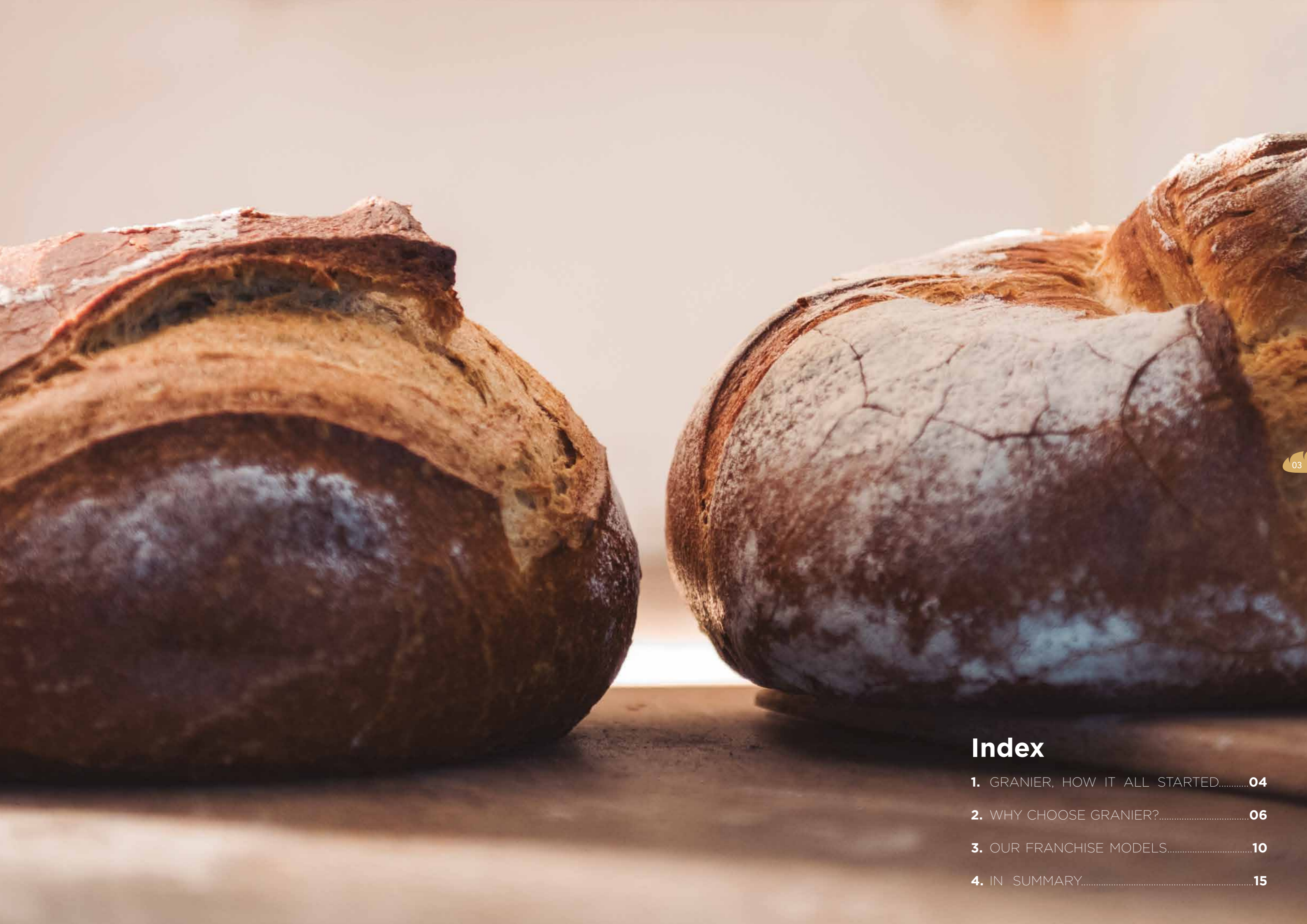




FRANCHISE INFORMATION

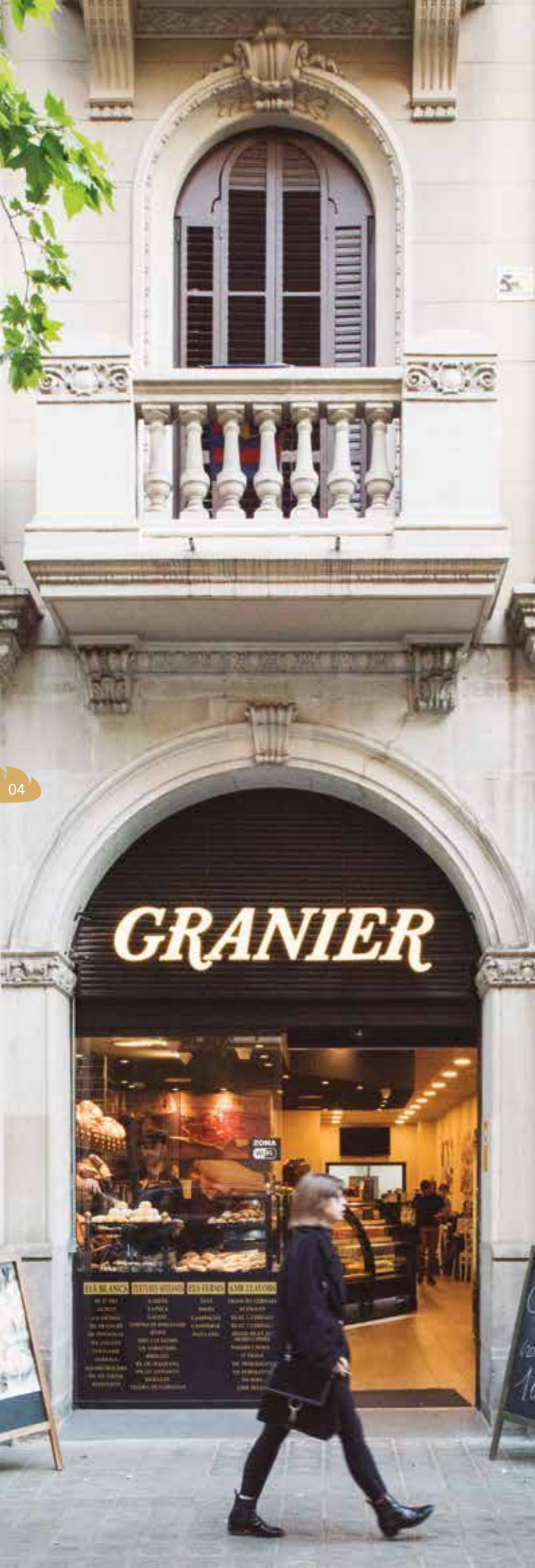
Granier Franchises





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1. GRANIER, HOW IT ALL STARTED

Leader in the Bakery/ Coffee Shop sector

Juan Pedro Conde, founder of Granier, started out as an apprentice at his local bakery. That is where his interest in local businesses and love for his trade began. This passion for his work led him to open his first bakery, in 1988. With an entrepreneurial spirit and ambition to grow, Juan Pedro Conde progressively opened more bakeries and he became more involved in the bread world. Based on this experience, he developed his own business model.

Since 2010, the business has invested heavily in its development through the franchise model, with continual focus on **innovation, excellent value for money, and bread**, in all its splendour.

Our philosophy

At Granier, we believe that if nothing better has been invented, then why change? We like local bakeries, staffed by people who prioritise quality, and provide a great service. When you go into a bakery, it should smell of bread, and should be stocked with golden, crunchy, just-baked loaves on the shelves. We want our regulars to visit us every day, spend a few minutes with us, and enjoy the quality of our products, for them to feel comfortable and well looked after. The way we behave shows who we are, and we want this view of the world to show in everything we do.

