



BEAVERTAILS®

✦ SINCE 1978 ✦

The content of this presentation does not constitute an offer to sell a franchise. The offer of a franchise can only be made through the delivery of a franchise disclosure document, where required by applicable law. Certain states or provinces require that we register and/or deliver the franchise disclosure document in those states or provinces in accordance with applicable law. We will not offer or sell franchises in those states or provinces until, as applicable, we have registered the franchise disclosure document (or otherwise obtained an applicable exemption from registration) and/or delivered the franchise disclosure document to the prospective franchisee in compliance with applicable law.

Introduction

Often wondered about owning your own franchise?
This is your chance to run your own business, all while
following a tested process with an iconic Canadian brand.

We know this is a **huge** decision.

This document was designed as the first step in that
adventure, helping you decide if a BeaverTails franchise
is the right fit for you.

Please review it attentively to get a better idea of:

the opportunity,
the challenges,
the needs,
and the requirements

involved in considering this life-changing career move.



The Famous Flat Donuts

The uniquely delicious BeaverTails®
pastry made us famous!



But we offer so much more!

Indulgent chunky ice cream, refreshing lemonades and smoothies, Canada's celebrated poutine, our unique BeaverDog, and our convenient take-home BeaverBites.

The Famous Flat Donuts



We have something for every craving!

BeaverTails makes it a mission to bring joy to every single customer, helping to:

*Make Their
Memories Sweeter!*



What Motivates You?

Being a BeaverTails franchisee might be a **fantastic idea** if:

- ✓ You want a job that makes you happy
- ✓ You want to be your own boss
- ✓ You're looking for work
- ✓ You want to build a business for your kids
- ✓ You want to build financial success
- ✓ You want to build personal equity
- ✓ You want to plan for retirement

But carefully consider your motivations and be sure you're doing this for the right reasons.

This is what we look for in a candidate:

- ✓ Are you a positive individual?
- ✓ Are you energetic?
- ✓ Are you autonomous and responsible?
- ✓ Are you a good communicator?
- ✓ Are you in good physical shape?
- ✓ Are you good at dealing with people?
- ✓ Are you disciplined?
- ✓ Are you able to follow directives?
- ✓ Are you resourceful?



Manifesto

We are BeaverTails, and we have been **part of your journey for over 40 years.**

We've been there at all the special stops along the path. The unforgettable getaways to some of the most beautiful places in the world. The **laughter** and **thrills** at theme parks, ski hills and water parks. The first dates. The anniversaries. The little, **magical celebrations** with your best friends. And all the moments in between when you wanted to stand back, and just enjoy the fact that **life is good.**

That journey hasn't always been in a straight line. Sometimes, it's over-the-top. Sometimes, life gets messy. But that's fine - messy is good. Because it means you're **living every moment to the limit.** It means you're **grabbing life by the tail.**

The journey has just begun. Our promise today is to keep **being there with you,** where and when you need us most. To **bring you comfort.** To surprise you. To laugh with you.

To make memories sweeter.

And to remind you that it's **all delicious.**



Our Story

“It’s not the strongest of the species that survives; nor the most intelligent that survives. It is the one that is most adaptable to change.” – Dr. Leon Megginson



1980

shop opened in Byward Market Ottawa

1986

first stores open outside of Ottawa (at Six Flags Montreal)

1999

chain expands coast to coast

2005

new model shops start to appear, featuring broader menus

2014

new office ushers in period of growth with 14+ stores opened annually

2020

BeaverTails university is developed and foundations are set for new growth

1978

pastries first sold in Killaloe

1982

giant mobile kitchens appear on the Rideau Canal Skateway

1993

first franchise is sold

2001

head office moves to Montreal

2009

Executive management buys chain from founders

2017

BeaverTails is selected as one of Canada’s 150 most iconic brands

Store Models



1. Shops

Shops are located in resort towns, vacation villages, busy pedestrian avenues, and community shopping areas. Our unique offering makes us a **wonderful addition to the local community**. Candidates may propose a location or can work alongside a designated professional real estate agents to find the perfect spot.



