



BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.

Publicly Held Company

Corporate Taxpayer ID (CNPJ/MF): 13.574.594/0001-96

Company Registry (NIRE): 35.300.393.180

SHAREHOLDERS' MANUAL

ANNUAL AND EXTRAORDINARY SHAREHOLDERS MEETING

DATE: APRIL 27, 2018

TIME: 10:00 A.M.

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INTRODUCTION

This proxy statement (“**Proxy Statement**”) provides clarifications and instructions to Shareholders regarding the matters to be considered and voted on at the Annual and Extraordinary Shareholders' Meeting (“**Meeting**”) of BK Brasil Operação e Assessoria a Restaurantes S.A. (“**Company**”) to be held at 10:00 a.m. on April 27, 2018. The Meeting will be held at the registered office of the Company, located in the City of Barueri, State of São Paulo, at Alameda Rio Negro, nº 161, 10º andar, sala 1003, CEP 06454-000.

Therefore, in accordance with Federal Law 6,404, of December 15, 1976, as amended (“**Brazilian Corporations Law**”), with Instruction 481 issued by the Securities and Exchange Commission of Brazil (“CVM”) on December 17, 2009, as amended (“**CVM Instruction 481**”), and with other provisions in the Company’s Bylaws, we hereby provide information on the procedures and deadlines related to the Meeting, and present the Management proposal.

CALL NOTICE

BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.

Publicly Held Company
Corporate Taxpayer ID (CNPJ/MF): 13.574.594/0001-96
Company Registry (NIRE): 35.300.393.180

CALL NOTICE FOR THE ANNUAL AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Shareholders of BK Brasil Operação e Assessoria a Restaurante S.A. ("**Company**") are hereby invited to convene in the Annual and Extraordinary Shareholders' Meeting ("**Meeting**"), to be held at 10:00 a.m. on April 27, 2018, at the registered office of the Company, located in the City of Barueri, State of São Paulo, at Alameda Rio Negro, nº 161, 10º andar, sala 1003, CEP 06454- 000, to consider and vote on the following agenda:

(A) At the Annual Shareholders Meeting:

- (i) analysis of the management report, management accounts, financial statements of the Company and independent auditor's report for the fiscal year ended December 31, 2017; and
- (ii) approval of the allocation of net income for the fiscal year ended December 31, 2017.

(B) At the Extraordinary Shareholders Meeting:

- (i) approval of the absorption of accumulated losses using a portion of the balance of the capital reserve; and
- (ii) approval of the overall compensation of the Company's managers for fiscal year 2018.

1. Documents available to shareholders. All documents and information pertinent to the matters on the above agenda are available to shareholders at the registered office of the Company and on the websites of the Company (www.burgerking.com.br/ri), of the Securities and Exchange Commission of Brazil - CVM (www.cvm.gov.br) and of the São Paulo Stock Exchange - B3 S.A. – Brasil, Bolsa, Balcão (www.bmfbovespa.com.br), in accordance with Federal Law 6,404, of December 15, 1976, as amended ("**Brazilian Corporation Law**"), and with CVM Instruction 481, of December 17, 2009, as amended ("**CVM Instruction 481**").

2. Shareholder participation in the Meeting. The Company's shareholders of record may participate in the Meeting on their own behalf, through legal representatives or proxies or by using a remote voting form. Detailed instructions on the documentation required are provided in the Management Proposal.

Shareholders that opt to attend the meeting in person or via proxy must arrive at the Meeting bearing the following documents: (a) identity document and proof of ownership of the registered shares issued by the stock transfer agent; and, as applicable, (b) a proxy instrument granted in accordance with Article 126 of Brazilian Corporation Law.

In accordance with CVM Instruction 481, the Company will adopt the remote voting system, enabling its shareholders to submit remote voting forms via their respective custody agents,

the Company's stock transfer agent or directly to the Company, in accordance with the instructions provided in the Management Proposal.

- 3. Presentation of the Documents for Participating in the Meeting.** To expedite and facilitate the process of convening the Meeting, the Company requests that its Shareholders lodge the documents related to item 2 above at the Company's registered office, located in the City of Barueri, State of São Paulo, at Alameda Rio Negro, nº 161, 10º andar, sala 1003, CEP 06454-000, care of the Investor Relations Department or the Legal Department, at least 24 hours prior to the date of the meeting. Notwithstanding the above, Shareholders who attend the Meeting bearing such documents will be permitted to participate and vote, even if they have not lodged the documents in advance.

Barueri, March 28, 2018

Carlos Eduardo Martins e Silva

Chairman of the Board of Directors

GENERAL INFORMATION

1. Installation of the Meeting

The Meeting will be convened, on first call, with the attendance of shareholders representing at least one-fourth (1/4) of the total and voting capital of the Company and, on second call, subject to the publication of a new call notice, with the attendance of any number of Shareholders.

2. Instructions for Shareholder participation in the Meeting

Shareholders may participate in the Meeting in person, through a duly empowered proxy (observing the provisions of Article 126 of Brazilian Corporation Law) or using remote voting form mechanisms.

2.1. Participation in person or via proxy

Shareholders must attend the Meeting bearing an updated statement of ownership of the shares issued by the Company issued by the stock transfer agent of the registered shares and/or custody agent, along with the following documents:

- (a) **natural persons** identity document containing a photo of the Shareholder or of their legal representative when represented by proxy, with an authenticated copy of the document attesting to the powers of the signatory;
- (b) **legal persons:** authenticated copy of the most recent consolidated bylaws or articles of incorporation and corporate documentation granting powers of representation (minutes of election of officers and/or power of attorney), and identity document with photo of the legal representative(s); and
- (c) **investment funds:** authenticated copy of the most recent consolidated regulations of the fund and bylaws or articles of incorporation of its administrator or manager, as applicable, in addition to the corporate documentation granting powers of representation (minutes of election of officers and/or power of attorney); and identity document with photo of the legal representative(s).

Shareholders wishing to be represented by proxy must present the instrument appointing the proxy in accordance with Article 126, Paragraph 1 of Brazilian Corporation Law.

For shareholders wishing to be presented by proxy, we inform that the Company will require authentication of the signatures on proxy instruments signed in Brazil and notarization and apostillation of those signed abroad.

Along with the proxy instrument, each Shareholder that is not an individual or does not sign the proxy instrument on their own behalf, must submit the respective documents attesting to the powers of their agent to represent them.

The Company will examine the proxy instrument and documents attesting to representation and, if it is unable to validate representation based on the documents received, may not accept the representation power of the designated agent, in compliance with Brazilian Corporation Law and CVM Instruction 481.

In accordance with the understanding of the Board of Commissioners of CVM in the meeting held on November 4, 2014 (CVM Process RJ 2014/3578), Shareholders that are legal persons may be represented in the Meeting by their legal representatives or through duly appointed representatives, in accordance with the articles of incorporation of the company to be represented and with the rules

of the Brazilian Civil Code and of Brazilian Corporation Law, depending on the corporate form of the Shareholder, without the proxy required to be a shareholder or manager of the Company or an attorney.

2.2. Participation via remote voting form

Shareholders wishing to exercise their voting rights via remote voting form may do so by choosing one of the following options:

2.2.1 Voting instructions transmitted by Shareholders to the stock transfer agent of the Company's shares

This option is exclusively for Shareholders with shares deposited with Itaú Corretora de Valores S.A. ("Itaú"), as the stock transfer agent of the Company's shares.

Eligible shareholders wishing to adopt this alternative must register and have a digital certificate. Information on registration and a step-by-step guide on obtaining the digital certificate are available at <http://www.itaubr.com.br/securitiesservices/assembleiadigital>.

2.2.2 Voting instructions transmitted by Shareholders to their custody agents

This option is exclusively for Shareholders whose shares are deposited with institutions and/or brokerage firms ("**Custody Agents**") on B3. In this case, the remote vote is cast by the Shareholder in accordance with the procedures adopted by the Custody Agent holding their shares in custody.

Shareholders with shares deposited with B3 that opt to exercise their remote voting rights may do so by transmitting their voting instructions to the Custody Agent where their shares are held in custody, observing the rules determined by the latter, which then forwards the voting instructions to the Central Depository of B3.

Since providing services involving the receipt and transmission of instructions for completing remote voting forms is optional for Custody Agents, we recommend that Shareholders confirm with their custody agents whether they are able to provide such services and the procedures established by them for issuing voting instructions, as well as the required documents and information.

In accordance with Article 21-B of CVM Instruction 481, Shareholders must transmit their instructions for completing the remote voting form to their Custody Agents at least 7 days prior to the date of the Meeting, i.e. by April 19, 2018, inclusive, unless their Custody Agent determines another deadline, which always must be prior to the above deadline.

The Company informs that, if the respective Custody Agent does not provide remote voting services, Shareholders have the option of submitting their remote voting form and applicable documents directly to the stock transfer agent of the Company's shares or directly to the Company, in accordance with items 2.2.1 above and 2.2.3 below. The Company assumes no liability for any communication between Shareholders and their Custody Agents.

2.2.3 Submission of completed and signed remote voting form directly to the Company

Shareholders wishing to submit their voting instructions directly to the Company must access the Company's Investor Relations website (www.burgerking.com.br/ri) or the CVM website (<http://www.cvm.gov.br/>), print the remote voting form, complete it, initial all pages and sign it.

Then they must submit, in addition to the duly completed, initialed and signed remote voting form, an authenticated copy of the following documents, all of which must be received by the

Company by April 19, 2018, inclusive, to the following address: BK Brazil Operação e Assessoria a Restaurantes S.A., C/o: Investor Relations Department, Alameda Rio Negro, nº 161, 10º andar, sala 1003, CEP 06454-000, Barueri, SP

Authenticated documentation to be submitted to the Company along with the remote voting form

Shareholders that opt to submit their remote voting form directly to the Company must submit the following documents, in addition to the printed original copy of the remote voting form, duly completed, initialed and signed: statement of the stock transfer agent of the registered shares or shares held in custody (Article 41 of Brazilian Corporation Law) to demonstrate their capacity as shareholders; and authenticated copy of the following identity documents:

- (a) **natural persons:** identity document with a photo of the Shareholder or their legal representative, when represented by an agent, and an authenticated copy of the document attesting to the powers of the signatory;
- (b) **legal persons:** authenticated copy of the most recent consolidated bylaws or articles of incorporation and corporate documentation attributing to powers of representation (minutes of election of officers and/or power of attorney), and identity document with photo of the legal representative(s); and
- (c) **investment funds:** authenticated copy of the most recent consolidated regulations of the fund and bylaws or articles of incorporation of its administrator or manager, as applicable, in addition to the corporate documentation granting powers of representation (minutes of election of officers and/or power of attorney); and identity document with photo of the legal representative(s).

The Company requires authentication of signatures on remote voting form signed in Brazil and notarization and apostillation of those signed abroad.

Note that, prior to submitting to the Company any corporate documents and representation instruments of legal persons and investment funds drawn up in languages other than Brazilian Portuguese, they must be translated by a sworn translator into Portuguese. The respective sworn translations must be registered with the Registry of Deeds and Documents.

We request that Shareholders send in advance to the Company the digitalized versions of the aforementioned remote voting form and documents to the following e-mail: ri@burgerking.com.br. In all cases, the Company must receive the original copy of the remote voting form and authenticated copies of the other documents sent previously via e-mail by the Shareholder by April 19, 2018, inclusive, at the following address: BK Brazil Operação e Assessoria a Restaurantes S.A., C/o: Investor Relations Department, Alameda Rio Negro, nº 161, 10º andar, sala 1003, CEP 06454-000, Barueri, SP

Within three (3) days as from the receipt of the physical copies of said documents, the Company will notify Shareholders, through the e-mail address provided by the Shareholder on the remote voting form, of the receipt of the documents and if they were accepted.

Any remote voting forms received by the Company after April 19, 2018 will be disregarded.

3 Additional clarifications:

In accordance with CVM Instruction 481, the documents pertaining to the Shareholders' participation in the Meeting are attached hereto and also are available at the headquarters and on the websites

of the Company (www.burgerking.com.br/ri), of CVM (www.cvm.gov.br) and of B3 (www.bmfbovespa.com.br).

MANAGEMENT PROPOSAL

BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.

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MANAGEMENT'S PROPOSAL FOR THE ANNUAL AND EXTRAORDINARY SHAREHOLDERS MEETING ON APRIL 26, 2018

Dear Shareholder,

The management ("**Management**") of BK Brasil Operação e Assessoria a Restaurante S.A. ("**Company**") hereby presents its proposal for the matters to be submitted to you in the Annual and Extraordinary Shareholders' Meeting called for 10:00 a.m. on April 27, 2018, at the registered office of the Company ("**Meeting**").

1. Analysis of the management report, the management accounts, the financial statements of the Company and the independent auditor's report for the fiscal year ended December 31, 2017.

Management proposes the approval of the management report, the management accounts, the separate and consolidated financial statements of the Company accompanied by the independent auditor's report, all of which for the fiscal year ended December 31, 2017 and duly approved by the Board of Directors in the meeting held on March 6, 2018.

Note that Ernst & Young Auditores Independentes S.S., the Company's independent auditors, issued an unqualified report on the separate and consolidated financial statements of the Company for the fiscal year ended December 31, 2017.

Furthermore, Management recommends that Shareholders thoroughly examine the separate and consolidated financial statements of the Company, the management report, the accompanying notes and the independent auditor's report, which have been made available to Shareholders on the websites of the Company (www.burgerking.com.br/ri), of B3 (www.bmfbovespa.com.br) and of CVM (www.cvm.gov.br) and were published on March 17, 2018 in the newspaper *Cidade de Barueri* and on March 13, 2018 in the state register *Diário Oficial do Estado de São Paulo* (State Official Gazette of the State of São Paulo).

In accordance with Article 9, item III of CVM Instruction 481, the Company informs Shareholders that the management comments on the financial situation of the Company related to the fiscal year ended December 31, 2017, in accordance with item 10 of the Reference Form, can be found in Appendix II hereto.

2. Approval of the allocation of net income for the fiscal year ended December 31, 2017.

The Company recorded consolidated net income of R\$3,818,767.73 in the fiscal year ended December 31, 2017.

In accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law, all of the net income was used to offset a portion of accumulated losses.

As a result, Management does not propose the allocation of net income for the fiscal year, since, as required by law, the result for the year must, before any other allocation, be used to offset any accumulated losses.

The complete proposal for the allocation of net income, in accordance with Appendix 9-1-II of CVM Instruction 481, can be found in Appendix I hereto.

3. Approval of the absorption of accumulated losses using a portion of the balance of the capital reserve.

The balance of the capital reserve of the Company, as determined for the fiscal year ended December 31, 2017, was R\$915,721,664.34. Furthermore, the Company recorded, on December 31, 2017, accumulated losses of R\$194,364,626.39.

In accordance with Article 200, Item I of Brazilian Corporation Law, the capital reserve may be used to absorb losses that surpass the accumulated profits and the profit reserve.

Since the Company did not record, on December 31, 2017, accumulated profits or a balance of profit reserves, Management proposes to Shareholders the absorption of the remaining portion of accumulated losses in the amount of R\$194,364,626.39 using a portion of the balance of the Capital Reserve.

4. Approval of the overall compensation of the Company's managers for fiscal year 2018.

The Board of Directors proposes that the Meeting approves the overall annual compensation of the Company's Managers (Board of Directors and Executive Board) in the amount of up to R\$18,299,249.22, of which R\$0.00 is for the Board of Directors; and R\$18,299,249.22 is for the Executive Board.

The compensation proposed herein considers remuneration expenses corresponding to the Managers for fiscal year 2018.

In compliance with Article 12 of CVM Instruction 481, in addition to the proposal for management compensation, the Company is presenting the information required under item 13 of the Reference Form in Appendix III hereto.

APPENDIX I

PROPOSAL FOR THE ALLOCATION OF NET INCOME FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

(in accordance with Article 9, Sole Paragraph, Item II of CVM Instruction 481, in the form of
Appendix 9-1-II)

1. Inform the net income for the fiscal year

The Company recorded net income of R\$3,818,767.73 in the fiscal year ended December 31, 2017.

2. Inform the total amount and amount per share of dividends, including dividends paid in advance and interest on equity already declared

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

3. Inform the percentage of net income for the year distributed

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

4. Inform the total amount and amount per share of dividends distributed based on the net income for previous fiscal years

Not applicable.

5. Inform, after deducting any dividends paid in advance and interest on equity already declared

a. Gross amount of dividends and interest on equity shown separately for each type and class of share

Not applicable, given that there will be no distribution of dividends and/or interest on equity, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Method and timeframe for the payment of dividends and interest on equity

Not applicable, given that there will be no distribution of dividends and/or interest on equity, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

c. Any inflation adjustment and interest on dividends and interest on equity

Not applicable, given that there will be no distribution of dividends and/or interest on equity, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

d. Date of declaration of dividends and interest on equity considered for identifying shareholders entitled to receive such dividends and interest on equity

Not applicable, given that there will be no distribution of dividends and/or interest on equity, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

6. In the case of the declaration of dividends or interest on equity based on net income determined based on semiannual balance sheets or for shorter periods

a. Inform the amount of the dividends and interest on equity already declared

Not applicable, since there was no declaration of dividends or interest on equity based on the net income determined based on semiannual balance sheets or for shorter periods.

b. Inform the date of the respective payments

Not applicable, since there was no declaration of dividends or interest on equity based on the net income determined based on semiannual balance sheets or for shorter periods.

7. Provide a table comparing the following amounts per share of each type and class

<i>(in R\$)</i>	Fiscal year ended December 31,			
	2017	2016	2015	2014
Net Income/Loss	3,818,767.73	(93,455,058.34)	(36,757,054.49)	(35,934,165.57)
Dividends Distributed	N/A	N/A	N/A	N/A
Amount per Share	N/A	N/A	N/A	N/A

8. In the case of the allocation of net income to the legal reserve

a. Inform the amount allocated to the legal reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Detail the method for calculating the legal reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

9. If the Company has preferred shares entitling their holders to rights to fixed or minimum dividends

a. Describe the form for calculating such fixed or minimum dividends

Not applicable, since the capital stock of the Company is composed solely of common shares.

b. Inform if the net income for the year is sufficient to pay in full the fixed or minimum dividends

Not applicable, since the capital stock of the Company is composed solely of common shares.

c. Inform if any unpaid portion is cumulative

Not applicable, since the capital stock of the Company is composed solely of common shares.

d. Inform the overall amount of the fixed or minimum dividends to be paid for each class of preferred shares

Not applicable, since the capital stock of the Company is composed solely of common shares.

e. Inform the per-share amount of fixed or minimum dividends to be paid for each class of preferred shares

Not applicable, since the capital stock of the Company is composed solely of common shares.

10. With regard to the mandatory dividend

a. Describe the calculation method envisaged in the bylaws

Article 28 of the Bylaws of the Company establishes that net income must be allocated as follows: (i) five percent (5%) to the legal reserve, which may not exceed twenty percent (20%) of the capital stock; and (ii) at least twenty-five percent (25%) to the payment of the mandatory dividend owed to shareholders, observing the other provisions of the Bylaws and applicable legislation.

b. Inform if the dividend is being paid in full

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

c. Inform any amount withheld

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

11. In the case of withholding the mandatory dividend due to the financial situation of the Company

a. Inform the amount withheld

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Describe in detail the financial situation of the Company, including aspects related to the analysis of liquidity, working capital and positive cash flows.