Finances

Granier is a large company, with a team of **2,000 direct and indirect employees**. It has **three central bakeries** and operates throughout Spain, with more than **350 bakeries**, and a turnover in excess of 45 million euros. These bakeries are also found in important, international cities like **London, Miami, Lisbon and Rome**, in fact Granier is a global brand which has seen spectacular growth in recent years. Its recipe for success has been to create and maintain a business at the cutting edge of innovation, while remaining attractive and profitable.

Master bakers

Like all good bakers, Granier prepares its bread with traditional processes and long proofing times. The secret of the quality of our bread lies in **our select raw materials** and **dough proofing methods**, allowing the time needed for our bread to attain the ideal

strength, flavour and aroma, and to ensure that it has a long shelf life after baking.

The use of traditional bread-making process is a top priority at our central bakery. This is the source of our artisan recipes, which are unique and which use the finest ingredients. It is also where our bakers produce the dough and perform the kneading that characterises each type of bread.

Once prepared, the raw dough is deep frozen, which keeps its sensory properties intact, and transported to bakeries. It is the bakers in the shops who prepare the different types of bread, **PROOFING** them, and baking them in refractory ovens, which provide even heat.

Our process is entirely different from the one used to make pre-baked frozen bread.

It has nothing to do with the inferior method used at some points of sale, where all they do is finish cooking frozen bread.



2. WHY CHOOSE GRANIER?

An opportunity for a profitable business

If you want to set up a safe, profitable franchise that will bring you a quick return on investment, Granier is the formula for success.

Granier's spectacular expansion during its seven-year history is down to the experience of its founder, Juan Pedro Conde, who has succeeded in replicating the artisan bread-making formula. Granier now has more than 350 shops in five countries.

A formula for success

According to the annual report on Organised Catering chains published by

Alimarket magazine in March 2017, Granier is the leading company in the Bakery/Coffee Shop sector based on number of outlets.

The same report ranks Granier in 4th position for restaurant openings, ahead of brands like Lizarrán, Starbucks, KFC and McDonalds.

Commitment to franchises

Our central teams provide comprehensive support for franchisees. We work to support and guide you before, during and after you open your shop, in all business areas.

FINANCIAL AREA

• Unique financing facilities

At Granier, we have negotiated special conditions for our franchisees with three leading banks (BBVA, Banco Santander and Banco Sabadell). These banks offer solutions that meet individual needs.

PRODUCTION AND PURCHASING AREA

• Leveraging economies of scale

We take advantage of Granier's capacity to negotiate and purchase from leading suppliers.

• Own production and logistics

We make more than 50 types of bread at our three production centres in Spain, with more than 11,000 m² of our own facilities and logistics, supplying more than 350 shops.

OPERATIONS AND SALES AREA

• Training and ongoing support

We train franchisees in staff recruitment, sales, product knowledge, handling and displaying the product, and the brand's operating standards, before, during and after opening the shop. Franchisees receive ongoing support from the sales team, who are technicians specialising in the product and shop promoters.

• Customer services

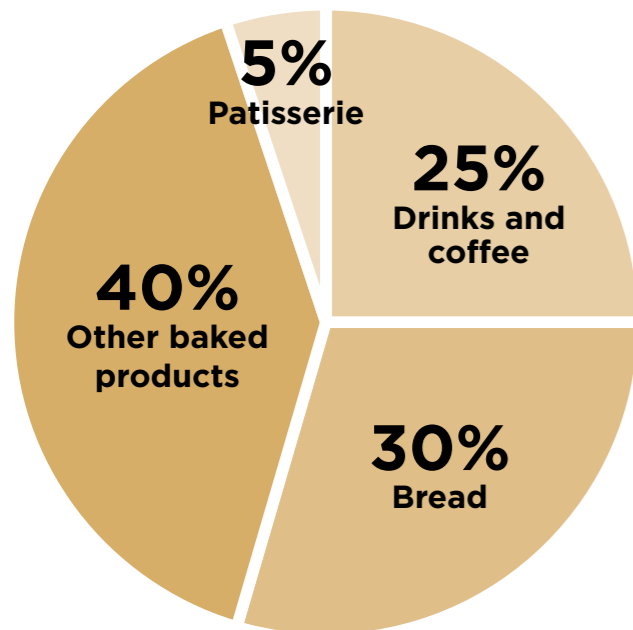
To provide the best service for our franchisees, we have a Customer Services Department to support them in their daily business, assisting with matters involving products and services.