2. Express Mobile

Our Mobile “treat fleet” services fairs, festivals, public outdoor events, and private catering opportunities. If you like the **“pop-up” food life**, this is the perfect option for you. Please note that all trailers are required to move within their territory, servicing temporary events and installations.



3. Express Amusement Parks

If you own an **amusement or attraction destination** such as a theme park, zoo, water park, or ski hill, we have **flexible FSP** (Food Service Partner) packages that bring our premium, one-of-a-kind fun food to your guests, providing them with a delicious experience they’ll never forget!

Initial Requirements

Please note that we require that at least one partner operates the store on a full time basis.

Additionally, you need to be aware of our initial investment levels:

Shops



Opening a BeaverTails shop represents a typical investment of \$400k - \$500k. To get started, you will need a minimum of approximately \$150k, debt-free, which represents about 1/3 of the total investment. We will help you work with a local real estate agent to identify a suitable area.

A general estimate of store costs follows:

Construction	Equipement	Franchisee Fee	Design & Planning & Product Management	Soft Fees & Inventory & Opening Promotions
\$180,000 — \$250,000	\$110,000 — \$125,000	\$30,000	\$27,000	\$25,000



Initial Requirements

Trailers



A BeaverTails trailer typically costs about \$150K - \$180K and you will require between \$50-75K of unencumbered funds, and a willingness to be on the road. We provide population basins of 500k inhabitants.

Available territories:

CANADA: Windsor, Newfoundland, Edmonton, Saskatoon

USA: Widespread availabilities exist

A general estimate of trailer costs follows:

Trailer & Generator	Transport	Storage at Home Base	Franchise Fee
Trailer: \$125,000 USD Truck: \$200,000 USD	\$7,500	\$12,000	\$30,000



Initial Requirements

Amusement & Attraction

If you own your own amusement area or attraction, please contact us.



Fit-up	Activation & Design Fee
Variable	Case by case basis



Adequate Financing

BeaverTails wants all of its franchisees to succeed.

Unfortunately, lack of financing is a key cause of failure for small businesses.

You will likely be relying on a bank loan to finance this business. Are you also borrowing funds from family and friends? We have found that over-leveraging can cause stress and discourage success.

You'll want to ask yourself:

- ✓ Are the cash funds you are investing truly available or were you counting on that money for special projects, retirement, or other specific activities?
- ✓ How will you live if your business cash flow does not generate surpluses over the first year of operations?
- ✓ Do you have an emergency reserve fund in case of unexpected circumstances in life or in business?



The **first two years** as a new franchisee are usually the most challenging and financially straining, as everything needs to be done.

- ✓ The first year brings unknown situations and unforeseen problems.
- ✓ The second allows you, on the other hand, to better organize your franchise in order to face new challenges.

The Perfect Franchisee

Over the years, we have developed a clear picture of the perfect candidate. Do you recognize yourself in the description below?

We like to work with people who are generally **happy** – after all, we do serve a deliciously happy product to very happy clients! We've found that **dynamic, engaged, disciplined and perseverant** individuals are more likely to find success at BeaverTails. We're here to help, but you'll need to put in the **passion and effort!**

In terms of background, you are a **great communicator** and have an **intuitive business sense**. You're a **team player** who is **passionate about customer service** and have had **direct experience recruiting and managing individuals and teams**. You also have your **family's full commitment** and support on this project (studies show that franchise entrepreneurs who have full support from family members perform better!).



Franchisee Myths

New to the franchise world?

Here are 3 myths about franchising we've encountered over the years:

1. Franchisees make a lot of money!

Statistically, franchising is a successful business model. However, franchising does not guarantee profitability. Profitability can be influenced by many factors including location, the economy, local levels of competition, and management ability.

Put 40+ years of history on your side!

2. A franchisee only has to follow instructions!

Our franchise model is very structured, which saves you several management hassles. Nevertheless, you must be a good manager to become a successful franchisee. You will have to carefully select your staff, as well as ensure the highest quality of customer service and get involved in your local market.

