



FRANCHISEE PROSPECTUS

LEADERS IN ACTIVE FUN INDOORS

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WELCOME!

Congratulations on taking the first step on your journey in getting to know more about the Flip Out brand! We absolutely love our business and the difference it makes to families, and we can't wait to share all the ins and outs with you in this prospectus.

There aren't too many business opportunities out there where having fun is an actual measure of success – but you should know that we take our fun very seriously. In fact, since launching in 2012, Flip Out has become the leader in the active indoor fun for kids and we hope that you will help us strengthen that position further.

By the end of this prospectus you should have all the information you need about our background, the business opportunity, who our customers are, how territories are assigned, and what kind of support to expect along the way. Most importantly, you should feel clear on whether or not this is the right business opportunity for you.

So, let's jump in together!

Kind regards,

Steven Stone

Steven Stone, Managing Director

BACKGROUND AND HISTORY

THE CONCEPT

We are on a mission to build businesses that grow with the community, create a positive environment and promote a healthy lifestyle - with a lot of fun thrown in!

Established in 2012, Flip Out boasts Australia's largest network of indoor entertainment and adventure parks. We are proud to be leaders in active fun indoors for kids. Our centres can include:

- trampoline arenas
- obstacle courses
- Ninja Warrior courses
- climbing walls
- dodgeball arenas
- slam dunk basketball
- giant slides
- air bags
- parkour courses
- warped walls
- soft play areas
- mini golf
- high ropes climbing
- volcano
- wipe out

Because we've seen so much growth and opportunity in Flip Out centres, we are also implementing a new pop up model of activities that align to our mission. This pop up model, PumpedUp, is an offering which can be hired by individuals, schools, fetes, businesses and by community groups for use at events (more on this later!).

Active fun indoors is all about supporting children to move their body, learn new skills, and challenge themselves in a safe, supportive environment. When you step inside a Flip Out centre, you are transported to a world filled with adrenaline, extreme excitement and limitless fun. That's why our approach to business is friendly, engaging and family orientated.

With over 18 centres (plus another 10 in design, approval or construction as of 2022) in Australia and a further 33+ across the globe, we've got the size and experience to invest where others can't. Every centre is custom-designed, engineered and configured with the local community in mind.

OUR ETHOS

Trampolines are at our core, but it's about more than that. We are more than just a "trampoline park".

Our purpose is to never stop creating fun.

Flip Out was established to help develop kids beyond the trampolines or parkour courses and into every day life.

We not only believe that active kids are happy kids, we are also committed to flipping barriers – social, cultural, physical skills and age. We aim high in everything we do and believe in people challenging themselves, safely. And finally, we're here to help kids (and families) get off their screens and get active instead.

OUR COMMITMENT

HIGH HEALTH AND SAFETY STANDARDS

Due to the nature of our parks, compliance with national and internal health and safety standards is not only encouraged, but mandatory across our network. It ensures that every customer through every centre has the safest possible experience.

Each day, our centres are put through an extensive safety and hygiene check - it's how we ensure a clean and safe experience for our customers.

UNIQUELY DESIGNED

No two Flip Out centres are the same, with each uniquely designed to fit the space and the community it's located in. We work with professional industrial designers, architects, certifiers and engineers to create a custom space, anchored in the local community and made from the best materials. We also utilise the latest 3D CAD technology to help you visualise the new centre before construction commences. The centres are always designed with the user in mind, from the activities, the layout and the aesthetics.

QUALIFIED STAFF

Every Flip Out employee must pass compulsory learning modules on our internal learning management system Flip Out Central (FOC), covering more than 35 modules including customer service, first aid, safety, compliance, and much more. This means your team is skilled, well-trained and ready to create the best experience for your customers every time.

Incorporate how this system is auditable, i.e. you can track



**VIEW AN EXAMPLE OF OUR
3D CAD VISUALISATION –
BOX HILL, MELBOURNE AUSTRALIA**



ABOUT YOU

Flip Out is a process driven franchise network. Sure we are always open to feedback on improvements however franchise partners need to be happy with and expected to follow operational processes.