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

c. Justify the withholding of dividends

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

12. In the case of the allocation of net income to any contingency reserve

a. Inform the amount allocated to the reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Describe the loss deemed as probable and its cause

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

c. Explain why the loss was deemed probable

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

d. Justify the accrual of such reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

13. In the case of the allocation of net income to the unrealized profits reserve

a. Inform the amount to be allocated to the unrealized profits reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Inform the nature of the unrealized profits that originated the reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

14. In the case of the allocation of net income to reserves provided for in the Bylaws

a. Describe the clauses in the Bylaws establishing such reserves

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Inform the amount allocated to the reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

c. Describe the calculation of the amount

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

15. In the case of retained earnings envisaged in the capital budget

a. Inform the amount withheld

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Provide a copy of the capital budget

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

16. In the case of the allocation of net income to tax incentive reserves

a. Inform the amount allocated to the reserve

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

b. Explain the nature of the allocation

Not applicable, since net income for the fiscal year ended December 31, 2017 was offset by accumulated losses, in accordance with Article 27 of the Company's Bylaws and with Article 189 of Brazilian Corporation Law.

APPENDIX II

ITEM 10 OF THE REFERENCE FORM OF THE COMPANY

(in accordance with Article 9, Item III of CVM Instruction 481)

10.1 – General financial and equity positions

The Company was incorporated on April 6, 2011 under the corporate name of CMNPAR Seventeen Participações S.A. and was engaged in holding equity interests in other companies, as a shareholder or partner, in the country or abroad.

The right and operation of restaurants under the BURGER KING® brand name was obtained through a “Master Franchise” agreement entered into with Burger King Corporation on July 9, 2011. The exploitation rights have a 20-year duration for each store, counted from each “Unit Addendum”, and may be renewed for a further 20 years, if there is interest of the parties.

Breakdown by store type

As of December 31, 2017, we had 697 restaurants in operation in Brazil, of which 526 Company-owned restaurants and 171 restaurants operated by franchisees.

Breakdown by Region

Considering Company-owned restaurants, the Company has operations in all five regions of the country and presence in the main Brazilian states, as shown in the table below:

In units	As of December 31,		
	2017	2016	2015
State of São Paulo	278	256	230
State of Rio de Janeiro	82	76	59
State of Rio Grande do Sul	32	29	26
State of Minas Gerais	23	21	17
State of Paraná	16	14	10
Federal District	15	16	15
State of Ceará	12	12	11
State of Bahia	12	11	11
State of Pernambuco	11	9	9
State of Espírito Santo	10	10	10
State of Goiás	7	3	2
State of Pará	6	5	3
State of Maranhão	5	4	3
State of Alagoas	4	4	4
State of Paraíba	4	3	2
State of Sergipe	4	2	2
State of Rio Grande do Norte	3	3	3
State of Piauí	2	2	2
Total Restaurants	526	480	419

The financial information included in this Reference Form, unless indicated otherwise, was obtained from the Company's consolidated financial statements for the fiscal years ended December 31, 2017, 2016 and 2015.

The Executive Officers' analysis clarifying the results obtained and the reasons for the fluctuations in the amounts of the Company's balance sheet accounts constitutes an opinion on the impacts or effects of the data presented in the Financial Statements on the Company's financial situation. The Company's Officers cannot ensure that the financial situation and the results obtained in the past will be reproduced in the future.

The terms "HA" and "VA" in the columns of certain tables below mean "Horizontal Analysis" and "Vertical Analysis", respectively.

(a) Executive Officers' comments on general financial and equity positions

The following is the information on the Company's financial and equity structure on the dates indicated below:

In thousands of Reais	As of December 31,		
	2017	2016	2015
Equity	1,617,194	540,320	438,435
Current assets	1,338,448	429,000	325,669
Total indebtedness ⁽¹⁾	485,707	607,973	505,813
Net indebtedness ⁽²⁾	(706,307)	275,297	264,064

⁽¹⁾ Total indebtedness corresponds to the sum of current and non-current balances of loans and financing, see reconciliation in section 3.2 of this Reference Form. Total indebtedness is not a measure of financial performance, liquidity or indebtedness recognized by the accounting practices adopted in Brazil nor by the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and has no standard meaning. Other companies can calculate their total indebtedness differently, so there is no comparison between the disclosures.

⁽²⁾ Net indebtedness corresponds to the sum of current and non-current loans and financing balances, less cash and cash equivalents, marketable securities, restricted marketable securities and financial instruments (swap), recorded in our current assets, and marketable securities recorded in non-current assets, see reconciliation in section 3.2 of this Reference Form. Net indebtedness is not a measure of financial performance, liquidity or indebtedness recognized by the accounting practices adopted in Brazil nor by the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and has no standard meaning. Other companies can calculate their total indebtedness differently, so there is no comparison between the disclosures.

At December 31, 2017, the Company had a net debt of R\$ 706 million, which represents a reduction when compared to December 31, 2016, when it had a net debt of R\$ 275.3 million. This improvement in net indebtedness reflects the proceeds from the Company's initial public offering of shares on the stock exchange of São Paulo, B3 S.A., on December 18, 2017, and repayments of existing debts and greater operating cash generation within the year.

At December 31, 2017, our current liquidity ratio (which corresponds to the quotient of the division of current assets by current liabilities) was 2.83, and at December 31, 2016 it was 0.54. In addition, our overall liquidity ratio (which corresponds to the quotient of division (i) of the result of the sum of current assets and non-current assets, other than property and equipment and intangible assets, by (ii) the result of the sum of current and non-current liabilities current) was 1.75, and at December 31, 2016 it was 0.53.

Because of the consistent evolution of the Company's operating results in recent years and the comfortable liquidity and capital situation, the Officers believe that the Company has sufficient financial and equity conditions to conduct the Company's operations and comply with its short- and

long-term financial obligations. In addition, the Officers believe that the Company's cash generation is sufficient to cover the financing of its activities and to cover its need for operational resources.

(b) Executive Officers' comments on the capital structure

In recent years, the Company has had a capital structure that is balanced between cost of equity and cost of debt and, and in line with the Officers' view of the Company's activities, in the proportion shown in the table below:

(in thousands of R\$, except %)	As of December 31,		
	2017	2016	2015
Current and non-current liabilities (cost of debt)	798,361	888,142	758,120
Equity (cost of equity)	1,617,194	540,320	438,435
Total liabilities and equity (cost of debt + cost of equity)	2,415,555	1,428,462	1,196,555
Cost of Debt ⁽¹⁾	33.1%	62.2%	63.4%
Cost of Equity ⁽²⁾	66.9%	37.8%	36.6%

(1) Cost of debt corresponds to current liabilities plus non-current liabilities divided by total liabilities and equity.

(2) Cost of equity corresponds to the quotient of the division of equity by total liabilities and equity.

At December 31, 2015, the Company's equity was R\$ 438.4 million, going to R\$ 540.3 million at December 31, 2016. This increase of R\$ 101.9 million was mainly due to the capital contribution made on August 8, 2016 by the shareholder Montjuic Fundo de Investimento em Participações Multiestratégia, which was partially offset by the loss recorded in the period.

At December 31, 2016, the Company's equity was R \$ 540.3 million, going to R\$ 1,617.2 million at December 31, 2017. This increase of R\$ 1,076.9 million was mainly due to the proceeds from the IPO; exercise of the stock option by the management; contribution of capital from Montjuic; and net income recorded in the period.

The Officers believe that the Company's current capital structure is adequate to meet the short- and long-term demands and the needs of its operations.

(c) Executive Officers' comments on the capacity of payment in relation to the financial commitments assumed

The table below shows the Company's main financial ratios:

In thousands of Reais, unless otherwise indicated	As of December 31,		
	2017	2016	2015
Net indebtedness ⁽¹⁾	(706,307)	275,297	264,064
Adjusted EBITDA (Covenants) ⁽²⁾	205,175	133,553	86,170
Total Indebtedness Ratio ⁽³⁾	(3.44)	2.06	3.06
Current Liquidity Ratio ⁽⁴⁾	2.83	0.54	0.83
Overall Liquidity Ratio ⁽⁵⁾	1.75	0.53	0.45

(1) Net indebtedness corresponds to the sum of current and non-current loans and financing balances, less cash and cash equivalents, marketable securities, restricted marketable securities and financial instruments (swap), recorded in our current assets, and marketable securities recorded in non-current assets, see reconciliation in section 3.2 of this Reference Form. Net indebtedness is not a measure of financial performance, liquidity or indebtedness recognized by the accounting practices adopted in Brazil nor by the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and has no standard meaning. Other companies can calculate their total indebtedness differently, so there is no comparison between the disclosures.

(2) Adjusted EBITDA (Covenants) is a non-accounting measurement prepared by the Company, which consists of the profit (loss) for the year / period, plus income tax and social contribution, net finance income (costs), depreciation and amortization of property and equipment and intangible assets adjusted for pre-operating expenses, acquisition and merger expenses and other expenses, which include write-off of property and equipment and intangible assets, gain (loss) on claims and provision for Impairment. Adjusted EBITDA (Covenants) is not a measure recognized by the accounting practices adopted in Brazil nor by the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), and does not represent the cash flows for the periods presented and should not be considered as a substitute for the profit (loss) for the year / period or as indicators of operating performance, as cash flow substitutes, nor as an indicator of the Company's liquidity, see the reconciliation of the loss for the year / period for Adjusted EBITDA in section 3.2 of this Reference Form.

(3) Total indebtedness ratio corresponds to the quotient of the division of net indebtedness by Adjusted EBITDA (Covenants) for the last twelve months.

(4) Current liquidity ratio corresponds to the quotient of the division of the Company's current assets by its current liabilities.

(5) Overall liquidity ratio corresponds to the quotient of division (i) of the sum of current assets and non-current assets (except property and equipment and intangible assets); by the (ii) result of the sum of the Company's current liabilities by its non-current liabilities.

Liquidity: at December 31, 2017, the Company's current assets were R\$ 1,338.4 million, exceeding by R\$ 865.4 million current liabilities, which were R\$ 473.0 million, representing a current liquidity ratio of 2.83. At December 31, 2016, the current liquidity ratio was 0.54.

Indebtedness: at December 31, 2017, 2016 and 2015, total indebtedness ratio was (3.44), 2.06 and 3.06, respectively, reducing considerably mainly due to the proceeds from the Company's initial public offering of shares on the stock exchange of São Paulo, in December of 2017.

In view of the strong operating cash generation, the capacity to raise local funds and the Company's low level of total indebtedness, the Officers believe it has full conditions to honor the financial commitments assumed up to the date of this Reference Form and has conditions to generate and / or raise funds in the market to implement its business and investment plans and meet its short- and long-term financial obligations. In addition, the Officers believe that the Company has comfortable liquidity levels when considering the recent years.

(d) sources of financing for working capital and for investments in non-current assets

Over the past three fiscal years, our working capital and investment needs have been financed through a combination of our own funds and third-party funds. Thus, according to our needs, we raise funds in the local capital market and / or obtain loans and financing to meet our cash requirements. Our main source for investments in current and non-current assets are debentures, including in the scope of Agribusiness Receivables Certificates (CRAs), issued in the local capital market.

(e) sources of financing for working capital and investments in non-current assets that it intends to use to cover liquidity deficiencies

At the date of this Reference Form, the Officers do not envisage needs for funds that cannot be supported with current or future funds available to the Company. If additional funds are needed to

cover short-term liquidity deficiencies, the Company intends to raise funds in the Brazilian capital market and / or with financial institutions.

(f) indebtedness ratios and the characteristics of such debts

At December 31, 2017, the Company's total indebtedness (represented by the sum of current and non-current loans and financing) reached the amount of R\$ 485.7 million, while its net cash (total indebtedness less cash and cash equivalents, marketable securities, restricted marketable securities and financial instruments (swap), recorded in our current assets, and marketable securities recorded in our non-current assets) was R\$ 706.3 million, affected by the proceeds from the Company's initial public offering of shares on the stock exchange, in December 2017.

At December 31, 2016, the Company's total indebtedness (represented by the sum of current and non-current loans and financing) amounted to R\$ 608.0 million, while its net indebtedness (total indebtedness less cash and cash equivalents, marketable securities, restricted market securities and financial instruments (swap), recorded in our current assets, and marketable securities recorded in our non-current assets) totaled R\$ 275.3 million, representing a 20.2% increase in its total indebtedness and a 4.3% increase in its net debt when compared to total indebtedness and net indebtedness at December 31, 2015.

Finally, the Company's total indebtedness ratio was (3.44) at December 31, 2017, 2.06 at December 31, 2016, and 3.06 at December 31, 2015. For more information on covenants included in the loan and financing agreements, see item 10.1 (i) of this Reference Form.

The table below indicates the Company's debt indicators:

In thousands of Reais, unless otherwise indicated	As of December 31,		
	2017	2016	2015
Total indebtedness ⁽¹⁾	485,707	607,973	505,813
Net indebtedness ⁽²⁾	(706,307)	275,297	264,064
Adjusted EBITDA (Covenants) ⁽³⁾	205,175	133,553	86,170
Total Indebtedness Ratio ⁽⁴⁾	(3.44)	2.06	3.06

⁽¹⁾ Total indebtedness corresponds to the sum of the current and non-current balances of loans and financing.

⁽²⁾ Net indebtedness corresponds to the sum of current and non-current balances of loans and financing, less cash and cash equivalents, marketable securities, restricted marketable securities and financial instruments (swap), recorded in our current assets, and marketable securities recorded in non-current assets, see reconciliation in section 3.2 of this Reference Form. Net indebtedness is not a measure of financial performance, liquidity or indebtedness recognized by the accounting practices adopted in Brazil nor by the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and has no standard meaning. Other companies can calculate their total indebtedness differently, so there is no comparison between the disclosures.

⁽³⁾ Adjusted EBITDA (Covenants) is a non-accounting measurement prepared by the Company, which consists of the loss for the year / period, plus income tax and social contribution, net finance income (costs), depreciation and amortization of property and equipment and intangible assets adjusted for pre-operating expenses, acquisition and merger expenses and other expenses, which include write-off of property and equipment and intangible assets, gain (loss) on claims and provision for impairment. Adjusted EBITDA (Covenants) is not a measure recognized by the accounting practices adopted in Brazil nor by the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), and does not represent the cash flows for the periods presented and should not be considered as a substitute for the profit (loss) for the year / period or as indicators of operating performance, as cash flow substitutes, nor as an indicator of the Company's liquidity, see the reconciliation of the loss for the year / period for Adjusted EBITDA in section 3.2 of this Reference Form.

⁽⁴⁾ Total indebtedness ratio corresponds to the quotient of the division of net indebtedness by Adjusted EBITDA (Covenants) for the last twelve months.

i. relevant loan and financing agreements

The Company's total indebtedness is composed mainly of (i) debenture issues; and (ii) financing agreements, as described below:

Loan Facility Agreement No. 71.2015.26.99: On March 23, 2016, the Company obtained a financing from Banco do Nordeste do Brasil in the amount of R\$ 44,724,660.99 to meet the Company's management business, due on March 23, 2023. The financial charges are pre-fixed at an interest rate of 11.18% per year calculated and capitalized monthly and payable quarterly on the 23rd of each month, during the period from March 23, 2016 to March 23, 2018, and monthly during the repayment period as of April 23, 2018, together with installments due of principal, and on the maturity and settlement of the debt, on the average daily debit balance of the calculation period.

Loan Facility Agreement No. 192.2014.75.3887: On January 31, 2014, BGNE Restaurantes e Comércio de Alimentos, subsequently merged into the Company, obtained a financing from Banco do Nordeste do Brasil in the amount of R\$ 5,196,769.08, in order to meet the Company's management business, due on January 31, 2026. The financial charges are pre-fixed at an interest rate of 5.3% per annum on R\$ 663,470.60 and 6.48% per annum on R \$ 4,533,298.48, calculated and capitalized monthly and payable quarterly on the 31st of each month, during the period from January 31, 2014 to January 31, 2016, and monthly during the repayment period from February 29, 2016, together with the installments due of principal, and on the maturity and settlement of the debt, on the average daily debit balance of the calculation period.

1st Issue of Debentures: On April 24, 2013, the Company carried out the first public issue of simple, non-convertible, single series debentures in the total amount of R\$ 150,000,000.00 maturing on April 24, 2018. The debentures accrue interest at 100% of the Interbank Deposit Rate, or DI rate, plus a surcharge of 1.85% per year.

2nd Issue of Debentures: On March 14, 2014, the Company carried out the second public issue of simple, non-convertible, single series debentures in the total amount of R\$ 100,000,000.00 maturing on March 14, 2019. The debentures accrue interest at 100% of the DI rate plus a surcharge of 2.45% per year.

3rd Issue of Debentures: On December 30, 2019, the Company carried out the third public issue of simple, non-convertible, single series debentures in the total amount of R\$ 100,000,000.00 maturing on December 30, 2019. Debentures accrue interest at 100% of the DI rate plus a surcharge of 2.45% per year.

4th Issue of Debentures: On August 31, 2015, the Company carried out the fourth private issue of simple, non-convertible, single series debentures in the total amount of R\$ 51,354,000.00 maturing on February 28, 2019. Debentures accrue interest at 100% of the DI rate plus a surcharge of 1.10% per year.

5th Issue of Debentures: On August 31, 2015, the Company carried out the fifth private issue of simple, non-convertible, single series debentures in the total amount of R\$ 51,354,000.00 maturing on February 28, 2019. Debentures accrue interest at 100% of the DI Rate plus a surcharge of 1.10% per year.

6th Issue of Debentures: On May 4, 2016, the Company carried out the sixth private issue of simple, non-convertible, single series debentures in the total amount of R\$ 80,000,000.00 maturing on May 4, 2020. Debentures accrue interest at 100% of the DI rate plus a surcharge of 2.95% per year.

7th Issue of Debentures: On October 20, 2016, the Company carried out the seventh private issue of simple, non-convertible, single series debentures in the total amount of R\$ 202,500,000.00 maturing on October 20, 2020. Debentures accrue interest at 100% of the DI rate plus a surcharge of 0.80% per year.

ii. other long-term relationships with financial institutions

At the date of this Reference Form, the Company has no other long-term relationships with financial institutions other than those already described in the previous item.

iii. level of subordination between the Company's debts

None of the debts of the Company and its subsidiaries existing at December 31, 2017 has a specific contractual clause of subordination, so that there is no preference relation between them. Accordingly, the level of subordination between the debts of the Company and its subsidiaries follows the extent determined in the applicable legislation and the guarantees provided and is presented in section 3.8 of this Reference Form.

iv. any restrictions imposed on the Company, especially in relation to indebtedness limits and the contracting of new debts, distribution of dividends, disposal of assets, issue of new securities and disposal of shareholding control, and whether the issuer has been complying with these restrictions.

We have certain restrictions, negotiable, imposed in our current loan agreements, especially in relation to indebtedness limits and the contracting of new debts, distribution of dividends, disposal of assets, issue of new securities and the change of shareholding control.

The contracts described above have restrictions that may cause the early maturity of the debt in the event of: (a) change in the direct or indirect control of the Company; (b) payment of the minimum mandatory dividend provided for in article 202 of the Brazilian Corporate Law, any payment of dividends by the Company, interest on capital or any type of profit sharing, should the Company be in default with respect to the obligations entered into; and (c) non-compliance with certain financial ratios measured annually, as described below.

Loan facility agreements: The Company should observe the following financial ratio (a) net debt / Adjusted EBITDA in a limit equal to or less than 3.5x over the agreements effective periods.

1st Issue of Debentures: The Company should observe the following financial ratios (a) net debt / Adjusted EBITDA, with a limit equal to or less than 2.5x in the fiscal year ended December 31, 2017; (b) Adjusted EBITDA / net finance income (cost), with a limit equal to or greater than 2.5x in the fiscal year ended December 31, 2017; (c) distribution of dividends at a maximum percentage of 25% of its profit.

2nd Issue of Debentures: The Company should observe the following financial ratios (a) net debt / Adjusted EBITDA, with a limit equal to or less than 2.5x in the fiscal year ended December 31, 2017 and subsequent fiscal years; (b) Adjusted EBITDA / net finance cost, with a limit equal to or greater than 2.5x in the fiscal year ended December 31, 2017 and 3.0x in the fiscal year ended December 31, 2018; and (c) distribution of dividends at a maximum percentage of 25% of its profit.

