A POWERFUL GLOBAL BRAND WITH OVER 1,300 STORES WORLDWIDE

edible arrangements

COMPANY PROFILE
Creating Edible Arrangements® has been a dream come true for me and my family. My father emigrated from Pakistan to the U.S. in the 1970s. Along with my mother and 5 brothers and sisters, we joined him in 1981. I have always believed in working hard for success. As a teenager, I worked at McDonald’s and learned valuable lessons in how to systematize a business. With a $5,000 loan, I bought my own flower shop at the age of 17. In two years, I was operating four highly successful stores. Later I took my knowledge of business and the floral industry to create Edible Arrangements®. Now with over 1,300 stores worldwide, Edible Arrangements® is one of the most loved brands. To this day, my mother’s advice remains the best business philosophy I know: Don’t chase money, it runs really fast. Take care of the customer and the money will chase you.

I would like to personally invite you to learn more about the Edible Arrangements® franchise opportunity. There has never been a better time to grow with our brand.

Sincerely,

Tariq Farid
Founder & CEO

Edible® at a Glance

89% Brand Recognition
1,300+ Locations Worldwide
A Passion for Quality and Innovation
An Exceptional Support Network
Strong Supply Chain and Technology

Our Founder

Company Overview

Edible Arrangements® has been built through the passion, creativity and dedication of our franchisees and corporate team members. We’re an enthusiastic group, and we celebrate every week during a company-wide huddle with a rousing cheer. It’s a tradition that reminds us why we do what we do. We hope you get a sense of who we are as you read the following pages.

Since 1999, Edible Arrangements® has been the leader in fresh fruit arrangements. Through our unique business concept, appealing products, relentless innovation, cutting-edge technology, and supply chain solutions, we have achieved tremendous growth, delivering market-leading results in the gifting industry. Our ongoing commitment to delivering a “WOW” has helped us build Edible Arrangements® into a powerful global brand with over 1,300 stores in multiple international markets.

Edible Arrangements® has also been named one of the fastest-growing privately held businesses in America by Inc. Magazine, and one of the top franchise systems in Entrepreneur Magazine’s Franchise 500.

The leader in fresh fruit arrangements since 1999

Keep reading to learn some of the secrets to our success so far, and find out more about the concepts and systems shaping our vision for the future of Edible Arrangements®.
The Edible® Story

From a single shop in Connecticut to the global leader in fresh fruit arrangements, Edible Arrangements® has traveled far over the years – and our journey has only begun.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1985</td>
<td>At age 17, Tariq Farid buys his first business, a flower shop in East Haven, CT. Soon after, he introduces the first flower-style arrangements made completely of fresh fruit.</td>
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<td>2001</td>
<td>First Edible Arrangements® franchise store opens in Waltham, MA.</td>
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<tr>
<td>2009</td>
<td>Edible Arrangements® Corporate Headquarters moves to new campus in Wallingford, CT. Tariq Farid named Entrepreneur of the Year by International Franchise Association. BerryDirect® opens its doors in CA.</td>
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<tr>
<td>2010</td>
<td>1,000th store opens in Cranston, RI. First franchises open in Bahrain &amp; Hong Kong.</td>
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<tr>
<td>2011</td>
<td>First franchise opens in China.</td>
</tr>
<tr>
<td>2012</td>
<td>1,000th store opens in Cranston, RI. Edible Arrangements® celebrates 15 years of WOW-ing Guests around the world.</td>
</tr>
<tr>
<td>2013</td>
<td>Edible Cares® is founded to support company charitable contributions and community outreach.</td>
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<tr>
<td>2015</td>
<td>Edible To Go® expands to offer grab &amp; go product options in every store.</td>
</tr>
<tr>
<td>2016</td>
<td>Flagship Store at the Corporate Headquarters opens in Wallingford, CT.</td>
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Large, Growing Market

Edible Arrangements® is an innovator in the gifting industry. This is an enormous and growing sector, estimated at over $20 billion in the U.S. alone. The company has driven tremendous growth by combining handcrafted artistry and gourmet quality ingredients, striking the perfect balance between health and indulgence.

The gifting industry is estimated at over $20 billion in the U.S. alone

Powerful Global Brand

Thanks to strong advertising, word of mouth, online presence and an impressive store network, Brand Awareness is exceptionally high. Edible® local stores enjoy 89% Brand Awareness in the U.S.*

Because of the universal appeal of gifting, fresh fruit, and chocolate, the Edible Arrangements® brand translates amazingly well across borders. In addition to our strong position in North America, we have a growing global footprint in Asia, Europe and the Middle East. Internationally, Edible Arrangements® partners with skilled master franchisees who can develop compelling business models based on their abilities to grow a system of sub-franchisees in their market.