MARKETING AND COMMUNICATIONS AREA

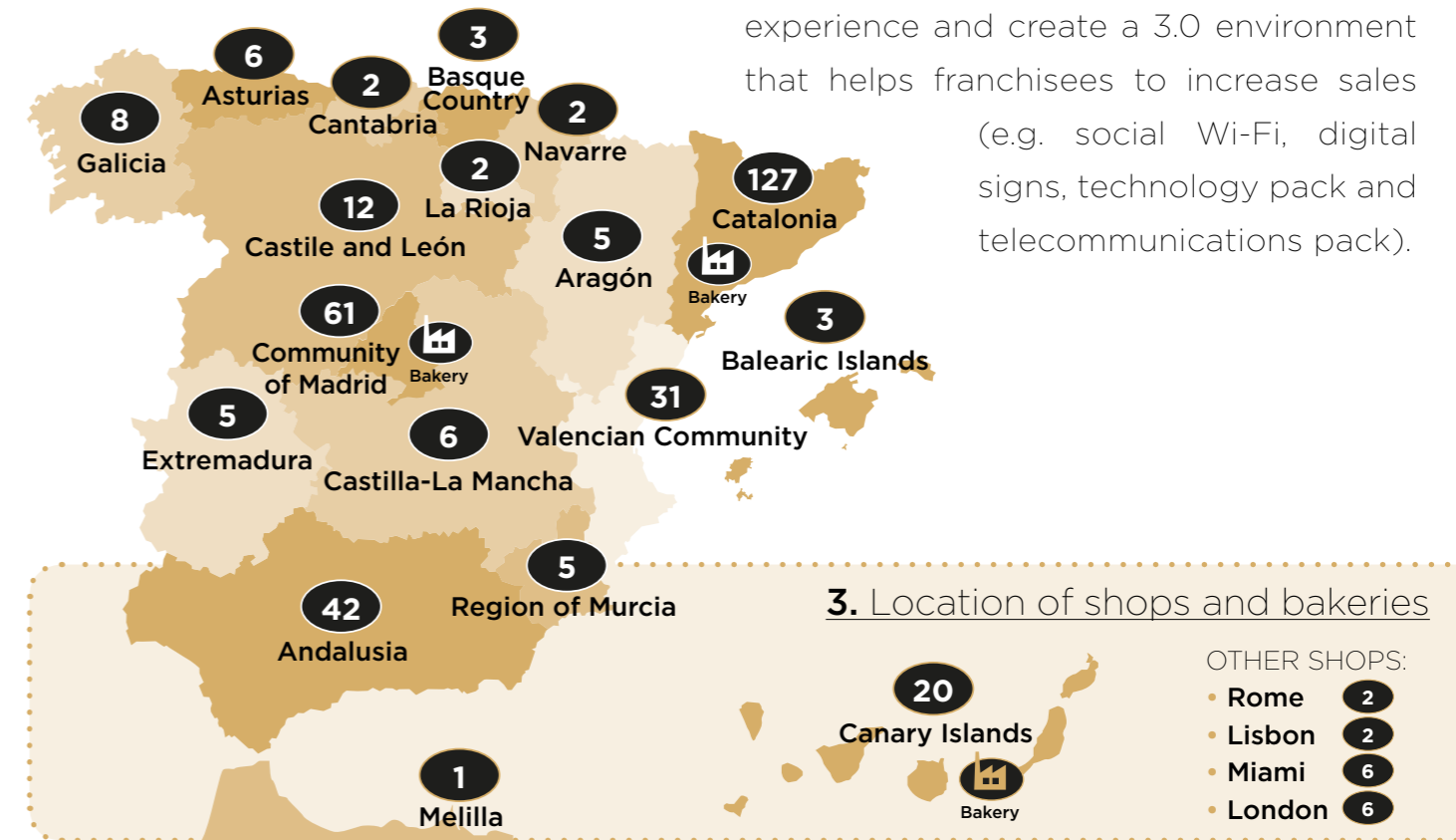
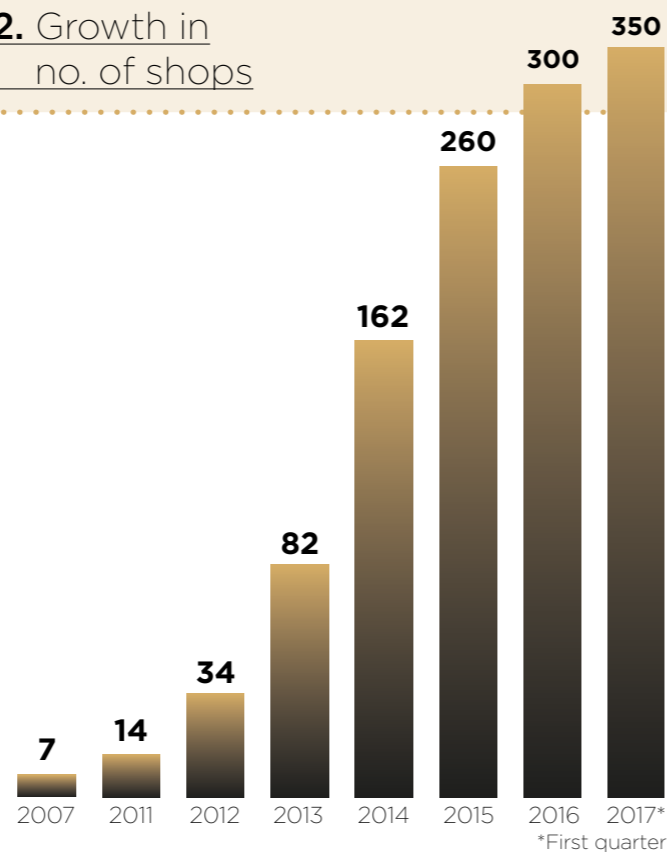
• Tools to promote sales