3rd Issue of Debentures: The Company should observe the following financial ratios (a) net debt / Adjusted EBITDA, with a limit equal to or less than 2.5x in the fiscal year ended December 31, 2017 and subsequent fiscal years; (b) Adjusted EBITDA / net finance costs, with a limit equal to or greater

than 2.5x in the fiscal year ended December 31, 2017 and 3.0x in the fiscal year ended December 31, 2018; and (c) distribution of dividends at a maximum percentage of 25% of its profit.

4th Issue of Debentures: The Company should observe the following financial ratios (a) net debt / Adjusted EBITDA, with a limit equal to or less than 3.0x in the fiscal years ended December 31, 2017 and December 31, 2018 and subsequent fiscal years; and (b) distribution of dividends at a maximum percentage of 25% of its profit.

5th Issue of Debentures: The Company should observe the following financial ratios (a) net debt / Adjusted EBITDA with a limit equal to or less than 3.0x in the fiscal years ended December 31, 2017 and December 31, 2018 and subsequent fiscal years; and (b) distribution of dividends at a maximum percentage of 25% of its profit.

6th Issue of Debentures: The Company should observe the following financial index: net debt / Adjusted EBITDA with a limit equal to or less than 2.5x in the fiscal year ended December 31, 2017 and subsequent fiscal years.

7th Issue of Debentures: The Company should observe the following financial ratios (a) net debt / Adjusted EBITDA, with a limit equal to or less than 3.25x in the fiscal year ended December 31, 2017 and 3.0x in the fiscal year ended December 31, 2018 and in subsequent fiscal years; and (b) distribution of dividends at a maximum percentage of 25% of its profit.

At December 31, 2017, the Company was in compliance with all covenants and financial ratios established in the financial agreements, as described above.

During the fiscal year 2016, the Adjusted EBITDA ratio on finance income (costs) of 3.5x originally foreseen in the 1st, 2nd and 3rd issues of debentures was not reached. Therefore, it was necessary to obtain a waiver from the creditors, avoiding the early maturity of the debts due to the noncompliance with the aforementioned ratio, which was obtained on March 7, 2017. Additionally, the Company renegotiated this ratio for subsequent years, altering in 2017 from 3.5 (three and a half) to 2.5 (two and a half) and in 2018 from 3.5 (three and a half) to 3.0 (three).

Certain debentures issued by the Company provide for the need to obtain prior consent of the creditors due to the change in the Company's control structure. As a consequence, the Company convened some general meetings of debenture holders to deliberate on the granting of the necessary prior consents.

(g) limits of use of contracted financing and percentages already used

At December 31, 2017, the Company had R\$ 485.7 million of loans and financing (current and non-current), including debentures and loan facility agreement, mentioned in item (f) above.

At that date, the Company did not have any financing agreement whose disbursement had not been fully paid.

(h) significant changes in each item of the financial statements

The numbers and analyses below are derived from the Company's audited consolidated financial statements for the fiscal years ended December 31, 2017, 2016 and 2015.

STATEMENTS OF OPERATIONS

COMPARISON OF FISCAL YEARS ENDED DECEMBER 31, 2017 AND 2016

(in thousands of R\$, except %)	Fiscal year ended December 31, 2017	VA (%)	Fiscal year ended December 31, 2016	VA (%)	HA (%)
Net operating revenue	1,783,838	100	1,393,284	100.0	28.0
Cost of sales	(687,871)	-38.6	(526,302)	-37.8	30.7
Gross profit	1,095,967	61.4	866,982	62.2	26.4
Operating expenses	(1,030,659)	-57.8	(852,162)	-61.2	20.9
Selling	(935,209)	-52.4	(776,163)	-55.7	20.5
General and administrative	(95,450)	-5.4	(75,999)	-5.5	25.6
Profit (loss) before finance income (costs) and taxes	65,308	3.7	14,820	1.1	340.7
Finance costs	(84,689)	-4.8	(142,073)	-10.2	-40.4
Finance Income	28,425	1.6	41,534	3.0	-31.6
Finance income (costs), net	(56,264)	-3.2	(100,539)	-7.2	-44.0
Profit (loss) before income tax and social contribution	9,044	0.5	(85,719)	-6.2	-110.6
Income tax and social contribution	(5,225)	-0.3	(7,737)	-0.6	-32.5
Profit (loss) for the year	3,819	0.2	(93,456)	-6.7	-104.1

Net Operating Revenue

In the fiscal year ended December 31, 2017, the Company's net operating revenue increased 28% or R\$ 390.5 million, from R\$ 1,393.3 million, in the fiscal year ended December 31, 2016, to R\$ 1,783.8 million, in the fiscal year ended December 31, 2017. This variation occurred mainly due to an increase in the same restaurant sales of 13.8% in the same period, caused by the openings of new restaurants, maturation of units opened in 2016 and the continuous consolidation of the brand in the Country, and the Company's marketing strategy.

Finally, net revenue from services rendered, which is composed mainly of revenues from franchisees, grew 25.6% in the fiscal year ended December 31, 2017, when compared to 2016, reflecting the strong growth of the franchisee platform in the country, which reached 171 restaurants at December 31, 2017. The following is the breakdown of sales:

(in thousands of R\$, except %)	Fiscal year ended December 31, 2017	VA (%)	Fiscal year ended December 31, 2016	VA (%)	HA (%)
Gross sales revenue	1,917,672	107.5	1,499,991	107.7	27.8
Sales revenue deductions	(148,082)	-8.3	(118,053)	-8.5	25.4
Net sales revenue	1,769,590	99.2	1,381,938	99.2	28.1
Gross revenue from services rendered	15,089	0.8	12,042	0.9	25.3
Service revenue deductions	(841)	0.0	(696)	-0.1	20.7
Net revenue from services rendered	14,248	0.8	11,346	0.8	25.6
Net operating revenue	1,783,838	100.0	1,393,284	100.0	28.0

Cost of sales

The cost of sales increased 30.7% or R\$ 161.6 million, from R\$ 526.3 million in the fiscal year ended December 31, 2016 to R\$ 687.9 million in the fiscal year ended December 31, 2017.

The increase is mainly due to the strong growth of sales, as well as the cost of logistics in view of the migration of stores to a purchase model through the Company-owned distribution center.

Gross Profit

The Company's gross profit increased 26.4% or R\$ 229.0 million, from R\$ 867.0 million in the fiscal year ended December 31, 2016 to R\$ 1,098.0 million in the fiscal year ended December 31, 2017. The positive variation in gross profit reflects mainly the strong growth in net operating revenue, resulting from the increase in the number of new stores and strong growth comparable sales growth in same restaurants.

The Company's gross margin decreased 80 bps, from 62.2% in the fiscal year ended December 31, 2016 to 61.4% in the fiscal year ended December 31, 2017. The gross margin was impacted by the higher cost of sales, as well as the marketing campaigns carried out in the period

Operating Expenses on Stores

The operating expenses with the Company's stores increased by R\$ 159.0 million or 20.5% to R\$ 935.2 million or 52.4% of net operating revenue in the year ended December 31, 2017, compared to R\$ 776.2 million or 55.7% of net operating revenue in the year ended December 31, 2016. This variation mainly reflected:

- (i) Personnel expenses (selling expenses) increased 21.9% in the fiscal year ended December 31, 2017, from R\$ 252.9 million in the fiscal year ended December 31, 2016 to R\$ 308.2 million in the fiscal year ended December 31, 2017. These expenses represented 17.3% of net operating revenue in the fiscal year ended December 31, 2017, representing a reduction of 80 bps when compared to the same period in 2016, mainly due to operating leverage benefits reflecting the strong comparable sales growth in the same restaurants of 13.8%, a figure considerably higher than the inflation recorded in the period.
- (ii) Occupancy and utilities expenses (selling expenses) increased 30.6% in the fiscal year ended December 31, 2017, from R\$ 170.0 million in the fiscal year ended December 31, 2016 to R\$

221.9 million in the fiscal year ended December 31, 2017. These expenses represented 12.4% of net operating revenue in the fiscal year ended December 31, 2017, which represents an increase of 20 bps when compared to same period of 2016.

(in thousands of R\$, except %)	Fiscal year ended December 31, 2017	VA (%)	Fiscal year ended December 31, 2016	VA (%)	HA (%)
Personnel expenses	(308,198)	33.0	(252,877)	32.6	21.9
Royalties and marketing fund	(160,078)	17.1	(135,778)	17.5	17.9
Occupancy and utilities expenses	(221,930)	23.7	(169,922)	21.9	30.6
Depreciation and amortization	(110,197)	11.8	(94,206)	12.1	17
Pre-operating expenses (*)	(6,138)	0.7	(6,255)	0.8	-1.9
Sundry services	(39,127)	4.2	(44,516)	5.7	-12.1
Repair and maintenance	(27,678)	3	(21,868)	2.8	26.6
Others	(61,863)	6.6	(50,741)	6.5	21.9
Expenses on stores	(935,209)	100.0	(776,163)	100.0	20.5

(*) Pre-operating expenses of restaurants are mainly represented by costs of salaries and charges of store professionals, services rendered by third parties and other expenses generated before the opening of stores.

General and Administrative Expenses

The Company's general and administrative expenses increased by R\$ 19.5 million or 25.6%, reaching R\$ 95.5 million or 5.4% of net operating revenue in the year ended December 31, 2017, compared to R\$ 76.0 million or 5.5% of net operating revenue in the year ended December 31, 2016.

This increase was mainly due to the increase in personnel expenses (general and administrative expenses), which increased 25.3% in the fiscal year ended December 31, 2017, in relation to the previous fiscal year, due to hiring of employees at the head office to support the increase of restaurants. Moreover, there was an increase in the write-off of property and equipment and intangible assets in the fiscal year ended December 31, 2017, reflecting the recognition of company-owned restaurants closed in the period, write-off of assets related to the implementation of the new POS software and write-off of obsolete or scrapped assets.

(in thousands of R\$, except %)	Fiscal year ended December 31, 2017	VA (%)	Fiscal year ended December 31, 2016	VA (%)	HA (%)
Personnel expenses	(85,845)	89.9	(68,498)	90.1	25.3
Administrative occupancy and utilities expenses	(1,135)	1.2	(2,947)	3.9	-61.5
Depreciation and amortization	(9,500)	10.0	(9,190)	12.1	3.4
Expenses on acquisitions and mergers (*)	(2,098)	2.2	(2,764)	3.6	-24.1

Write-off of property, plant and equipment and intangible assets	(17,912)	18.8	(5,022)	6.6	256.7
Net revenue from sale of property and equipment	10,155	-10.6	-	-	-
Write-off of assets of stores sold	(9,113)	9.5	-	-	-
Gain (loss) on claims	309	-0.3	(247)	0.3	-225.1
Provision for Impairment	4,627	-4.8	(1,049)	1.4	-541.1
Stock options cost	(5,518)	5.8	(304)	0.4	1.715.1
Other income (expenses), net	20,580	-21.6	14,022	-18.5	46.8
General and Administrative Expenses	(95,450)	100.0	(75,999)	100.0	25.6

(*) Represented mainly by third party expenses related to the acquisition and merger processes carried out during the year.

Net Finance Income (cost)

The Company's net finance income (cost) presented a variation of R\$ 44.2 million or 44.0%, from a net expense of R\$ 100.5 million in the fiscal year ended December 31, 2016, to a net expense of R\$ 56.3 million in the fiscal year ended December 31, 2017. This variation mainly reflected:

- (i) Finance cost reduced 40.4%, or R\$ 57.2 million, from R\$ 142.1 million in the fiscal year ended December 31, 2016 to R\$ 84.9 million in the fiscal year ended December 31, 2017, reflecting lower interest on loans, derivative expenses and the adjustment to the contingent consideration payable balance on acquisitions made previously.
- (ii) Finance income reduced 31.6%, or R\$ 13.1 million, from R\$ 41.5 million in the fiscal year ended December 31, 2016 to R\$ 28.4 million in the fiscal year ended December 31, 2017, reflecting lower income with exchange gains and derivatives, which were partially offset by higher interest and investment income.

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Interest on loans and financing	(63,190)	74.6	(80,827)	56.9	(21.8)
Banking expenses and sundry interest	(4,960)	5.9	(3,556)	2.5	39.5
Foreign exchange losses	(582)	0.7	(4,526)	3.2	(87.1)
Swap expenses	(438)	0.5	(20,514)	14.4	(97.9)

Adjustment to the contingent consideration payable balance	(9,527)	11.2	(26,027)	18.3	(63.4)
Other finance costs	(5,992)	7.1	(6,623)	4.7	(9.5)
Finance costs	(84,689)	100.0	(142,073)	100.0	(40.4)

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Investment interest and yield	26,373	92.8	15,524	37.4	69.9
Foreign exchange gains	2,093	7.4	22,186	53.4	(90.6)
Swap income	4	0.0	3,237	7.8	(99.9)
Taxes on finance income	(1,260)	(4.4)	(794)	(1.9)	58.7
Other finance income	1,215	4.3	1,381	3.3	(12.0)
Finance income	28,425	100.0	41,534	100.0	(31.6)

Profit for the Year

The Company's profit for the year presented a strong increase, from a loss of R\$ 93.5 million in the fiscal year ended December 31, 2016 to a profit of R\$ 3.8 million in the fiscal year ended December 31, 2017, due to the factors described above.

COMPARISON OF FISCAL YEARS ENDED DECEMBER 31, 2016 AND 2015

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Net operating revenue	1,393,284	100.0	949,679	100.0	46.7
Cost of sales	(526,302)	-37.8	(338,415)	-35.6	55.5
Gross profit	866,982	62.2	611,264	64.4	41.8
Operating expenses	(852,162)	-61.2	(616,886)	-65.0	38.1
Selling	(776,163)	-55.7	(560,489)	-59.0	38.5
General and administrative	(75,999)	-5.5	(56,397)	-5.9	34.8
Profit (loss) before finance income and costs and taxes	14,820	1.1	(5,622)	-0.6	-363.6

Finance costs	(142,073)	-10.2	(79,417)	-8.4	78.9
Finance income	41,534	3.0	59,270	6.2	-29.9
Finance income (costs), net	(100,539)	-7.2	(20,147)	-2.1	399.0
Loss before income tax and social contribution	(85,719)	-6.2	(25,769)	-2.7	232.6
Income tax and social contribution	(7,737)	-0.6	(10,988)	-1.2	-29.6
Loss for the year	(93,456)	-6.7	(36,757)	-3.9	154.3

Net Operating Revenue

In the fiscal year ended December 31, 2016, the Company's net operating revenue increased 46.7% or R\$ 443.6 million, from R\$ 949.7 million in the fiscal year ended December 31, 2015 to R\$ 1,393.3 million in the fiscal year ended December 31, 2016. This variation was mainly due to a 43.2% increase in our gross sales revenue due to the opening of 56 new restaurants in 2016 and 98 restaurants in 2015, which had a full impact on the year 2016.

In addition, during 2015, we acquired 31 franchise restaurants, impacting the results for 2016, and during 2016 we acquired 8 restaurants. Our net operating revenue was also benefited from the strong growth of 9.9% in same store sales in 2016, which was due to specific marketing campaigns such as "Discount Coupon" and "2 x R\$15", which significantly increased traffic in our restaurants. The following is the breakdown of sales:

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Gross sales revenue	1,499,991	107.7	1,047,371	110.3	43.2
Sales revenue deductions	(118,053)	-8.5	(107,997)	-11.4	9.3
Net sales revenue	1,381,938	99.2	939,374	98.9	47.1
Gross revenue from services rendered	12,042	0.9	10,952	1.2	10.0
Service revenue deductions	(697)	-0.1	(647)	-0.1	7.7
Net revenue from services rendered	11,345	0.8	10,305	1.1	10.1
Net operating revenue	1,393,284	100.0	949,679	100.0	46.7

Cost of Sales

The cost of sales increased 55.5% or R\$ 187.9 million, from R\$ 338.4 million in the fiscal year ended December 31, 2015 to R\$ 526.3 million in the fiscal year ended December 31, 2016.

This variation was mainly due to the increase in total sales and in the cost of food and toy, partially reflecting a national inflation of 6.3% (according to IBGE).

Gross Profit

The Company's gross profit increased by 41.8%, or R\$ 255.7 million, to R\$ 867.0 million in the year ended December 31, 2016 from R\$ 611.3 million in the fiscal year ended December 31, 2015. This positive variation in gross profit is primarily due to the significant increase in net operating revenue, as a result of the increase in the number of new opened (and acquired) restaurants and the strong growth of same store sales.

Nonetheless, gross margin for 2016 decreased from 64.4% in the fiscal year ended December 31, 2015 to 62.2% in the fiscal year ended December 31, 2016. This variation mainly reflected the discount marketing campaigns (such as "Discount Coupon" and "2 x R\$15"), which resulted in a strong growth of same store sales and a controlled decrease in the average ticket and margins of our products.

Selling Expenses

The Company's selling expenses increased by R\$ 215.7 million or 38.5% to R\$ 776.2 million or 55.7% of net operating revenue in the year ended December 31, 2016, compared to R\$ 560.5 million or 59.0% of net operating revenue in the year ended December 31, 2015. This variation mainly reflected:

- (i) An increase in personnel expenses (selling expenses) of 44.6%, to R\$252.9 million in the year ended December 31, 2016 from R\$174.9 million in the fiscal year ended December 31, 2015. These expenses accounted for 18.1% of the net operating revenue in the year ended December 31, 2016, representing a decrease of 0.3 p.p. compared to the same period in 2015, due to the operating leverage benefits resulting from a significant increase in sales, partially offset by salary adjustments under collective bargaining agreements. We currently maintain relationships with 72 unions and the average salary adjustment in 2016 was 9.1%.
- (ii) Occupancy and utilities expenses (selling expenses) increased 38.7% in the fiscal year ended December 31, 2016, from R\$ 122.5 million in the fiscal year ended December 31, 2015 to R\$ 170.0 million in the fiscal year ended December 31, 2016. These expenses represented 12.2% of net operating revenue in the fiscal year ended December 31, 2016, representing a reduction of 70 bps when compared to the same period of 2015. The operating improvement in 2016 reflected contractual rent renegotiations and improved agreements with lessors, which reflects the strong growth of the Burger King brand and consequent greater bargaining power. In addition, a significant portion of our rental agreements have fixed amounts, which are diluted by the growth of same store sales above the inflation rate.
- (iii) Royalties and marketing fund (selling expenses) increased 42.9% from R \$ 95.0 million in the fiscal year ended December 31, 2015 to R\$ 135.8 million in the fiscal year ended December 31, 2016, reflecting more robust sales in this period.

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Personnel expenses	(252,877)	32.6	(174,886)	31.2	44.6
Royalties and marketing fund	(135,778)	17.5	(95,016)	17.0	42.9
Occupancy and utilities expenses	(169,922)	21.9	(122,542)	21.9	38.7
Depreciation and amortization	(94,206)	12.1	(68,038)	12.1	38.5
Pre-operating expenses (*)	(6,255)	0.8	(9,707)	1.7	-35.6

Third party services	(44,516)	5.7	(30,705)	5.5	45.0
Repair and maintenance	(21,868)	2.8	(16,239)	2.9	34.7
Others	(50,741)	6.5	(43,356)	7.7	17.0
Selling expenses	(776,163)	100.0	(560,489)	100.0	38.5

(*) Pre-operating expenses of restaurants are mainly represented by costs with salaries and charges of store professionals, services rendered by third parties and other expenses generated before the opening of stores.

General and Administrative Expenses

The Company's general and administrative expenses increased by R\$ 19.6 million or 34.8%, reaching R\$ 76.0 million or 5.5% of net operating revenue in the year ended December 31, 2016, compared to R\$ 56.4 million or 5.9% of net operating revenue in the year ended December 31, 2015.

