

# AGAPI BOAT CLUB FRANCHISE PROPOSAL

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**AGAPI**



BOAT CLUB



An aerial photograph of a blue and white motorboat on a calm, greenish-blue lake. The boat is positioned near a rocky shoreline with dense green trees. A red rope is visible extending from the boat towards the shore. The overall scene is serene and natural.

## WHY AGAPI?

**Agapi's mission** is to design a better, smarter and more sustainable boating life compared to traditional boating for the better of all parties,

- The boaters
- The industry
- And perhaps most importantly, Mother Nature, given the superior sustainability aspects our concept brings to the market

We have chosen a subscription membership approach to deliver this disruptive service and high standards and requirements on our members is a must to deliver a premium service.

**We call it Agapi Boat Club**, a service based on sharing economy principles and a state-of-the-art digital booking system. It is simply a smarter and much better way to enjoy premium boating while at the same time caring for the environment. It is not based on rentals nor boat pooling. It is truly based on the same experience as ownership but removing all the negative aspects of it while adding amazing upsides.





# WHAT IS AGAPI BOAT CLUB?

**Agapi Boat Club** is a premium boat subscription service where the member chooses among different membership plans. Yearly fees vary from EUR 500 to 20,000 depending on four choices,

- Boat model and boat category
- Location/region
- Usage
- Services

Agapi Boat Club uses the same principles as a premium Golf Club and allows, in principle, boating all year round without any limitation. We put high requirements on our members to ensure a high quality experience for all. Our Club enables access to boating in multiple attractive locations, both on domestic waters and abroad. It also renews

the boat fleet every year, opening up to a new dimension of boating never seen before. All delivered to our members through a user friendly online booking system.

**Agapi Boat Club** is a business model based on the sharing economy boasting one of the strongest strategies to enable long term sustainability which is more important than ever before.

Subscription boating also enables superior cost advantages and therefore widens considerably the customer base compared to traditional boating. Agapi is expanding the market by making boating easily accessible for more people and thus growing the business for both the Franchisees as well as the entire boating sector.

# FROM OWNERSHIP TO USERSHIP

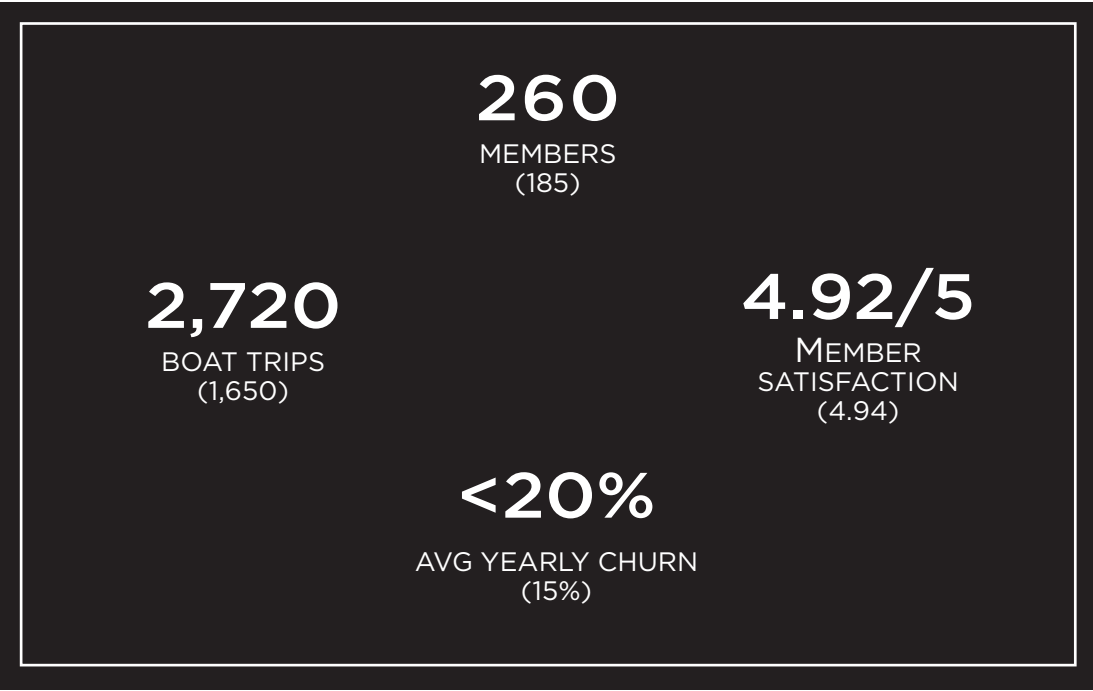
**Recent years** have seen a growing awareness and drive from society and consumers that if everyone continues to own everything, in the long run, it is simply not sustainable. Zuora – a global leader in software for the sharing economy – warns that the global economy is reaching the end of the “era of ownership” and that new companies – the “mavericks, disruptors, reinventors” – are driving the rise of “usership”.

