

DEBUT DEVELOPMENT GROUP INTRODUCES

FOGO DE CHÃO®

“Bringing the soul of Southern Brazil to the heart of cities in Canada”

OPPORTUNITY TO INVEST IN THE GROWTH OF FOGO DE CHÃO RESTAURANTS IN CANADA

INTRODUCTION

- Debut Development Group is the exclusive Canadian Franchisee for Fogo de Chão restaurants
- An initial roll-out of ten locations is contemplated, with potential long-term expansion up to 25 sites.
- Focus will be on established trade areas with proven customer traffic and successful restaurant operations.
- Primary target cities are Toronto, Vancouver and Montreal.
- Excellent sites have been secured in Toronto and Vancouver, both intended to open in early 2024.
- Annual customer count per location in Canada is expected to be in the 120,000 to 150,000 range.
- Typical gross revenue per location in Canada is expected to be in the CDN\$ 8 million to CDN\$ 12 million range.



FOGO DE CHÃO – KEY FACTS

- Consistently leads industry traffic, with expanding customer traffic every year.
- Established in 1979, every one of Fogo's 70+ restaurants is profitable.
- Average check in USA equals US\$68 (2022).
- Average revenue equals US\$ 10.2 million per location (2022) – second highest in the industry.
- Average customer count in USA equals 140,000 customers per year (2022).
- Balanced guest age range ... 43% Millennials, 30% Gen X, 27% Boomers.
- Balanced gender mix ... 60% male, 40% female.



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WHY ARE FOGO DE CHÃO RESTAURANTS SO PROFITABLE?

- Fogo de Chão restaurants are consistently among the most profitable in the industry.
- Fogo's food costs are lower than other restaurants because customers consume less meat than normal due to the serving style of individual slices rather than larger portions.
- Fogo has less food wastage than typical restaurants due to its ability to use all food offcuts in its menu items.
- Fogo's Gauchos and Gauchas (grill chefs) also function as servers, so the Gaucho/Gaucha comes to each table to carve the meat slices, thus lowering labour costs.
- Fogo's kitchen area is more efficient than typical restaurants, with less equipment required. This lowers the capital cost and increases the ratio of revenue-producing areas to non-revenue, back-of-house areas.
- Fogo's onsite and offsite catering business is very profitable with unusually high margins.



FOGO DE CHÃO LOCATION – TORONTO



FOGO DE CHÃO LOCATION – VANCOUVER

KEY FINANCIAL METRICS

- Fogo de Chão restaurants in Canada are expected to perform comparatively to USA operations.
- Average adjusted EBITDA per restaurant in USA = 27.7%
- Average cash on cash return of investment in USA = 42%

Notes: *Reflects Fogo de Chão financial results in 2022
Financial results in Canada may vary and cannot be guaranteed.*

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This information does not constitute an offer or invitation to invest, in any form, in the opportunity discussed herein. Interested parties should review the Information Memorandum, which is available upon request. Many assumptions are based on factors and events that are not within our control and there can be no assurance they will prove to be correct. Any investment in the opportunity discussed herein will be by separately negotiated investment agreement.