSELLA has carved a solid standing in fashion and unsurpassable style that moves keenly forward. Currently there are **10** upmarket boutiques in Gauteng and Kwazulu-Natal within hand-picked regional shopping malls.

OUR JOURNEY SO FAR

- Est 1986...and still going strong!
- Proudly South African
- Established Charity
- Featured on TV, radio stations, magazines
- Successfully opened 9 ROSELLA branches



The ROSELLA Head Office team has developed a complete fashion retail value chain that is now available for discerning Franchisees, including:

- Sourcing on-trend women fashion, shoes and accessories
- Locally and Internationally Sourced items.
- Our House Brand "JOLIE" is consistently growing
- Turnkey Site Selection and Upmarket Shop-fitting.
- Comprehensive Business Systems.
- Detailed and practical training.
- Hands-on field support, focused on: customer service, standards, training as well as forecasted sales targets.
- Customer sales and service assistance, online initiatives and digital marketing such as daily posts, videos and short clips to audiences on social media platforms showing the latest styles and trends in our clothing, shoes and accessories ranges.
- Ongoing Innovation to keep up with trends and changes in the retail industry



ROSELLA FRANCHISE GROUP (PTY) LTD
CRN 2013/052857/07 | VAT 4280294051
DIRECTORS: GUILLAUME ZIETSMAN ; ANN-MARGARET ZIETSMAN
ASSOCIATES: GUILLIE ZIETSMAN | BELINDA ZIETSMAN

THE ROSELLA PROMISE

- Privately owned, highly experienced, hand-selected Brands.
- Small enough to be Dynamic, yet Established enough to leverage good pricing.
- We are a Family Business, not a “Corporate” business!
- A Personal Shopper helping to turn once-off sales into loyal customers. .
- A tried and tested online e-commerce platform.
- Strong and successful marketing initiatives in place resulting in a very high online and digital presence (Social Media) reaching far and wide



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ROSELLA VALUES

- We respect our dedicated staff, suppliers, franchisees...and of course, OUR CUSTOMERS!
- We value productivity and going that extra mile.
- We encourage our franchisees to enjoy what they do, while they enjoy a generous financial return on investment (and effort!)
- We feel strong about a win-win business relationship where both franchisor and franchisee thrive.
- Integrity and honesty forms strong pillars in our business ethics.
- We are active in philanthropy, charity and our community.



FRANCHISE SUMMARY

- A ROSELLA Franchise costs R1 850 000k, excl Vat (Final pricing will differ depending on the size of the Boutique and stock levels. Head Quarters owned boutiques for sale also carry a goodwill payment).
- A franchise covers a pre-negotiated territory with enough customers at the right LSM level to be financially viable.
- We help to shortlist, secure and negotiate your site and its lease agreement
- Full Training on how to launch and run your franchise
- Ongoing field support to make sure that you are in business for yourself, but not by yourself



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THE IDEAL PROFILE OF A ROSELLA FRANCHISEE

- Formally approved by the Franchisor
- Owner-managed or appointing a franchisor approved and experienced manager
- Customer Service orientated and focused with a strong lean towards “going the extra mile for each and every customer”
- Natural “leader” to ensure that their team is following the ROSELLA winning recipe for reaching and maintaining excellence in all facets of running a high-end boutique
- Driven to reach sales targets which will see them earning a good income and return on investment

FRANCHISEE PROFILE

- Have an unstoppable ‘CAN DO’ attitude!
- Experience in the fashion and retail industries is an advantage
- Productivity and going the extra mile
- Customer service and people orientated
- The desire to own and run your own business
- Sufficient financial means to acquire and run your franchise
- Working capital for the initial launch phase

SUPPORT

We help with business systems, site selection, shop-fitting, online sales platform marketing, digital marketing, marketing material, launch support, brand building and innovation. Your investment with ROSELLA also includes full pre-startup training and continued support.

FRANCHISE OPERATIONS

A typical ROSELLA franchisee will start as a one or two owner-operator business, operating a hands-on retail boutique positioned in an upmarket shopping center or trendy main street location.

Open 7-days per week, following Shopping Centre Trading Hours.

Each of our boutiques are run by dedicated and highly trained managers who lead sales teams driven by the need to help each and every visitor who enters their boutiques to make them feel valued.

YOUR FRANCHISE TERRITORY

Picking the wrong site stacks the odds against business success.

We help our franchisees short-list and then commit on viable shopping locations and the Boutiques positioning inside the centre.

In your application you have to indicate your territory preference and we'll work with you to define boundaries and area strategies.

As a franchisor we take responsibility to ensure that our growing footprint, especially with new boutiques, doesn't infringe or cannibalize sales at nearby boutiques.



RISK MANAGEMENT AND BREACH OF CONTRACT

There are various mechanisms in the franchise agreement, as well as regular scheduled and surprise audits to ensure operational compliance.

This helps to minimize problem franchisees and intends to help protect your investment in your own franchise.

CONSUMER PROTECTION ACT - FULL DISCLOSURE

ROSELLA currently (FEBRUARY 2022) has 9 Corporate Boutiques and one franchise. You can either buy one of our boutiques or we can set up a new ROSELLA Boutique for you.

INNOVATION

2022

- GREEN CREDENTIALS: Move towards plastic free environment in favour of branded paper bags
- TRAINING ACADEMY: for developing Business & Retail Management Skills
- ENTERPRISE DEVELOPMENT PROGRAM: aimed at developing staff and assisting entrepreneurial BEE Franchisees in their journey to become Profitable Franchise Owners

INNOVATION GOING INTO 2022

We are very excited about developments in all facets of the retail and fashion industry. South Africa has a fast developing middle-class across all demographics. The younger (and not so young) generations are Brand Conscious, look for Value and an excellent customer experience which we provide and are moving a lot of their purchases Online.