Granier is an established brand with an excellent reputation among consumers. To achieve this, we invest in communications, and ensure that our brand always has a high profile in both online (social networks) and traditional media (printed press). Our Marketing Department periodically provides franchisees with tools to increase sales: new product campaigns, sample interactions between buyer and seller, advertising materials to use at the sales point, not to mention the latest IT advances for retail, to improve the in-store experience and create a 3.0 environment that helps franchisees to increase sales (e.g. social Wi-Fi, digital signs, technology pack and telecommunications pack).

1. Sales distribution by product range



2. Growth in no. of shops



3. Location of shops and bakeries

- OTHER SHOPS:
- Rome 2
 - Lisbon 2
 - Miami 6
 - London 6

*Data from first quarter, 2017

INITIAL TRAINING PHASE

This takes place before the shop opens and includes:

	<p>PLACE: Headquarters/ Own premises</p>	<p>DURATION: 4 days</p>	<p>CONTENTS:</p> <ul style="list-style-type: none"> • Company history • Corporate culture • Customers • Business operations • Organisation (e.g. orders, shifts and opening hours) 	<p>THEORY</p>
	<p>PLACE: Granier shop</p>	<p>DURATION: 5 days</p>	<p>CONTENTS:</p> <ul style="list-style-type: none"> • Sales • Customer service • Product manufacture • Displays • Placing orders • POS operations 	<p>PRACTICE</p>
	<p>PLACE: Franchisee's premises</p>	<p>DURATION: 7 days</p>	<p>CONTENTS:</p> <ul style="list-style-type: none"> • Applying the work and management method on the ground 	<p>OPENING</p>

ONGOING TRAINING PHASE

Headquarters also organises ongoing training, to ensure quality and consistency at its bakeries.