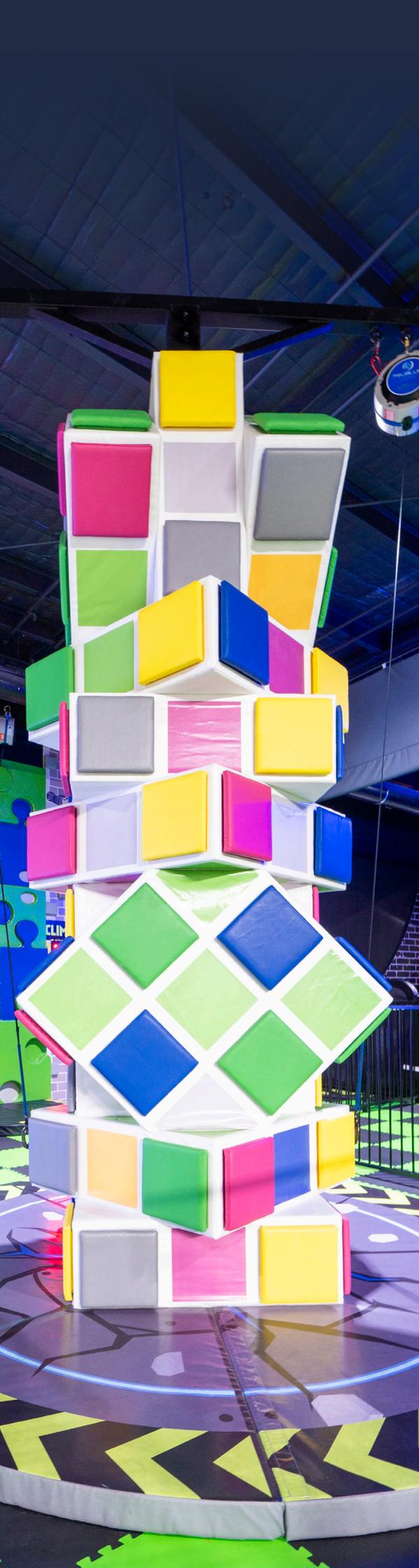
As you read this prospectus, we invite you to consider whether this opportunity is the right fit for you. We believe owning a Flip Out franchise is an exciting prospect, but we also appreciate it might not be the right fit for everyone. While we will provide support and training in many areas of your business, we believe it's important that you consider whether your personality, values, and business acumen are a good match for this opportunity.

To support you in that consideration, here are some of the qualities we believe are required to be a successful Flip Out franchisee:

A PEOPLE PERSON WHO LOVES KIDS

Do you love being with people and working with children? People skills are an essential part of being a Flip Out franchise owner. You'll also be dealing with suppliers as well as the Flip Out Head Office team, so enjoying communicating with all sorts people is going to be essential to your job satisfaction and success. It's important to be able to:

- deliver a great centre experience,
- attract the right staff,
- and enjoy running a people-focused, customer-centric business.





EXPERIENCE MANAGING AND WORKING WITH PEOPLE

Since you will be running all aspects of your business, it's important you have some existing commercial experience managing and working with people. Running a business requires you to juggle multiple priorities at once, which is why you should be someone who is adept at following processes closely with a keen attention to detail. This will mean you're someone who can be comfortably across details from high-level financial forecasting to the day-to-day operations requirements.

A MOTIVATED, HIGH-PERFORMER

In business, every day is different. You'll need to have the drive, positivity and belief that you can create your own success and that you are capable in dealing with challenges. Just like your potential customers at Flip Out, you will need to be willing to step outside your comfort zone and possibly do things you've never done before. You will also need to be someone who is:

- used to working hard,
- motivated to invest your time and energy into the business,
- ambitious to reach KPIs, and
- wanting to take control of your future.

THE BUSINESS OPPORTUNITY

MARKET GROWTH

Even during times of financial pressure, parents continue to invest money in activities for their children, especially if they feel it will support their wider learning and development. This trend is likely to continue, with the Australian Institute of Health and Welfare reporting as at 30 June 2018, there are an estimated 4.7 million children aged 0–14 living in Australia, with that number expecting to increase to 6.4 million children by 2048. This means there is no shortage of potential

customers and, in a world where more and more households have both parents working, the market for outside school activities is booming.

Flip Out will also continue to grow as we roll out new centres, active fun opportunities and improve the facilities and programs at our current centres. We also have plans to implement a pop-up model for smaller populations and mobile opportunities to reach a wider, more diverse customer base.

REVENUE POTENTIAL

We believe running a business that supports children to push their boundaries and development in a safe way makes Flip Out one of the most rewarding types of franchises to own. In addition to that, there is also significant revenue potential, depending on your location, market size and demographics.

