



SWEET PURSUITS FRANCHISING CORP.
 201 KATIPUNAN AVENUE EXT.,
 PROJ. 4, QUEZON CITY
FRANCHISE@THELOSTBREAD.COM | 282-6726

THE LOST BREAD FRANCHISE KIT

Trademark: THE LOST BREAD

Owner and Operator: Sweet Pursuits Franchising Corp.

Products: Soft-Serve Ice Cream, Milkshakes, and French Toast Cubes

Ideal Location: Malls

Franchise Term: 3 years

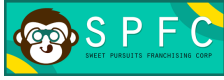
FRANCHISE PACKAGES AND FEES

| | Cart | Kiosk | Counter |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Recommended floor area | 4sqm | 6.25sqm | 15-20sqm |
| Franchise fee | ₱50,000 + VAT | ₱50,000 + VAT | ₱80,000 + VAT |
| Services fee | ₱250,000 + VAT | ₱250,000 + VAT | ₱340,000 + VAT |
| Equipment fee | ₱150,000 (VAT inclusive) | ₱150,000 (VAT inclusive) | ₱400,000 (VAT inclusive) |
| Cart | ₱90,000 (VAT inclusive) | ₱110,000 (VAT inclusive) | × |
| Total Package Amount | 540,000 + VAT | 560,000 + VAT | 820,000 + VAT |
| Royalty fee | × | × | 5% of monthly gross sales |
| Marketing fee | ₱3,500/month | ₱3,500/month | 2% of monthly gross sales |
| Construction costs | × | × | ₱25,000/sqm |
| Security deposit | ₱50,000 | ₱50,000 | ₱50,000 |
| POS system | × | × | ₱100,000 + VAT |

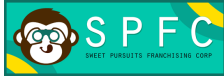


FRANCHISE PACKAGE INCLUSIONS

- I. Use of The Lost Bread Trademarks and Operating System
 1. For the length of the contract, the franchisee will be provided the rights to use all of The Lost Bread's registered trademarks.
 2. Franchisees will be given the authority to sell The Lost Bread's products:
 - a) Soft-serve ice cream;
 - b) Milkshakes; and
 - c) French toast cubes
 3. Franchisees may make use of the The Lost Bread operating system to ensure the smooth operation of the branch.
- II. Franchise Support
 1. Site Selection Assistance
 - a) The franchisee is given two options to ensure favorable terms in the most ideal place:
 - To search for their own location and have it evaluated and approved by the franchisor; or
 - To receive assistance from the franchisor in searching for a location for a processing fee of ₱10,000 within Metro Manila and ₱20,000 for provincial areas.
 2. Store Design, Construction, and Set-Up
 - a) Every The Lost Bread branch shall be constructed conforming to the terms of the franchisor, with the help of our accredited contractors and designer.
 - b) There will be no additional charges for the delivery of The Lost Bread's carts, equipment, and kitchenware within Metro Manila.
 - c) Should the branch be located outside Metro Manila, all delivery, installation, and assembly fees of any items and fixtures shall be shouldered by the franchisee.
 3. Training & Field Support
 - a) The franchisees are required to hire their own staff members but all will need to undergo barista and service training for fourteen (14) days, to be handled by the franchisor.
 - b) Franchisees are also required to undergo Managing Director training for two (2) days, also handled by the franchisor.
 - c) An operations manual will be provided and discussed during the Managing Director training. It includes the following topics:
 - Pre-opening Timetables and Franchised Store Duties
 - Franchisee Training Requirements
 - Staffing Your The Lost Bread Franchise



- The Lost Bread Standards of Service
 - Standard Operating Procedures and Guidelines
 - Franchise Equipment, Inventory, and Supplies
 - Financial Administrative Duties
 - Fees, Reports, Forms, Audit, and Inspection
 - Marketing
 - Pricing and Sales Building
 - Insurance Requirements and Risk Management
- d) The staff members' allowance for the duration of the training period is to be shouldered by the franchisee.
- e) Should additional training be required for new hires, there will be added costs to be shouldered by the franchisee.
4. Opening Assistance
- a) The franchisor will provide publicity, promos, and on-site assistance before and during opening \day.
5. Product Supply
- a) The franchisees will be provided proprietary ingredients that are solely sourced by the company to uphold authenticity and quality of products.
- b) The first week's supply of ingredients is already included in the initial payment.
6. Continuous Product Development
- a) The Lost Bread's constant research and development initiatives aim to provide a strong line of products customers will love and enjoy to assure a fun, unique, and exciting dining experience.
- b) A seasonal flavor will be launched every quarter in all stores.
7. Marketing Support
- a) With The Lost Bread's current brand engagement status, the franchisees are guaranteed maximum impact through brand awareness in the forms of traditional and non-traditional marketing initiatives.
- b) The Franchisor will handle all marketing efforts which will be taken from the monthly marketing fee.
- III. Terms of Contract
- a) The contract term between The Lost Bread franchisor and franchisee is three (3) years renewable, to begin upon store opening.
- b) The contract may be renewed annually (after the first 3 years), with the costs as follows:
- a) Counter - ₱40,000/year
 - b) Kiosk - ₱25,000/year
 - c) Cart - ₱25,000/year



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PAYMENT TERMS

- I. Initial Payment (upon signing)
 1. Franchise Fee
 2. Services Fee
 3. 50% Equipment Fee
- II. Remaining Payment (upon ingress of equipment in your store)
 1. 50% Equipment Fee

PRE-OPERATING FEES

- I. For Mall
 1. Security deposit - 3-6 months of rent (average mall rent is ₱30,000-₱60,000)
 2. Advanced rent - 1-2 months of rent
 3. CGLI insurance
- II. Other/s
 1. The Lost Bread POS System - ₱100,000 + VAT
 - Includes web ordering and sales dashboard
 2. Business permits
 3. 3-6 months working capital