Integrated Traditional & Digital Commerce

Long before “omnichannel” was a popular term, Edible Arrangements® brought the concept to life. Customers can shop through our retail, web or mobile channels. When customers place their orders digitally, our proprietary Edible Connect ecommerce platform assigns orders to one of our Edible® local stores based on operating hours, inventory position and proximity. This sophisticated technology weaves together unmatched physical assets including over 1,300 retail locations and 28 overnight shipping centers, as well as a large fleet of home delivery vehicles. In 2016, we launched a mobile app targeted at our most loyal customers to make ordering even easier.

Technology also supports the integration of all of our stores. Customers can walk into any store in the country and place an order for fulfillment at another store hundreds of miles away. Our back-end systems are designed for a seamless experience across the entire network, allowing both stores to profit.
Diversified Sources of Revenue

**Edible Arrangements®** captures the visual beauty of a floral bouquet, with the added benefit of a delicious experience that can be shared with others. Our fruit arrangements are particularly popular for holidays and special occasions.

**Edible® Chocolate Covered** features fresh fruit dipped in real gourmet chocolate, complemented with an array of toppings. In addition to special occasions, Edible® Chocolate Covered gifts are perfect to say “Thank You,” “Congratulations,” “I Love You” and more.

**Edible to Go®** offers products for immediate consumption including fresh fruit smoothies, Froyo Fruit Blends™, fruit parfaits, fruit salads and individual treats. This walk-in business supports everyday traffic and drives frequency for our stores.

**Edible® Corporate Gifts** takes the best of what we have to offer and packages it into solutions for businesses. Corporations use our arrangements for client and employee retention. Small local businesses impress prospective clients with chocolate covered fruit. Schools and charities capitalize on the appeal of our products with fundraisers.
Strong Customer Relationships

A positive byproduct of being rooted in the gift-giving business is that, in most transactions, two customers gain connection to our brand: the purchaser AND recipient. Each develops a relationship with Edible Arrangements®, and we gain valuable insights about both parties, providing us with countless opportunities for future remarketing.

Over the years, Edible Arrangements® has developed a rich database of connected consumers, including millions who engage with our email and text alert programs. Our Edible Rewards® loyalty program, launched in 2014, now has more than 2 million members, and our email program has grown to well over 12 million subscribers.

Intellectual Property

At the core of our success is Edible Arrangements® large portfolio of proprietary and vigorously protected intellectual property. This includes technology, equipment, supplies, business processes, patents and trademarks. Because of years of commitment to shaping and protecting Edible Arrangements® differentiated brand, franchisees can invest in the brand knowing the barriers for a new entrant are very high.

Technology

In addition to our consumer-facing technology, Edible Arrangements® franchisees have access to a fully integrated suite of proprietary back-end systems, which include:

- A powerful point-of-sale system with rich information on business performance, inventory planning, customer contact information and accounting support
- Mobile tools for efficient home delivery and remote access to management information
- An easy-to-use marketplace for ordering supplies, packaging, equipment and marketing materials
- A substantial online library of marketing materials for efficient local sales promotion

- An online support center to submit questions, concerns or ideas for rapid response from the corporate office
- A novel online training portal with hundreds of instructional videos to support owners, managers and front-line personnel
- A digital menu board system that allows for system-wide updates to in-store visual displays
Innovation

While Edible Arrangements® core products have maintained longstanding appeal, we continue to innovate relentlessly. Our Innovation Team includes product developers, merchants, and culinary experts with extensive international experience. They conduct consumer research, concept testing and commercial pilots to support an ever-improving product pipeline. In 2016, this team took its work to a new level with the opening of a brand new Edible® Innovation Center, including an on-site test kitchen, R&D lab and working store.

Premium Solutions

We recently launched fruit arrangements that stand nearly 4 feet high, showcasing a staggering 730+ pieces designed to provide a WOW-worthy experience for your corporate events, weddings, or other occasions.

Our Innovation Team includes product developers, merchants & culinary experts

New Platforms

Our Gourmet Shareable® Caramel Apple takes a crisp Granny Smith apple, and coats it in rich caramel, real chocolate and toppings that range from Italian pistachios to coconut. The product is displayed in an elegant package, reminiscent of a fine watch box.