Not only does ownership of high-end assets fail to scale, it also just doesn’t make economic sense. Subscription services are a smarter way to use our planet’s finite resources. Leading car manufacturers have been actively looking into and introducing sharing models based on this understanding and on the insight that the average car sits idle for most of its life. When it comes to traditionally owned boats, reality looks even worse.

**Subscription business models** are based on the idea of selling a product or service to receive monthly or yearly recurring subscription revenue. There is a focus on customer retention over customer acquisition. It’s a model where constant innovation and relationship building shifts the focus to experiences and outcomes instead of products, people instead of purchasers.

This is exactly the course we have been charting since 2017. Agapi Boat Club was conceived as the new way to have a boat. Taking pride in something of the highest quality and building the same positive sense of having your own boat, but doing it in a way that’s better, smarter and kinder to the environment.

## 2020 IN NUMBERS (2019)





# AGAPI BOAT CLUB FLEET

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**Agapi Boat Club's vision** is to become the leading player in the growing segment of the sharing economy for premium motor boats in the sizes of 6-12 meters. Agapi's fleet includes boats with a focus on performance, design and smart functionalities for the modern boater. To secure best possible pricing and excellent support, Agapi establishes a direct and close cooperation with boat manufacturers and all ordering of the boats go through Agapi. In those cases where a dealer is nearby, we always strive to optimise the support as well as the synergy between dealers (selling boats) and our Club services.

Our boats are especially chosen to fit our Club's purpose and members' needs. We work with the best brands in the main boat segments: Family sport, RIB, All-round and E-power, covering thus every boater's needs and dreams. The fleet consists of brands like the new Finnish Saxdor from the founder of Axopar, as well as the internationally nominated Agapi (our own developed boat brand), a hybrid between RIB and leisure boat. Finnish Finnmaster with its prestigious T-series is also a part of the family sport segment.

**In our segment** for All-round boats (mainly aluminium boats for Northern Europe) we have the prestigious Swedish brand Anytec as well as the Finnish brand Husky. In the emerging segment for electrical boats, we are working with the Danish brand RAND where the Mana 23 is our first e-powered boat to join the fleet. Together with our partners, we define an Agapi Boat Club Edition for each boat model to ensure all boats are the same and including a premium choice of options. Further, each boat model is allocated to a "Boat Category" based mainly on its size.

## A BOAT FOR EVERY NEED

**This mix and wide range** of boat models create a perfect platform for our vision of "Freedom of Choice" within boating. Our members have the choice to choose the best boat in the market for different purposes. This is truly one of the unique selling points of the concept and very appreciated by the members.

# HIGH PERFORMANCE BOAT MODELS

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**Our ambition** is to both give the boater the same feeling of "ownership" and to minimize operational costs for Agapi. Of this reason, we focus only on a few selected brands and models to keep a high member satisfaction rating and a high service standard and operational support. Each model is approved for the Club and includes,

- An Agapi Boat Club Edition to ensure that all boats are configured in the same way. Some local deviations are implemented to comply with legal requirements.
- Each boat comes with an Agapi training document (Boat Presentation) that is mandatory for the onboarding.
- Each boat model is supported by detailed routines, i.e. cleaning, spare-parts, and support for most common scenarios.
- The boat's insurance is also part of the concept, which reduces the costs considerably.
- We support with incident handling and warranty for quick and cost-effective repair work.

