



New Look.  
Same  
“Aloha Spirt.”

A New Opportunity is Brewing for You

# History:

## *Our Hawaiian Roots Run Deep*

- For over 30 years, the memorable Bad Ass Coffee name and quality Hawaiian coffee has converted curious consumers into loving fans.
- Bad Ass Coffee was founded on the Big Island of Hawaii in 1989 and specialized in selling locally grown and roasted Kona Coffees in local stores on Hawaii, Maui & Oahu.
- The brand moved to Salt Lake City in 1995 and began franchising on the mainland, US Virgin Islands and Japan.
- Today, Bad Ass Coffee of Hawaii serves premium Hawaiian coffees and other international coffees with a kick, blended drinks, teas, food and branded merchandise with exceptional service.
- The brand is committed to sharing the warm hospitality of the Aloha Spirit with a store atmosphere that allows customers to relax and enjoy themselves.
- In July, 2019, the franchise system was purchased by Royal Aloha Coffee Company and backed with vision and investment for success.



Today:  
*Great Brand +  
Experienced  
Management =  
Great  
Opportunity*

- **Under new ownership, we're committed to:**
  - Franchise growth with quality franchise partners– 150 stores by 2025
  - Superior franchise support including operations training and development and an improved operations model
  - Extensive marketing at the franchise level
  - Product innovation and technology integration
- **2020 plans include**
  - A relaunch of the brand, packaging and store design
  - An expanded professional staff with extensive franchise experience
  - Integration of system wide POS, Web, Franchise Operations technology/software
  - Aggressive national and local marketing investment in the areas of branding, online digital media and store level promotions.



# The Past. The Present: *What's Different?*

The Past	The Present	What's In It For You?
Limited support following initial training	Well-funded, qualified franchise support team committed to development of training programs, performance management & technology integration	You should have a "business in a box" expectation that provides a proven model backed by professional support.
No local or national marketing	New ownership is committed to investing heavily in providing marketing at the local store level through proven tactics including social marketing, media and local co-op marketing with franchisees.	Nobody knows your local market like you, but we believe that it's our job to partner with you to ensure that Bad Ass lovers know you and can easily find you.
Same brand identity for 30 years	We've completely redesigned our look, our packaging and our stores to be fresh and true to who we are. We are committed to providing an in-store experience where customers can relax and find their inner Bad Ass.	You want (and Need) to stand out from the crowd with your business. In a competitive field with plenty of coffee shop choices, no one comes close to our look and our Bad Ass Hawaiiana experience.
Corporate team with limited resources.	We're investing in a growing team of franchise, marketing and operations pros with the know-how and financial resources to re-engineer a brand from the ground up. We like to think of it as a 30-Year-Old start up!	It's rare to see a brand evolve itself with a well-funded white canvas, but that's exactly what's underway with Bad Ass Coffee of Hawaii. And, there's no better place to be than on the ground floor of such an opportunity.
Static operations model	Since acquiring ownership, every aspect of our franchise operations model has been critiqued for optimization. We hired some of the industry's best to rebuild our café model to account for our unique product mix, merchandising and quality coffees.	Franchise buyers want a system and an operating model that they can trust to perform. Our evolving operations model, combined with a commitment to minimizing your cost of goods while providing outstanding operations support are designed to maximize your success.
Limited buying power	We're already buying smarter, buying bigger and negotiating harder to ensure that our franchisees are getting the very best cost of goods possible.	We're committed to driving down the cost of goods combined with smart product decisions and menu selections based on data. As we grow, this benefit will only increase with time and size.



# Why Buy A Coffee Franchise?

- Coffee is an \$88B industry\*
- 63% of adults drink coffee\*\*
- Coffee is one of America's most beloved beverages
- Coffee consumption is on the rise\*\*\*
- Trendy and fun category

*\*2018 US Coffee Market Overview Specialty (SCA)*

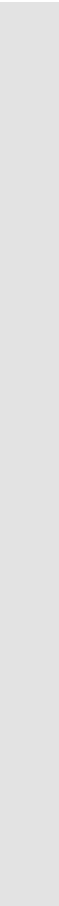
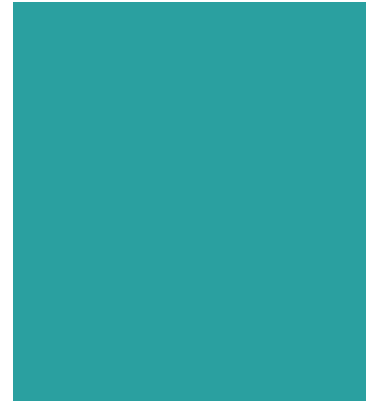
*\*\* 2019 National Coffee Association*

