



FRANCHISE PROSPECTUS





MISSION

To represent the reference point of the global market as the excellence of Made in Italy in the accessible luxury segment through the unique style, quality of the products, best value for money and a selective distribution. The extraordinary visual presentation of the Brand is key to the brand equity.

A photograph of a modern building at night, with the Anna Virgili logo overlaid in white. The logo includes the 'AV' monogram, the brand name 'ANNA VIRGILI', and 'MADE IN ITALY'. The background shows a building with large windows and a balcony, with some foliage visible in the foreground.

AV
ANNA VIRGILI®
MADE IN ITALY



fall winter_21/22



Kita collection

fall winter_21/22

Kita collection



fall winter_21/22



Kita collection

fall winter_21/22

Kita collection



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Q. ARE THERE SPECIFIC PRODUCTS THAT THE FRANCHISEE MUST BUY EXCLUSIVELY FROM ANNA VIRIGILI?

A. Yes, the Franchisee has to buy from the Franchisor Anna Virgili the initial seasonal order every season from the seasonal collection for about 80% of its planned needs in advance; the 20% can be supplied on demand during the season accordingly to the franchisee's needs.

Q. IS THERE A MINIMUM ORDER?

A. Yes. The minimum order is to be stated accordingly to the sales budget planned for the season. It has to take into account that it must be higher than the sales budget since a part of the products bought will not be sold or some might be possible sold off at promotional seasonal prices. Anna Virgili trainers will provide a specific training and models to best planning the buying.

Q. SHOULD I SEEK INDEPENDENT ADVICE PRIOR ENTERING THE ANNA VIRIGILI FRANCHISE SYSTEM?

A. Yes. We expect our Franchisees to obtain competent legal and financial advice before entering into the franchise to ensure the complete understanding of their obligations and benefits.

Q. IS MY INVESTMENT IN A ANNA VIRIGILI RISK FREE?

A. The risk involved in participating in any reputable franchise system is significantly less than the risk in proceeding in a similar business on your own since Anna Virgili largely experimented retail model and know-how can be fully exploited in managing the business. However, as in any retail business, risks exist and the Franchisor Anna Virgili cannot guarantee the turnover of a particular shop or its profitability. Anna Virgili Franchise system provide support and assistance to help you get the best results out of your business. Anna Virgili wants you to succeed as much as you do.

Q. WHY DO YOU CHARGE AN INITIAL ENTRY FEE?

A. The Entry Fee is a sheer coverage of the cost of these activities:

- Assistance in assessing the validity of a location and making a feasibility analysis.
- Assistance in Architecture and layout planning.
- Our provision in supplying you furniture, fixtures and fittings at very competitive prices.
- Our provision of Training and Assistance prior to and at initial opening of your outlet that includes the physical and on-line presence of our highly skilled trainers.
- The right to use the Anna Virgili intellectual property, including the Brand Name, Trademark and Franchising System.
- An exclusive territory to conduct and develop your own business.
- Provision of a full array of marketing tools.

Q. WHAT SERVICES DOES THE 3% ROYALTY ON NET SALES COVER?

A. This fee entitles you to continue to be part of the Anna Virgili Franchising System, as well as benefitting from the following services :

- New trendy seasonal collections development.
- Marketing campaigns on the brand with vast use of social media.
- System improvements.

Q. WHAT SERVICES DOES THE 2,5% MARKETING LEVY COVER?

A. This fee is going to be used for ongoing support and assistance with marketing initiatives and tools tailored to your shop. It is joined to the same amount granted by the

Franchisor Anna Virgili as a contribution to your local marketing actions thus making a 5% of yearly turnover marketing investment on your store.

Q. WHAT OPERATING RESULTS CAN I EXPECT?

A. We supply the basic elements to forecast the operating results through a feasibility analysis model and we are available to train you in using them. The model contains store possible turnovers, cost structures, initial investment breakdown and all the economic and financial issues necessary to assess the capital requirements and results. However, we cannot make any sales forecast or projections for you, as results depend also on other elements such as store management that are beyond our control. Based on this method you and your accountant should be able to formulate your own revenue and profitability projections.

Q. WHAT IS THE IDEAL SIZE OF AN ANNA VIRIGILI STORE?

A. The ideal size of the store, taking into account the investment, costs and profitability best ratio is around 50 sq.m. However, stores of 35 sq.m. in city centres or main streets may be considered.

Q. CAN A FRANCHISEE SELL OTHER PRODUCTS THAN ANNA VIRIGILI'S?

A. NO. Only Anna Virgili or other brands owned or licenced to Anna Virgili can be sold in stand alone Franchise shops of Anna Virgili.

Q. CAN FRANCHISEES HAVE THEIR OWN WEBSITE AND SOCIAL MEDIA PRESENCE?

A. Website is centrally managed, however specific contents to the Franchisee's territory can be featured in the website provided that its presence is agreed beforehand when the specific marketing plan for the territory is approved by the Franchisor. Franchisees are allowed to promote their own point of sales bearing the Anna Virgili signage but not the brand Anna Virgili itself institutionally. They can specifically promote a communication action linked with a particular event that typically is held in their area such as a festivals or religious events, sport events such a tennis tournament or other sport events. A coordination with Anna Virgili's marketing department is more than welcome.

Q. WHAT KIND OF EPOS SYSTEM ARE FRANCHISEES ALLOWED TO USE?

A. Preferably the one used by Anna Virgili to manage the operation, in any case a cloud-based EPOS System should the AV System not be available in the territory.

Q. HOW OFTEN WILL ANNA VIRIGILI VISIT THE TERRITORY

A. Apart from the initial training and support, Anna Virgili will visit your store periodically to review, plan and improve the operation. An area manager will visit you quarterly.

Q. WHAT HAPPENS AT THE END OF THE FRANCHISE TERM

A. Anna Virgili has a conditional option of renewal. This means that subject to the renewal of the lease of the shop and to the meeting of of certain requirements both quantitative and qualitative Anna Virgili may grant you another period another term of six years.

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