You are the key to your success!

3. The franchisor is the only one who makes money!

We make more money when you make more money and that's a great thing. Closed stores don't buy the products we need to sell to generate our own growth.

We're all in this together!



Testimonials



“Watching customers walk away with huge smiles on their faces still puts a smile on our faces and, given our location, we have the opportunity to meet people from all over the world! It has become a family business with both of our boys getting an education and learning how to run a business.”

DONNA GUALANO & GINO LICURSI
MONTREAL PREMIUM OUTLETS



“Telling people that we own a BeaverTails® franchise never gets old! We love what we do - it’s a pretty sweet gig. Not to mention the BeaverTails® team is always there to support us and ensure our success.”

SONJA & JAMIE WILLIAMS
HALIFAX WATERFRONT & NOVA SCOTIA MOBILE



“We did a lot of sampling...and made a point of connecting with as many customers as we could, even potential customers. Now, after three years, we have people who will drive two and half hours to get a pastry because they love the product - the product sells itself! - but also because they love my husband and I because...we give them the service we got with our first pastry!”

BETH LINGAR
NORTHWEST ARKANSAS MOBILE FRANCHISEE

Accolades

The New York Times

“A real tradition roughly the size and shape of the Canadian national emblem’s tail”

NATIONAL POST

“... the trip will perhaps best be remembered for the rock star treatment accorded to Mr. Obama, who charmed the public by declaring his love for Canada and picking up a BeaverTails® dessert on an impromptu stop in the national capital’s ByWard Market.”



“A delicacy... a delicious pastry... you can’t miss it (the store), it’s the one with the line”

HUFFPOST

If you have a sweet tooth, you need to bite into a BeaverTail. These sinfully-delicious pastries are basically fried dough covered with a variety of toppings.

Forbes

Since 1978, this Canadian chain has finessed warm, whole-wheat, hand-stretched (to resemble a beaver’s tail) fried dough [....] A toothsome treat.

Herald Tribune

“... a warm pastry concoction sprinkled with sugar and cinnamon... is the official... snack (of Canada).”

What We Offer You

Our franchisees benefit from our iconic, instantly recognizable brand.

Proceeding with an established brand means minimizing risks.

We'll work with you to create a business plan custom-made for success. You'll also benefit from constant support as we accompany you on your journey.

We'll provide you with the training you need to properly run your shop or trailer. This includes teaching you all of our recipes and training you on:

- ✓ recruiting
- ✓ management
- ✓ sales analysis
- ✓ business development

Our operations feature simple steps with portioned and ready-to-use ingredients. You do not need to have food service experience to run an efficient BeaverTails operation!

Only our franchisees have access to proprietary family of high-quality products.



Our Training Process

Our training program has one single objective:

Maximising your chances of success with our iconically recognized brand.

The training spans over two weeks:

- ✓ The first week takes place at our head office and at our corporate store.
- ✓ The second week is in your new business.

This coaching allows you to be well prepared before opening your franchise, and to be supported during the launch of your new business.



By The Numbers

With an **average 14 annual openings** for the last 6 years, our brand continues to expand. We have **a dozen franchisees who have been with us for over 10 years** and **40% of our shop owners own more than 1 operation.**

Our brand has an **unaided positive recall of over 63% in Canada.** As it should, with the premium donut category growing more than 20% annually.

Poutine, another of our favorite offerings, is growing 31% in the US, while ice cream remains the perennial #1 fun food globally. Guests want to treat themselves. **Chocolate, maple, and caramel sauces** are also showing **strong double-digit growth** within the overall pastry category.

Our brand delivers strong numbers.

We have competitive food costs, simple operations, an iconic brand, and amazing franchisee quality of life!