*\*\*\*Comparison of 2017 & 2018 US Coffee Market Overview (SCA)*



# Why Choose Hawaiian Coffee?

- Hawaiian coffees are premium coffees known for providing a delicate yet flavorful, medium-bodied, slightly acidic taste with a deliciously rich aroma.
- Hawaii's volcanic soil and tropical climate provide ideal growing conditions.
- We feature premium Hawaiian coffees from Hawaii, Maui, Kauai, Oahu and Molokai.
- We're best known for our 100% Kona coffees
- We have strong relationships with multi-generational coffee farms in Hawaii.
- We also blend Hawaiian coffees with other premium international coffees.



# The Time Is Right To Buy

- We have “built-in” Bad Ass Coffee fans that have waited 30 years for your store.
- A new brand look, new packaging and new stores are generating excitement around this opportunity. Prime territories are available now.
- Franchises secured today will be timed right to launch as the consumer market is thirsty to return to coffee shops and restaurants.
- The coffee market has always been recession-resistant.\*
- Current market is generating lower interest rates, lower construction & lease rates.
- Nearly 56% of entrepreneurs surveyed believe the market conditions will improve dramatically in the next 3 months and nearly 28% of the respondents said that the current economic conditions will actually boost their interest in business ownership.\*\*

\* Business Strategy Hub

\*\*Buyer Sentiment Survey: Looking Past Pandemic Affects. 3-26-2020





## What Are You Buying?

- A disruptive brand identity that grabs customer's attention, is memorable and is loved by all who experience it.
- Superior coffee products representing the Islands of Hawaii including world-renown 100% Kona coffee as well as other unique Hawaiian coffees with a kick as well as select international coffees and teas.
- An in-store experience unlike any in the marketplace. Warm, inviting and filled with the "Aloha Spirit" from the moment you walk in, to the comfort and relaxation you experience while you enjoy a taste of Hawaii.
- Access to comprehensive marketing, operations, and business consulting expertise. All of our resources are tailor made for your operational success.
- Ohana! That's Hawaiian for family. As a franchisee, we welcome you to our family in every respect. We take care of each other and want the best for our ohana.