**The Franchisee** receives a commission of 8-20% on the selected boat based on recommended market price. The principle is a commission sharing between Agapi and the Franchisee where larger volumes over time will lead to reduced costs for both parties. In case boats are added to the system not purchased through Agapi, there is an activation fee of 5% of the boat's net value. Agapi supports the Franchisee with templates and know-how on how to finance the Club fleet through member financing as well as how to integrate privately owned boats.





# THE FUTURE AS AN AGAPI FRANCHISEE

**Agapi's future is bright** and we want you on board to share it. The boating world is on the cusp of a massive transformation and this is your chance to take the helm and help us lead the change to something new, exciting, accessible, and sustainable.

The older generation of boaters are increasingly reluctant to spend the time and money maintaining a boat for never-enough days at sea. And the new generation lead busier, more connected lives – savvy enough to swap the commitment and cost of ownership for the flexibility and convenience of subscription. As an Agapi franchisee, you can hold the keys to new a boating lifestyle for both the old and new.

**We believe** that a love of boating goes hand in hand with a love of our natural environment. When you invest in an Agapi franchise, you invest in a sustainable boating future. If you share our belief, then you share the Agapi way. As a franchisee, you help get more people on the water, with less impact to the environment. Fewer resources used. Fewer boats sitting idle. And, as we start the move to electric propulsion, you can be an industry leader in your area, helping create a new generation of boaters with a smaller environmental footprint than ever before.

If you believe the sharing economy is key to a smarter, more sustainable, more accessible boating, then you're the sort of person we want on the Agapi crew. And if you think in terms of relationships rather than sales, then you are one of us. Our members are our drive. Their voice informs our development, through the booking system and on the docks. Every time they use a boat, they rate the service and drive us on to better performance. When you become an Agapi franchisee, your relationship with members is less a responsibility, more an opportunity.

**You think smart.** You think digital. You live sustainably. You love people. You love the boating life. And you want to share it. You're modern. And driven by quality. And fun. You are one of us.

# 1

## THE AGAPI BOAT CLUB CONCEPT

The Agapi Boat Club Concept is the most disruptive boating service in the world today. The concept offers you a unique opportunity to join our quest of changing the boating industry at large and, more specifically, in your chosen territory. The way we think and act is agile, sustainable and business-driven and based on the needs of a modern lifestyle. We have a well-proven and tested concept in markets like Sweden and Mallorca, and now we are confident that we can offer a great business opportunity.

# 2

## THE BUSINESS MODEL AND START-UP SUPPORT

The Agapi Boat Club Concept offers a subscription-based business model with recurrent and stable gross margins and potentially high profit margins built up over time. Agapi offers support and training at start-up and places strong focus in establishing long-term partnerships to help reach business goals both at local and global levels.

# 3

## THE GROWTH OPPORTUNITY

In the Directors' opinion, there exists a significant growth opportunity for a Franchise business in the selected international markets through the scalability of the business, competitive strengths and the timing and attractiveness of the Agapi Boat Club Concept.

# 4

## CHANGING THE GAME

Agapi is set to challenge traditional boating and change the boating industry. It is not the disruptiveness as such that is the driver but the forces of the market, the intelligence of software platforms and boating's technical evolution that are behind this change.

# 5

## SUSTAINABILITY

Agapi has taken the most important factors of the sharing economy – care for the environment, digitalization and the strong sense of freedom with a modern lifestyle – to offer a sustainable boating business model that reduces the environmental impact by using fewer resources to deliver more joy.

# 6

## TESTED AND PROVEN CONCEPT

Agapi has the track record, data intelligence and all the necessary pre-conditions to continue to lead and challenge the boating industry into a new paradigm.