Franchisees will be able to enjoy new product and service ranges and reap the benefit of upgrades to our systems and customer engagement platforms on a continuous basis. Franchisees will be informed of new developments and the possible costs and benefits to franchisees.

FORECAST STATISTIC

However, the industry has begun to show signs of recovery especially from a retail perspective with revenues generated from the sales of textiles, clothing, footwear and leather goods in South Africa, expected to increase from 11.5 billion in 2016 to over 17.5 billion in 2023. An incentive program initiated by the country's Department of Trade and Industry in 2009, to make the domestic textile and clothing industry more competitive, has played a key role in this retail and wholesale recovery.

The global apparel market is projected to grow in value from 1.3 trillion U.S. dollars in 2015 to about 1.5 trillion dollars in 2020, showing that the demand for clothing and shoes is on the rise across the world.



MEET OUR TEAM



GUILLUAME ZIETSMAN CEO

(Diploma in Business Management, 15 years business experience, ROSELLA Director) joined ROSELLA in 2005 and in true successful Family Business worked his way through all the business divisions and today drives the business as CEO.



ANN-MARGARET ZIETSMAN COO

Ann Margaret Zietsman (BComm.LLB, 15 years business experience, ROSELLA Director) joined ROSELLA in 2005 and is part of the key drivers of staying on-trend dealing with current and prospective suppliers on a daily basis.



GUILLIE ZIETSMAN ASSOCIATE

Guillie Zietsman (Mining Diploma, 34 years business experience) Founded ROSELLA in Vryheid, KZN, in 1986. This flagship boutique is proving not only the founders tenacity, but also that our offering can work on a relatively small country town!



BELINDA ZIETSMAN ASSOCIATE

Belinda Zietsman (34 years business experience) Founded the ROSELLA phenomenon and is still part of the daily operations of the business.



LAUREN JACOBS

OPERATIONS MANAGER

BCom.Hons. Business Management, Strategic Communication & PR. Lauren is responsible for all operations relating to store and retail matters.



SIMONE SMIT

MARKETING MANAGER

Simone is head of the marketing department. She takes care of the digital and physical marketing of the business. She is also the sales liaison for our online store.



MOYA MAREE

MARKETING ASSOCIATE

Moya is designer extraordinaire and also forms part of the marketing and online sales team.



DANIELLE SCHULTZ

OPERATIONS ADMINISTRATOR

Danielle heads up our administrative department and stock control.

KEY EXTERNAL BUSINESS ADVISORS

CELESTE BURGER CHARTERED MARKETER

With both a Fine Art (BA(FA)) (Hons) and a Master in Business Leadership (MBL – UNISA) degree, Chartered Marketer SA, Celéste Burger has 23 years of solid creative industry experience, uniquely combined with branding and strategic communications and integrated marketing.

BRINK BURGER ACCOUNTANT

From ACT Solutions Inc (082 967 4578) is our accountant and is available to offer his firms accounting services to franchisees as well

TOTAL CARE SA HUMAN RESOURCES

Provides HR support, including payroll processing and industrial relations, thus allowing us to focus on our core business.

PIETER VILJOEN PROPERTY AGENT

From Retail Endurance is Rosella's lease negotiator and landlord representative. With 13 years of retail experience and being an ex-landlord employee he applies his shopping center knowledge to secure the best possible rentals and lease terms for our Boutiques.

STEFAN CORNELISSEN RETAIL PROJECT MANAGER

(Bsc Construction Management Honours 1992 UP) is the owner of QSC Projects (founded in 2001) which specializes in retail construction project management. QSC Projects will manage all projects from pre-construction phase i.e. manage all contractors and to ensure the projects gets completed within the cost, quality and time parameters as key milestones