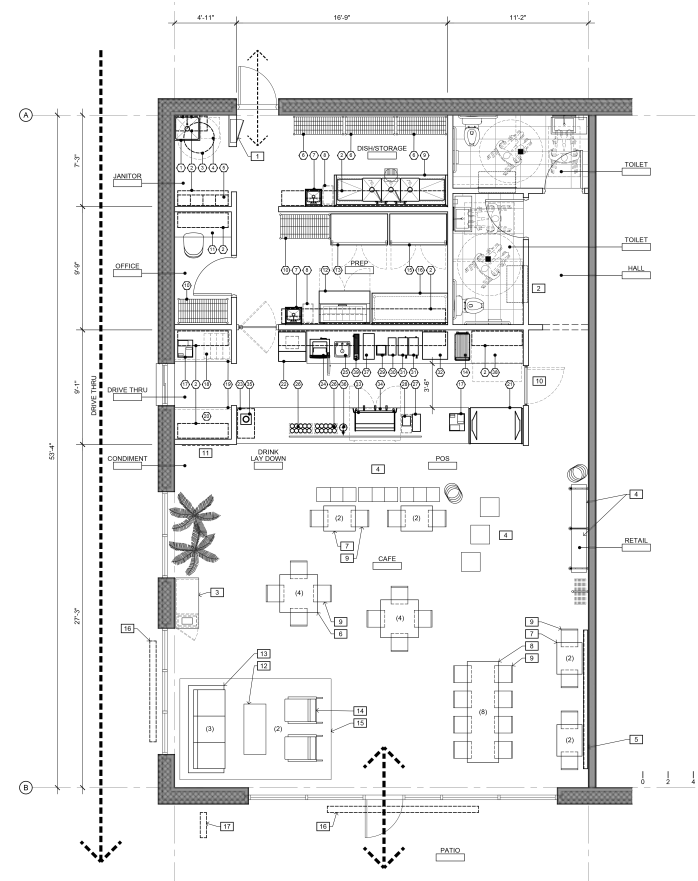


# What Will You Build?

*An Ideal Model*

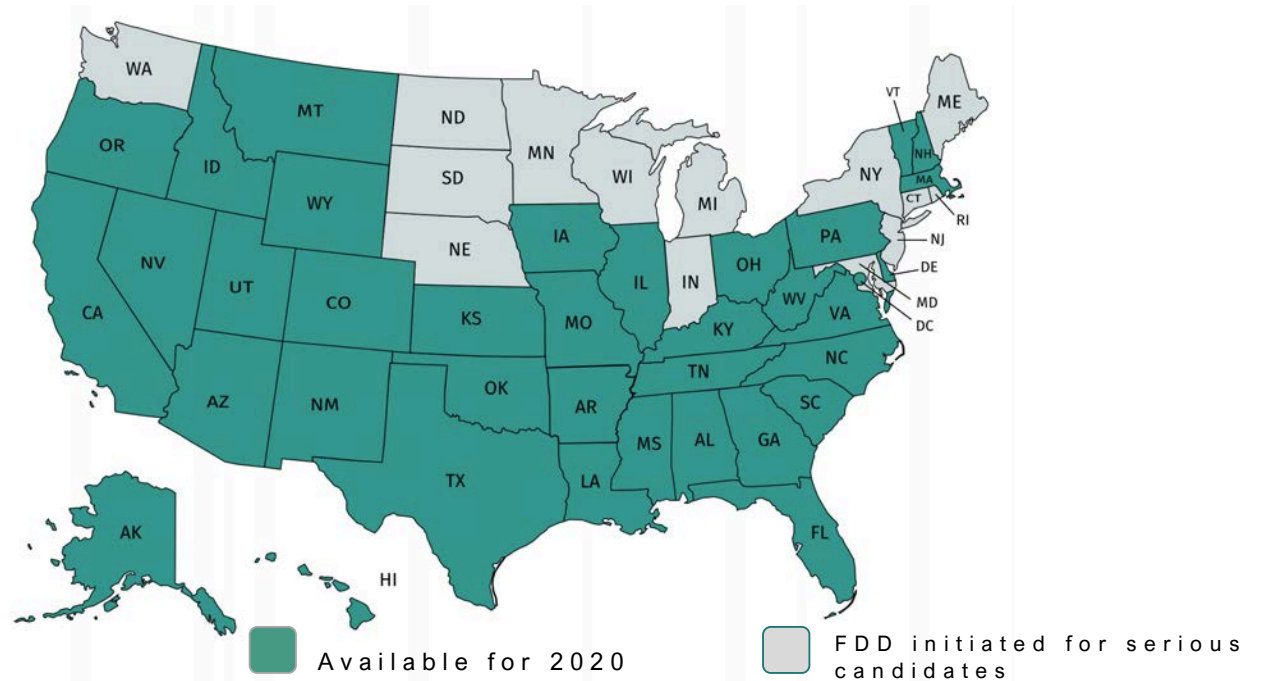
## Ideal Store Design:

- 1650+ Square Feet
- Comfortable seating space for couples, community table, relaxing sofa & chairs
- Space for retail merchandise display
- Drive-thru service
- Adequate kitchen/storage area & equipment for growing food menu
- Excellent traffic flow
- High-traffic, community, tourist or campus location



Where Will You  
Build it?  
*Prime Territories  
Available Now*

- Single & multi-unit territories available
- Hot Markets:
  - California, Florida, Texas, North Carolina, South Carolina, Georgia, Colorado, Arizona, New Mexico



# What Will It Cost?

*By The Numbers\**

Expenditure	Amount
Initial Franchise Fee	\$35,000
Building/Tenant Improvements	\$50,000 - \$250,000
Equipment/Furnishings	\$130,000 - \$150,000
Signage	\$7,000 - \$18,000
Other Initial Investment	\$32,000 - \$44,000
3 Mo Capital Reserves	\$25,000
<b>*Estimated Total Investment:</b>	<b>\$279,000 - \$522,000</b>
Ongoing Expense: Royalties	5% Royalty 2% Nat. Marketing Contribution