In fact, the [Children Entertainment Centres Market: Global Opportunity Analysis and Industry Forecast \(2019-2026\)](#) reports that the global children's entertainment centres market size was

valued at \$8.15 billion in 2018, and is projected to reach \$15.37 billion by 2026. Of course, your revenue potential depends on your location, market size, and demographics which is why we don't move forward until we can be confident the chosen location will yield sustainable returns.

At Flip Out, your revenue stream will include: general entry, fundraisers, schools, café, parties, Flip-ability, classes, group bookings, group classes, merchandise, and seasonal promotions.

THE BUSINESS MODEL

Buying into the Flip Out franchise business model reduces a considerable amount of the complexities associated with a starting a business. In addition to that, our business model is designed to be as simple and straightforward as possible. Owning a Flip Out sets you up to provide a leisure-based business in an exclusive territory, positioned for growth.

In addition to making sure your foundations and location is set up for success, you will be well positioned for a consistent, recurring income through Flip Outs established offerings of: general admission, children's parties, school groups, ninjas, mini ninjas, Playgroup, Flip-ability and special events.

Other features of Flip Out's business model include:

- Strong operational framework and systems
- Training and support from head office
- A broad target market
- Low price-point for customers
- Indoor venue: activity not reliant on seasonality
- Turnkey implementation, with experience and risk mitigation built-in
- Numerous locations available.

We currently offer two investment options, outlined below:



FLIP OUT CENTRES

Flip Out centres are our network of indoor entertainment and adventure parks. This offering includes: trampoline arenas, obstacle courses, ninja warrior courses, climbing walls, dodgeball arenas, slam dunk basketball, giant slides, air bags, parkour courses, warped walls, soft play areas, mini golf, high ropes climbing, volcanoes, wipe outs and more!



FLIP OUT PUMPED UP

Flip Out Pumped Up is our pop up model which is a mobile, modular version of our arenas that can be hired by individuals, schools, fetes, businesses and by community groups for use at events. This inflatable activity course is made up of a separate modules, allowing the end customer to custom order how many modules they require and choose a particular layout. The first round of equipment has been ordered and is currently in manufacturing. Flip Out Pumped Up is estimated to be available by mid-2023.



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THE CUSTOMERS

Flip Out has a considerably large customer segment that includes toddlers, children, teenagers and university students. We create a safe place for all of our customers and believe in flipping barriers – social, cultural, physical skills and age. While our end users are an important element of the business model, it's the key decision makers and caregivers in their lives - including parents, grandparents and guardians - who are the ones making the purchasing decision.

At Flip Out we spend a considerable amount of time analysing demographics before we establish a new territory (the designated area where a Flip Out centre is). Having a detailed view of the demographics in the area where you are looking to open your Flip Out franchise, and how it aligns to the target market, will help increase the likelihood of ongoing sales, overall profitability and return on your investment.

YOUR TERRITORY

Our territory and demographics mapping involves a deep dive into a particular area and provides an initial snapshot of the population size, total households, household income and household size. We then go even deeper with a detailed analysis of specific demographics including: the median age, mortgage repayments, total personal income, rent being paid, total family income, the average household size, and total household income.

We also supply you with profiling of the age breakdown in that territory (for example, percentage of 0- to 4-year-olds, 5- to 9-year-olds etc).

This information will help you avoid locations where the customer base would not appropriate in terms of your target market nor add any value to your franchise business. Being prudent, careful and thorough when researching your territory will help you identify a location that will help your franchise business thrive.

All territories are selected based on population demographics to support a sizable operation, giving your new franchise opportunity to grow. There are opportunities to open a Flip Out centre all across Australia, but particularly in the following areas:



- NT
- QLD (South East QLD)
- WA, in North Perth
- SA, in Adelaide
- VIC, in Greater Melbourne
- NSW, in Greater Sydney and Newcastle
- TAS, in Hobart and Launceston



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THE INITIAL INVESTMENT

Flip Out Pty Ltd offers a range of initial investment options. Our Pumped Up pop up model starts at approximately \$150K-200K. Centres which require an investment of between \$750K for a light format and \$1.5M-2M for a full format. However, this is a guide only. Often, the initial investment can depend on what the landlord is contributing to the centre, which can significantly reduce capital requirements. Please contact us directly to explore the finer details as this will be largely dependent on the kind of Flip Out you wish to own, territory, expected revenue, cost and ROI.