Initial Requirements

Above all else, we are looking for franchisees willing to uphold the brand's mantra to punctuate memorable moments in peoples everyday-lives. BeaverTails doesn't just sell a delicious treat, we sell an experience by delivering a unique, fun and an unforgettable experience



Some other requirements:

- ✓ Active involvement in the day-to-day operations
- ✓ The appropriate down payment (approx. \$150K for a shop)
- ✓ Some experience in Food & Beverage and/or business management
- ✓ Happy people!

Customer Reviews

We're always so delighted to hear our customers' reactions. Here's what some of our guests have said about our delicious signature pastry ... Maybe you've said similar things?

"What can I say...BeaverTails are the best! One of our favourite treat shops."

WATERTON PARK / JULY 3, 2019

"I just loved the ice cream - went in to get one everyday!"

CANMORE / JULY 5, 2019

"Don't let the long lines scare you - they will breeze through and it's SO worth the wait!"

BYWARD MARKET / JULY 7, 2019

"Delicious classic with vegan options! Absolutely delicious!"

HALIFAX / JULY 8, 2019

"They say money can't buy happiness, but it can buy BeaverTails, and that's pretty much the same thing."

TOBERMORY / JULY 28, 2019

"Freaking awesome. My favourite part of my trip to Banff. Gelato plus fried bread is a masterpiece."

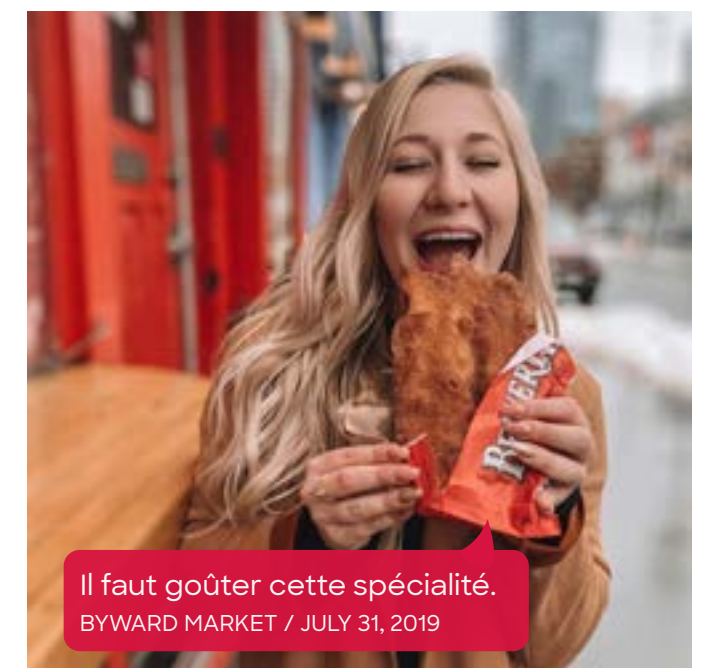
BANFF / SEPTEMBER 9, 2019

"A true Canadian Experience"

HARBOURFRONT / FEBRUARY 9, 2020

"Yummmmmmy! Great memories, great service, super friendly"

VICTORIA / MARCH 8, 2020



Fun Facts

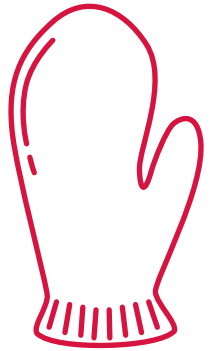
1.

If you **lined up, end-to-end, every BeaverTails® pastry sold** since our debut in 1978, the line of deliciousness would **span across all of Canada**. There would even be some extras to spare!



4.

Really hungry? The **biggest BeaverTails® pastry** ever prepared was a whopping **6-foot treat!** It was prepared in celebration of the brand's 25th anniversary presence at Ottawa's Winterlude festival in 2006.



2.

52 tons of chocolate hazelnut spread goes into making BeaverTails® pastries each year! To put that in perspective, that's the same weight as 70 moose, and those guys are heavy!



5.

People love sharing their BeaverTails moments with the world! **Over 42,700** of our **amazing fans** have shared their delicious #BeaverTails memories on Instagram.