<p>2</p>	<p>PLACE: Franchisee's premises</p>	<p>DURATION: 1 day</p>	<p>CONTENTS:</p> <ul style="list-style-type: none"> • Bakery image • Displaying the product • Customer service • Incident resolution • Sales supervision 	<p>TWICE A MONTH</p>
<p>12</p>	<p>PLACE: To be agreed</p>	<p>DURATION: 1 day</p>	<p>CONTENTS:</p> <ul style="list-style-type: none"> • News • Market evolution • Sales techniques • Results analysis 	<p>ANNUAL</p>








3. OUR FRANCHISE MODELS

MEDIUM FRANCHISE

The franchisee

We look upon our Granier franchisees as partners who, besides making an investment, are involved in the business, are good managers and have a vocation for service and an entrepreneurial spirit.

 CONTRACT TERM: 10 years	 ROYALTIES: €0
 INVESTMENT FROM: €170,145	 CONTRIBUTION TO MARKETING BUDGET: €0
 DOWN PAYMENT: €8,000	

Investment

Below is a breakdown of the initial investment for the franchise. These data have been estimated by Granier for a 100 m² business, based on its own shops. A specific investment should be budgeted based on the specific premises. Amounts shown DO NOT include VAT.

ADAPTING PREMISES

- Building permit + Activity permit **€7,250**
- Civil works (labour, electricity, shop window, signs, paint) **€75,500**

EQUIPMENT AND FURNITURE

- Machinery (ovens, proofers, bread cutters, etc.) **€38,150**
- Displays, showcases, chairs and tables, cooling equipment and freezer chambers **€15,500**
- Furniture and decoration **€12,400**
- Drink display cases and miscellaneous utensils **€8,700**






COMPUTER EQUIPMENT, TELECOMMUNICATIONS AND IT

- Rack + Switch + UPS + Firewall + Social Wi-Fi + Service licences **€12,645**
- Professional POS installation
- Maintenance and technical support
- Installation and audit

INITIAL INVESTMENT	FROM	€170,145
DOWN PAYMENT		€8,000
TOTAL NECESSARY OUTLAY		€178,145

EXPRESS FRANCHISE

"Granier Express" is a new model for a small shop, which is very dynamic and easy to manage. These are shops of between 40 m² and 50 m², managed by two to three workers, and achieving a significant daily turnover.

 CONTRACT TERM: 10 years	 ROYALTIES: €0
 INVESTMENT FROM: €75,000	 CONTRIBUTION TO MARKETING BUDGET: €0
 DOWN PAYMENT: €8,000	

INITIAL INVESTMENT	FROM	€75,000
DOWN PAYMENT		€8,000
TOTAL NECESSARY OUTLAY	FROM	€83,000



The ideal premises

One of the biggest attractions of the Granier shop is the presence of the baker and the stone oven, with bread made and baked in view of the customer. This is what makes our bread stand out.

In addition, our attractive display counter for consuming baked products and patisserie,

with its wide and varied range of products, made daily, attracts and encourages impulse buys.

In the case of medium-sized bakeries, there is also a dining area, where customers can have a pleasant breakfast, lunch or afternoon snack, in a comfortable, welcoming setting.

That is why the premises must meet our minimum requirements:

GRANIER MEDIUM

- Floor area of approximately 150 m² with ceiling height above 2.5 m.
- Accessible from the street with a minimum shop-front width of 4 m.
- Located in a place with high footfall that is easy to reach and in an area with plenty of shops.
- Populations of +20,000 inhabitants.