THE FRANCHISE PROCESS

At Flip Out, we believe in the power of partnership. That's why when we partner with new franchise owners, we follow a clear process from your first enquiry right through to helping you host your grand opening!



Once you have progressed through this first phase, we then move into the phase of getting your actual centre established. This includes in-depth processes such as development approval, build, marketing, staffing, and your grand opening!

OPERATIONAL SUPPORT

HEAD OFFICE SUPPORT

The Flip Out Head Office team is not just passionate about being leaders in active fun indoors, they're passionate about supporting franchise partners in both the process of establishing their franchise business and with ongoing support. Ready to support you are:



STEVEN STONE, MANAGING DIRECTOR

Steve is no stranger to high-pressure environments thanks to his time in the professional sports industry, playing professionally over seven seasons. He has leveraged this experience and understanding of how elite teams achieve success to develop the franchise by providing a sustainable and successful business for every franchisee in the network. Under his leadership, the franchise has grown, providing more value to customers and franchisees alike.



SUZANNE STONE, CHIEF OPERATIONS MANAGER

Suzanne has vast experience in franchising, owning and operating and has received numerous accolades including Fernwood Women's Health Franchisee of the Year 2004, Price Waterhouse Coopers NSW/ACT Franchisee of the Year 2004 and was a Telstra Business Women's Awards Finalist in 2005. The only way to win high-profile awards like these is by understanding what constitutes business best practice, as well as knowing how to implement effective strategies and measure their success.

Our Head Office team also includes:

- Franchise Service Manager
- Field Support team members
- Graphic Design and Social Media Officer

Engaged Consultants include:

- Marketing
- Design
- Architects
- Engineers
- Bookkeepers
- Accountants
- Lawyers



ADMINISTRATION

As your franchise partner, we want to support you and make the day-to-day running of your business as simple and effective as possible. When you succeed, so do we, which is why we have the following administrative supports in place to make running your franchise easier:

- Implementation of end-to-end adventure park operating system
- Online training portal including CRM, online sales, merchandise sales and inventory, online pre-opening checks and injury report forms
- In-centre operations software, including POS, booking and database
- Auditable Training and document management system
- Microsoft BI reports delivered daily to franchisees and franchisors
- Automated messaging services to database
- We are also currently in the process of scoping an app for membership management and loyalty programs.

MARKETING & BRANDING

You will be supported with a proven marketing system for generating leads, referrals, and campaigns that support you as being seen as the 'go to' place for active indoor fun. Our franchisee intranet provides you with 24/7 access to all programs and marketing collateral, including launch day campaigns including paid promotion and guidance on digital spend. All new centres are supported with a launch campaign upon establishment, to make the new area aware of the Flip Out brand and offerings.

Once you're underway, you will also receive:

- monthly social media content and guidance
- strategic marketing planning from a national level that you can localise and adapt for your own centre
- marketing collateral development support.

You will also have access to merchandise including:

- new clothing items designed in-house
- bottles and accessories
- on trend, practical uniforms for staff and customers
- access to occasional collaborations with brands like Gatorade and Schweppes.

ONGOING TRAINING AND SUPPORT

At Flip Out, we offer ongoing training and support, meaning you don't need prior industry experience to own a Flip Out franchise. In fact, rather than industry knowledge, the franchisees who are some of the most successful bring complimentary soft skills, personality traits and competencies. This includes the ability to communicate well with people

(including kids!), experience managing others in a commercial setting, and are driven, ambitious and motivated.

That being said, Flip Out also continually invests in research and development and provides franchisees the tools and support you need to make your business a success.

Our ongoing training and support includes:

- Business health check for first three months of operations
- Newsletters, meetings and intranet
- Continual updates in technology and systems development
- Business management support including:
 - credit card processing
 - payroll assistance
 - HR advice
 - accounting via Xero (templates, payroll, super, PAYG, BAS)
 - live and online training for you as the franchise owner as well as for your team
 - online product and uniform ordering



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WOULD YOU LIKE TO FIND OUT MORE?

Are you ready to be part of something truly special?
We would love to hear from you! Contact us for more information and to discuss specifics around your enquiry.

INFO@FLIPOUT.COM.AU

490 Northbourne Avenue
Dickson ACT 2602
Australia

NON-DISCLOSURE & RELIANCE STATEMENT

We love to have fun and we don't take ourselves too seriously, but the legal eagles insist we include the below information. Yes, it's legal mambo jumbo but we hope you understand it's also important to protect our intellectual property.