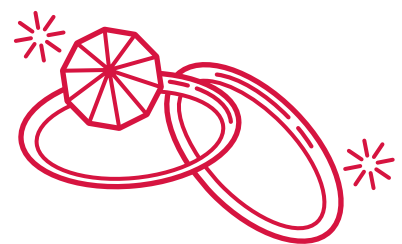
3.

We've got friends in high places; in 2009, on his first official visit to Canada, **President Obama stopped by the Byward Market** in Ottawa and enjoyed a delicious BeaverTails® pastry.



6.

BeaverTails is for the lovers; our delicious pastries have **played a part in at least 35 marriage proposals** (that we know of!). That's not counting the dozens of weddings and thousands of first dates that take place at our locations.



An Advantageous Opportunity

Become a BeaverTails franchisee and enjoy:

1. An **established**, iconic brand
2. A truly **unique** product that (almost!) sells itself
3. **Simple** operations
4. **Competitive** product costs
5. An **easy-to-scale** operation
6. A **recession resistant** business – people always want to treat themselves!
7. **Comprehensive training** with no restaurant experience needed
8. A **niche market** in the impulse dessert segment
9. **Flexible** store models
10. **No royalty fees** – all of our fees are included in our proprietary ingredients!
11. An **excellent quality of life**, with many repeat and multi-unit franchisees working ON their businesses instead of IN their businesses
12. An **annual conference** attended by more than half of our franchisees
13. An **active and transparent** intranet (@workplace) where data and best practices are shared
14. A **Franchisee Advisory** committee, which has a track record of changing policies in ways that better serve our franchise community
15. Our enviable network of **amusement partners**, which ensures new clients are trying our delicious products in magical environments each year!
16. The **BeaverTails community**, made up of happy people selling a happy product to happy customers... It's impossible to not have **happy memories** of a BeaverTails Pastry!
17. **Full BDM support** by individuals trained in our stores
18. Help with **location selection**
19. Our full **design and engineering expertise**
20. **Support** with construction
21. **Easy-to-scale concept** for any operator considering additional outlets or multi-unit opportunities.

Valuable Store Support

Here's how we help support you as you build success!

- ✓ **Award winning design** with reputable architects
- ✓ Short or long-term **BeaverTails University training**
- ✓ **Dedicated coaches** for on-site training
- ✓ **Store set-up** prior to opening
- ✓ Business Development Managers conducting **virtual and in-person visits**
- ✓ Convenient **digital operations manuals/videos/cheatsheets** available for desktop and mobile
- ✓ @Workplace and ERP to providing **easy information access** and data exchange
- ✓ **Best practices benchmarking** and store rating to highlight areas of improvement
- ✓ Tactical brand and lifestyle **imaging regularly updated**
- ✓ Sampling supported by head office, introducing the **magic to new clients!**
- ✓ **Digital media packages**, for you to drive more business
- ✓ **Reputation management software**, making it easier for you to answer clients and increase your social media rating
- ✓ **Regular menu updates**
- ✓ **Regular product LTOs**
- ✓ A **network of Amusement and Attraction locations**, providing endless sweet memories and convert new fans that will visit our shops



Awards



Franchise Choice Award

for the 9th consecutive year, BeaverTails is a recipient of the Franchisee's Choice Designation! This accolade is made all the more special by the fact that it is awarded by our franchisees and is based on an exceptional franchisee satisfaction rating within our system.



Hall of Fame Merit Award

is awarded by the Canadian Franchise association in recognition of long-standing service to the franchise community.



The IAAPA Show Award

was received in honour of exceptional mobile trailer design at the annual International Attractions and Amusement Park Association show in Orlando.



The Canadian Business Excellence Award

is awarded to companies that exemplify an innovative growth-minded spirit in their approach to business.



The Interbrand 150 Award was given to the 150 most iconic Canadian brands in honour of Canada's 150th birthday celebration.

Meet the Management Team

With **over 110 years of combined experience** with our brand, BeaverTails' development team is extensively familiar with our brand values and our development strategies.