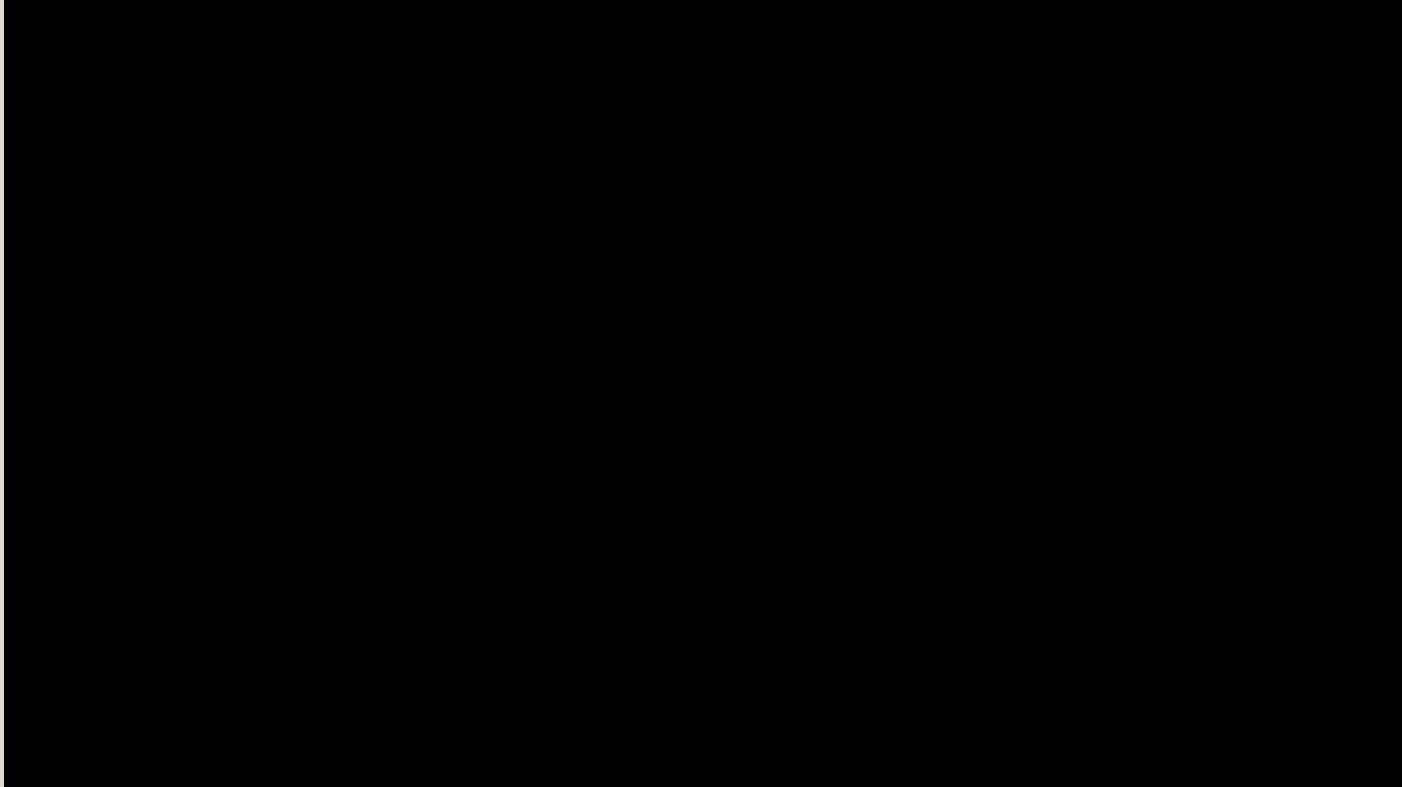
THE ROSELLA BRAND

We drive, build and maintain marketing initiatives to ensure the ROSELLA Brand is the most trusted and desired boutique for our new and regular customers. We've applied for Trademark registration during Sept 2020 and no objections have been received to date. The ROSELLA trademark should be formally registered soon.

Our marketing strategy is planned and budgeted for well in advance. Social Media Platforms provide us with the ability to instantly promote new season lines and in boutique promotions, while traditional marketing is used to enhance the customer experience daily. This ensures that we engage with our audience daily, which means that our potential customer base grows while we reinforce the desire to buy something new and special to enjoy wearing. Rosella has over 56k+ followers on Facebook and 10k+ followers on Instagram and is growing on a daily basis.

ROSELLA

In-boutique signage, swing tags, window display and price points are used to reinforce and increase buying signals. At the same time, the Procurement Team ensures that ROSELLA Staff are on standard. Sale teams all wear name tags encouraging the ROSELLA VIP guests to engage the sales team on a first name basis...adding to the core ROSELLA Family Values. Each Boutique will be provided with their ideal stock to reach their target. Boutique targets are calculated considering all relevant factors to its demographics. In order to ensure that stock moves constantly, our sales team are focused on merchandising the stock and promoting excellent customer service throughout



ROSELLA ROYALTY CARD

Rosella's Royalty card is a rewards system we offer our customers and to say thank you for being loyal and to lure the customer back for repeat purchases.

There are 4 tiers: Bronze, Silver, Gold and Platinum.

- Each time a customer makes a purchase a percentage of the total sales is allocated for discount.
- This discount is automatically subtracted from the total amount on every sale.
- This discount is given from your first purchase. With your first purchase you will receive 3% off regardless of the amount spent. Thereafter you will be allocated a tier depending on the amount spent.
- The discount percentage will move to a higher tier as you spend more. Each year you will start with the tier allocated to you the previous year. To maintain this tier your spending needs to be equivalent to your total spending of the previous year from when you signed up.
- You save every time you shop.
- Loyalty discount may not be used in conjunction with any other promotional sale item.

ROYALTY CARD TIERS EXPLAINED

BRONZE

R0 000 – R10 000

When you spend between 0 – 10K you receive 3% on every purchase. This 3% discount is automatically deducted on every purchase – e.g Purchase an item for R5 000 and you then receive 3% from this purchase (R150) which will automatically be deducted from the total purchased amount. As soon as you have spent 10k and more, you then move to the SILVER tier.

SILVER

R10 000 – R50 000

When you spend between 10 – 50k you receive 5% on every purchase. This 5% discount is automatically deducted on every purchase – e.g Purchase an item for R10 000, you then receive 5% from this purchase (R500) which will automatically be deducted from the total purchased amount. As soon as you have spent more than 50k you then move over to the GOLD tier

GOLD

R50 000 – R100 000

When you spend between 50 – 100K you receive 7% on every purchase. This 7% discount is automatically deducted on every purchase – e.g Purchase an item for R50 000 and you then receive 7% from this purchase (R3500) which will automatically be deducted from the total purchased amount. As soon as you have spent 100k and more, you then move over the PLATINUM tier.

PLATINUM

R100 000 PLUS

When you spend 100K and more you receive 10% on every purchase. This 10% discount is automatically deducted on every purchase – e.g Purchase an item for R100 000 and you then receive 10% from this purchase (R10 000) which will automatically be deducted from the total purchased amount. Keep on spending to stay on the PLATINUM tier.

ROYALTY CARD | TERMS & CONDITIONS

GENERAL TERMS & CONDITIONS

- Loyalty discount may only be used in respect of item purchasing and cannot be ex- changed for cash.
- When paying for your purchase, present your card to your style advisor. The discount percentage will be automatically deducted from the total purchased amount.
- Permission to allow for marketing communication; Rosella offers a tiered Loyalty program, promos and discount exclusively for Rosella cardholders. Notifications about promos & tier upgrades will be sent by SMS, WhatsApp and/or email.
- Loyalty discount may not be used in conjunction with any other promotional/sale items.
- You will start with a balance of R0 (zero rand) 365 days after sign-up.

SPENDING YOUR LOYALTY POINTS

- As a member, you may be notified about promotions and any other exclusive opportunities.

