chilli FLAMES



FRANCHISE PROSPECTUS

www.chilliflames.co.uk

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WELCOME TO CHILLI FLAMES

Once in a great while, a consumer mega-trend and a visionary company find themselves in perfect alignment.

This is one of those rare moments.

Welcome to Chilli Flames – an exciting new grilled, healthy food concept with plans to capture the UK and the globe.

Today, consumer tastes, needs and spending are reshaping the look and taste of the fast casual dining market. Consumers want their food fast, great tasting, healthy, wholesome and with a variety of options.

Chilli Flames delivers all of that in a way no company ever has. In fact, it is one of the most exciting food concepts to be brought to the UK and global markets.





OUR STORY



From the same family that brought you one of the most recognised independent fast food chains in the UK – Maryland Chicken. Our company history is steeped in the fast food industry. It is a remarkable feat for family business that started in a small rural town in the UK in the early 1990's.

The first store was opened in Blackburn, Lancashire in 1991. Today, there are 20 outlets sprawled across the UK in 10 locations, employing hundreds of people with new branches opening at regular intervals.

However, this kind of rapid growth and success hasn't come easily – it reflects the experience of our management team and the commitment and contribution of dedicated employees over the last 30 years.

Today, no business or brand retains its competitive edge or its market leading experience by standing still. To stay ahead, a business has to adapt to market conditions and changes in consumer demand.





Using this experience Chilli Flames was born - a new food concept aimed at satisfying market demand using our market leading expertise.

As a company, we're constantly adapting our consumer offerings by continually evolving and broadening our menu, by staying committed to providing the best quality food, by sourcing the best ingredients for our products and by offering the best and most attractive meal bundles at the best value.

This is our promise to our brand and one we have stayed true to over our three decades in business. Things around us may change, but we will continue to honour this commitment. For us, these are the values which underpin the success of our business and will be at the core of the Chilli Flames concept.

This will be the main ingredient and essence on our business objectives and strategies.

Our aim is to become the most-loved and best grilled food service restaurant brands in the UK and in our target markets across the world.



OUR FOOD

Chilli Flames prides itself on the quality, freshness and healthiness of our food – it's the ingredient of our success. Our famous recipes grace every fresh, tender, juicy meal leading to a delicious bite.

Whether it's a party for the kids, a family meal, midweek treat or lunch on the go, we've got it. From original recipe grilled chicken, flaming pitta, to our memorable handmade burger, not to mention our freshly prepared salads and tasty side dishes, nothing beats the irresistible taste of Chilli Flames.

Whole Breast Burgers

At Chilli Flames we serve a wide range of real chicken burgers, including the world famous grilled burger, all of which are made from 100% chicken breast fillet and coated in a unique recipe to give you that distinct Chilli Flames taste.

ALL OF OUR BURGERS ARE 100% CHICKEN BREAST FILLET, NONE CONTAIN ANY PROCESSED MEAT

Freshly Prepared

To prepare our Chilli Flames burgers, we take whole fresh pieces of chicken; coat them in our famous secret recipe of herbs and spices to create the amazing Chilli Flames taste. The whole chicken pieces are grilled under pressure to seal in all the natural succulence, taste and tenderness, whilst ensuring that the meat is cooked to perfection.

The Best Halal Chicken

Chilli Flames prides itself on producing only the best halal chicken for all our customers. All our meat is 100% halal and we adhere to the strictest standards of quality. Our chicken is continually tested against tough criteria, which include succulence, crispiness and the secret recipe flavour to ensure that our customers enjoy the great taste of Chilli Flames every time.

Freshly Served

The Original Recipe chicken is served in a variety of delicious individual and family meals to offer you a great choice.

FRESH FAST AND GRILLED

THE "RESTAURANT OF THE FUTURE"

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Awareness and customer engagement

Channel visibility

- Need for visibility in location enabled searches (e.g. Google maps visibility).

Digital marketing

- Importance of visibility on booking websites and favourable reviews (OpenTable, Square Meal, Tripadvisor etc).

Personalised recommendations

- Ability to offer tailored communications can drive engagement (e.g. personalised rewards).

Reservations and delivery

Reservations and ordering

- Third party booking platforms influence on reservation volumes.

Delivery and collection

- New delivery and pre-ordering services providing revenue growth opportunities and pressure on kitchen capacity (e.g. Deliveroo, UberEATS, Mealpal).

Automation

- Potential for self-service ordering and payment.

Staffing and operations

Flexible staffing

- Opportunities for more flexible staffing models in the 'gig economy' (eg online shift planning).

Mobile on-boarding and training

- Opportunity to enhance employee engagement with a variety of training techniques.

Supply chain management

- Use of enhanced integrated cloud systems can improve operational efficiency (e.g. inventory management, stock replenishment).