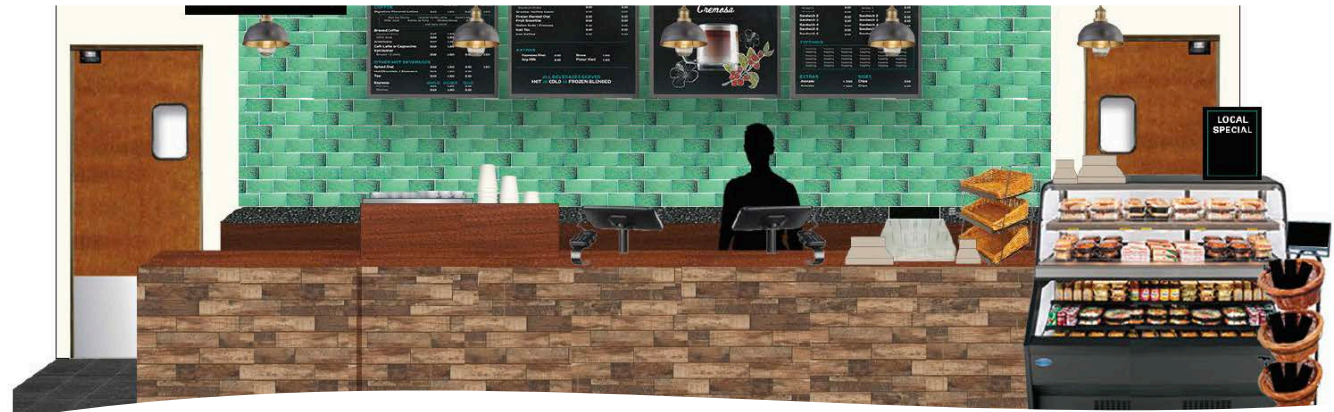
\* Source: 2020 Bad Ass Coffee of Hawaii Franchise Disclosure Document, Item 7



## How Long Will It Take...To Open?

- Orientation, planning & site selection: Approx. 1 month
- Franchise site construction/build out: Approx. 3-5 months\*  
*\*dependent on new build vs. build out of pre-existing space.*
- Initial training: 5 days in Salt Lake City conducted approximately 1 month prior to store opening.
- Secondary training: Approximately 3 days before store opening.

What Will It  
Look Like?  
*Say "Aloha" to our  
new store design*



# What Will You Sell?

*Coffee, Food & Branded Merchandise!*





# How Will You Be Supported? *From Buying To Opening Day... And Beyond*

- Site selection assistance and referrals
- Finance & insurance partnerships
- Construction project management & turnkey construction options
- Comprehensive training and store opening assistance
- Complete décor & equipment package
- Grand Opening marketing planning, management & execution
- On-going training, development & operations support
- Access to a one-stop shop for most of your coffee and operations supplies: Royal Aloha Enterprises, LLC



A solid business plan and commitment to executing on time and on budget



An entrepreneurial spirit that anticipates challenges and utilizes problem solving skills and creativity to achieve success