EARNING YOUR LOYALTY POINTS

- This boutique card is valid at any Rosella boutique.
- Present your boutique card or give your telephone number when paying for your purchase.
- Your style advisor will scan your card when your payment is processed. Only one card can be swiped per purchase – no sharing of card permitted.
- Zero discount received on purchases of sale/promotional items



PERSONAL STYLISTS

Rosella's personal shopper/stylist service is another service offered by Rosella to build our customer relationships and loyalty. This is an exclusive one on one experience targeting different markets. Whether you are a stay at home mom or a professional woman this service simply makes your life easier. This service provides customers with the opportunity to be first in line to receive new stock and promotions.



- Consultations can be held in boutique or in the comfort of your own home.
- Appro's can be delivered to customers (see section on Appro's to fully understand the benefit of this service)

IT IS RECOMMENDED TO OFFER THIS SERVICE TO YOUR CUSTOMERS AS IT:

- Is exclusive one on one assistance.
- Builds relationship and trust and loyalty that leads to repeat sales.
- It differentiates your boutique.

ROSELLA PERSONAL SHOPPER / STYLIST BENEFITS:

- Shops the whole boutique for you to find the perfect outfit that reflects your personal style.
- Saves you time by pulling only those items that will work best for you. • Advises you on the best shades and silhouettes for your colouring and body shape.
- Helps you identify your own unique style and shows you how to achieve it.
- Works with your schedule and budget.
- Put together a complete look for any occasion.
- Alterations can be done to ensure perfect fit of garments for your unique body.

APPRO

APPRO in essence means to take garments without paying for them, to try on in the comfort of your own home and decide if you want to buy them. Appro's provide the opportunity to the customer to fit the garments in the comfort of her own home. Some customers prefer doing so because they are more relaxed and can fit and match the garments with other garments in their cupboard. This leads to increased sales

APPRO TIPS:

- Do not give too many items at once.
- Ask questions to determine the needs of the customers. It is also good to try a new item or style every now and then that is not typically her taste. This introduces new styles/brands and creates opportunity for more sales.
- Put outfits together and package them in these outfits to guide the customer how to wear the items.
- Make sure you count the items before sending out
- Don't give items out without having record on the system
Customer signs that she did take the garments and will be liable for any items in the case of theft or damage of item
- Use Appro as a method of repeat sales – when customer returns the garments not taken or exchanges for size it is an opportunity to give out another Appro.
- Only give Appro's out to known and trusted clients. Make sure you have the full customer profile before giving it out
- It is recommended that Appro's are not out of the boutique for longer than 3 days.
- Manage Appro deliveries and collections professionally.

HOW DOES THE WEBSITE BENEFIT A FRANCHISEE?

www.rosella.co.za

Signing new customers up to be a part of our Royalty system can become a small business within your business. Franchisees are encouraged to help drive our loyalty (royalty) program in boutique. When you open a loyalty card in boutique, and if the customer then purchases online, a 10% (ex. Vat and after deduction of packaging and delivery costs) commission for each online sale made by that customer will be paid to the boutique where the loyalty card was initially opened, for a period of 12 months only. Recommendation: Commission can be split between the boutique and the staff at a suggested 40/60% split, which will encourage staff members to sign up more Royalty customers as they will receive a benefit too. Our system uses the Royalty Member's details to track a customer's purchase history which can then be used by boutique staff to encourage repeat buying and to build a one on one relationship with customers. A large database is essential as it is the contact point between us and our customer. The more details of our customers that we obtain from the boutiques (cell phone numbers, email addresses etc.) the more we can send SMS's, Mailers & WhatsApp's to the database allowing us to market to them directly.

The website is seen as a great marketing platform as customers can browse new arrivals and collections online and then enquire about them in boutique. It can be used as a selling tool in boutique by staff members, as this platform offers them easy access to product knowledge, e.g. fabric compositions, product fit and descriptions, size conversions & brand information. By advertising the website in boutique through placing the link either on the window or on the mirror in the dressing room, as well as on the Rosella shopping bags will reinforce and assist in creating awareness and credibility for the website. This will in turn build interest within our customers for the Rosella group, as customers tend to find a brand more credible when they have a solid standing website. The website link can be used to enhance customer experience by sending the link to customers who want to view products before coming into your boutique. Customers can then choose what items they are interested in and staff assistants can then keep these items aside for them to try on when they visit your boutique.

At times you will have customers who do not necessarily want to try on clothes but would like to see how certain items fit. Our garments are all photographed on models with different shapes and sizes. These online images can then be shown to customers so that they can get an idea of how our garments fit. The website link can also be sent to customers who would like to take out Appro's. The customer can then send your boutique images of what they would like on Appro and this can be delivered to them by either yourself, your personal stylist or one of your shop assistants. Our current boutiques receive numerous enquiries from customers who have seen our garments online and on social media. The boutiques find it very easy to convert these enquiries into sales as these customers already know which items they want; however they still want the traditional benefits of walking into a boutique, touching the garments and trying on what they have seen online. Our customer base gravitates more towards the benefits of touching and trying on before buying. In conclusion; Our popular online boutique/ website drives feet into our Boutiques. A large online presence shows off our large product offering and drives the feel-and-touch orientated customers into boutiques to try on and purchase garments.

WEBSITE/ CUSTOMER REVIEWS

www.rosella.co.za

Wilna du Preez

25 May, 2022

"The service you provide is a game changer! I never have to go into a store again!"

Karen Keys

25 May, 2022

"For all the negative I have to say about my previous online ordering experience, I have not one bad word to say about Rosella and the excellent customer service they provided. My order arrived the very next day, I was kept updates throughout the entire process, and I absolutely LOVE everything that arrived! Thank you Rosella."

Alet Van Der Merwe

5 Sep, 2019

"Excellent and friendly service from your shoe shop in Brooklyn Mall. Tried your online store and received my shoes in less than 24 hours of ordering. That's what I call service."