This increase mainly reflected the 15.3% increase in personnel expenses (general and administrative expenses) in the fiscal year ended December 31, 2016, in relation to the previous fiscal year, due to new hires to support the high growth in the number of company-owned restaurants.

Our other net revenues decreased by 33.2% in the fiscal year ended December 31, 2016, from R\$ 20.5 million in the fiscal year ended December 31, 2015 to R\$ 13.7 million in the fiscal year ended December 31, 2016, mainly due to lower revenues from contractual supply agreements (including rebates).

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Personnel expenses	(68,498)	90.1	(59,434)	105.4	15.3
Administrative occupancy and utilities expenses	(2,947)	3.9	(3,263)	5.8	-9.7
Depreciation and amortization	(9,190)	12.1	(7,564)	13.4	21.5
Expenses on acquisitions and mergers (*)	(2,764)	3.6	(3,384)	6.0	-18.3
Write-off of property, plant and equipment and intangible assets	(5,022)	6.6	(320)	0.6	1.469.4
Gain (loss) on claims	(247)	0.3	329	-0.6	-175.1
Provision for Impairment	(1,049)	1.4	(3,108)	5.5	-66.2
Other income (expenses), net	13,718	-18.1	20,531	-36.4	-33.2
General and Administrative Expenses	(75,999)	100.0	(56,397)	100.0	34.8

(*) Represented mainly by third party expenses related to the acquisition and merger processes carried out during the year.

Net Finance Income (Costs)

The Company's net finance income (costs) presented a variation of R \$ 80.4 million or 399.0%, from a net cost of R\$ 20.1 million in the fiscal year ended December 31, 2015, to a net cost of R\$ 100.5 million in the fiscal year ended December 31, 2016. This variation mainly reflected:

- (iii) Finance costs increased by 78.9%, or R\$ 62.7 million, from R\$ 79.4 million in the fiscal year ended December 31, 2015 to R\$ 142.1 million in the fiscal year ended December 31, 2016, due to higher interest rates on loans mainly on new loans, such as issues to the 2016 CRA

(with CDI + 0.09% interest rate) and the 6th issue of Debentures with CDI + 0.25 interest rate %). Finally, finance costs were also impacted by higher expenses on derivatives, and the adjustment to the contingent consideration payable balance related to the acquisition of franchisee in the amount of R\$ 26.3 million.

- (iv) Finance income decreased 29.9%, or R\$ 17.8 million, from R\$ 59.3 million in the fiscal year ended December 31, 2015 to R\$ 41.5 million in the fiscal year ended December 31, 2016, reflecting lower interest income and interest income, and lower derivative income.

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Interest on loans and financing	(80,827)	56.9	(45,304)	57.0	78.4
Banking expenses and sundry interest	(3,556)	2.5	(1,527)	1.9	132.9
Foreign exchange losses	(4,526)	3.2	(24,252)	30.5	(81.3)
Swap expenses	(20,514)	14.4	(7,500)	9.4	173.5
Adjustment to the contingent consideration payable balance	(26,027)	18.3	-	-	-
Other finance costs	(6,623)	4.7	(834)	1.1	694.1
Finance costs	(142,073)	100.0	(79,417)	100.0	78.9

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	VA (%)	Fiscal year ended December 31, 2015	VA (%)	HA (%)
Investment interest and yield	15,524	37.4	27,339	46.1	(43.2)
Foreign exchange gains	22,186	53.4	8,030	13.5	176.3
Swap income	3,237	7.8	22,112	37.3	(85.4)
Taxes on finance income	(794)	(1.9)	(631)	(1.1)	25.8
Other finance income	1,381	3.3	2,420	4.1	(42.9)
Finance income	41,534	100.0	59,270	100.0	(29.9)

Loss for the Year

The Company's loss for the year increased by 154.3% or R\$ 56.7 million, from R\$ 36.8 million in the fiscal year ended December 31, 2015 to R\$ 93.5 million in the fiscal year ended December 31, 2016, due to the factors described above.

BALANCE SHEET

COMPARISON BETWEEN BALANCE SHEET ACCOUNT BALANCES AS OF DECEMBER 31, 2017 AND 2016

(in thousands of R\$, except %)	At December 31, 2017	VA (%)	At December 31, 2016	VA (%)	HA (%)
Assets					
Current assets					
Cash and cash equivalents	102,345	4.2	256,920	18	-60.2
Marketable securities	1,073,900	44.5	63,495	4.4	1.591.30
Restricted marketable securities	2,484	0.1	1,846	0.1	34.6
Trade receivables, net	60,958	2.5	33,658	2.4	81.1
Derivative financial instruments	127	0	-	-	-
Inventories	39,743	1.6	30,846	2.2	28.8
Taxes recoverable	24,993	1	28,566	2	-12.5
Advances paid	24,762	1	8,712	0.6	184.2
Other receivables	9,136	0.4	4,957	0.3	84.3
Total current assets	1,338,448	55.4	429,000	30	212
Non-current assets					
Restricted marketable securities	13,285	0.5	10,415	0.7	27.6
Taxes recoverable	17,282	0.7	11,694	0.8	47.8
Judicial deposits	26,566	1.1	13,925	1	90.8
Other receivables	4,218	0.2	3,447	0.2	22.4
Property and equipment, net	699,642	29	650,975	45.6	7.5
Intangible asset, net	316,114	13.1	309,006	21.6	2.3
Total non-current assets	1,077,107	44.6	999,462	70	7.8
Total assets	2,415,555	100	1,428,462	100	69.1
Liabilities					
Current liabilities					

Loans and financing	209,987	8.7	607,973	42.6	-65.5
Suppliers and rents payable	138,997	5.8	80,406	5.6	72.9
Payroll and social charges	69,830	2.9	56,028	3.9	24.6
Corporate bonds	13,966	0.6	20,598	1.4	-32.2
Taxes payable	20,272	0.8	15,717	1.1	29
Deferred revenue, net	-	-	9,000	0.6	-
Derivative financial instruments	-	-	356	-	-
Other payables	19,946	0.8	9,538	0.7	109.1
Total current liabilities	472,998	19.6	799,616	56	-40.8
Non-current liabilities					
Loans and financing	275,720	11.4	-	-	-
Provision for legal claims	6,221	0.3	3,932	0.3	58.2
Taxes payable	5,113	0.2	9,225	0.6	-44.6
Contingent consideration of acquisitions	-	-	45,983	3.2	-
Deferred income tax and social contribution	38,309	1.6	28,789	2	33.1
Other payables	-	-	597	-	-
Total non-current liabilities	325,363	13.5	88,526	6.2	267.5
Equity					
Capital	895,836	37.1	1,506	0.1	-
Capital reserve and stock option plan	915,722	37.9	736,997	51.6	24.3
Accumulated losses	-194,364	-8	-198,183	-13.9	-1.9
Total equity	1,617,194	66.9	540,320	37.8	199.3

Total liabilities and equity	2,415,555	100	1,428,462	100	69.1
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Assets

At December 31, 2017, the Company's total assets increased by R\$ 987.1 million or 69.1%, from R\$ 1,428.5 million on December 31, 2016 to R\$ 2,415.6.

Current Assets

The Company's current assets increased by R\$ 909.4 million or 212.0% rising from R\$ 429.0 million at December 31, 2016 to R\$ 1,338.4 million at December 31, 2017. This increase was caused mainly by the items below, including the increase in Marketable Securities due to the proceeds from the IPO.

- (i) Cash and cash equivalents: the Company's cash and cash equivalents decreased by R\$ 154.6 million or 60.2%, to R\$ 102.3 million as of December 31, 2017, compared to R\$ 256.9 million as of December 31, 2016. This decrease was due to the Company's investments in the period, together with the optimization of the Company's daily cash flow management.
- (ii) Trade receivables, net: the Company's trade receivables increased by R\$ 27.3 million or 81.1%, reaching R\$ 61.0 million at December 31, 2017, compared to R\$ 33.7 million on December 31, 2016. This increase was due to the increase in sales in relation to the same period of the previous year, and also due to the last day of sales in the year in the weekend.

Non-Current Assets

The Company's non-current assets increased 7.8%, from R\$ 999.5 million at December 31, 2016 to R\$ 1,077.1 million at December 31, 2017, representing an increase of R\$ 77.6 million. This increase was mainly due to the following:

- (i) The Company's net property and equipment increased by R\$ 48.7 million or 7.5%, reaching R\$ 699.6 million at December 31, 2017, compared to R\$ 651.0 million at December 31, 2016. This increase was due to investments in new restaurants, as well as reinvestments in restaurants and the new hardware and POS (Point of Sale).
- (ii) Intangible assets, net: The Company's net intangible assets increased by R\$ 7.1 million or 2.3%, reaching R\$ 316.1 million at December 31, 2017, compared to R\$ 309.0 million at December 31, 2016, reflecting the investment in the right to use the brand and assignment of property rights of new restaurants. In addition, there was also the investment in new software, seeking an increase in sales and other control tools.

Liabilities and Equity

At December 31, 2017, the Company's total liabilities and equity increased by R\$ 987.1 million or 69.1%, from R\$ 1,428.5 million on December 31, 2016 to R\$ 2,415.6 million on December 31, 2017.

Current Liabilities

The Company's current liabilities decreased 40.8% or R\$ 326.6 million, from R\$ 799.6 million at December 31, 2016 to R\$ 473.0 million at December 31, 2017. This variation was mainly due to the factors described below:

- (i) Loans and financing: the Company's balance of loans and financing decreased by R\$ 398.0 million or 65.5% to R\$ 210.0 million at December 31, 2017, compared to R\$ 608.0 million at December 31, 2016. In the fiscal year ended December 31, 2016, the adjusted EBITDA to finance income (cost) was not reached. Accordingly, the portions allocated to non-current liabilities were reclassified to current liabilities in their entirety. In March 2017, the Company obtained a written waiver and renegotiated the covenants of its debentures with the debenture holders, becoming compliant, considering these new clauses arising from the renegotiation.
- (ii) Trade and rental payables: the Company's trade and rental payables increased by R\$ 58.6 million or 72.9%, reaching R\$ 139.0 million at December 31, 2017, compared to R\$ 80.4 million at December 31, 2016. This decrease is mainly related to the increase in the Company's sales volume, the "Estoque Próprio" project, and also the number of openings that were completed in December 2017, which increased the balance of trade payables.
- (iii) Corporate payables: the Company's corporate payables decreased by R\$ 6.6 million or 32.2%, reaching R\$ 14.0 million at December 31, 2017, compared to R\$ 20.6 million at December 31, 2016. The outstanding balance refers mainly to the royalties and franchise fees relative to the openings in December 2017, both paid in January 2018.

Non-Current Liabilities

The Company's non-current liabilities increased 267.5% or R\$ 236.8 million from R\$ 88.5 million at December 31, 2016 to R\$ 325.4 million at December 31, 2017. This variation occurred due to the factors described below.

- (i) Loans and financing: the Company's loans and financing increased by R\$ 275.7 million at December 31, 2017, when compared to the balance at December 31, 2016. In the fiscal year ended December 31, 2016, the Adjusted EBITDA to finance income (cost) ratio was not reached. Accordingly, the portions allocated to non-current liabilities were reclassified to current liabilities in their entirety. In March 2017, the Company obtained a written waiver and renegotiated the covenants of its debentures with the debenture holders, becoming compliant, considering these new clauses arising from the renegotiation. Therefore, the installments with maturities over twelve months were reclassified to non-current liabilities.

Equity

At December 31, 2017, the Company's equity increased by 199.3%, from R\$ 540.3 million at December 31, 2016 to R\$ 1,617.2 million on December 31, 2017, representing an increase of R\$ 1,076.9 million, due to the factors described below.

- (i) Capital reserve: the Company's capital reserve increased 24.3%, going from R\$ 737.0 million at December 31, 2016 to R\$ 915.7 million at December 31, 2017. This increase occurred due to the capital contribution and the exercise of the subscription warrant.
- (ii) Accumulated losses: the Company's accumulated losses reduced 1.9%, from R\$ 198.2 million at December 31, 2016 to R\$ 194.4 million at December 31, 2017. This decrease occurred due to the profit recorded in the fiscal year 2017.

COMPARISON BETWEEN BALANCE SHEET ACCOUNT BALANCES AS OF DECEMBER 31, 2016 AND 2015

(in thousands of R\$, except %)	As of December 31, 2016	VA (%)	As of December 31, 2015	VA (%)	HA (%)
Assets					
Current assets					
Cash and cash equivalents	256,920	18.0	164,801	13.8	55.9
Marketable securities	63,495	4.4	57,432	4.8	10.6
Restricted marketable securities	1,846	0.1	-	-	N/A
Trade receivables, net	33,658	2.4	26,366	2.2	27.7
Derivative financial instruments	-	-	15,196	1.3	-100.0
Inventories	30,846	2.2	18,546	1.5	66.3
Taxes recoverable	28,566	2.0	19,843	1.7	44.0
Advances paid	8,712	0.6	13,963	1.2	-37.6
Other receivables	4,957	0.3	9,522	0.8	-47.9
Total current assets	429,000	30.0	325,669	27.2	31.7
Non-current assets					
Restricted marketable securities	10,415	0.7	5,623	0.5	85.2
Taxes recoverable	11,694	0.8	274	-	4167.9
Judicial deposits	13,925	1.0	7,731	0.6	80.1
Other receivables	3,447	0.2	4,252	0.4	-18.9
Property and equipment, net	650,975	45.6	597,639	49.9	8.9
Intangible asset, net	309,006	21.6	255,367	21.3	21.0
Total non-current assets	999,462	70.0	870,886	72.8	14.8
Total assets	1,428,462	100.0	1,196,555	100.0	19.4
Liabilities					
Current liabilities					
Loans and financing	607,973	42.6	198,868	16.6	205.7
Trade and rental payables	80,406	5.6	83,894	7.0	-4.2
Payroll and social charges	56,028	3.9	52,482	4.4	6.8
Corporate payables	20,598	1.4	24,585	2.1	-16.2
Taxes payable	15,717	1.1	23,300	1.9	-32.5
Deferred revenue, net	9,000	0.6	246	-	3558.5
Derivative financial instruments	356	-	-	-	N/A
Other payables	9,538	0.7	9,463	0.8	0.8
Total current liabilities	799,616	56.0	392,838	32.8	103.5

Non-current liabilities					
Loans and financing	-	-	306,945	25.7	-100.0
Provision for legal claims	3,932	0.3	2,835	0.2	38.7
Taxes payable	9,225	0.6	4,763	0.4	93.7
Contingent consideration of acquisitions	45,983	3.2	27,994	2.3	64.3
Deferred income tax and social contribution	28,789	2.0	21,413	1.8	34.4
Other payables	597	-	1,332	0.1	-55.2
Total non-current liabilities	88,526	6.2	365,282	30.5	-75.8
Equity					
Capital	1,506	0.1	1,132	0.1	33.0
Capital reserve and stock option plan	736,997	51.6	542,030	45.3	36.0
Accumulated losses	(198,183)	-13.9	(104,727)	-8.8	89.2
Total equity	540,320	37.8	438,435	36.6	23.2
Total liabilities and equity	1,428,462	100.0	1,196,555	100.0	19.4

Assets

At December 31, 2016, the Company presented an increase of 19.4% in assets or R\$ 231.9 million in relation to December 31, 2015.

Current Assets

At December 31, 2016, the Company's current assets increased by 31.7% or R\$ 103.3 million, from R\$ 325.7 million at December 31, 2015 to R\$ 429.0 million at December 31, 2016. This variation occurred mainly due to:

- (i) Cash and cash equivalents: The Company's cash and cash equivalents increased by R\$ 92.1 million or 55.9%, amounting to R\$ 256.9 million at December 31, 2016, compared to R\$ 164.8 million at December 31, 2015. This increase was mainly due to the capital contribution made in August 2016 by the shareholder Montjuic Fundo de Investimento em Participações Multiestratégia.
- (ii) Inventories: The Company's inventories increased by R\$ 12.3 million or 66.3%, reaching R\$ 30.8 million at December 31, 2016, compared to R\$ 18.5 million at December 31, 2015. This increase was due to the increase in the number of restaurants, and a strong increase in sales in relation to the previous fiscal year.

Non-Current Assets

At December 31, 2016, the Company's non-current assets increased by 14.8%, from R\$ 870.9 million at December 31, 2015 to R\$ 999.5 million at December 31, 2016, representing an increase of R\$ 128.6 million. This variation was mainly due to:

- (i) Property and equipment, net: The Company's net property and equipment increased by R\$ 53.4 million or 8.9%, reaching R\$ 651.0 million at December 31, 2016, compared to R\$ 597.6

million at December 31, 2015. This increase was due to investments in company-owned restaurants owned in 2016.

- (ii) Intangible asset, net: The Company's net intangible assets increased by R\$ 53.6 million or 21.0% to R\$ 309.0 million at December 31, 2016, compared to R\$ 255.4 million at December 31, due to investments in openings of Company's restaurants in 2016 and goodwill recognized on acquisitions.
- (iii) Judicial deposits: The judicial deposits increased by R\$ 6.2 million or 80.1%, reaching R\$ 13.9 million at December 31, 2016, compared to R\$ 7.7 million at December 31, 2015. This increase was due to the increase in labor claims against the Company.

Liabilities and Equity

At December 31, 2016, the Company recorded an increase in total liabilities and equity of 19.4% or R\$ 231.9 million in relation to December 31, 2015.

Current Liabilities

At December 31, 2016, the Company's current liabilities increased by 103.5% or R\$ 406.8 million, from R\$ 392.8 million at December 31, 2015 to R\$ 799.6 million at December 31, 2016. This variation was mainly due to:

- (i) Loans and financing: The Company's loans and financing increased by R\$ 409.1 million or 205.7% to R\$ 608.0 million at December 31, 2016, compared to R\$ 198.9 million at December 31, 2015. This increase was mainly due to the reclassification between current and noncurrent occurred at December 31, 2016 and new funding occurred in 2016, 6th and 7th issues of debentures and financing raised with Banco Nordeste. In the fiscal year ended December 31, 2016, the Adjusted EBITDA to finance income (cost) ratio expected in the 1st, 2nd and 3rd issues of debentures was not reached. Accordingly, the portions allocated to non-current liabilities were reclassified to current liabilities in their entirety. In March 2017, the Company obtained a written waiver and renegotiated the covenants of its debentures with the debenture holders, becoming compliant, considering these new clauses arising from the renegotiation.
- (ii) Suppliers and rents payable: The Company's suppliers and rents payable decreased by R\$ 3.5 million or 4.2%, reaching R\$ 80.4 million at December 31, 2016, compared to R\$ 83.9 million at December 31, 2015. This decrease was due to fewer restaurant openings in December 2016 compared to the December 2015, thus reducing the balance to be paid at the end of 2016.

Non-Current Liabilities

At December 31, 2016, the Company's non-current liabilities decreased by 75.8% or R\$ 276.8 million, from R\$ 365.3 million at December 31, 2015 to R\$ 88.5 million at December 31, 2016. This variation was mainly due to:

- (i) Loans and financing: The Company's loans and financing decreased by R\$ 306.9 million at December 31, 2016, when compared to the balance at December 31, 2015. This decrease was due to the reclassification between current and noncurrent occurred at December 31, 2016. In the fiscal year ended December 31, 2016, the Adjusted EBITDA to net finance income (cost) ratio was not reached. Accordingly, the portions allocated to non-current liabilities were reclassified to current liabilities in their entirety. In March 2017, the Company obtained a written waiver and renegotiated the covenants of its debentures with the debenture holders, becoming compliant, considering these new clauses arising from the renegotiation.
- (ii) Contingent consideration of acquisitions: The contingent consideration of acquisitions

increased by R\$ 18.0 million or 64.3%, reaching R\$ 46.0 million at December 31, 2016, compared to R\$ 28.0 million at December 31, 2015. This increase was due to the adjustment to the balance payable, partially offset by the proportional payment made in 2016.