This document is the property of Flip Out Pty Ltd and is intended for use by prospective Flip Out franchisees and constitutes a confidential disclosure.

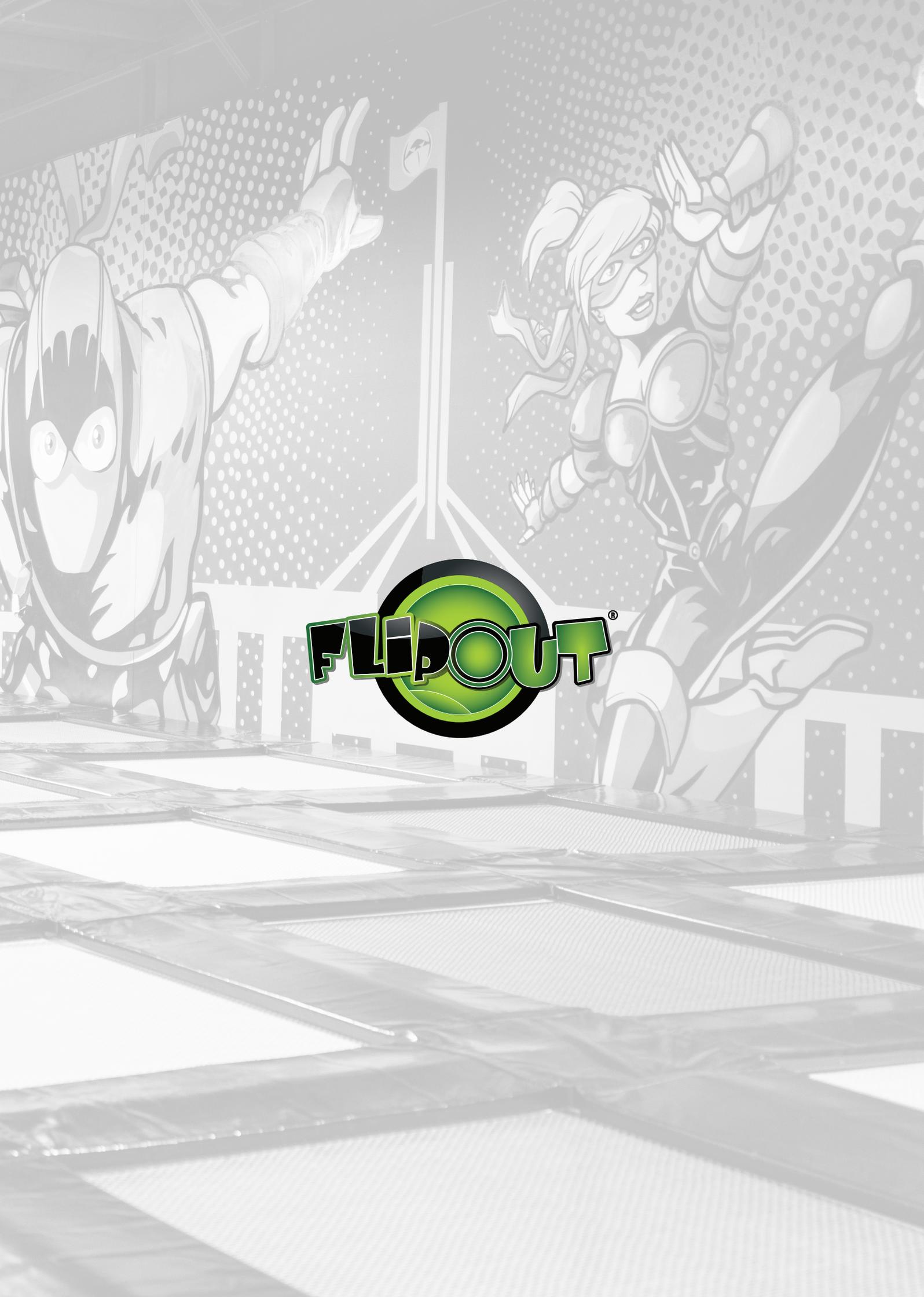
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The information contained in this document is confidential and is given to you for your use in evaluating the Flip Out franchise opportunity and must not be divulged to anyone other than your financial and legal advisers.

Prospective investors are requested to make their own enquiries to establish the accuracy of the information provided. Flip Out Pty Ltd or any person representing it will not be held liable for any loss sustained by any prospective franchisee from relying upon the contents of this document.





FLIPOUT[®]