Marni

28 Jun, 2019

I want to thank Yolanda, the store manager at Rosella Shoes Brooklyn, who went the extra mile to order my shoe size for me as well as the other lady who ordered the number 3 shoe for me. Yolanda this was the best service ever. I really appreciate your time and effort. I sure wish that everyone, everywhere can be so professional and so helpful. It's amazing!!

Eleni Neto

25 May, 2022

"Thank you, I received them in record time and they are great!!"

Gwendy Landman

25 May, 2022

"Your service is the best I have ever seen!!! As I was typing the mail the shoes arrived! Thanks so much!"

Carlin Loots

25 May, 2022

"I'm impressed!! Brilliant service. WELL DONE!"

Lupida Mangwaza

25 May, 2022

"Something I really appreciate about Rosella is the quick and friendly service"



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CHARITIES & ORGANISATIONS

Angelfriends

Angelfriends NPO is the initiative of a group of friends who came together in 2008 wanting to make a difference in the lives of the less fortunate in our broader community. What started as a small and noble thought has grown into a Non Profit Organisation who contributes towards different charitable organisations. They aim to establish a network between friends, families and business colleagues through which the less fortunate can be reached – a network where friends family and businesses can become involved, either through personal service delivery or financial support. We believe by investing in the education of our youth that we can start changing the future not only for them individually, but for our beautiful nation as a whole.

"We are each of us angels with only one wing, and we can fly only by embracing each other."

- Lucian de Crescenzo. Rosella contributes financially towards Angel Friends.



Hanna Charity

Hanna Charity and Empowerment Foundation believes in the potential of the poor to effect change in their own lives and in our world. Our sponsorship program connects individual sponsors with a child, youth or elderly person in need of encouragement and support. Rosella supports Hanna Charity through donating clothing items yearly to the less fortunate.



Women 4 Change

As women we want to stand united to put an end to violence Against women and children. Daily we hear news about attacks, women and children being violated in many ways: in their homes, on the streets and places of education. Even being outdoors in nature harbors a potential threat. The Women For Change movement was founded by 'Catch Me If You Can', Catch Me If You Can (CMIYC) is South Africa's largest all women running community that connects ladies of all ages, shapes and sizes. Rosella has taken part in the Women 4 Change run and has also sponsored vouchers for all woman participating in the charity event.



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TEARS Foundation

TEARS Foundation, founded in 2012 is a Registered NPO and PBO that uses technology innovatively in the scourge against domestic violence, sexual assault and child abuse. Rosella has teamed up with TEARS to encourage customers to donate clothing and sanitary items in boutique for women that have been victims of abused and rape in SA



FINANCES

CAPITAL INVESTMENT

On the franchise purchase price (excluding VAT): R1 850 000 • Final price might change if a franchise site is materially different from our standard layout or if the franchise is a franchisor owned or other going concern Boutique. • A bank might help with a business loan if you have at least a 50% deposit. • Full details per Addendum A

START-UP OPERATING CAPITAL

Usually R300k would be more than enough to pay for lease deposits and business overheads in the start-up period, however we suggest you seek advise from your accountant to make sure you can carry yourself until the business's profitability can cover your financial needs

PROFITABILITY

We encourage our franchisees to reach an average of R400k+ turnover per month as soon as possible with a gross profit of approximately R200k+ and a net profit potential of R50k+ per month and then grow it from there.

NOTE:

Individual results differ for each franchise and actual profits will depend on a combination of hard work and following the guidelines shared during training, in our Operations Manual and during regular field support initiatives. Hands-on franchisees will earn a combination of salary and profit. Investor franchisees need to budget for a hands-on manager and will only earn profit.

PRODUCT PRICING

We offer an extensive, hand-selected and quality range of women's fashion, shoes and accessories that are on-trend and sold at competitive prices.

MANAGEMENT FEES (ROYALTIES)

- 6% of turnover, vat excl.
- This ongoing investment offer the following ongoing value proposition for franchisees:
- Access to our Brand, Intellectual Property and Business Systems • Supplier Management
- LEADS in your area resulting from our centralized Facebook, Instagram and other Brand Promotions
- Ongoing Field Support
- Regular Audits & Refresher Training as needed
- Commission on Online Sales of Loyalty Members signed up by you!

MARKETING LEVIES

- 1% of turnover, vat excl. This Combines:
- National Brand Building, including managing the Website, Social Media and Loyalty Programs
- Local Marketing to help a franchisee get known and supported in his/her area, with a strong emphasis on shopping center aligned marketing initiatives.

FREQUENTLY ASKED QUESTIONS

**Q: HOW DO WE HANDLE
SEASON CHANGES IN
STORE?**

A: A key to successfully selling stock is to let the store look fresh and new continuously. This can be achieved by continuously putting in small drops of new stock and regularly merchandising the store and window displays. Events and/or Promotions are used to launch a new season.

**Q: WHY DO WE MAKE
USE OF MYSTERY
SHOPPERS?**

A: Through the years we have seen that this is a true reflection of the customer service that we give and thus it is a good tool to help us identify possible weaknesses and turn them into strengths.

**Q: HOW DO WE
CONTROL THE QUALITY
OF OUR PRODUCTS?**

A: We make use of reputable international and local brands. These products are checked before being sent out by our head office staff and must also be checked by store staff when the stock is received before being merchandised.

Q: HOW DO WE CONTROL THEFT IN STORE?

A: As we aim to give each customer individual attention, the sales ladies are aware of the stock at all times. Furthermore, daily spot checks are advised. All centers have good security in place. Build relationship with the Centre security and work together to be proactive in putting security measures in place. All stores do have panic buttons and this is checked regularly by Centre management.

Q: WHY HAS ROSELLA DECIDED TO FRANCHISE?

A: Rosella has grown since 1986 and saw the opportunity to create a global footprint. Collaborating with passionate Franchisee's will provide Rosella the opportunity to grow from strength to strength, to share our experience and to take the brand to new heights.