Equity

At December 31, 2016, the Company's equity increased by 23.2%, from R\$ 438.4 million at December 31, 2015 to R\$ 540.3 million at December 31, 2016, representing an increase of R\$ 101.9 million, due to the factors described below.

- (i) Capital reserve: The Company's capital reserve increased by 36.0% from R\$ 542.0 million at December 31, 2015 to R\$ 737.0 million at December 31, 2016. This increase was due to the capital contribution of R\$ 200.0 million made in August 2016 by the shareholder Montjuic Fundo de Investimento em Participações Multiestratégia.
- (ii) Accumulated losses: the Company's accumulated losses increased by 89.2%, from R\$ 104.7 million at December 31, 2015 to R\$ 198.2 million at December 31, 2016. This increase was due to the recording of the loss for the fiscal year 2016.

STATEMENTS OF CASH FLOWS

COMPARISON BETWEEN CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

(in thousands of R\$, except %)	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2016	HA (%)
Net cash from operating activities	166,527	28,829	483.8
Net cash used in investing activities	(1,208,395)	(204,783)	490.1
Net cash from financing activities	887,293	268,073	230.6
Net increase in cash and cash equivalents	(154,575)	92,119	(267.8)

Operating activities

Net cash from operating activities increased by R\$ 138.0 million in the fiscal year ended December 31, 2017, when compared to the fiscal year ended December 31, 2015, from R\$ 28.8 million in the fiscal year ended December 31, 2016 to R\$ 166.5 million in the fiscal year ended December 31, 2017.

This variation in net cash from operating activities is mainly due to: (i) the loss before income tax and social contribution from R\$ (85.7) million in the fiscal year ended December 31, 2016 to R\$ 9.0 million in the fiscal year ended December 31, December 2017; (ii) variation in the trade and rental payables in the amount of R\$ 62.6 million, from R\$ (4) million in the fiscal year ended December 31, 2016 to R\$ 58.6 million in the fiscal year ended December 31, 2017; and (iii) the payment of interest on loans and financing, in the amount of R\$ 11.7 million, from R\$ 79.9 million in the fiscal year ended December 31, 2016 to R\$ 68.2 million in the fiscal year ended December 31, 2017; and (iv) collection of trade receivables in the amount of R\$ (21.7) million, from R\$ (5.6) million in the fiscal year ended December 31, 2016 to R\$ (27.3) million in the fiscal year ended December 31, 2017.

Investing activities

Net cash used in investing activities increased by R\$ 1,003.6 million or 490.1%, from R\$ 204.8 million in the fiscal year ended December 31, 2016 to R\$ 1,208.4 million in the fiscal year ended December 31, 2017.

The increase is due to the investment of the proceeds from the Company's initial public offering of shares on the stock exchange of São Paulo (B3, Brasil, Bolsa, Balcão).

Financing activities

Net cash from financing activities increased by R\$ 619.2 million in the fiscal year ended December 31, 2017 compared to the fiscal year ended December 31, 2016, from R \$ 268.4 million in the fiscal year ended December 31, 2016 to R\$ 887.3 million in the fiscal year ended December 31, 2017.

This variation was mainly caused by the contribution of the proceeds from the initial public offering of shares (IPO) to the Company's equity.

COMPARISON BETWEEN CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

(in thousands of R\$, except %)	Fiscal year ended December 31, 2016	Fiscal year ended December 31, 2015	HA (%)
Net cash from operating activities	28,525	87,447	-67.4
Net cash used in investing activities	(204,783)	(180,511)	13.4
Net cash from financing activities	268,377	139,637	92.2
Net increase in cash and cash equivalents	92,119	46,573	97.8

Operating activities

Net cash from operating activities decreased by R\$ 58.9 million or 67.4% in the fiscal year ended December 31, 2016, when compared to the fiscal year ended December 31, 2015, from R\$ 87, 4 million in the fiscal year ended December 31, 2015 to R\$ 28.5 million in the fiscal year ended December 31, 2016.

This decrease in net cash from operating activities was mainly due to (i) the increase in loss before income tax and social contribution in the amount of R\$ 59.9 million, from R\$ 25.8 million in the fiscal year ended December 31, 2015 to R\$ 85.7 million in the fiscal year ended December 31, 2016; (ii) the increase in salaries and charges in the amount of R\$ 11.5 million, from R\$ 3.8 million in the fiscal year ended December 31, 2015 to R\$ 15.3 million in the fiscal year ended December 31, 2016; and (iii) the increase in interest payments related to loans and financing in the amount of R\$ 22.5 million, from R\$ 57.4 million in the fiscal year ended December 31, 2015 to R\$ 79.9 million in year ended December 31, 2016.

Investing activities

Net cash used in investing activities increased by R\$ 24.3 million or 13.4%, from R\$ 180.5 million in the fiscal year ended December 31, 2015 to R\$ 204.8 million in the fiscal year ended December 31, 2016.

The main reasons for the variation were: (i) an increase of R\$ 88.5 million in investments in securities and a decrease in the redemptions of securities, from R\$ 66.3 million in the fiscal year ended December 31, 2015 to R\$ 154.8 million in the fiscal year ended December 31, 2016; and (ii) the decrease in redemptions of securities in the amount of R\$ 48.3 million, from R\$ 190.4 million in the fiscal year ended December 31, 2015 to R\$ 142.1 million in the fiscal year ended December 31, 2016. This was partially offset by the reduction in purchases of property and equipment in the fiscal year ended December 31, 2016, in the amount of R\$ 81.4 million.

Financing activities

Net cash from financing activities increased by R\$ 128.8 million in the fiscal year ended December 31, 2016 compared to the fiscal year ended December 31, 2015, from R\$ 139.6 million in the fiscal year ended December 31, 2015 to R\$ 268.4 million in the fiscal year ended December 31, 2016.

This variation was mainly due to: (i) net cash generated by the premium on the issue of shares net of issue costs in the amount of R\$ 193.5 million, from R\$ 1.2 million in the fiscal year ended December 31, 2015 to R\$ 194.7 million in the fiscal year ended December 31, 2016, due to the capital increase made by Montjuic Fundo de Investimentos em Participações Multiestratégia in the Company; and (ii) an increase in the net cash generated by the raising of loans and financing in the amount of R\$ 138.7 million, from R\$ 254.3 million in the fiscal year ended December 31, 2015 to R\$ 393.0 million in the fiscal year ended December 31, 2016, which was partially offset by an increase in payments of principal of loans and financing of R\$ 185.5 million, from R\$ 107.5 million in the fiscal year ended December 31, 2015 to R\$ 293.0 million in the fiscal year ended December 31, 2016.

10.2 – Operating and financial results

(a) Company's results of operations

(i) description of any important components of revenue

In the fiscal year ended December 31, 2017, 2016 and 2015, 99%, 99% and 99% of the Company's net sales, respectively, are derived from the sale of food and beverages in our restaurants.

(ii) factors that materially affected the operating results

Assets, liabilities, revenues and expenses are determined on an accrual basis.

Revenue is measured at the fair value of the consideration received or receivable and is deducted from taxes, customer returns, reversals and other similar estimated rebates. Revenue from the sale of goods is recognized when all the following conditions are met:

- Revenue is recognized to the extent that it is probable that economic benefits will be generated for the Company and when it can be measured reliably; and
- When the significant risks and rewards of ownership of the products are transferred to the buyer, which usually occurs upon delivery.

Our net revenue is mainly generated by sales of food and beverages.

Our principal expenses include costs for sales of food, selling expenses (mainly personnel expenses, occupancy and utilities, royalties and marketing funds and others), administrative expenses (mainly expenses related to personnel expenses, third-party services, information technology services and general expenses) and financial expenses.

The following description presents the main components and drivers of our results of operations.

Net revenue

Our operating revenue derives primarily from the sale of food, beverages, products, and services (mainly related to franchisees) and all sales are made in local currency. Net sales are gross sales less returns, discounts and other similar estimated provisions, and taxes applicable to our business according to the place where revenues are generated and products and services are sold.

We have a strong management and control over the prices of our products, which take into consideration prices practiced by the industry and possible variations in the cost of goods sold. Our prices vary according to our industry insight and strategy, which include specific campaigns, and promotional discounts like physical coupons and online coupons.

The Company's net operating revenue presented a CAGR (compound annual growth rate) equivalent to 37.1%, from R\$ 834.2 million in the fiscal year ended December 31, 2015 to R\$ 1,783.8 million in the fiscal year ended December 31, 2017. The Officers point out that the increase in net operating revenue from 2015 to 2017 is mainly due to: (i) increase of openings of owned restaurants in the period (totaling 107 restaurants); and (ii) increase in average sales of restaurants.

Seasonality

Our results of operations are subject to seasonal variations. Some seasonal factors may affect our sales, such as school holidays and the availability of the 13th salary on the market. Our sales are higher in July and December, reflecting school holidays and the availability of the 13th salary and

are lower in February and March, reflecting national holidays such as the carnival. During the fiscal year ended December 31, 2017, 45.9 % of our annual revenues were recorded in the first half of the year and the remaining 54.1% in the second half.

Cost of Sales and Gross Profit

The cost of sales is recognized when we sell a product; and includes the purchase price and cost incurred for the products to be offered in restaurants, including food and beverage costs. In addition, costs of sales and services also include operating costs directly related to the activities of each restaurant, including equipment, materials and maintenance expenses.

Our gross profit is calculated by subtracting net operating revenue from cost of sales.

Our pricing policy and product mix affect our gross profit and we generally direct our food and beverage offerings to strengthen our higher-margin product categories.

Selling Expenses

Selling expenses include expenses on personnel, royalties and marketing fund, occupancy and *utilities*, and other expenses.

General and Administrative Expenses

General and administrative expenses comprise expenses on personnel mainly of employees of our headquarters, rent of office, services of third parties, among others. We negotiate with sellers and service providers not only the price and payment conditions of the raw material and service provided, but also the operating expenses, insurance, information technology, communication, among others.

Finance income (costs), net

Net finance income (costs) includes interest expenses on third party loans, foreign exchange variations and other banking fees. Finance income results from the surplus cash allocated to financial investments.

Income tax

Income tax expenses depend on the taxation of the profits of our subsidiaries. The Company benefits from significant tax credits related to tax losses. Accordingly, there are significant differences between the income tax and social contribution expenses calculated by applying the current tax rates and the amounts reflected in the results for the years ended December 31, 2017, 2016 and 2015. The current tax rate is of 25% for income tax and 9% for social contribution.

Comparable sales in same restaurants

The variation in comparable sales in same restaurants is a measurement used in the retail market as an indication of the performance of strategies and commercial initiatives implemented, and also represents the trends of the local economy and the customers. Comparable sales in same restaurants is not a measure of financial performance under Brazilian GAAP or International Financial Reporting Standards (IFRS) and should not be considered as an alternative to profit as an indicator of operating performance, as an alternative to operating cash flow, or as an indicator of liquidity.

Comparable sales in same restaurants have no standardized meaning in the market, and our definition may not be the same definition of comparable sales in same restaurants used by other companies.

The increases or decreases in comparable sales in same restaurants represent the percentage change in sales over the same period in the previous year for all stores that maintained operations in comparable periods, being open for more than 12 months.

Some of the reasons for the temporary closure of our stores include maintenance, operational problems of our company and/or of third parties.

(b) changes in revenues attributable to changes in prices, exchange rates, inflation, volumes and introduction of new products and services

In the fiscal year ended December 31, 2017, 2016 and 2015, around 1%, 1% and 1%, respectively, of our sales is made in other currencies, reflecting services rendered to Burger King Corporation primarily related to management of franchisees. As it is a low value when compared to the Company's total operations, the Officers consider immaterial the impact related to the exchange variation on net operating revenues.

Our sales were also impacted by inflation in the country. The Company revises prices frequently, considering changes in our costs and the pricing adopted by the industry and major competitors.

(c) impact of inflation, changes in the prices of main inputs and products, exchange rate and interest rate on the Company's operating and financial results, when material

Our results are impacted by inflation. However, the Officers consider that the Company has an efficient and diligent pricing, which compensates the impacts arising from it.

More than 90% of the Company's product sales expenses are made in the same currency as sales, and therefore, we consider the impact of exchange rate variation as immaterial.

However, we are exposed to interest rate risk (CDI rate) for our local currency loans and financing, debts and financial investments. The Company's policy is to manage the interest rate risk using a mix of fixed and floating rates debt.

In order to analyze the sensitivity of interest rates on contracted loans and other obligations, the Company and its subsidiaries use the market rate obtained on Brazilian or international exchanges for a "probable" scenario and consider an increase in this rate of 25% and 50% and decreases of 50% and 25%, respectively. The results are shown below:

Equity exposure	Exposure at 12/31/2017 (*)	Risk	Interest rate in force at 12/31/2017	Consolidated scenarios				
				I	II	III	IV	V
				Probable	25%	50%	-50%	-25%
Financial investments	1,172,010	DI variation	10.07%	26,373	6,497	12,993	(12,993)	(6,497)
Loans and financing	475,130	DI variation	10.07%	(63,190)	(15,779)	(31,558)	31,558	15,779

(*) comprise the loans and financing subject to variable rates

In addition, for analysis purposes, we consider the exchange rate variation in our royalties and franchise fees, considering an increase in this rate of 25% and 50% and decreases of 50% and 25%, respectively. The results are shown below:

Equity exposure	Exposure at 12/31/2017	Risk	Exchange rate in force at 12/31/2017	Consolidated Scenarios				
				I	II	III	IV	V
				Probable	25%	50%	-50%	-25%
Royalties / Franchise Fee	13,966	US dollar variation	3.3074	13,966	(3,492)	(6,983)	6,983	3,492

We purchase our major raw materials including meat, poultry, agricultural products, cheese, beverages and dairy, backed by contracts with our suppliers that define their purchase prices, and we do not consider external risks such as commodity variation as material.

10.3 - Events with material effects that may have been caused or are expected to be caused on the financial statements

(a) introduction or disposal of operating segment

The Company's Officers inform that in the last fiscal year there was no introduction or disposal of any operating segment of the Company.

(b) incorporation, acquisition or disposal of equity interests

All information on the incorporation, acquisition or disposal of equity interests involving the Company and company of its group has already been disclosed in item 15.7 of this Reference Form. The effects of the acquisitions made by the Company are described in item 10.1 (f) of this Reference Form.

(c) unusual events or operations

The Company's Officers inform that in the last fiscal year there were no unusual events or operations with respect to the Company or its activities that have caused or are expected to have a material effect on the Company's financial statements or results.

10.4 - Significant changes in accounting practices – Qualifications and emphases in the auditor's report

(a) significant changes in accounting practices

There have been no significant changes in accounting practices in the last three fiscal years.

(b) significant effects of changes in accounting practices

There have been no significant effects as a result of changes in accounting practices in the last three fiscal years.

New standards, amendments to and interpretations of accounting standards

The Company has decided not to early adopt any other standards, interpretations or amendments that have been issued, but which are not yet effective. The nature and effective period of each of the new standards and amendments are described below:

IFRS 2 - Share-based payment transactions (CPC 10)

IFRS 2 addresses three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting treatment where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled, and is effective on January 1, 2018.

Management assessed the changes brought by the standard and concluded that its adoption will not bring material impacts to the Company.

IFRS 9 - Financial Instruments (CPC 48)

IFRS 9/CPC 48 replaces beginning on January 1, 2018 the standard in effect IAS 39/CPC 38 - Financial Instruments - Recognition and Measurement and has as main changes: classification and measurement of financial assets; impairment (replacement of the “incurred loss” model for a prospective model of “expected credit loss”); and hedge accounting.

Management assessed the changes brought by the standard and concluded that its adoption will not bring significant impacts to the Company, mainly regarding the measurement of financial instruments when compared to the guidelines of IAS 39.

IFRS 15 - Revenue from contracts with customers (CPC 47)

IFRS 15/CPC 47 introduces a comprehensive structure to determine if and when a revenue is recognized, and its measurement. IFRS 15 replaces the current revenue recognition standards, including CPC 30 (IAS 18) Revenues, CPC 17 (IAS 11) Construction Contracts and CPC 30 Interpretation of (IFRIC 13) Customer Loyalty Programmes, and is effective on January 1, 2018.

Management assessed the principles and changes brought by the new standard and concluded that its adoption will not bring material impacts to the Company regarding the timing of the recognition of revenue from contracts with customers, and its measurement, presentation and disclosure in the financial statements.

IFRS 16 - Leases (CPC 06)

This standard replaces the previous standard on leases, IAS 17/CPC 06 (R1) - Leases, and related interpretations, and it establishes principles for the recognition, measurement, presentation and disclosure of leases for both parties of an agreement, that is, the customers (lessees) and suppliers (lessors). The lessees are required to recognize a lease liability reflecting future lease payments and a "right to use an asset" for virtually all lease agreements, except for certain short-term leases and agreements with low value assets. For lessors, the accounting treatment remains almost the same, with the classification of leases either as operating or finance leases, and the accounting of these two types of lease agreements is different.

The Company is still assessing the potential impacts of this new standard; however, we have preliminary evaluated that significant impacts are expected, mainly because the Company's operations are highly dependent on operating leases. The potential impacts refer to the recognition of all lease agreements of restaurants as a Company's right and obligation. Since all restaurants are leased, the expected impact on the Company's financial statements is significant.

(c) Qualifications and emphases on the auditor's report

Restatement of the financial statements

On March 30, 2017 and 2016, we issued unmodified audit opinions for the separate and consolidated financial statements of the Company for the fiscal year ended December 31, 2016 and 2015, respectively. Said financial statements were changed to adequately reflect the recognition of the provision for deferred tax assets and for deferred revenue with brand exposure, as well as the reclassifications of improvements in the disclosures of certain notes, as described in note 2.23 to said financial statements.

10.5 - Critical accounting policies

The individual and consolidated financial statements have been prepared and are presented in accordance with accounting practices adopted in Brazil (BR GAAP), which include the provisions of the Brazilian Corporate Law and accounting standards and procedures approved by the Brazilian Securities and Exchange Commission (CVM) and issued by the Accounting Pronouncements Committee (CPC), which are in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

In the application of the Company's accounting policies, assumptions and variables derived from previous experiences and several other factors and subjective judgments considered reasonable and relevant are adopted. As a result, the preparation of the Company's individual and consolidated financial statements and interim accounting information includes judgments and estimates, among others, relating to the impairment of non-financial assets, share-based payment transactions, taxes, fair value of financial instruments, provision for legal and administrative claims. The actual results of these carrying amounts may differ from these estimates, therefore, in order to better adjust the Company's reality to the above, the Company reviews its assumptions continuously and the possible effects resulting from these revisions are recognized in the year or period in which the estimates are revised.

In order to provide an understanding of how the Company makes its judgments about future events, including the variables and assumptions used in the estimates, the main critical accounting policies involving these management judgments including the assumptions and the variables on which they are based are summarized below:

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured by the sum of the consideration transferred, measured based on the fair value at the acquisition date and the value of any noncontrolling interest in the acquiree. For each business combination, the acquirer shall measure the noncontrolling interest in the acquiree at fair value or based on its share in the net assets identified in the acquiree. Costs directly attributable to the acquisition should be recorded as an expense when incurred.

When acquiring a business, the Company evaluates the assets acquired and liabilities assumed for the purpose of classifying them and allocating them in accordance with the contractual terms, economic circumstances and the pertinent conditions at the acquisition date, which includes the segregation, by the acquiree, of embedded derivatives existing in host contracts with the acquiree.

If the business combination is carried out in stages, the fair value at the date of acquisition of the equity interest previously held in the acquiree's capital is revalued at fair value on the acquisition date, and the impacts are recognized in the statement of operations.