This isn't just a job. This is a family enterprise and a way of life. Becoming a franchisee means sharing **a future full of delicious memories** with us!



LEFT TO RIGHT:
Tina (Creative Director);
Pino (CEO);
Patrick (Development Coordinator);
Anthony (CFO)

GENERAL

1. What process do I need to follow to be granted a franchise?

Our formula is quite simple! After reading this document, we invite you to view our information webinar. We will then invite you to a Zoom call with some of our senior management team, followed by an invitation to our Discovery Day in Montreal. Then, we finalize the appropriate paperwork and start building your shop!

2. Can I determine what items I can sell in my shop?

BeaverTails is a franchise concept, and our clients expect uniformity and consistency. Accordingly, you can only sell our approved products and must offer all products included with your specific model.

3. Who builds my store?

You are required to purchase the store design, specialty signage and cabinetry from our designated suppliers. However, you are free to choose your own qualified contractor to build your store.

4. How long does it take to build a store or Treat Truck?

You should plan 6-8 weeks for planning and design, plus an additional 8-10 weeks for the building of your shop. Permitting may add additional delays, depending on your area.

Treat Trucks can be built in 8-10 weeks after final approval of designs to suit local permitting.

Due to Covid, we are experiencing longer than average wait times for building permits, so you would expect the full process to take anywhere from 6-9 months after signing your franchise agreement

5. Can you provide the precise start-up costs of the location I'm interested in?

This pamphlet provides useful estimates while our Disclosure Document will provide you with a detailed budget for our different store and vehicle build-out options.

6. Do I need to be active in the operation of this business?

We do require at least one Franchisee to be actively involved in the operation of each store.

LOCATION

1. Who finds my location?

Once you are approved as a franchisee, we will work with you and with a designated real estate professional to find a location that meets our criteria.

For Treat Trucks, we will provide a clearly outlined geographic area in which your vehicle may operate.

2. What happens if I don't have a location?

In many cases, we work with you in your community to find a suitable location. Before taking this on, we require you to become approved as a franchisee.

FAQ

3. Can I open a shop in a mall?

We are not currently accepting proposals for indoor mall locations. We favor nighttime traffic and a community-friendly environment that simply can't be found in indoor malls.

4. Can I open a shop in an Amusement Park?

Amusement parks make ideal locations for our unique treat! We license our brand directly to the owners of amusement parks and attractions. If you own an amusement facility, zoo, aquarium, attraction, or ski hill, please reach out to us directly!

5. What is the ideal size for a location?

We generally look for stores that are 800 and 1,200 square feet.

FINANCIAL

1. What return can I expect on my investment?

Many factors influence the profitability of a shop or trailer and BeaverTails cannot predict the sales or profitability of a given project. Your Disclosure Document will provide useful averages and estimates of operating costs. We encourage you to review them with a financial professional who can objectively help you make the best decisions.

2. Does BeaverTails provide financing?

We do not directly provide financing. However, we will qualify you in part on the availability of sufficient, unencumbered funds for your project. We will also work with you to prepare a business plan that you can submit for bank financing.

In Canada, you can also contact:

Canada Small Business Financing Program Coordinates:
1-866-959-1699 (toll-free)
www.ic.gc.ca/csbfp

In the US, you can also contact:

US Small Business Administration
1-800-827-5722 (toll-free)
www.sba.gov

3. Does BeaverTails negotiate my lease?

Our counsel must review and approve all leases to ensure they comply with our requirements and to require specific clauses that may be needed to protect our trademark. In many cases, the franchisee will be required to hold the lease directly and to assume all related guarantees. We encourage you to use the services of a qualified attorney to work alongside our counsel and to protect your own interests.

Join the Journey

Joining our franchise family is one of the most important decisions you will ever make. And we're here to provide all the information you need!

We only win if you make a successful decision.

Let's get to work and **continue the process** so we can find the best path **forward together!**

The next big step is yours to take!
Are you ready?

If the answer is **YES**, then please take a few minutes to fill out the following application: [BT Full Application](#)