Q: DO YOU SELL ON CREDIT?

A: We advise not to sell on credit. The royalty program is in place to incentivize customers.

TELL ME ABOUT THE TYPICAL ROSELLA STAFF APPROACH

The ideal franchise team has an experienced & dynamic franchise manager and three outgoing, experienced sales staff who put customers first.

A TYPICAL WORKDAY

ROSELLA franchisees often arrive first and leave last. A typical workday starts with a morning meeting with all staff to ensure all topics are discussed and the team is incentivized, positive and goal-driven...before the doors open for the public! Then it is all about customer experience, business administration, keeping merchandising fresh and in line with HQ's directives, marketing and promotions...and converting feet into sales...and sales into relationships

ONGOING SUPPORT

After the launch phase we provide business-, marketing- and mentoring support to help you maintain and grow your business. We also do a structured Audit every 2-3 months, or as needed. Our experienced Field Support staff KNOWS the industry and the tricks of the trade and will endeavor to help you get to breakeven and then profitable growth on a sustainable basis.

ROSELLA BOUTIQUES

CORPORATE BOUTIQUE	MANAGER	PHYSICAL ADDRESS
GLENFAIR CLOTHING	AMANDA EKSTEEN	Glenfair Boulevard Shop 63 - c/o Lynnwood & Daventry Road, Lynnwoodridge, Pretoria, 0081
GLENFAIR SHOES	DRAGANA SVICEVIC	Glenfair Boulevard Shop 61 - c/o Lynnwood & Daventry Road, Lynnwoodridge, Pretoria, 0081
BROOKLYN CLOTHES	KAREN MILLAR	Brooklyn Mall Shop 64 – Veale & Fehrsen St, New Muckleneuk, Pretoria, 0181
BROOKLYN SHOES	KAGSIO MATHRBA	Brooklyn Mall Shop 65 – Veale & Fehrsen St, New Muckleneuk, Pretoria, 0181

CORPORATE BOUTIQUE	MANAGER	PHYSICAL ADDRESS
MENLYN PARK	NEO MALAO	Menlyn Park Shop G138B – Atterbury & Lois Ave, Menlyn, Pretoria, 0063
SANDTON CITY	PAOLA KAPINGA	Sandton City Shop U38 – Rivonia & 5 th st, Sandton, 2196
WOODLANDS BOULEVARD	SHAMISO MANDIBSA	Woodlands Boulevard Shop 62 – Garsfontein Rd & De Villebois, Pretoria , 2025
CRESTA	CRISPA CLOETE	Cresta Centre Shop U100 – Weltevreden Rd & Beyers Naude Dr, Johannesburg , 2194
FRANCHISE BOUTIQUE	MANAGER	PHYSICAL ADDRESS
VRYHEID	JACKSON MAZIBUKO	137B High Street Vryheid 3100

**You are welcome to arrange a visit with any of our Boutiques via
Head Quarters on:**

guillaume@rosella.co.za / info@rosella.co.za or 087 353 4213.

We plan to make 5+ new franchises available per year. There has been no significant or material changes in the franchisor's financial position since the last Accounting Officers Statement and we have reasonable grounds to believe that we are able and will stay able to pay our debts as and when they fall due.

- Our latest Accounting Officers statement attached.
- Cashflow Projections of comparable potential sales, gross and net income are available on request. We encourage you to discuss it with us and your professional advisors.
- Organogram to highlight our Franchisee Support Structures per "Our Team" above and "Contact Us" below.
- Acknowledgement of receipt of the Disclosure Document. The franchisor must provide a prospective franchisee with a Disclosure Document, dated and signed by an authorised officer of the franchisor, at least 14 days prior to the signing of a franchise agreement.
- Financial and Growth Performance 2019 and 2020 Financial Years (The 2021 Financial Year will be severely affected by the Corona Pandemic and its national impact on the South African economy)
- Gross Turnover stable • Net Profit stable at 10%
- Number of Franchisees not relevant. We are a new franchisor.

DISCLAIMER

It's important you know that your actual income and expenses will vary depending on the site you choose for your business, your own and your staff's performance, the marketing strategy you implement and how efficient you run your business. The figures quoted in this document or any other ROSELLA document or quoted online are based on the franchisors experience and should be taken as an indication only.

- Terms & Conditions of Online Sales. Please have a look at https://www.rosella.co.za/terms_and_conditions.aspx

NEXT STEPS TO JOIN OUR FRANCHISE FAMILY

If you are interested in joining the ROSELLA phenomenon and want to join our franchise family, the journey works as follows:

- We meet & greet, preferably at one of our established boutiques.
- You complete a non-binding franchise application form (available on www.rosella.co.za)
- Our franchisee selection team peruse the application. If your application is accepted, we make our franchise agreement available.
- You consult your legal-, accounting- and business advisors and once ready to get on board with ROSELLA we all sign the franchise agreement.
- The franchise purchase price is invoiced and once full payment is received we invite you to head office for theoretical and field training to help you come up with a launch strategy and activities that will help you prepare sufficiently before opening your doors.
- You will receive access to all Standard Operation Procedures, Templates and Operational Manuals.
- We start the process of site selection, shop fitting and assistance with staff recruiting.

CONCLUSION

The ROSELLA Management Team has 100+ years combined experience in the fashion, retail and business management industries in South Africa.

We will help you settle in and thrive as part of our passionate and dedicated franchise group!