Personalization

We created innovative options to meet customer demand for more personalized gift options, including 100% Gourmet Belgian Chocolate Pops, Customizable Containers, and box sleeves that allow them to express sentiments like “Happy Birthday,” “Thank You,” “Merry Christmas” and more!
On-Trend Products
Our Edible to Go® range features emerging beverage trends that complement more traditional fruit combinations. Edible to Go® now includes functional smoothies like Multi-V Please!™ which blends kale, spinach, avocado, pineapple, organic flax seed and fresh squeezed orange juice into a nutritious meal replacement drink.

Sophisticated Flavor Profiles
Our Fruit Truffles® combine the best of fresh fruit and indulgent chocolate. These gourmet treats enrobe pineapple, apple, blueberries and bananas in real chocolate and tempting toppings.

Novel Packaging Solutions
Our Signature Berry Box™ is a charming enclosure that contains a two-level tray of our gourmet chocolate covered strawberries. It would be fitting at home for afternoon tea or to share with a friend.

Customers can select from thousands of product variations.
Edible® University

Master franchisees, sub-franchisees and store managers benefit from Edible® University (EU), a full-time in-house training institute. The EU journey begins with New Owner Training, and continues with Manager Certification and specialized training classes like Edible® for Business Certification. The on-site curriculum connects to remote learning available in our nspire online training portal, available at the store level. We also operate an “open door” office – franchisees are welcome to visit our offices at any time for personal meetings with leaders or functional experts.

BerryDirect®

One of the most important elements of Edible Arrangements®’ success is BerryDirect, the company’s global sourcing enterprise. Based in Riverside, California, BerryDirect provides worldwide distribution of proprietary equipment, branded packaging and supplies. The company identifies reliable, high-quality, cost-effective manufacturers to meet the exacting standards of our customers. In addition to inbound and outbound logistics, BerryDirect maintains inventory to support franchisees’ demand. BerryDirect also plays an important role in the protection of the company’s intellectual property, which sustains the value of the brand and impedes imitators. As the global footprint of Edible Arrangements® has grown, BerryDirect has developed new capabilities to support consolidation, shipping and local sourcing for international franchisees.

BerryDirect® imports, warehouses & distributes over 350 unique items
Targeted Areas of Interest

We seek established companies that have a successful track record in food service or retail operations in the market they wish to develop and have an existing infrastructure that can be leveraged for future growth. While our ultimate goal is to have Edible Arrangements® in every country, below is a list of the target markets in which we are currently looking to grow:

**Americas**
- Argentina
- Brazil
- Caribbean Region
- Central America
- Columbia
- Mexico

**EMEA**
- Africa
- GCC
- Germany
- Spain
- Russia
- United Kingdom

**Asia**
- Australia
- India
- Indonesia
- Japan
- Korea
- Malaysia
- Philippines
- Taiwan
- Thailand

Big Opportunities, Huge Potential

Edible Arrangements® has opportunities for international franchise owners in two types of programs.

In our Traditional Multi-Unit Franchise, all locations are opened and operated by one franchise owner:

- Offers exclusive territory rights for an agreed-upon number of years for development
- Specifies the number of locations to be opened during the term of the agreement
- A Franchise Agreement is signed for every new location opened
- This option is automatically executed when there is an expectation of opening less than 20 locations during the term of the agreement

A Master Franchisee is granted the right to sub-franchise the brand to other individuals:

- Offers exclusive territory rights for an agreed-upon number of years for development
- Sets a minimum number of locations that the master franchise partner must own and operate prior to being able to exercise the sub-franchising rights
- A Franchise Agreement is signed for every new location opened
- This option is utilized in situations where more than 20 locations are expected to be opened during the agreement term.
- Sub-franchise owners sign a franchise agreement with the master franchisee
- Master franchisee provides training and field operations support to sub-franchisees
Financial Requirements

Edible Arrangements® negotiates development agreements ranging from a minimum of 10 to over one hundred locations. Because of the potential range of scheduled growth and country-specific costs, financial requirements will vary and are commensurate with the scope of the proposed project.

As an example, financial capability requirements may include:

- For Development Agreements that are written for the opening of only 10 locations, we expect that you will have sufficient liquid assets to finance the first two locations completely, plus the capital to fund the next eight locations at 50% of the overall cost.

- When the number of locations increases for larger territory commitments, we expect that your financial resources will be adequate to propel your operation beyond its first three years.

- Aside from the funding required for the development of retail locations, we expect that you will incur additional expenses associated with building an infrastructure to support your store operations.

Franchise Fee Schedule

The fees are determined by valuating each market independently:

- **Territory Fee** — Up front
- **Franchise Fee** — Per store
- **Royalty Fee** — Ongoing
- **Advertising Fee** — Ongoing
- **Technology Fee** — Ongoing
Learn more about the brand with WOW, now!

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