Location, Location, Location



Solid financial resources



An active partnership with franchisor operations & marketing support



A commitment to executing the franchise operations model



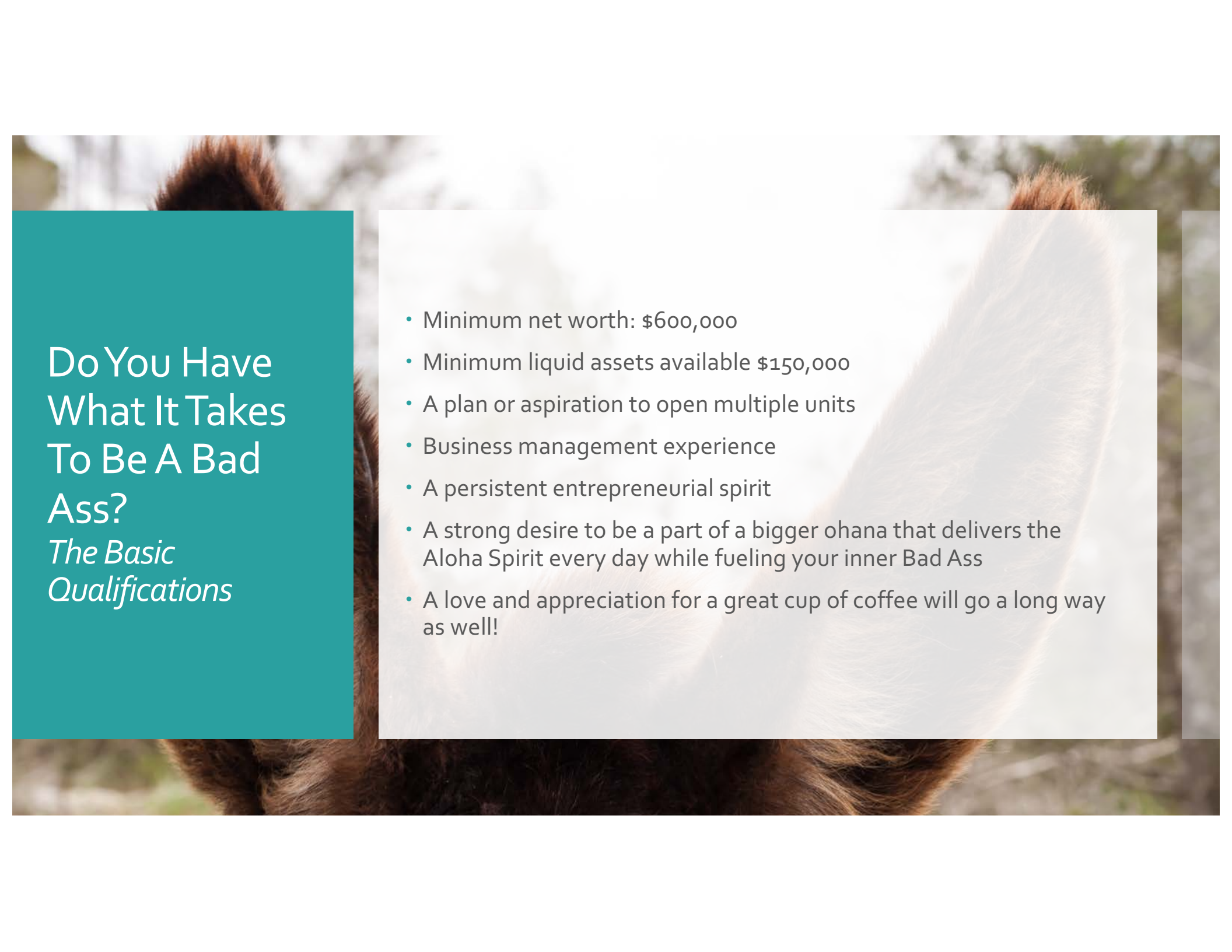
Involvement in the community – Want to make a difference!



An abundance of the Aloha Spirit to share

# What Are The Keys To Success?





# Do You Have What It Takes To Be A Bad Ass?

## *The Basic Qualifications*

- Minimum net worth: \$600,000
- Minimum liquid assets available \$150,000
- A plan or aspiration to open multiple units
- Business management experience
- A persistent entrepreneurial spirit
- A strong desire to be a part of a bigger ohana that delivers the Aloha Spirit every day while fueling your inner Bad Ass
- A love and appreciation for a great cup of coffee will go a long way as well!

# Steps To Ownership

- Aloha and Welcome!
- Apply and Qualify
- Franchise Disclosure Document
- In-Person Meeting and Store Visit
- Sign Franchise Agreement
- Location Selection
- Onboarding
- Construction
- Hands on Training
- Grand Opening



# This Is A Bad Ass Opportunity

- A revitalized brand that draws customers into your store followed by superior coffee, food & branded merchandise served with an Aloha Spirit that will bring them back time after time.
- New ownership. New investment in people, technology, marketing, and operations support to partner in your success.
- Prime single and multi-unit territories available now.
- A ground floor opportunity.

100% KONA  
BAD  
ASS  
COFFEE  
Factory  
Full City (Med) Roast

Whole Bean  
100g  
SEE US AT 11-02-0000



Mahalo!

*Are You Ready To Join  
The Ohana?*

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