CONTACT US

Franchise enquiries: info@rosella.co.za / guillaume@rosella.co.za

Current Boutiques and New Sites: guillaume@rosella.co.za

Office & Accounts: info@rosella.co.za

Auditor: Brink Burger, ACT Solution INC, brink@actgroup.co.za

Head Office: 087 353 4213

NOTES ON THE FRANCHISE PACKAGE:

1. Your Joining Fee covers access to the ROSELLA Brand, Intellectual Property and Business Systems.
2. Final value of turnkey Shop fitting and Equipment at an agreed and leased site depends on Franchisor's discretion.
3. Final value depends on the floorspace of the Boutique and the Franchisor's experience
4. Training for management and staff includes theoretical and practical components on how to run the franchise.
5. Includes site selection, lease negotiation and assistance with staff recruitment.
6. Includes uniforms, stationary pack and other Franchisor selected promotional material.
7. All values can differ without notice, are site and franchisor discretion dependent and are exclusive of VAT.

*Total Investment should include provision for approximately R300 000+ in working capital to budget for lease deposit, salaries, admin and other business expenses until your franchise breaks even.

*Franchises that are going concern will carry a goodwill value and final valuation are up to the franchisor's discretion.

ADDENDUM A: FRANCHISE PACKAGE 2022

ITEM	VALUE
JOINING FEE (1)	R150K
SHOP FITTING & EQUIPMENT (2)	R600K
START-UP STOCK (3)	R800K
MANAGEMENT TRAINING (4)	R25K
STAFF TRAINING (4)	R25K
LAUNCH SUPPORT (5)	R25K
MARKETING MATERIAL (6)	R25K
FRANCHISE TOTAL (exl VAT) (7)	R1 850 000

ADDENDUM B: CASHFLOW PROJECTIONS

ONE YEAR DETAILED

(Note: Disclaimer below and Individual Circumstances will differ)

YEARS 1 -5

(Note: Disclaimer below and Individual Circumstances will differ)

DISCLAIMER

*DISCLAIMER It's important you know that your actual income and expenses will vary depending on the site you choose for your business, your own and your staff's performance, the marketing strategy you execute and how efficient you run your business. The figures quoted in this document or any other ROSELLA document or quoted online are based on the franchisor's experience and should be taken as an indication only.

ADDENDUM B: CASHFLOW PROJECTIONS

Rosella Franchise Projections - Year 1													
Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Year1
Total Sales	R 450 000	R 600 000	R 550 000	R 450 000	R 550 000	R 450 000	R 550 000	R 550 000	R 600 000	R 600 000	R 700 000	R 400 000	R 6 450 000
Cost of Sales	R 216 000	R 288 000	R 264 000	R 216 000	R 264 000	R 216 000	R 264 000	R 264 000	R 288 000	R 288 000	R 336 000	R 192 000	R 3 096 000
Gross Profit	R 234 000	R 312 000	R 286 000	R 234 000	R 286 000	R 234 000	R 286 000	R 286 000	R 312 000	R 312 000	R 364 000	R 208 000	R 3 354 000
Gross Profit%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%	52%
Less: Expenses	R 145 160.00	R 146 660.00	R 146 160.00	R 145 160.00	R 146 160.00	R 145 160.00	R 146 160.00	R 146 160.00	R 146 660.00	R 146 660.00	R 147 660.00	R 144 660.00	R 1 752 420.00
Accounting	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 3 000.00	R 36 000.00
Bank Charges	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 6 750.00	R 81 000.00
Computer Expenses	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 21 000.00
Employee costs	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 50 000.00	R 600 000.00
Insurance	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 18 000.00
Lease rental	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 70 000.00	R 840 000.00
Marketing	R 4 500.00	R 6 000.00	R 5 500.00	R 4 500.00	R 5 500.00	R 4 500.00	R 5 500.00	R 5 500.00	R 6 000.00	R 6 000.00	R 7 000.00	R 4 000.00	R 64 500.00
Postage and sundries	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 3 010.00	R 36 120.00
Printing and stationery	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 1 400.00	R 16 800.00
Repairs and Maintenance	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 1 500.00	R 18 000.00
Telephone & data bill	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 1 750.00	R 21 000.00
Royalties @ 6%	R 27 000.00	R 36 000.00	R 33 000.00	R 27 000.00	R 33 000.00	R 27 000.00	R 33 000.00	R 33 000.00	R 36 000.00	R 36 000.00	R 42 000.00	R 24 000.00	R 387 000.00
Total Expenses	R 172 160.00	R 182 660.00	R 179 160.00	R 172 160.00	R 179 160.00	R 172 160.00	R 179 160.00	R 179 160.00	R 182 660.00	R 182 660.00	R 189 660.00	R 168 660.00	R 2 139 420.00
Net Income / (-loss)	R 61 840.00	R 129 340.00	R 106 840.00	R 61 840.00	R 106 840.00	R 61 840.00	R 106 840.00	R 106 840.00	R 129 340.00	R 129 340.00	R 174 340.00	R 39 340.00	R 1 214 580.00

Rosella Franchise Projections - Year 2 to 5				
	Total Year 2	Total Year 3	Total Year 4	Total Year 5
Total Sales	R 6 837 000	R 7 247 220	R 7 682 053	R 8 142 976
Cost of Sales	R 3 281 760	R 3 478 666	R 3 687 386	R 3 908 629
Gross Profit	R 3 555 240	R 3 768 554	R 3 994 668	R 4 234 348
Gross Profit%	52%	52%	52%	52%
Less: Expenses	R 1 840 686.00	R 1 933 404.00	R 2 030 798.92	R 2 133 107.07
Accounting	R 37 800.00	R 39 690.00	R 41 674.50	R 43 758.23
Bank Charges	R 85 050.00	R 89 302.50	R 93 767.63	R 98 456.01
Computer Expenses	R 22 050.00	R 23 152.50	R 24 310.13	R 25 525.63
Employee costs	R 630 000.00	R 661 500.00	R 694 575.00	R 729 303.75
Insurance	R 18 900.00	R 19 845.00	R 20 837.25	R 21 879.11
Lease rental	R 882 000.00	R 926 100.00	R 972 405.00	R 1 021 025.25
Marketing	R 68 370.00	R 72 472.20	R 76 820.53	R 81 429.76
Postage and sundries	R 37 926.00	R 39 822.30	R 41 813.42	R 43 904.09
Printing and stationery	R 17 640.00	R 18 522.00	R 19 448.10	R 20 420.51
Repairs and Maintenance	R 18 900.00	R 19 845.00	R 20 837.25	R 21 879.11
Telephone & data bill	R 22 050.00	R 23 152.50	R 24 310.13	R 25 525.63
Royalties @ 7%	R 410 220.00	R 434 833.20	R 460 923.19	R 488 578.58
Total Expenses	R 2 250 906.00	R 2 368 237.20	R 2 491 722.11	R 2 621 685.66
Net Income / (-loss)	R 1 304 334.00	R 1 400 317.20	R 1 502 945.55	R 1 612 662.07