Any contingent consideration to be transferred by the acquirer will be recognized at the fair value at the acquisition date. Under CPC 15 (R1) - Business combination, if the initial accounting for a business combination is incomplete, the acquirer shall adjust retrospectively and report the amounts in its financial statements as provisional items until it is satisfied that there are no material facts at the date of acquisition and that such measurements do not exceed one year from the acquisition date. The measurement period is the period following the acquisition date, during which the acquirer may adjust the provisional amounts recognized for a business combination.

After the measurement period, subsequent changes in the fair value of the contingent consideration considered as an asset or as a liability shall be recognized in accordance with CPC 38 - Financial Instruments: Recognition and Measurement issued by the Accounting Pronouncements Committee, in the statement of operations or in other comprehensive income. If the contingent consideration is classified as equity, it should not be revalued until finally settled in equity.

Initially, goodwill is measured as the excess of the consideration transferred in relation to the net assets acquired (identifiable assets acquired, net and liabilities assumed). If the consideration is less than the fair value of the net assets acquired, the difference should be recognized as a gain in the statement of operations.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For goodwill testing purposes, goodwill acquired in a business combination is, as of the acquisition date, allocated to each of the Company's cash generating units that are expected to benefit from the synergies of the combination, regardless of other assets or liabilities of the acquiree are attributed to those units.

When a goodwill is part of a cash-generating unit and a portion of that unit is disposed of, the goodwill associated with the portion sold must be included in the cost of the operation when the gain or loss on the disposal is calculated. The goodwill disposed of in these circumstances is determined based on the proportional amounts of the portion sold in relation to the cash generating unit held.

Provisions for lawsuits, contingent assets and liabilities

The assessment of contingent liabilities, other than those arising from claims, is made in accordance with CPC 25 - Provisions, Contingent Liabilities and Contingent Assets issued by the Accounting Pronouncements Committee (CPC).

Provisions for risks are set up taking into account: the opinion of the legal advisors; the cause of actions; similarity with prior lawsuits; complexity and the positioning of the court, whenever the loss may cause an outflow of resources to settle the obligations and when the amounts involved are reliably measurable. The contingent liabilities classified as probable loss are accrued.

Legal obligations derive from administrative or judicial discussions regarding their legality or constitutionality, which irrespective of the assessment of the likelihood of a favorable outcome have their amounts fully recognized in the individual and consolidated financial statements, in accordance with the relevant legislation.

Contingent liabilities are disclosed if there is a possible future obligation arising from past events or if there is a present obligation arising from a past event and its payment is not probable or its amount cannot be reliably estimated.

Contingent assets are recognized only when there are actual guarantees or final and unappealable court decisions, characterizing the gain as virtually certain. Contingent assets with probability of a favorable outcome are only disclosed.

Impairment of tangible and intangible assets, excluding goodwill

Property and equipment are tested annually for impairment, or whenever there is evidence of *impairment*, considering the current cash flows of each restaurant on a date close to the balance sheet date, considering its maturity period (from 24 months after its opening) in order to identify some indicator of *impairment*. Once the restaurants with indicator of *impairment* are identified, the Company assesses the possibility of resumption of their cash generation or assesses their discontinuance. Once the restaurants with indication of discontinuance are identified and assessed individually by Management, a provision for impairment of the assets of these restaurants is set up.

Intangible assets with indefinite useful life or not yet available for use are subject to impairment test at least annually and whenever there is any indication that the asset may be impaired.

The recoverable amount is the higher of the fair value less costs of disposal or value in use. In the assessment of the value in use, estimated future cash flows are discounted to the present value at a pre-tax discount rate that reflects a current market assessment of the time value of money and the specific risks for the asset for which the estimate of future cash flow has not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of operations.

When the impairment is reversed in a subsequent period, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount so that this amount does not exceed the carrying amount that would have been determined had not impairment been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized immediately in the statement of operations.

Income tax and social contribution

Income tax and social contribution expense represents the sum of current and deferred taxes.

Current taxes

Income tax and social contribution are recorded based on the annual taxable profit in accordance with the tax legislation in force in the jurisdiction of each consolidated company. Taxable profit differs from the profit presented in the statement of operations because it excludes taxable or deductible income or expenses in other years, and excludes permanently non-taxable or non-deductible items. The provision for income tax and social contribution is calculated by the Company based on the rates in force at the balance sheet dates.

Deferred taxes

The tax effects on tax losses and temporary differences between the carrying amounts and the taxable bases of assets and liabilities are deferred and recognized in respect of deferred income tax and social contribution assets, up to the amount considered reasonable, according to their expected realization.

The carrying amount of the deferred tax asset is reviewed at the balance sheet dates and reduced when it is no longer probable that sufficient taxable profit will be generated to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the rates applied in the year in which the liability is settled or the asset realized, based on the rates (and tax legislation) enacted or substantively enacted at the balance sheet dates. The calculation of deferred tax liabilities and assets reflects the tax consequences that would result from the manner in which the Company expects, at the balance sheet dates, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets with current tax liabilities and when they are related to income tax applied by the same tax authority and the Company intends to settle its current tax assets and liabilities according to their net value.

10.6 – Material items not disclosed in the financial statements

(a) the assets and liabilities directly or indirectly held by the Company that do not appear on its balance sheet (off-balance sheet items)

(i) operating leases, assets and liabilities

At December 31, 2017, the Company was a party to operating lease agreements to operate 526 stores (480 at December 31, 2016). These leases have an average term of 10 years, with a renewal option after this period. Lease payments are adjusted annually, in line with market rents. Some leases provide additional rental payments, which are based on changes in the local price index.

In the fiscal year ended December 31, 2017, R\$ 71.4 million were recognized as an expense in the statement of operations in relation to operating leases, under “occupancy and utilities expenses”.

Future minimum lease payments under non-cancellable operating leases considering the stores in operation at December 31, 2017 are as follows: (i) within one year of R\$ 108.1 million, (ii) after one year, but less than five years of R\$ 426.5 million, and (iii) more than five years of R\$ 121.8 million.

In addition, on October 17, 2017, the Company entered into a purchase and sale agreement for the acquisition of all the shares issued by franchisees King Food Comércio de Alimentos SA, Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A. If this transaction is completed, the Company will allocate part of the proceeds from its Initial Offering of Shares for its payment, estimated at approximately R\$ 345.6 million. For more information on this acquisition, see items 3.3. and 15.8 of this Reference Form.

(ii) receivables portfolios written off, for which the entity retains the risks and responsibilities, indicating the related liabilities

The Company's Officers clarify that there are no receivables portfolios written off, for which the entity retains the risks and responsibilities, not disclosed in the Company's balance sheets in the last three fiscal years.

(iii) agreements for future purchase and sale of products or services

The Company's Officers clarify that there are no agreements for future purchase and sale of products or services not disclosed in the Company's balance sheets in the last fiscal year.

(iv) construction contracts not completed

The Company's Officers clarify that there is no uncompleted construction not disclosed in the Company's balance sheets in the last fiscal year.

(v) agreements for future receipt of financing

The Company's Officers clarify that there are no agreements for future receipt of financing not disclosed in the Company's balance sheets in the last fiscal year.

(b) other items not disclosed in the financial statements

The Officers inform that there are no other items not disclosed in the Company's financial statements for the last fiscal year.

10.7 - Items not disclosed in the financial statements

(a) how such items change or may change the revenues, expenses, operating income and expenses, financial expenses or other items of the issuer's financial statements

At the date of this Reference Form, there are no assets or liabilities held by the Company that may have a material impact on its activities. In addition, if the acquisition of the shares issued by the franchisees King Food Commerce of Foods SA, Good Food Commerce of Foods SA and Fast Burger Commerce of Food SA materializes, the Company believes that there will be no significant changes in its revenue, expenses or operating results.

(b) nature and purpose of the operation

With respect to this item, see item 10.6 of this Reference Form.

(c) nature and amount of the obligations assumed and rights generated in favor of the issuer as a result of the operation

Regarding this item, see item 10.6 of this Reference Form.

10.8 – Business plan

(a) investments

(i) quantitative and qualitative description of the investments in progress and expected investments

The Company's main investments are directed towards opening company-owned restaurants. In addition to openings, in 2015, 2016 and 2017 we had acquisitions of restaurants of franchisees, as shown below:

<i>(in R\$ thousands)</i>	Fiscal year ended December 31,		
	2017	2016	2015
Purchase of property and equipment and intangible assets	197,871	174,609	242,519
Amount paid on the acquisition of investments	-	18,133	63,811
Total	197,871	192,742	306,330

(ii) sources of investment financing

The main sources of financing of the capital investments that the Company usually makes are: (i) generation of cash arising from the Company's operations; and (ii) obtaining of long-term credit in the local market with issue of debentures, including in the scope of securitization of agribusiness receivables certificates.

(iii) material divestitures in progress and expected divestitures

Not applicable, considering that the Company does not have a business plan, nor any material divestitures in progress or expected.

(b) provided that it has already been disclosed, indicate the acquisition of plants, equipment, patents or other assets that are expected to have a material impact on the Company's production capacity

There was no acquisition of any plants, equipment, patents or other assets that could significantly influence the Company's production capacity.

(c) new products and services

Not applicable, considering that the Company does not have new products and services.

(i) description of ongoing researches already disclosed

Not applicable, considering that the Company does not have new products and services.

(ii) total amounts spent on research to develop new products or services

Not applicable, considering that the Company does not have new products and services.

(iii) projects under development already disclosed

Not applicable, considering that the Company does not have new products and services.

(iv) total amounts spent on the development of new products or services

Not applicable, considering that the Company does not have new products and services.

10.9 - Other factors with material influence

There are no other factors that have materially influenced the Company's operating performance and that have not been identified or commented on in the other items of this section.

APPENDIX III

ITEM 13 OF THE REFERENCE FORM OF THE COMPANY

(in accordance with Article 12, Item II of CVM Instruction 481)

13.1 - Description of compensation policy or practice, including non-statutory board of executive officers

(a) objectives of the compensation policy or practice

The Company's compensation policy has as its main principles, objectives and guidelines: (I) the application of uniform criteria and ethical and technical principles of valuation and administration of the different functional structures of the company; and (ii) ensure the maintenance of internal and external balance standards, compatible with the responsibilities of each position and competitive in the labor market, regulating criteria and establishing administrative controls capable of responding to the different needs of the Company.

(b) composition of compensation

(i) description of the elements of compensation and the objectives of each of them

Board members receive a fixed compensation as defined in their employment contracts, and they are eligible for an annual variable compensation subject to the achievement of individual and collective goals.

In addition, the members listed above are beneficiaries of stock option plans and stock plans. The Officers are also entitled to health care, dental care, life insurance and meal voucher.

The fixed component of the compensation received the Company's officers is aimed at the direct compensation for the services provided, in line with market practices.

The variable compensation paid to the Company's officers, in turn, is intended to direct the actions of executives to comply with the Company's strategic objectives, to meet the interests of its investors, its customers and other stakeholders, subject to the achievement of individual and collective goals.

The benefits package received by our Officers aims to offer our officers an attractive package compatible with market practice.

Finally, the share-based compensation to which certain Company officers are entitled is intended to promote the Company's long-term growth and profitability, providing the persons who are or will be involved in the Company's growth the opportunity to acquire a property right at the Company, thereby encouraging these people to contribute to and participate in the Company's success.

Except for a certain member of the Audit Committee, who receives monthly fixed fees in accordance with market standard, the members of the Company's Board of Directors, Audit Committee and Stock Option Plan Management Committee are not entitled to any fixed compensation or benefits.

(ii) what is the proportion of each element in the total compensation

The table below shows the proportion of each element in the composition of the total compensation in the last three fiscal years:

Fiscal Year Ended December 31, 2017					
% in relation to total compensation					
	Salary or fees	Direct and indirect benefits	Profit sharing	Share-based, including options	Total
Board of Directors	N/A	N/A	N/A	N/A	N/A
Board of Executive Officers	31%	5%	35%	29%	100%

Fiscal Year Ended December 31, 2016					
% in relation to total compensation					
	Salary or fees	Direct and indirect benefits	Profit sharing	Share-based, including options	Total
Board of Directors	N/A	N/A	N/A	N/A	N/A
Board of Executive Officers	30%	18%	50%	2%	100%

Fiscal Year Ended December 31, 2015					
% in relation to total compensation					
	Salary or fees	Direct and indirect benefits	Profit sharing	Share-based, including options	Total
Board of Directors	N/A	N/A	N/A	N/A	N/A
Board of Executive Officers	36%	21%	43%	0%	100%

(iii) methodology for calculating and adjusting each of the compensation elements

The Company's compensation policies and incentive plans were created based on market researches carried out by specialized consultants and at the discretion of the Company's officers, and provide for fixed and variable compensation, as well as short- and long-term incentives (i.e. share call options), which are established through performance and achievement of goals.

The values are adjusted annually according to: (i) meritocracy, (ii) official inflation indexes, and (iii) analysis of the salary movement of companies from the retail sector and of a size comparable to that of the Company presented by salary and benefit surveys.

(iv) reasons that justify the composition of the compensation

The reasons that justify the composition of the compensation paid to the Company's managers are incentives for the improvement of its management and the retention of its executives, aiming at gaining the commitment of short- and long-term results.

(v) Members who do not receive compensation

In the last three fiscal years, the members of the Company's Board of Directors have not been received compensation. The members of the board of directors receive compensation through a global compensation platform of their respective shareholders, and not by the companies that make up their investment portfolio, as in the case of the Company.

(c) key performance indicators that are considered in determining each compensation element

The key indicators for the definition of variable compensation are as follows: (i) the Company's EBITDA target; and (ii) individual targets, which are based on the achievement of results and pre-agreed goals.

The goals are specific, measurable, realistic and express the ultimate impact expected by the organization of the effort undertaken by each officer.

(d) how compensation is structured to reflect the evolution of performance indicators

The variable portion of the officers is related to the performance of the Company itself in the period in question. Therefore, the amounts to be paid to the Company's officers as variable compensation depend on the Company's results (collective goal) and the achievement of the individual goals of such officers.

(e) how the compensation policy or practice aligns with the issuer's short, medium and long-term interests

The compensation format described above seeks to encourage the Company's employees to seek the best profitability of the projects developed by the Company, to align their interests with those of the Company.

From a short, medium and long-term perspective, the Company seeks to achieve such alignment through salaries and benefit packages compatible with the market.

(f) existence of compensation paid by direct or indirect subsidiaries or parent companies

Not applicable, considering that there is no compensation paid by direct or indirect subsidiaries or parent companies.

(g) existence of any compensation or benefit linked to the occurrence of a certain corporate event, such as the disposal of the issuer's shareholding control

Plan Beneficiaries may qualify for the call options. For more information on the Company's Plans see item 13.4 of this Reference Form.

(h) practices and procedures adopted by the board of directors to define the individual compensation of the board of directors and board of executive officers

The Company has guidelines that must be observed regarding the compensation of its officers to align their interests and the Company's objectives.

The reasons that justify the composition of the compensation paid to the officers are incentives for the improvement of its management and the retention of its officers, aiming at gains based on short- and long-term results and operational targets.

(i) bodies and committees that participate in the decision-making process and how they participate

The following bodies participate in the decision-making process to define the individual compensation of the Company's officers: Compensation Committee, Stock Option Plan Management Committee and Board of Directors, determining the proportion of each compensation component. At the discretion of the Board of Directors, Management Committee and Compensation Committee, the Company may hire specialized companies for compensation advisory, to structure a competitive compensation package.

(ii) criteria and methodology used to determine the individual compensation

The individual compensation of the Company's officers is defined using uniform criteria and ethical and technical principles of valuation and administration of its different functional structures, ensuring the maintenance of internal and external balance standards, compatible with the responsibilities of each position and competitive labor market, regulating criteria and establishing administrative controls capable of responding to the diverse needs of the Company.

In addition, the Company uses studies to evaluate and compare the position to be compensated with the market, considering companies of the same size in the segment as well as other segments that are competitors for hiring executive officers.

(iii) frequency and form of evaluation of the board of directors for adequacy of the compensation policy

The Board of Directors, Management Committee and Compensation Committee evaluate the adequacy of the internal guidelines annually. For this purpose, they use a salary survey conducted by an external consulting firm, which considers companies of the same size in the segment as well as other segments that are competitors for hiring executive officers.

13.2 - Total compensation of the board of directors, statutory board and supervisory board

Total compensation forecast for the Current Fiscal Year 12/31/2018 - Annual Values				
	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.00	8.00	0.00	15.00
No. of members who receive compensation	0.00	8.00	0.00	8.00
Annual fixed compensation				
Salary or fees	0.00	4,926,966.66	0.00	4,926,966.66
Direct and indirect benefits	0.00	1,012,394.53	0.00	1,012,394.53
Participation in committees	0.00	0.00	0.00	0.00
Others	0.00	1,837,610.00	0.00	1,837,610.00
Description of other fixed compensation	N/A	INSS for Statutory	0.00	0.00
Variable compensation				
Bonus	0.00	4,261,083.33	0.00	4,261,083.33
Profit sharing	0.00	6,261,194.69	0.00	6,261,194.69
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation	N/A	0.00	0.00	0.00
Post-employment	0.00	0.00	0.00	0.00
Termination of service	0.00	0.00	0.00	0.00
Share-based, including options	0.00	0.00	0.00	0.00
Note	N/A	N/A	N/A	
Total compensation	0.00	18,299,249.22	0.00	18,299,249.22

Total compensation for the Fiscal Year ended 12/31/2017- Annual Values				
	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	10.33	8.00	0.00	18.33
No. of members who receive compensation	0.00	8.00	0.00	8.00
Annual fixed compensation				
Salary or fees	0.00	4,554,025.78	0.00	4,554,025.78
Direct and indirect benefits	0.00	924,081.20	0.00	924,081.20
Participation in committees	0.00	0.00	0.00	0.00
Others	0.00	1,440,985.956	0.00	1,440,985.956
Description of other fixed compensation	N/A	INSS for Statutory	N/A	N/A
Variable compensation				
Bonus	0.00	2,650,904.00	0.00	2,650,904.00
Profit sharing	0.00	4,116,369.00	0.00	4,116,369.00
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation	N/A	N/A	N/A	N/A
Post-employment	0.00	0.00	0.00	0.00
Termination of service	0.00	0.00	0.00	0.00
Share-based, including options	0.00	5,439,314.07	0.00	5,439,314.07
Note	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	
Total compensation	0.00	19,125,680.01	0.00	19,125,680.01

Total compensation for the Fiscal Year ended 12/31/2016- Annual Values				
	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	8.66	6.66	0.00	15.32
No. of members who receive compensation	0.00	6.66	0.00	6.66
Annual fixed compensation				
Salary or fees	0.00	3,430,150.59	0.00	3,430,150.59
Direct and indirect benefits	0.00	781,549.65	0.00	781,549.65
Participation in committees	0.00	0.00	0.00	0.00
Others	0.00	1,298,248.25	0.00	1,298,248.25
Description of other fixed compensation	N/A	INSS for Statutory	N/A	
Variable compensation				
Bonus	0.00	3,061,090.64	0.00	3,061,090.64
Profit sharing	0.00	2,783,641.80	0.00	2,783,641.80
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation	N/A	N/A	N/A	
Post-employment	0.00	0.00	0.00	0.00
Termination of service	0.00	0.00	0.00	0.00
Share-based, including options	0.00	257,118.35	0.00	257,118.35
Note	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	
Total compensation	0,00	11,611,799.28	0,00	11,611,799.28

