BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.

Public Held Company

Corporate Taxpayer's ID (CNPJ/ME) No. 13.574.594/0001-96

Company Registry (NIRE) No. 35.300.393.180

NOTICE TO THE MARKET

Barueri, July 26, 2021 – **BK Brasil Operação e Assessoria a Restaurantes S.A.** (B3: **BKBR3**) ("**Company**"), in addition to the Material Fact disclosed on July 9, 2021 and the information made available at the investor conference on July 12, 2021, through this notice to the market, present additional information in relation to DP Brasil Participações Societárias S.A. ("**DP Brasil**").

- DP Brasil has a total of 302 restaurants, being 95 owned and 207 franchises. Over the years of 2019 and 2020, more than 60 new operations of owned held restaurants were opened.
- When we analyze the main penetration indicators for Domino's in the Brazilian market, the Company believes that there is a potential for expansion that would lead the brand to reach more than 1,000 restaurants in Brazil over the next 10 years.
- In 2020, sales of the store's system (owned + franchises) reached a total of R$455 million, with DP Brasil being the leader in the Pizza category of the Quick Service Restaurants segment.
- In 2020, DP Brasil's net revenue was approximately R$190 million.
- In that same year, owned held stores accounted for approximately 62% of DP Brasil's revenues, while the supplies and franchises segments accounted for 25% and 13%, respectively.
- In 2020, DP Brasil reached EBITDA (pre-synergies) close to break-even. The results largely reflect the initial stage of maturation of a significant portion of the owned held stores opened in the last few years, the impacts of the pandemic and especially the low leverage of G&A, which was already sized to support a greater number of operations in the future.

Owned Held Stores

- The segment of owned held stores should be the main responsible for DP Brasil's growth to the over next few years. We see potential to reach a total of approximately 700 owned held stores in 10 years, with a forecast of ending 2021 with a total of 110 to 120 restaurants.
- After a maturation period of 3 to 4 years, according to our analyzes, sales of a DP Brasil owned held store are expected to be approximately R$150 thousand per month (year base 2020), with a margin at the restaurant level reaching a range between 15% and 20%.
- There is a greater share of consumption inside the restaurant at the beginning of the operation of each opening, with delivery + take-away becoming predominant at maturity.
- The investments required to open a new store are approximately R$750 thousand to R$850 thousand, including pre-operating expenses.

- Estimated rates of return are higher than those the Company requires for its investments in the current portfolio.

Franchisor

- Over the next 10 years, we understand that there is room to the franchise system to have more than 400 restaurants.
- The segment results are mainly composed of: royalties charged from franchisees - approximately 6%, of which 3% is transferred to DPI; charge of opening fees (R$100 thousand) of new stores and renewal of contracts (R$50 thousand in 5-year periods); in addition to additional revenues related to other services such as digital systems and Delivery.
- We estimate the profitability of this business line to be around 40% to 50%.

Supplies

- Segment consisting of: (i) supply of pasta balls to owned held stores and franchises in the states of São Paulo, Rio de Janeiro and Minas Gerais from a plant in Itapecerica, in the state of São Paulo; and (ii) distribution of most other ingredients in partnership with a logistics operator (the same one currently used by the Company).
- The margin of the supplies business is approximately 12% to 14%.

Synergies

- The synergies already estimated by the Company were mainly limited to general and administrative expenses.
- In 2020, these expenses were approximately R$40 million and with the incorporation of the above-mentioned synergies, in that same year, DP Brasil's EBITDA margin would have already been positive between 5% and 10%, still in a stage of business maturation.
- There are also other important intersections regarding the supply chain, use of the same logistics partner, investments in media, Delivery aggregators, construction costs for new restaurants, in-house Delivery for all system brands and technology. These fronts were not priced in our analyzes as they are yet to be evaluated, but they may represent significant opportunities to generate additional value.

Barueri, July 26, 2021.

Gabriel Magalhães da Rocha Guimarães

Investor Relations Officer