ADDENDUM C: ACCOUNTANT CERTIFICATE



Accounting, Commercial & Tax Consultants
Member of the South African Institute of Professional Accountants

ACT Solutions Pretoria Inc.

1998/001789/21
Practice No: Prac 461

Posbus 26072
Gezina
Pretoria
0031

PO Box 26072
Gezina
Pretoria
0031

Pietersestraat 899
Villieria
0186

899 Pieterse Avenue
Villieria
0186

20 October 2020

To whom it may concern

**RE: Rosella Franchise Group (Pty) Ltd
Consumer Protection Act, 2008 (Act No 68 of 2008) Regulations**

With reference to the Consumer Protection Act, 2008 (Act No 68 of 2008) Regulation 3(3) and concerning Rosella Franchise Group (Pty) Ltd, registration number 2013/052857/07 we certify the following:

- a) The business of the franchisor is a going concern;
- b) To the best of our knowledge the franchisor is able to meet its current and contingent liabilities;
- c) To the best of our knowledge the franchisor is capable of meeting all of its financial commitments in the ordinary course of business as they fall due; and
- d) The franchisor's annual financial statements, for the last financial year have been -
 - a. in accordance with South African generally accepted accounting standards;
 - b. except to the extent stated herein, on the basis of accounting policies consistent with prior years;
 - c. in accordance with the provisions of the Companies Act (No 71 of 2008 or any legislation which replaces this Act), and all other applicable laws; and
 - d. fairly reflecting the financial position, affairs, operations, and results of the franchisor as at that date and for the period which they relate.

Regards

ACT Solutions Pretoria Incorporated

DIRECTORS:

JL. Bouwer ND Acc; Cert Est Tax; Cert Forensics; SAIPA (SA) (Managing) - AJB Burger Bcompt Acc; SAIPA (SA) WM Esterhuizen BCom (Acc); SAIPA (SA) - D Hanekamp BCom; SAIPA (SA) - BW Meyer Bcompt Acc; SAIPA (SA) JM Willemse BCom (Acc); Cert VAT; Cert Est Tax; SAIPA (SA)
(Alphabetical)

Tel: (+27) (12) 329-0133 Fax/Faks: (+27) (12) 329-0120 E-mail/E-pos: info@actgroup.co.za Website: www.actsolutions.co.za

ROSELLA FRANCHISE GROUP (PTY) LTD
CRN 2013/052857/07 | VAT 4280294051
DIRECTORS: GUILLAUME ZIETSMAN ; ANN-MARGARET ZIETSMAN
ASSOCIATES: GUILLIE ZIETSMAN | BELINDA ZIETSMAN

ADDENDUM D: AREAS & TERRITORIES AVAILABLE TO FRANCHISEES

CURRENT HQ BOUTIQUES FOR SALE

- 📍 Brooklyn Clothes and Brooklyn Shoes (Probably consolidated under one franchisee)
- 📍 Menlyn Park
- 📍 Sandton City
- 📍 Woodlands Boulevard
- 📍 Cresta New Sites will be evaluated on merit
- 📍 We are open to new Franchisees all across South Africa!



ADDENDUM E: APPLICATION FOR TRADEMARK

We've applied for Trademark registration during Sept 2020 and no objections have been received and the ROSELLA Trademark should be formally registered soon.

Enquiries can be directed to our Offices on guillaume@rosella.co.za or 087 353 4213

REPUBLIC OF SOUTH AFRICA
TRADE MARKS ACT, 1993

APPLICATION FOR THE REGISTRATION OF A TRADE MARK
Section 9, 14, 42,43 and 63-Regulation 11, 56 and 57

APPLICATION FOR THE REGISTRATION OF THE ACCOMPANYING
TRADE MARK IS HEREBY MADE BY THE UNDERMENTIONED
APPLICANT

CIPC CUSTOMER CODE


For Office Use Only		
21	Application Number	2020/25587
22	Filing date	2020/09/22

Agent's Reference	TA01463
GPA Number	

NA	Nature(O = Ordinary, CE = Certification, CO = Collective, CU = Honest Concurrent User)	O
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73	Applicant	74	Address For Service
Rosella Franchise Group (Pty) Ltd Glenfair Boulevard, Daventry Road, Lynnwood Ridge, Pretoria, 0040, South Africa		Stegmanns Inc. 379 Lynnwood Road, Menlo Park, Pretoria, 0001 SOUTH AFRICA	
57	Specification of Goods/Services	51	International Classification
Clothing, footwear, headwear		25	
58	Endorsements		

Convention Priority claimed	31	Number	32	Date	33	Country
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54	Representation of Trade mark
	

The Applicant claims to be the proprietor of the accompanying trade mark which is proposed to be or is being used in respect of the aforementioned specification of goods/services

Dated this 22nd day of September 2020

Submitted online by :

Signature of authorized agent

THANK YOU &
WE LOOK
FORWARD TO
WELCOMING
YOU TO OUR
FAMILY

A handwritten signature in black ink, appearing to be 'G. Zietsman', written in a cursive style.

**GUILLUAME ZIETSMAN
& THE ROSELLA TEAM**