Total compensation for the Fiscal Year ended 12/31/2015- Annual Values				
	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	6.91	7.00	0.00	13.91
No. of members who receive compensation	0.00	7.00	0.00	7.00
Annual fixed compensation				
Salary or fees	0.00	3,000,000.00	0.00	3,000,000.00
Direct and indirect benefits	0.00	403,080.62	0.00	403,080.62
Participation in committees	0.00	0.00	0.00	0.00
Others	0.00	1,324,600.00	0.00	1,324,600.00
Description of other fixed compensation	N/A	INSS for Statutory	N/A	
Variable compensation				
Bonus	0.00	3,623,000.00	0.00	3,623,000.00
Profit sharing	0.00	0.00	0.00	0.00
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation	N/A	N/A	N/A	
Post-employment	0.00	0.00	0.00	0.00
Termination of service	0.00	0.00	0.00	0.00
Share-based, including options	0.00	0.00	0.00	0.00
Note	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	In accordance with Circular Letter/CVM/SEP/ No. 02/2018, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") were calculated according to the annual average number of members of each body established monthly, with two decimal places.	
Total compensation	0,00	8,350,680.62	0,00	8,350,680.62

13.3 - Variable compensation of the board of directors, statutory board and supervisory board

Scheduled for 12/31/2018	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.00	8.00	0.00	15.00
No. of members who receive compensation	0.00	8.00	0.00	8.00
Bonus				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	4,290,000.00	0.00	4,290,000.00
Estimated amount in the compensation plan - goals reached	0.00	2,860,000.00	0.00	2,860,000.00
Profit sharing				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	7,294,950.00	0.00	7,294,950.00
Estimated amount in the compensation plan - goals reached	0.00	4,863,300.00	0.00	4,863,300.00

12/31/2017	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	10.33	8.00	0.00	18.33
No. of members who receive compensation	0.00	8.00	0.00	8.00
Bonus				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	3,749,038.84	0.00	3,749,038.84
Estimated amount in the compensation plan - goals reached	0.00	2,320,000.00	0.00	2,320,000.00
Profit sharing				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	5,623,558.26	0.00	5,623,558.26
Estimated amount in the compensation plan - goals reached	0.00	3,480,000.00	0.00	3,480,000.00

12/31/2016	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	8.66	6.66	0.00	15.32
No. of members who receive compensation	0.00	6.66	0.00	6.66
Bonus				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	4,248,000.00	0.00	4,248,000.00
Estimated amount in the compensation plan - goals reached	0.00	2,832,000.00	0.00	2,832,000.00
Profit sharing				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	3,510,000.00	0.00	3,510,000.00
Estimated amount in the compensation plan - goals reached	0.00	2,340,000.00	0.00	2,340,000.00

12/31/2015	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	6.91	7.00	0.00	13.91
No. of members who receive compensation	0.00	7.00	0.00	7.00
Bonus				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	6,546,150.00	0.00	6,546,150.00
Estimated amount in the compensation plan - goals reached	0.00	4,364,150.00	0.00	4,364,150.00
Profit sharing				
Minimum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Maximum amount foreseen in the compensation plan	0.00	0.00	0.00	0.00
Estimated amount in the compensation plan - goals reached	0.00	0.00	0.00	0.00

13.4 – Share-based compensation plan of the board of directors and statutory board

First Plan

The Company's first stock option plan was approved on July 7, 2014 and amended on June 22, 2017 ("First Plan"). Under the First Plan, 67,568 (sixty-seven thousand, five hundred and sixty-eight) options were granted to the members of the Company's management. Each option assigned its holder the right to acquire one (1) share issued by the Company.

Second Plan

The Company's second stock option plan was approved on June 22, 2017 ("Second Plan"). Under the Second Plan, 25,244 (twenty-five thousand, two hundred and forty-four) options were granted to the members of the Company's management. Each option assigned its holder the right to acquire one (1) share issued by the Company.

Third Plan

The Company's third stock option plan was approved on June 22, 2017 ("Third Plan" and together with the First Plan and the Second Plan, "Plans"). Under the Third Plan, up to the date of this Reference Form, 49,434 (forty-nine thousand four hundred and thirty-four) options were granted to the members of the Company's management, remaining 8,015 (eight thousand and fifteen) options to be granted. Each option assigned its holder the right to acquire one (1) share issued by the Company.

(a) general terms and conditions

The Plans are managed by the Management Committee. Except for members of the Management Committee who are Officers (and therefore may participate in the Third Plan), the other members of the Management Committee cannot receive options. The Management Committee may establish previous terms and / or conditions precedent, as well as specific rules, applicable to one or more participants, to exercise the options, vesting period, anticipation of the vesting period, anticipation and / or extension of the period for exercise of the options, among others, observing the provisions of the general meeting and the respective Plans. The Management Committee, in compliance with the provisions of the general meeting, the respective Plans and the grant agreement, may determine additional restrictions on the transfer of the shares acquired with the exercise of the options, and may also reserve to the Company repurchase options or preemptive rights in case of sale of shares by the participant.

The Management Committee may from time to time create Stock Option Programs ("Programs"), in which (i) the terms and conditions of each grant of options will be defined, (ii) the persons to whom the options will be granted, (iii) the number, percentage and type of shares of the Company that the participants will be entitled to subscribe with the exercise of the option, (iv) the (minimum and maximum) periods for the exercise of the option, (v) the eventual division of the options granted into lots subject to minimum periods, and (vi) any restrictions on the shares received for the exercise of options and provisions on penalties that may be applicable, observing the basic guidelines established in the Plan and at the General Meeting. The contracts will be individually prepared for each participant, and the Management Committee may establish different terms and conditions for each contract, within the general limits established by the Plans, by the General Meeting and by the respective Program.

For purposes of clarification, the First Plan and the Second Plan have already been granted in their entirety, remaining only part of the Third Plan to be granted.

Members of management and employees of the Company and its affiliates are eligible for the Plans (except members of the Management Committee other than Officers). The Management Committee may, at its sole discretion, define the levels of employees eligible for the Plans, as well as extend the coverage of the Plans to other levels of employee position, at the time of the creation of each Program. In each Program, the Management Committee will indicate the participants to whom the options will be offered. The indication of certain participants in a given Program does not give them the right to be indicated as participants in any future Program.

Until they are exercised and converted into shares, the options will not be entitled to dividends, interest on capital or receipt of amounts as capital reduction or bonus, among others. Likewise, if they are not exercised and converted into shares, the options will not have voting rights or any other property or political right at the Company.

First Plan

Under the First Plan Programs, 67,568 (sixty-seven thousand five hundred and sixty-eight) options were granted, of which (i) 14,326 (fourteen thousand three hundred and twenty-six) options were exercised and the Participants received their respective shares and, in the sequence, were sold by the participants to Montjuic Fundo de Investimento em Participações Multiestratégia; (ii) 23,362 (twenty-three thousand three hundred and sixty-two) options had their respective full vesting period, but have not yet been exercised; (iii) 26,622 (twenty-six thousand six hundred and twenty-two) were exercised and the respective shares delivered to the First Plan beneficiaries; and (iv) 3,258 (three thousand two hundred and fifty-eight) options have not yet had their respective vesting period.

Second Plan

Under the Second Plan Programs, 25,244 (twenty-five thousand two hundred and forty-four) options were granted, of which: (i) 12,623 (twelve thousand six hundred and twenty-three) were exercised and the respective shares delivered to the beneficiaries of the Second Plan; and (ii) 12,621 (twelve thousand six hundred and twenty-one) options have not yet had their respective vesting period.

Third Plan

Under the Third Plan Programs, 49,434 (forty-nine thousand four hundred and thirty-four) options were granted, of which (i) 4,947 (four thousand, nine hundred and forty-seven) have already had their respective full vesting period, but have not yet been exercised; and (ii) 44,487 (forty-four thousand four hundred and eighty-seven) options have not yet had their respective full vesting period.

(b) main objectives of the plan

The Plans are intended to promote the Company's long-term growth and profitability, providing the persons who are or will be involved in the Company's growth the opportunity to acquire a property right at the Company, thereby encouraging these people to contribute to and participate in the Company's success.

(c) how the plan contributes to these objectives

The Plans give its participants the possibility of becoming shareholders of the Company. By enabling participants to become shareholders of the Company, they are expected to have strong incentives to effectively engage with value creation and perform their functions in a manner that aligns with shareholders' interests, social objectives and Company's growth plans, thus maximizing its profits. The Plans also stimulate the participants, through the commitment of their own resources, to seek immediate appreciation of the shares issued by the Company, without, however, jeopardizing the growth and future appreciation of the shares, which are also relevant in view of the model adopted. The model adopted is expected to be effective as a mechanism for retention of officers, mainly due to the sharing of the appreciation of the Company's shares.

(d) how the plan fits into the issuer's compensation policy

The Company has as its policy the valuation of meritocracy, establishing specific targets for its current and future officers, employees, consultants and individual advisors, which must be fulfilled in exchange for additional compensation at the end of the period. The Company believes that the Plans are aligned to their compensation policy, encouraging their respective beneficiaries to pursue better results for the Company, which has a direct impact on the compensation of current and future officers, employees, consultants and individual advisors.

(e) how the plan aligns the short, medium and long-term interests of officers with those of the issuer

The Plans align the interests of the Company, its current and future officers, employees, consultants and individual advisors, as they aim at optimizing the management and retention of its main current and future officers, employees, consultants and individual advisors whose commitment and dedication in the development of their attributions will positively impact the Company's results in the short and long term.

(f) maximum number of shares covered

First Plan

The First Plan is limited to a maximum number of 67,568 (sixty-seven thousand, five hundred and sixty-eight) options, whose respective number of shares, if options are exercised, would correspond to 3.84% of the Company's capital stock, being prohibited the increase in the number of shares.

Second Plan

The Second Plan is limited to a maximum number of 25,244 (twenty-five thousand, two hundred and forty-four) options, whose respective number of shares, if options are exercised, would correspond to 1.47% of the Company's capital stock, being prohibited the increase in the number of shares.

Third Plan

The Third Plan is limited to a maximum number of 57,449 (fifty-seven thousand, four hundred and forty-nine) options, whose respective number of shares, if options are exercised, would correspond to 3.29% of the Company's capital stock, being forbidden the increase in the number of shares.

(g) maximum number of options to be granted

First Plan

The First Plan is limited to a maximum number of 67,568 (sixty-seven thousand, five hundred and sixty-eight) options.

Second Plan

The Second Plan is limited to a maximum number of 25,244 (twenty-five thousand, two hundred and forty-four) options.

Third Plan

The Third Plan is limited to a maximum number of 57,449 (fifty-seven thousand, four hundred and forty-nine) options.

(h) conditions for the acquisition of shares

First Plan

Due to the exercise of the option and up to the date so informed by the Company, the participant shall pay to the Company the strike price determined in each Program (i) as payment of the subscribed shares, when the exercise is carried out through capital increase, or (ii) by way of payment of the purchase price, when the exercise is carried out through the acquisition of shares held in treasury by the Company. The payment of the strike price must always be in cash, by means of a deposit in a checking account held by the Company, as indicated by the latter.

If the participant does not pay the strike price under the conditions provided, he will not receive the corresponding shares and the relevant options will be immediately extinguished and canceled, for all purposes. Notwithstanding the foregoing, even if the Company exceptionally authorizes the acquisition by the participant of shares not yet paid, as long as the strike price corresponding to them is not paid in full, the shares may not be sold to third parties, unless prior authorization is granted by the Management Committee, in which case the proceeds from the sale will be used primarily for the discharge of the participant's debt to the Company.

Second Plan

Due to the exercise of the option and up to the date so informed by the Company, the participant shall pay to the Company the strike price determined in each program (i) as payment of the subscribed shares, when the exercise is carried out through capital increase, or (ii) by way of payment of the purchase price, when the exercise is carried out through the acquisition of shares held in treasury by the Company. The payment of the strike price must always be in cash, by means of a deposit in a checking account held by the Company, as indicated by the latter.

If the participant does not pay the strike price under the conditions provided, he will not receive the corresponding shares and the relevant options will be immediately extinguished and canceled, for all purposes. Notwithstanding the foregoing, even if the Company exceptionally authorizes the acquisition by the participant of shares not yet paid, as long as the strike price corresponding to them is not paid in full, the shares may not be sold to third parties, unless prior authorization is granted by the Management Committee, in which case the proceeds from the sale will be used primarily for the discharge of the participant's debt to the Company.

Participants indicated for participation in the Second Plan who also participate in the First Plan may not exercise or pay any option granted under the Second Plan before exercising and paying all and not less than the totality of the options granted under the First Plan.

Third Plan

Unless otherwise decided by the Management Committee or unless the participant decides otherwise, the participant shall use at least 25% (twenty five percent) of the value of profit sharing, performance bonuses or any other modality (“RV” - “**Minimum Application**”), to pay the strike price of the remaining options and/or the options that become exercisable up to July 31 of the same year in which the RV was paid.

If the resources corresponding to the use of the VR are not enough for the participant to exercise all the options that are already exercisable until receipt of the RV (“**Remaining Options**”), such Remaining Options will remain valid and exercisable. In addition to the Minimum Application, the participant will use for the payment of the exercise of the Remaining Options all dividends and interest on capital received for ownership of any shares of the Company that the participant has already received because of the exercise of the Company’s share call options.

The participant who does not perform the Minimum Application in the manner and for the purposes foreseen in the Third Plan will have the amount of his options of the respective lot reduced in proportion to the percentage of his RV that is not used, unless the Participant has already subscribed and paid, until that date (i.e. up to the date of payment of the RV to the participant), at least an identical number of shares with own resources (excluding those shares computed for the same purpose in previous years).

Due to the exercise of the option and up to the date so informed by the Company, the Participant shall pay to the company the strike price determined in each program (i) as payment of the subscribed shares, when the exercise is carried out through capital increase, or (ii) by way of payment of the purchase price, when the exercise is carried out through the acquisition of shares held in treasury by the Company. The payment of the strike price must always be in cash, by means of a deposit in a checking account held by the Company, as indicated by the latter.

If the participant does not pay the strike price under the conditions provided, he will not receive the corresponding shares and the relevant options will be immediately extinguished and canceled, for all purposes. Notwithstanding the foregoing, even if the Company exceptionally authorizes the acquisition by the participant of shares not yet paid, as long as the strike price corresponding to them is not paid in full, the shares may not be sold to third parties, unless prior authorization is granted by the Management Committee, in which case the proceeds from the sale will be used primarily for the discharge of the participant's debt to the Company.

Participants nominated for participation in the Third Plan who also participate (i) in the First Plan; and/or (ii) in the Second Plan cannot exercise or pay any option granted under the Third Plan before exercising and paying all and not less than the totality of the options granted under the First Plan and the Second Plan, in this order.

(i) criteria for setting the purchase price or strike price

First Plan

The strike price of the options to be paid by the participants upon payment or acquisition of the shares, as the case may be, will be R\$ 800.51 (eight hundred reais and fifty-one cents) per share,

to be adjusted for inflation from June 14, 2016 according to the Extended National Consumer Price Index (“IPCA”) published by IBGE, plus 5.0% (five percent) per year, up to the date of actual payment.

The strike price will be adjusted to a lower amount by the same amount of dividends or interest on capital per share that may be paid by the Company from the date of signing of the grant agreement with the participant to the exercise date of the options, and it will also be adjusted to a lower amount the strike price in the same amount paid per share as capital reduction whenever such reduction does not occur through the cancelation of shares.

Second Plan

The strike price of the options to be paid by the participants upon payment or acquisition of shares, as the case may be, will be R\$ 647.96 (six hundred and forty-seven reais and ninety-six cents) per share, to be adjusted for inflation from June 14, 2016 according to the variation of the Extended Consumer Price Index (“IPCA”) published by IBGE to the actual payment date.

The strike price will be adjusted to a lower amount by the same amount of dividends or interest on capital per share that may be paid by the Company from the date of signing of the grant agreement with the Participant to the exercise date of the options, and it will also be adjusted to a lower amount the strike price in the same amount paid per share as capital reduction whenever such reduction does not occur through the cancelation of shares.

Third Plan

The strike price of the options to be paid by the participants upon payment or acquisition of shares, as the case may be, will be R\$ 967.39 (nine hundred and sixty-seven reais and thirty-nine cents) per share, to be adjusted for inflation from June 14, 2016 according to the variation of the Extended National Consumer Price Index (“IPCA”) published by IBGE to the actual payment date.

The strike price will be adjusted to a lower amount by the same amount of dividends or interest on capital per share that may be paid by the Company from the date of signing of the grant agreement to the exercise date of the options, and it will also be adjusted to a lower amount the strike price in the same amount paid per share as capital reduction whenever such reduction does not occur through the cancelation of shares.

(j) criteria for setting the exercise period

First Plan

The first lot of options in the First Plan may be exercised from July 14, 2014 (**“Initial Lot” or “Initial Vesting”**, as applicable), and the right to exercise the other lots subsequently acquired (**“Subsequent Lots” or “Subsequent Vesting”**):

7/14/2018	7/14/2019	7/14/2020
2,364	894	0

The options for the Initial Lot and the Subsequent Lots of the First Plan will not expire and may be exercised at any time after the respective vesting, observing, however, the hypotheses of acceleration of the vesting (item “m”) or withdrawal of the participant (item “n”). Notwithstanding, the Management Committee may, in each individual program or contract, establish different vesting conditions. The Management Committee may, at its sole discretion, at any time, accelerate the vesting period of the participants' options.

Second Plan

The Initial Lot of options of the Second Plan can be exercised from July 14, 2017, with the right to exercise the other lots being acquired successively:

7/14/2018	7/14/2019
4,345	8,276

The options for the Initial Lot and the Subsequent Lots of the Second Plan will not expire and may be exercised at any time after the respective vesting, observing, however, the hypotheses of acceleration of the vesting (“m”) or withdrawal of the participant (“n”). Notwithstanding, the Management Committee may, in each individual program or contract, establish different vesting conditions. The Management Committee may, at its sole discretion, at any time, accelerate the vesting period of the participants' options.

Third Plan

The Initial Lot of options of the Third Plan can be exercised from July 14, 2017, with the right to exercise the other lots being acquired successively:

7/14/2018	7/14/2019	7/14/2020	7/14/2021
4,947	9,886	14,827	14,827

The options for the Initial Lot and the Subsequent Lots of the Third Plan will not expire and may be exercised at any time after the respective vesting, observing, however, the hypotheses of acceleration of the vesting (item “m”) or withdrawal of the participant (item “n”). Notwithstanding, the Management Committee may, in each individual program or contract, establish different vesting conditions. The Management Committee may, at its sole discretion, at any time, accelerate the vesting period of the participants' options.

(k) form of option settlement

First Plan, Second Plan and Third Plan

Due to the exercise of the option, the participant shall pay to the Company the strike price determined in each Program (i) as payment of the subscribed shares, when the exercise is carried out through a capital increase, or (ii) payment of the purchase price, when the exercise is carried out through the acquisition of shares held in treasury by the Company. The payment of the strike price must always be in cash, by means of a deposit in a checking account held by the Company.

(l) restrictions on the transfer of shares

First Plan, Second Plan and Third Plan

Shares owned by the participant, when the participant voluntarily resigns from the Company or is dismissed or removed, with or without cause (**“Termination Events”**) cannot be sold, assigned or transferred by the participant, in any capacity, to any person or third party, from the date of notice of the Termination Event and during the period of one (1) year from the formalization of such Termination Event (**“Lock Up Period”**).

If, within the Lock Up Period, the participant (i) joins, acts, participates and/or invests in any business competing with the Company, in the national territory, in any capacity, as a partner, shareholder, employee, consultant or in any other way; and/or (ii) by himself or by third parties, contracts, offers a job or requests the services of any employee, director, officer or exclusive consultant of the Company; and / or (iii) by himself or by third parties, adopts any behavior that interferes with or may adversely interfere with the Company's relationship with its suppliers, service providers and/or customers, the Company may exercise, at its sole discretion, a call option to purchase such shares. A specific Lock-Up in case of IPO is indicated in item (m) below.