# OUR FRANCHISE OFFERING

We have three franchise opportunities, **Large, Medium and Small**, so you can choose the one that best suits your business needs and ambition. Depending on each location, different mixes of boats will serve as a base for the initial investment.

The business case is simple, we price our services so each boat should generate a profit once you reach 3 members.

With a **large fleet** of boats and a good mix of different membership levels, 10 or more members can share a boat with a very good profitability.

The **Franchisee** takes care of all the local boat costs and the actual yearly costs, for the franchise set-up are,

- Investments in the boats
- A yearly royalty fee of 15%.

For Large Franchisees there is a mandatory training package fee of 10,000 Eur. For Medium this fee is 5,000 Eur and for Small 2,500 Eur. Website, marketing assets and local pricing brochure are included in this fee for a quick start-up.

# OUR FRANCHISE LEVELS

LARGE

MEDIUM

SMALL

# WHO ARE WE LOOKING FOR?

You have both entrepreneurial and financial skills and you are a true boat lover. Besides this, we are looking for people who understand and value the Agapi Way. To succeed as an Agapi Franchisee, you are:

## RESPECTFUL

One of our core values that guides our way of conducting our business and interacting with all our stakeholders, colleagues, customers, members, partners, suppliers and the communities in which we operate. Respect is also something we show towards our environment.

## PROFESSIONAL

It's the red thread that goes through everything we do. We want to be perceived and known for being the most professional player in our segment. Professionalism for Agapi means being agile, proactive, open minded, eager to develop and grow professionally, committing to deadlines set and always putting quality first.

## PERSEVERANT

Means "active" patience and never giving up. This is part of Agapi's DNA. Setting up a new business takes time, so perseverance is needed, and it is key to understand this.

## CUSTOMER-FIRST APPROACH

We expect a response time to customers not longer than 24h. Always attending to customer needs and inquiries with big ears, enthusiasm and proactiveness.

# OUR TRAINING PROGRAM

The Agapi Boat Club training is comprehensive and includes two areas of what we call "on-boarding" (training). All training sessions are done over Team video meetings and our new e-learning platform.

All our partners are first on-boarding as a member of the Agapi Boat Club internationally. As a partner member, you can book boats globally as an ambassador (one day bookings after agreement with the local Agapi partner) to fully grasp the power of the growing network and get to know other partners globally. The more we manage to create this international network and strong relations, the stronger the whole network will become.

It is paramount to do this first as we need to understand the member's perspective fully. As we have a strong focus on attracting great members that really grasp the culture of the concept, this on-boarding is vital.

The second on-boarding is as a partner where all areas from Sales & Marketing, Operations, Club Management, Financial Management and Software training are covered through both our "The Agapi Way - Partners" manual our e-learning platform and Team meetings. We work digital with a high portion of moving content towards both our growing international member's base as well as towards our partners



# BUSINESS POTENTIAL

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**The business case is simple.** As a general rule, we price our services so each boat should generate a profit once your reach three members. With a large fleet of boats and a good mix of different membership levels, ten or more members can share a boat with a very good profitability. The pricing is local and Agapi and the partner jointly set the local price level. As this is a new and disruptive service, we see the possibility for price increases over time once the service is more known and accepted.

**The costs for the franchise set-up are:**

- Investments in the boats supplied by Agapi.
- A yearly royalty fee of 15% based on net revenues from the membership fees.

Important to note that a few locally supplied boats can support the local fleet if the boats are approved by Agapi as premium brands and not directly competing with existing brands. The share of local brands suggested by Agapi is maximum ~25% of the Boat Club fleet.

**Agapi can support** elaborating the Business Case as well as provide templates. Further Agapi is happy to share data and insights from its operations with close to 250 members and 50 boats (as per August 2020). It is however imperative that each Partner produces its own business calculations as the costs differ a lot based on local market conditions. If this business is an add-on to an existing Marina or a green field investment, there are large deviations in overhead costs. The local costs for boat also differ from region to region.

Overall, as with many investments in sharing economy set-ups, volume is key to reach attractive margins long-term. Volume also helps in all areas where availability is the key aspect.