3D image showing an example of a Granier Medium



3D image showing an example of a Granier Express

GRANIER EXPRESS

- Floor area of approximately 60-70 m² with ceiling height above 2.5 m.
- Accessible from the street with a minimum shop-front width of 4 m.
- Located in a place with high footfall that is easy to reach and in an area with plenty of shops.
- Populations of 15,000 inhabitants.



OPERATING ACCOUNT OF A MEDIUM-SIZED BUSINESS

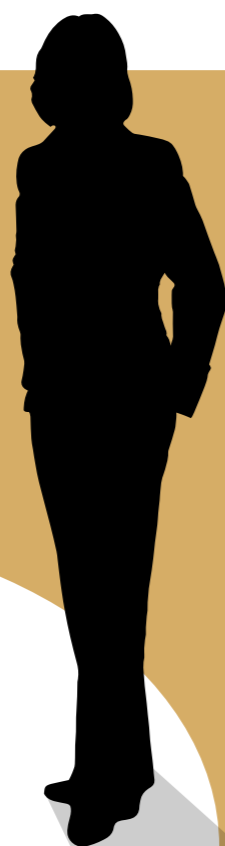
Details of a breakdown of the annual operating accounts of a standard medium Granier bakery.

REVENUE	€461,344	100%
• Sales	€461,344	100%
VARIABLE COSTS	€230,672	50%
• Sales costs (product costs + losses)	€230,672	50%
• Royalties	-	0%
• Advertising fee	-	0%
CONTRIBUTION MARGIN	€230,672	50%
FIXED COSTS	€160,330	35%
• Staff salaries	€105,000	23%
• Rent	€35,000	7.6%
• Supplies	€13,210	2.9%
• Maintenance	€2,400	0.5%
• Legal and financial administration	€2,520	0.5%
• Insurance	€1,200	0.3%
• Other	€1,000	0.2%
CURRENT RESULTS (EBITDA)	€70,342	15%

The forecasts shown are average estimations based on Granier's experience with bakeries to date. These forecasts vary, depending on the location of the business, local competition, and particularly the work and effort of the franchisee in managing the business and in applying the Granier work system. These forecasts must not be interpreted as a guarantee that the franchisee will achieve similar results. The operating results shown are before depreciation, interest and taxes.

Franchisee profile Granier

At Granier, our franchisees have different profiles, but all of them have one thing in common: a desire to work every day to keep on being market leaders.



1. People who want to invest and work in a highly profitable self-employed business.
2. Investors with managerial skills who want to start a business that requires involvement and work at all levels, but with quick return on investment.
3. People capable of managing and leading their staff, who are not afraid to delegate when necessary.
4. Bakery sector professionals who are keen to work and are looking for a viable way to start a profitable business.
5. Franchisees from other companies who want to form part of the leading franchise in the Bakery/Coffee Shops sector in Spain.
6. People with personal skills who understand the importance of forming part of a business that deals directly with the public.
7. People who will ensure that the brand is operated and used properly.

HOW DO YOU BECOME
A SUCCESSFUL GRANIER
FRANCHISEE?

4. IN SHORT

Competitive advantages of Granier

Investing in Granier means backing a cutting-edge bakery.



• A winning concept with proven success: more than 350 bakeries in seven years.



• A high-turnover business.



• A profitable franchise model that offers a quick return on investment.



• An achievable investment, with financing assistance.



• A well-known and attractive brand for the average consumer.



• Ongoing support from a qualified team of sector professionals.



• A company with sound experience in the world of baking and one that differentiates itself from its competitors by not using pre-baked bread, and by having its own manufacturing process, long proofing times at the bakery, and in-store production.



• A brand that is investing in continual innovation and international expansion.

ARE YOU INTERESTED?

Find out more by calling **+34 93 815 14 51**

Or send an email to **franquicias@pansgranier.com**.





www.pansgranier.com