(m) criteria and events that, when verified, will cause the suspension, change or termination of the plan

First Plan, Second Plan and Third Plan

For the purposes of the First Plan and the Second Plan, Initial Vesting and Subsequent Vesting may be fully accelerated in the event of an onerous sale of shares issued by the Company that entails loss of political rights or material limitation of the Company's control powers, as currently held and exercised by Vinci Capital Partners II B Fundo de Investimento e Participações – Multiestratégia.

For purposes of the Third Plan, the Initial Vesting and Subsequent Vesting may be fully accelerated in case of any operation that results in Change of the Company's Control, considering the Change of the Company's Control for the purposes of the Plan any transfer (or set of transfers, related or not, similar or not, that are implemented during the term of the Plan) including assignment, transfer, sale, disposal, barter, exchange, lease, rental, donation, liens, encumbrance, capital increase, contribution in any form and by any means, merger, spin-off, amalgamation, incorporation of shares or issuance of new shares or securities convertible into shares, whether voluntary or involuntary, which, taken together, result in (i) direct or indirect transfer of at least 50% (fifty percent) plus one of the voting shares or securities convertible into shares with voting rights issued by the Company; and (ii) loss by Vinci Capital Partners II B Fundo de Investimento em Participações – Multiestratégia (or their successors or their authorized assignees) and Montjuic Fundo de Investimento em Participações Multiestratégias (or their successors or their authorized assignees) of the right to participate in Prior Meetings.

If a same share issued by the Company (as well as shares that may be issued because of securities convertible into shares with voting rights issued by the Company) is transferred more than once, such share shall be accounted for only once for purposes of composition of the percentage of 50% (fifty percent) above.

In the event of Change of the Company's Control, the participant: (i) can exercise his options and sell, together with the selling shareholders, the totality of the shares acquired due to the exercise of their respective options. If the participant chooses not to exercise all of his options, the remaining options must be exercised within 24 (twenty four) months from the date of the occurrence of the Change of the Company's Control, after which they will automatically be extinguished, by operation of law, regardless of prior notice or indemnity; or (ii) if so requested by the Company, he shall exercise all of his options not yet exercised and sell, together with the selling shareholders, the totality of the shares acquired by virtue of the exercise of his respective options.

In the event of an IPO, the following shall be observed:

(i) Lock-Up: the shares that have already been acquired by the participant, as well as those that may be acquired as a result of the exercise of the respective options may only be disposed of, sold,

assigned, donated or otherwise encumbered for the benefit of third parties after one (1) year from the date of the IPO (observing, however, the stipulated below if the IPO involves secondary offer);

(ii) If the IPO involved a secondary offer: The Participant may sell a certain number of shares that is proportional to the interest to be sold by the selling shareholders in the secondary offer (although, for that purpose, if necessary, the period for exercise of part of the options may be accelerated, so that such participant may participate in the secondary offering in conjunction with the selling shareholders). If the selling shareholders in the scope of a secondary offer sell their respective shares disproportionately among themselves, the percentage of shares of the participant that may be sold in the secondary offer shall be calculated according to the average percentage of shares to be sold by the selling shareholders. Nevertheless, in any case, regardless of the percentage of shares to be sold by the selling shareholders, the shares to be sold by the participant cannot exceed 50% (fifty percent) of the total of their shares. The shares held by the participant that are not sold in the context of a secondary offer, in accordance with the rules set forth herein, will remain subject to the Lock-Up restriction);

Only for First Plan and Second Plan

(iii) Acceleration of the Options Vesting: Options that are not Vested after two (2) years from the IPO, will have their respective Vesting accelerated after two (2) years have elapsed from the IPO and, thereafter, may be exercised for a period of 24 (twenty-four) months, after which they shall automatically be extinguished, by operation of law, regardless of prior notice or indemnity.

Only for the Third Plan

(iv) Maintenance of the Options Vesting: except for the purposes of item (ii), the vesting period of the options indicated in item "j" above will not suffer any type of change or acceleration due to the IPO.

(n) effects of the withdrawal of the officer from the issuer's bodies on their rights under the share-based compensation plan

First Plan, Second Plan and Third Plan

In the event of termination of the participant due to dismissal or removal, with or without just cause, or retirement, the rights granted to him pursuant to the grant agreement may be terminated or modified, observing the following provisions:

If, at any time during the term of the Plans, the participant voluntarily resigns from the Company, whether by resigning from his employment or resigning from his position as officer or as a result of a request for voluntary or compulsory retirement: (i) the options that are not exercisable at the time of termination ("**Non-Vested Options**") will automatically be extinguished, by operation of law, regardless of prior notice or indemnity; and (ii) options already exercisable on the date of termination ("**Vested Options**") may be exercised, within a period of up to fifteen (15) days from the date of termination, after which they will automatically be extinguished, by operation of law, regardless of prior notice or indemnity.

If, at any time during the term of the Plans, the participant is dismissed from the Company by dismissal or removal from office (or non-re-election), without just cause: (i) the Non-Vested Options will automatically be extinguished, by operation of law, regardless of prior notice or indemnity; and (ii) the Vested Options may be exercised within a period of up to ninety (90) days counted from the

date of termination, after which they shall be automatically extinguished, by operation of law, regardless of prior notice or indemnity.

If, at any time during the term of the Plan, the participant is dismissed from the Company by dismissal or removal from office for cause, all options granted to him, whether Vested or Non-Vested, shall be automatically extinguished, by operation of law, regardless of prior notice or indemnity, without prejudice to any exercise by the Company of the right to repurchase the shares held by such participant, under the terms of the agreement.

In the event of the participant's death or permanent disability, the rights arising from the options shall extend to his heirs and successors and the options may be exercised subject to the following provisions: (i) the Non-Vested Options will automatically be exercised, accelerating the waiting period, so that they can be exercised by the participants or by the heirs or successors of the participant, as the case may be, for a period of one (1) year from the date of death or termination due to permanent disability; and (ii) Vested Options on the date of death or termination due to permanent disability will remain unchanged, and may be exercised for a period of 36 (thirty six) months, after which they will automatically be extinguished, by operation of law, regardless of prior notice or indemnity, subject to the terms and conditions of the contract.

13.5 – Share-based compensation of the board of directors and statutory board

Scheduled for 12/31/2018		
	Board of Directors	Statutory Board
Total number of members	7.00	8.00
No. of members who receive compensation	0.00	8.00
Weighted average strike price:		
a. Outstanding options at the beginning of the fiscal year		SOP 1: R\$ 800.51 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per annum.
	N/A	SOP 2: R\$ 647.96 to be adjusted for inflation from June 14, 2016 according to the IPCA variation.
		SOP 3: R\$ 967.39 to be adjusted for inflation from June 14, 2016.
b. Of the options lost during the fiscal year	N/A	N/A
c. Of the options exercised during the fiscal year		SOP 1: R\$ 800.51 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per annum.
	N/A	SOP 2: R\$ 647.96 to be adjusted for inflation from June 14, 2016 according to the IPCA variation.
		SOP 3: R\$ 967.39 to be adjusted for inflation from June 14, 2016.
d. Of the options expired during the fiscal year	N/A	N/A
Potential dilution in the case of the exercise of all options granted	N/A	3.99%

12/31/2017		
	Board of Directors	Statutory Board
Total number of members	10.33	8.00
No. of members who receive compensation	0.00	8.00
Granting of stock options		
Date of grant	N/A	June 22, 2017
Number of granted options	N/A	SOP 1: 4,081 SOP 2: 25,244 SOP 3: 49,434
Deadline for options to become exercisable	N/A	SOP 1: (a) 4,081 on 7.14.2017 SOP 2: (a) 12,623 on 7.14.2017; (b) 4,345 on 7.14.2018 and (c) 8,276 on 7.14.2019 SOP 3: (a) 4,947 on 7.14.2017; (b) 4,947 on 7.14.2018; (c) 9,886 on 7.14.2019 (d) 14,827 on 7.14.2020; and (e) 14,827 on 7.14.2021
Deadline for exercise of options	N/A	SOP 1 and SOP 2: 24 (twenty- four) months after the 2nd anniversary of IPO SOP 3: N/A
Term of restriction on the transfer of shares	N/A	1 year after: (i) termination; or (ii) the Company's IPO
Weighted average strike price:		
a. Outstanding options at the beginning of the fiscal year	N/A	SOP 1: R\$ 800.51 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per annum. SOP 2: R\$ 647.96 to be adjusted for inflation from June 14, 2016 according to the IPCA variation. SOP 3: R\$ 967.39 to be adjusted for inflation from June 14, 2016 according to the IPCA variation
b. Of the options lost during the fiscal year	N/A	N/A
c. Of the options exercised during the fiscal year	N/A	SOP 1: R\$904.73 SOP 2: R\$680.84

d. Of the options expired during the fiscal year	N/A	N/A
Potential dilution in the case of the exercise of all options granted	N/A	3.99%

12/31/2016		
	Board of Directors	Statutory Board
Total number of members	8.66	6.66
No. of members who receive compensation	0.00	6.66
Granting of stock options		
Date of grant	N/A	N/A
Number of granted options	N/A	N/A
Deadline for options to become exercisable	N/A	N/A
Deadline for exercise of options	N/A	N/A
Term of restriction on the transfer of shares	N/A	N/A
Weighted average strike price:		
a. Outstanding options at the beginning of the fiscal year	N/A	SOP 1: R\$ 800.51 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per annum.
b. Of the options lost during the fiscal year	N/A	N/A
c. Of the options exercised during the fiscal year	N/A	R\$ 800.51
d. Of the options expired during the fiscal year	N/A	N/A
Fair value of the options on the date of each grant	N/A	R\$ 800.51
Potential dilution in the case of the exercise of all options granted	N/A	3.05%

12/31/2015		
	Board of Directors	Statutory Board
Total number of members	6.91	7.00
No. of members who receive compensation	0.00	7.00
Granting of stock options		
Date of grant	N/A	7/30/2015
Number of granted options	N/A	8,824
Deadline for options to become exercisable	N/A	2016: 19,985 2017: 2,644 2018: 2,644 2019: 446 2020: 448
Deadline for exercise of options	N/A	N/A
Term of restriction on the transfer of shares	N/A	1 year after: (i) termination; or (ii) the Company's IPO
Weighted average strike price:		
a. Outstanding options at the beginning of the fiscal year	N/A	SOP 1: R\$ 800.51 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per annum.
b. Of the options lost during the fiscal year	N/A	N/A
c. Of the options exercised during the fiscal year	N/A	R\$ 761.22
d. Of the options expired during the fiscal year	N/A	N/A
Fair value of the options on the date of each grant	N/A	R\$ 761.22
Potential dilution in the case of the exercise of all options granted	N/A	3.05%

13.6 -Information on the outstanding options held by the board of directors and statutory board

12/31/2017		
	Board of Directors	Statutory Board
Total number of members	10.33	8.00
No. of members who receive compensation	0.00	8.00
Options not yet exercisable		
Quantity	N/A	SOP 1: 3,258 SOP 2: 12,621 SOP 3: 44,487
Date on which they will become exercisable	N/A	SOP 1: (a) 2,364 on 7.14.2018; (b) 894 on 7.14.2019. SOP 2: (a) 4,345 on 7.14.2018 and (b) 8,276 on 7.14.2019 SOP 3: (a) 4,947 on 7.14.2018; (b) 9,886 on 7.14.2019 (c) 14,827 on 7.14.2020; and (d) 14,827 on 7.14.2021
Deadline for exercise of options	N/A	SOP 1 and SOP 2: 24 (twenty-four) months after the 2nd anniversary of IPO SOP 3: N/A
Term of restriction on the transfer of shares	N/A	1 year after IPO
Weighted average strike price	N/A	SOP 1: R\$ 800.51 to be adjusted for inflation from June 14, 2016 according to the IPCA variation. SOP 2: R\$ 647.96 to be adjusted for inflation from June 14, 2016 according to the IPCA variation. SOP 3: R\$ 967.39 to be adjusted for inflation from June 14, 2016 according to the IPCA variation
Fair value of the options on the last day of the fiscal year	N/A	SOP 1: R\$145.42 SOP 2: R\$275.04 SOP 3: R\$111,80
Exercisable options		
Quantity	N/A	SOP 1: 23,362 SOP 3: 4,947

Deadline for exercise of options	N/A	SOP 1 and SOP 2: 24 (twenty-four) months after the 2nd anniversary of IPO SOP 3: N/A
Term of restriction on the transfer of shares	N/A	1 year after IPO
Weighted average strike price	N/A	SOP 1: R\$ 800.51 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per annum. SOP 2: R\$ 647.96 to be adjusted for inflation from June 14, 2016 according to the IPCA variation. SOP 3: R\$ 967.39 to be adjusted for inflation from June 14, 2016 according to the IPCA variation
Fair value of the options on the last day of the fiscal year	N/A	SOP 1: R\$145.42 SOP 2: R\$275.04 SOP 3: R\$111,80
Total fair value of the options on the last day of the fiscal year	N/A	R\$12,869,437.79

13.7 - Options exercised and shares delivered related to the share-based compensation of the board of directors and statutory board

12/31/2017		
	Board of Directors	Statutory Board
Total number of members	10.33	8.00
No. of members who receive compensation	0.00	8.00
Options exercised		
Number of shares	N/A	SOP 1: 26,622 SOP 2: 12,623
Weighted average strike price	N/A	SOP 1: R\$904.73 SOP 2: R\$680.84
Difference between the strike price and the market price of the shares related to the exercised options	N/A	R\$967.34
Shares delivered		
Number of shares delivered	N/A	3,924,500.00
Weighted average purchase price	N/A	R\$832.66
Difference between the purchase price and the market price of the shares acquired	N/A	R\$967.34

12/31/2016		
	Board of Directors	Statutory Board
Total number of members	8.66	6.66
No. of members who receive compensation	0.00	6.66
Options exercised		
Number of shares	N/A	12,070
Weighted average strike price	N/A	R\$ 800.51
Difference between the strike price and the market price of the shares related to the exercised options	N/A	N/A
Shares delivered		
Number of shares delivered	N/A	N/A
Weighted average purchase price	N/A	N/A
Difference between the purchase price and the market price of the shares acquired	N/A	N/A

12/31/2015		
	Board of Directors	Statutory Board
Total number of members	5.08	7.00
No. of members who receive compensation	0.00	7.00
Options exercised		
Number of shares	N/A	1,725
Weighted average strike price	N/A	R\$ 761.22
Difference between the strike price and the market price of the shares related to the exercised options	N/A	N/A
Shares delivered		
Number of shares delivered	N/A	N/A
Weighted average purchase price	N/A	N/A
Difference between the purchase price and the market price of the shares acquired	N/A	N/A

13.8 - Information need to understand the data disclosed in items 13.5 to 13.7 – Share price and option pricing method

(a) pricing model

The model used by the Company to price the options granted to its officers is the Black & Scholes model, which considers the following information in its calculation model: volatility, expected dividend, risk-free rate of return and fair value of the option on the grant date. This model makes the following explicit assumptions: (i) you can borrow and lend at a constant and known risk-free interest rate; (ii) the price follows a geometric Brownian motion with constant drift and volatility; (iii) there are no transaction costs; and (iv) there are no restrictions on short selling. The calculation methodology and the assumptions adopted are compliant with CPC 10.

(b) data and assumptions used in the pricing model, including the weighted average share price, strike price, expected volatility, life of the option, expected dividends and risk-free interest rate

First Plan

Strike price of the Option: R\$ 800.51 per share to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per annum.

Second Plan

Strike price of the Option: R\$ 647.96 to be adjusted for inflation from June 14, 2016 according to the IPCA variation.

Third Plan

Strike price of the Option: R\$ 967.39 to be adjusted for inflation from June 14, 2016 according to the IPCA variation.

(c) method used, and the assumptions made to incorporate the expected effects of early exercise

For the options, the Company measures the fair value of the rights on the appreciation of shares by applying the Black & Scholes option pricing model on the grant date, recording such expense as general and administrative expenses over the waiting period of the options.

The Black & Scholes model considers the following assumptions in its mathematical rational: option purchase price, option sale price, share price at the current moment, strike price, risk-free interest rate, time to option expiration (expressed in years) and share price volatility.

Unless determined otherwise, any option may only be exercised (a) to the exact extent to which the exercise right is acquired, and (b) in the occurrence of one of the following events: (I) Sale of the Company, or (ii) consummation of the IPO. These are the two possibilities for exercising and paying the shares subscribed and / or acquired in accordance with the option granted under the plan. Payment will be made in cash through the exercise of the options, with immediate availability funds.

(d) determination of the expected volatility

The estimated volatility was calculated based on the historical volatility of the shares of retail companies on the Brazilian stock exchange.

(e) if any other characteristic of the option was incorporated in the measurement of its fair value

All the criteria used to measure the fair value of the options were previously described.

13.9 – Number of shares, quotas and other convertible securities held by officers and members of the supervisory board - by body

Not applicable, since there were no shares or quotas directly or indirectly held in Brazil or abroad, or other securities convertible into shares or quotas, issued by the Company, its direct or indirect parent companies, subsidiaries or joint ventures, by members of the board of directors, statutory board or supervisory board at the closing date of the last fiscal year.

13.10 - Information on pension plans granted to members of the board of directors and statutory board

Not applicable, since the Company does not offer pension plans to the members of the Board of Directors and statutory officers.

13.11 Maximum, minimum and average individual compensation of the board of directors, statutory board and supervisory board

	Fiscal Year Ended December 31, 2017		
Annual values	Statutory Board	Board of Directors	Supervisory Board
Total number of members	8.00	10.33	0.00
No. of members who receive compensation	8.00	0.00	0.00
Value of the highest compensation (Reais)	2,987,695.32	0.00	0.00
Value of the lowest compensation (Reais)	855,026.34	0.00	0.00
Average value of the compensation (Reais)	1,415,162.35	0.00	0.00
Note	-	-	-

	Fiscal Year Ended December 31, 2016		
Annual values	Statutory Board	Board of Directors	Supervisory Board
Total number of members	6.66	0.00	0.00
No. of members who receive compensation	6.66	0.00	0.00
Value of the highest compensation (Reais)	2,729,385.40	0	0
Value of the lowest compensation (Reais)	782,718.20	0	0
Average value of the compensation (Reais)	1,364,277.48	0	0
Note	-	-	-

	Fiscal Year Ended December 31, 2015		
Annual values	Statutory Board	Board of Directors	Supervisory Board
Total number of members	7.00	0.00	0.00
No. of members who receive compensation	7.00	0.00	0.00
Value of the highest compensation (Reais)	1,799,269.02	0	0
Value of the lowest compensation (Reais)	542,813.77	0	0
Average value of the compensation (Reais)	941,854.87	0	0
Note	-	-	-

13.12 - Mechanisms for compensation or indemnity for officers in the event of removal from office or retirement

Not applicable, since the Company does not have mechanisms for compensation or indemnity for officers in the event of removal from office or retirement.

13.13 - Percentage in the total compensation held by officers and members of the supervisory board who are parties related to the parent companies

Not applicable, since none of the members of the board of directors receives any compensation, nor any of the members of the board of directors is a party related to the parent companies.

13.14 – Compensation of officers and members of the supervisory board, grouped by body, received for any reason other than the position they hold

No amounts were recognized in the Company's statement of operations as compensation of officers and members of the supervisory board, grouped by body, received for any reason other than the position they have held in the last three fiscal years.

13.15 – Compensation of officers and members of the supervisory board recognized in the statement of operations of the direct or indirect parent companies, joint ventures and subsidiaries of the issuer

Not applicable, since no compensation of the Company's officers is recognized in the statement of operations of the Company's direct or indirect parent companies, joint ventures or subsidiaries.

13.16 - Other relevant information

There is no other information that the Company deems relevant in relation to this item 13.