**A special area to focus on** is the financing of the boat fleet. Today, +80% of the Agapi fleet (+4 MEUR) is financed by private investors and members. Agapi can also support in this area providing special packages on how to attract members to invest in Club boats.

Long-term, Agapi is also pursuing a close cooperation with an international financing partner to offer boat financing (only certain regions). This is however not available as of January 2021.





# THE FRANCHISE OFFER

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**Agapi will establish** the Agapi Boat Club concept through a Franchise setup in selected areas and locations. The Franchisee has a proven business capability, relevant experience and means to fund the desire growth of business operations. For Agapi Boat Club Franchisees the following is included in the yearly royalty fee of 15% of gross net Club sales.

- The exclusive rights to market, sell and operate the Agapi Boat Club in the chosen area supported by Agapi international.
- The business model, know-how and experience of Agapi Boat Club described in a comprehensive guidelines: The Agapi Way for Partners.
- Access to Agapi's digital booking system where full control of members and boats operation is managed.
- Access to Agapi's international payment system for quick payments from members and automated payments between franchise partners.
- Access to Agapi's geo-tracking system (small yearly fee for data card) through intelligent app.
- Access to Agapi's E-learning platform for easy and scalable training of all local members (in English).
- Marketing & branding expertise, content for marketing and a common website. Marketing automation tool through Pardot.
- Sales expertise and CRM tool through Sales Force.
- All of the above included in a user friendly web portal for easy management.
- On-going development of the Services and Agapi Boat Club concept.
- Access to enjoy Agapi Boat Club service worldwide.

# TO BECOME AN AGAPI FRANCHISEE

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**Agapi is very careful** about the Franchisee selection process. We see it as a long-term commitment from both sides and therefore the process can take some time. It is important for us to know that we share a common ground to do business together.

## LARGE AND MEDIUM FRANCHISE

### 1. APPLICATION

We are curious about why you want to become an Agapi Club Franchisee? As well as to know more about your professional background, your goals and how you plan to finance the franchise.

### 2. NON-DISCLOSURE AGREEMENT (NDA)

At this point we will send you an NDA that we ask you to sign and return to us.

### 3. INTERVIEW AND EVALUATION PROCESS

During the interview we look forward to hear more about your vision and your goals as well as tell you more about Agapi. As a next step, we will invite you to our Full Service Center, for you to experience first-hand how Agapi Club operates. Together with our Agapi Way guidelines you will be able to get a full understanding of the Agapi Club business and set up your own business plan.

### 4. BUSINESS PLAN

At this stage we in the process we sit down together to review your business plan.

### 5. SIGNING FRANCHISE AGREEMENT

Before signing the Franchise Agreement, you will receive the Franchise Memorandum which describes the content in the agreement.

### 6. ONBOARDING AND TRAINING

Once you are onboard as a Franchisee, you will be asked to focus on the implementation of The Agapi Way in your territory in order to set up your business as soon as possible.

### 7. Starting and follow-up

During this phase we ensure you have everything you need to start up. We will jointly plan a couple of follow-up meetings ahead.

## SMALL FRANCHISE

For Small Franchisees the process is shorter, requiring the Applicant to follow above steps # 1, 3, 5 and 6.





A sleek white and black speedboat is positioned on the right side of the frame, floating on a calm body of water. The boat features a black upper hull and a white lower hull, with a black canvas top over the cockpit area. A red rope is tied to the bow. In the background, there are several large, rounded rock formations covered with green trees and shrubs. The sky is a clear, light blue with a few wispy clouds. The water reflects the boat and the surrounding landscape.

Our vision is to create an Agapi Boat Club network of international partners in prime locations.

With every new Agapi Boat Club partner, all others become more attractive. Rather than Franchisees competing with each other, the growth of the Club network enhances and strengthens the attractiveness and business case of the entire Group.

ARE YOU INTERESTED? PLEASE  
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# A BETTER, SMARTER AND MORE SUSTAINABLE BOATING LIFE

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**AGAPI**

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