In-restaurant experience

Dynamic menus

- Develop customisable menus and implement dynamic pricing.

Mobile payments

- Ability to split the bill between friends and offer faster payment services (e.g. Apple Pay, Splitwise, Venmo).

Internet of Things Technology

- Providing connected experiences via customer and in-store devices (e.g. touch screens).

CONSUMER TRENDS

Key long-term consumer trends:

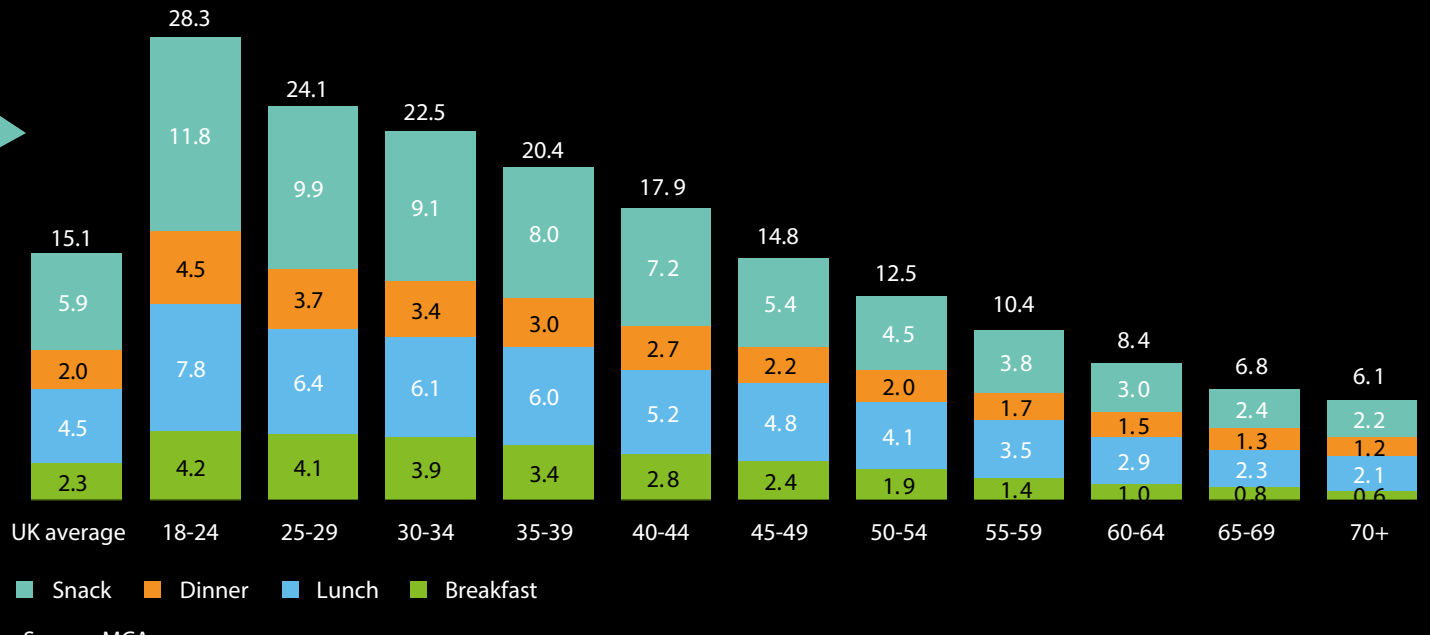
- **Healthy eating** — Low calorie options, vegetarian and vegan diets, allergen-aware dishes (e.g. gluten free)
- **Use of digital technology** — Online reviews, pre-ordering, digital menus
- **Value scrutiny** — Value for money, set-menus, instant rewards
- **"Premium-isation"** — Gourmet fast food and indulgence trends
- **Home delivery** — Home delivery in Britain growing 10x faster than the total eating-out market
- **Informality** — Using restaurants as a place to socialise, on-the-go lifestyles requiring grab-and-go options
- **Experience- driven behaviour** — Desire for 'unique' and immersive experiences
- **Provenance** — Increased consumer focus on provenance and sustainability
- **Consumer promiscuity** — Lack of brand loyalty and willingness to experiment with alternative cuisines

… driven by changing demographics:

UK out-of-home eating frequency by age group (2016)

Visits per month

The future landscape of the restaurant industry will be shaped by millennials (those born between 1982 and 1996) and Generation Z (those born from 1997 onwards), due to their frequency and spend on eating out-of-home.



Source: MCA

MARKETING SUPPORT

As part of our commitment to you Chilli Flames strongly believes in investing in the brand. This means we have a dedicated marketing team who will support you all the way to ensure your Chilli Flames store is out there. Our support includes a full marketing pack prior, during and post launch.

