



## Krispy Kreme, Inc. to Invest in Accelerating Growth in Canada

September 30, 2021

*Krispy Kreme to take majority controlling position in Krispy K Canada*

*Current Krispy K Canada operating partners to continue leading operations as Krispy Kreme further implements omnichannel strategy*

CHARLOTTE, N.C.--(BUSINESS WIRE)--Sep. 30, 2021-- Krispy Kreme, Inc. (NASDAQ: DNUT) ("Krispy Kreme" or the "Company") today announced that it has signed a definitive agreement to take majority control of franchisee and operator Krispy K Canada. Operating partners Christopher Lindsay and Kelcey Hamaker will remain as co-CEOs of the entity after the transaction is completed and will continue to manage the day-to-day operations of Krispy K Canada shops. The Company's investment reflects its confidence in the strength of Krispy K Canada's business, the opportunity to expand its omnichannel strategy in the region and the current Canadian leadership team.

This agreement marks another major milestone in Krispy Kreme's strategic transformation, driven in large part by increased control over its operations. Following this transaction, Krispy Kreme will control 75% of sales across its global network.

Krispy Kreme's omnichannel strategy allows it to reach more consumers by creating points of access across multiple channels, including its shops, e-commerce, delivery, and retail. This strategy is supported by a capital-efficient hub and spoke manufacturing and distribution model, which enables Krispy Kreme to deliver fresh doughnuts daily to points of access through an integrated network of delivery routes.

"We are extremely excited to partner with Chris and Kelcey to help them deliver on their vision and expand our reach in Canada, tapping into their local experience to accelerate our growth," said Mike Tattersfield, CEO of Krispy Kreme. "Through our global transformation, we have laid the groundwork to capitalize on the runway for growth in Canada by deploying our omnichannel strategy."

With just 11 points of access across the country today, Canada represents a significant opportunity for expansion. By comparison, the United Kingdom and Australia – markets with similar dynamics to Canada – each currently have over 1,000 points of access. The Company has seen strong growth in these markets, driven by the efficient execution of the hub and spoke model. The investment in Canada also builds on the Company's international growth momentum and expansion into new markets around the world.

"Working with Krispy Kreme for so many years, we know that the Company shares our belief in the potential for growth here in Canada," said Christopher Lindsay and Kelcey Hamaker, co-CEOs of Krispy K Canada. "Our strong recent performance is a testament to that potential, and our ability to deliver a great Krispy Kreme experience across different formats has been a key driver of this success. We are thrilled to continue to work alongside our partners at Krispy Kreme to deliver on our vision of providing more people the most awesome doughnut experience on earth."

The terms of the transaction were not disclosed. Upon closing, Krispy K Canada's revenue, which is currently reflected in Krispy Kreme's market development segment, will consolidate into Krispy Kreme's U.S. and Canada reporting segment. The transaction is expected to close in Q4 of 2021.

### **About Krispy Kreme**

Headquartered in Charlotte, N.C., Krispy Kreme is one of the most beloved and well-known sweet treat brands in the world. Our iconic Original Glazed® doughnut is universally recognized for its hot-off-the-line, melt-in-your-mouth experience. Krispy Kreme operates in 31 countries through its unique network of fresh doughnut shops, partnerships with leading retailers, and a rapidly growing ecommerce and delivery business. Our purpose of touching and enhancing lives through the joy that is Krispy Kreme guides how we operate every day and is reflected in the love we have for our people, our communities, and the planet. Connect with Krispy Kreme Doughnuts at [www.KrispyKreme.com](http://www.KrispyKreme.com), or on one of its many social media channels, including [www.Facebook.com/KrispyKreme](https://www.facebook.com/KrispyKreme), and [www.Twitter.com/KrispyKreme](https://www.twitter.com/KrispyKreme).

### **Cautionary Note Regarding Forward Looking Statements**

*This press release contains forward-looking statements that involve risks and uncertainties. The words "believe," "may," "could," "will," "should," "would," "anticipate," "estimate," "expect," "intend," "objective," "seek," "strive" or similar words, or the negative of these words, identify forward-looking statements. Such forward-looking statements are based on certain assumptions and estimates that we consider reasonable but are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial conditions, business, prospects, growth strategy and liquidity. Accordingly, there are, or will be, important factors that could cause our actual results to differ materially from those indicated in these statements. The inclusion of this forward-looking information should not be regarded as a representation by us that the future plans, estimates or expectations contemplated by us will be achieved. Our actual results could differ materially from the forward-looking statements included herein. These forward-looking statements are made only as of the date of this document, and we do not undertake any obligation, other than as may be required by applicable law, to update or revise any forward-looking or cautionary statement to reflect changes in assumptions, the occurrence of events, unanticipated or otherwise, or changes in future operating results over time or otherwise.*

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