



FREQUENTLY ASKED QUESTIONS

Q: How much is the franchise fee for a Freddy's Frozen Custard & Steakburgers restaurant?

A: The initial franchise fee for a single restaurant is \$25,000 with ongoing royalties of 4.5% of gross sales, and currently charge 0.25% as a contribution to the marketing and advertising fund. (See FDD for a complete listing of all fees and expenses.)

Q: How much do I need to invest?

A: Excluding the cost of the real estate, expect to spend between \$592,810 to \$1,999,117. Exactly how much depends on what type of location you plan to open. It varies on the size of your restaurant, actual construction cost, permit requirements, and special lease provisions, if any.

Q: How many Freddy's Frozen Custard & Steakburgers restaurants am I required to develop?

A: We are currently looking for multi-unit operators who are willing to develop at least 4 locations within a negotiated territory.

Q: What does a Franchise Agreement include?

A: It entitles you to own and operate a Freddy's Frozen Custard & Steakburgers restaurant, use of the trade name, trademarks, recipes, business methods, and décor scheme.

Q: What support can I count on during the initial steps after I sign the Franchise Agreement?

A: Specific areas of support include: Assistance on site selection, facility planning, layout, fixture and equipment specifications and ordering, in-store training of management personnel, advertising and marketing support, inventory training, Standard Operating Procedures, Construction and Operations Manuals, and continued field support.

Q: After all Franchise Agreements have been signed, how soon can I expect to open my restaurant?

A: We generally expect a restaurant to open in 8 to 18 months, depending on the location and whether you are leasing or buying the property.

Q: How many square feet are needed for my Freddy's Frozen Custard & Steakburgers restaurant?

A: From 2,600 to 3,500 square feet. This will depend on the location, demographics, cost of site, and prototype construction versus a retrofit building.

Q: How many management personnel does it take to run a Freddy's Frozen Custard & Steakburgers restaurant?

A: We generally expect between 4 and 6 management personnel per restaurant location. The actual number of management personnel you use will depend on many factors, including your future development schedule, training, and sales volumes.