Our typical services include:
- Launch day plan and activity (This is not covered under the franchise fee)
- Design
- Print
- Social Media
- Blog
- Website presence
- In store materials
- Blogger outreach
- Advertising











LOCATIONS & PLANS

Our aim is to become the most-loved and best grilled food service restaurant brands in the UK and in our target markets across the world.

No doubt, we are very proud of what we have achieved thus far, but with the launch of Chilli Flames we're aiming to make it even better by developing it further in the UK and across the world.

OUR STORES

LEICESTER

111 Narborough Road,
Leicester LE3 0PA
T: 0116 319 4454

154 Evington Road,
Leicester LE2 1HL
T: 0116 319 8084

250 Belgrave Gate,
Leicester LE1 3XQ

76 Granby St,
Leicester LE1 1DJ
T: 0116 255 3727

DERBY

261 Normanton Rd,
Derby, DE23 6UT
01332 986166

STIRLING

17 Barnton street,
Stirling FK8 1HF
T: 01786 357 800

CARDIFF

95 St Mary St,
Cardiff CF10 1DX
T: 029 2240 6222

216 City Road
Cardiff CF24 3JH
T: 029 224 04100

BOLTON

145 Deane Road,
Bolton BL3 5AH
T: 01204 397234

LIVINGSTON

5 The Parkway,
Livingston EH54 6ZW
T: 01506 416 666

NEW BRANCHES OPENING SOON!

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Kirkintilloch
Glasgow
Edinburgh
East Kilbride

England:
Peterborough
Nottingham
Birmingham

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FRANCHISE PACKAGE

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Franchise Fit-Out Costs

A Chilli Flames build and fit out costs starts from £125,000 +VAT but will vary according to concept chosen and unit.

Choose from one of Chilli Flames 3-concept options:

· **Delivery-Only** (700 - 900sqft.) – No seating
· **Express Style** (1000-1900 sqft.) – 25-50 seats
· **Flagship** (2000+ sqft.) – 60+ seats

Franchise Licence Fee

The Franchise licence fee is £15,000 + VAT and provides the franchisee with:

– 10 year renewable licence to operate as a Chilli Flames franchisee
– All legal obligations
– Full training programme – management and staff
– Full Marketing support - our marketing department will also create the materials and media for your first day of trading
– Full store manual – detailed document on how to run a Chilli Flames franchise successfully
– Staff Handbook – Full guide for all staff to help with ongoing training

Ongoing Fees

Royalties are fixed and vary based on concept chosen

· **Delivery-Only** - £1000 + VAT per month
· **Express Style** - £1500 +VAT per month
· **Flagship** - £2500 + VAT per month





FRANCHISEE REQUIREMENTS

Chilli Flames aims to be one of the UK's largest independent fast food chains. However, we firmly believe the significant potential, which exists for the growth of Chilli Flames in many of our target markets across the world, has not yet been fully realised.

With 10 branches already throughout the UK, and new openings planned constantly, we are always keen to hear from potential new franchisees (either individuals or businesses) that showcase:

- Strong belief in the Chilli Flames brand
- High levels of passion for food
- Entrepreneurial flair
- Management experience
- Good social skills
- Broad business experience
- Commitment to leading and developing people
- Understanding of the importance of customer service
- A minimum capital requirement and with access to additional funding to suit growth requirements

We desire companies or individuals who have a passion for food, who understand the Chilli Flames business and brand values combined with good working experience. To become an approved franchisee, their business plan will need to demonstrate commitment and dedication.

Chilli Flames has a commitment to provide all our franchisees with the best tools required to become successful in their business. We support all our network partners from inception and offer world class training programs, complete marketing support, business management tools while taking an inclusive approach.

Chilli Flames also has a specialist team dedicated to support our franchise partners in development, acquisitions, operations and training.

Our franchise agreement grants the right to use our trademarks, logos, our system and system property of the brand at the agreed upon location.

Do you want to become a part of it?

If you are interested in becoming a Chilli Flames franchisee and think you meet all the requirements above please call our franchisee enquiry line on + 44 (0)116 319 8084



FREQUENTLY ASKED QUESTIONS

Do I need a background in food to become a franchisee?

Absolutely not. Our management team will be on hand to show you how to run and manage a Chilli Flames store.

What are the typical costs to set up a store? How much is the franchise fee and what is included in this fee? And what are ongoing costs?

Please read page 10 of this prospectus titled FRANCHISE PACKAGE for a detailed answer.

What kind of premises do you require?

Typically we are looking for units above 1,500 sq ft with the correct Class E (England) / Class 3 (Scotland) licence. However, our property team can vet any site to ascertain its suitability.

Who will carry out the fit out?

We only work with a number of pre-approved contractors on all of our stores.

What are the next steps?

If you want to join the Chilli Flames family, please send us your contact details including name and phone number to franchising@chilliflames.co.uk. One of the members of the franchising team will call you for an initial discussion.



NEXT STEPS

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