

BK Brasil Operação e Assessoria a Restaurantes S.A.

Individual and Consolidated Interim
Financial Information for the quarter
ended September 30, 2018 and
Review report on Interim Financial
Information - ITR
(Free translation from Portuguese version)

A free translation from Portuguese into English of Interim Financial Information prepared in Brazilian currency

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Company data/ Capital composition

Number of Shares (Units)	Current Quarter 09/30/2018
Common - Paid-up Capital	222.525.821
Preferred - Paid-up Capital	-
Total - Paid-up Capital	-
Common - In Treasury	22.525.821
Preferred - In Treasury	-
Total - In Treasury	-

Individual financial statements - Balance sheet - Assets
(In thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2018	Prior Year 12/31/2017
1	Total Assets	2,411,620	2,406,242
1.01	Current Assets	821,434	1,337,785
1.01.01	Cash and Cash Equivalents	60,023	102,235
1.01.02	Short-Term Investments	538,183	1,076,384
1.01.02.01	Short-Term Investments at Fair Value	538,183	1,076,384
1.01.02.01.03	Marketable Securities	535,678	1,073,900
1.01.02.01.04	Restricted Marketable Securities	2,505	2,484
1.01.03	Accounts Receivable	59,863	60,958
1.01.04	Inventories	61,579	39,743
1.01.06	Taxes Recoverable	40,724	22,448
1.01.08	Other Current Assets	61,062	36,017
1.01.08.03	Others	61,062	36,017
1.01.08.03.01	Derivative Financial Instruments	166	127
1.01.08.03.02	Advances Paid	42,707	24,762
1.01.08.03.03	Related Parties	3,100	2,162
1.01.08.03.04	Other Receivables	15,089	8,966
1.02	Non-Current Assets	1,590,186	1,068,457
1.02.01	Long-Term Receivables	61,192	61,322
1.02.01.01	Non-Current Investments at Fair Value	12,797	13,285
1.02.01.01.01	Restricted Marketable Securities	12,797	13,285
1.02.01.10	Other Non-Current Assets	48,395	48,037
1.02.01.10.03	Judicial Deposits	31,746	26,537
1.02.01.10.04	Other Receivables	3,760	4,218
1.02.01.10.05	Taxes Recoverable	12,889	17,282
1.02.02	Investments	452,813	17,965
1.02.03	Property and Equipment	781,343	695,647
1.02.04	Intangible Assets	294,838	293,523

Individual financial statements - Balance sheet - Liabilities
(In thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2018	Prior Year 12/31/2017
2	Total Liabilities	2,411,620	2,406,242
2.01	Current Liabilities	551,792	468,770
2.01.01	Social and Labor Liabilities	83,149	69,830
2.01.02	Trade Payables	153,990	138,953
2.01.03	Taxes Payable	11,652	16,023
2.01.04	Loans and Financing	278,873	209,987
2.01.05	Other Current Liabilities	24,128	33,977
2.01.05.01	Payables to Related Parties	938	74
2.01.05.02	Others	23,190	33,903
2.01.05.02.04	Other Payables	13,615	19,937
2.01.05.02.07	Corporate Payables	9,575	13,966
2.02	Non-Current Liabilities	196,915	320,278
2.02.01	Loans and Financing	131,056	275,720
2.02.02	Other Payables	14,899	28
2.02.02.02	Others	14,899	28
2.02.02.02.03	Taxes Payable	-	28
2.02.02.02.05	Other Payables	14,899	-
2.02.03	Deferred Taxes	41,942	38,309
2.02.03.01	Deferred Income Tax and Social Contribution	41,942	38,309
2.02.04	Provisions	9,018	6,221
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Claims	9,018	6,221
2.03	Equity	1,662,913	1,617,194
2.03.01	Capital	898,233	895,836
2.03.02	Capital Reserves	720,122	915,722
2.03.05	Retained Earnings/Accumulated Losses	44,411	(194,364)
2.03.08	Other Comprehensive Income	147	-
2.03.08.01	Derivative Financial Instruments	147	-

Individual financial statements – Statement of operations
(In thousands of reais)

Account Code	Account Description	Quarter 07/01/2018 to 09/30/2018	Current Year 01/01/2018 to 09/30/2018	Quarter Prior Year 07/01/2017 to 09/30/2017	Prior Year 01/01/2017 to 09/30/2017
3.01	Revenue from Sale of Goods and/or Services	538,970	1,488,780	442,981	1,261,304
3.02	Cost of Sales and/or Services	(201,287)	(567,228)	(169,979)	(482,286)
3.03	Gross Profit	337,683	921,552	273,002	779,018
3.04	Operating Expenses/Income	(299,744)	(871,083)	(259,270)	(744,710)
3.04.01	Selling Expenses	(282,429)	(807,349)	(236,463)	(683,912)
3.04.02	General and Administrative Expenses	(23,967)	(76,189)	(22,438)	(59,554)
3.04.06	Equity Pickup	6,652	12,455	(369)	(1,244)
3.05	Profit (Loss) Before Financial Income (Expenses) and Taxes	37,939	50,469	13,732	34,308
3.06	Financial Income (Expenses), Net	215	7,208	(18,567)	(48,697)
3.06.01	Financial Income	10,875	40,793	8,335	20,516
3.06.02	Financial Expenses	(10,660)	(33,585)	(26,902)	(69,213)
3.07	Profit (Loss) Before Income Tax and Social Contribution	38,154	57,677	(4,835)	(14,389)
3.08	Income Tax and Social Contribution	(11,125)	(13,266)	(69)	(3,614)
3.08.01	Current	(10,361)	(11,122)	-	-
3.08.02	Deferred	(764)	(2,144)	(69)	(3,614)
3.09	Profit (Loss) from Continuing Operations	27,029	44,411	(4,904)	(18,003)
3.11	Profit (Loss) for the Period	27,029	44,411	(4,904)	(18,003)
3.99	Earnings (Loss) per Share - (Reais /Share)				
3.99.01	Basic Earnings (Loss) per Share				
3.99.01.01	Registered Common (ON)	0.00012	0.00020	(0.00003)	0.00012
3.99.01.02	Registered Preferred (PN)	0.00000	0.00000	(0.00003)	0.00012
3.99.02	Diluted Earnings (Loss) per Share				
3.99.02.01	Registered Common (ON)	0.00012	0.00020	(0.00003)	(0.00012)
3.99.02.02	Registered Preferred (PN)	0.00000	0.00000	(0.00003)	(0.00012)

Individual financial statements – Statement of comprehensive income (loss)
(In thousands of reais)

Account Code	Account Description	Quarter 07/01/2018 to 09/30/2018	Current Year 01/01/2018 to 09/30/2018	Quarter Prior Year 07/01/2017 to 09/30/2017	Prior Year 01/01/2017 to 09/30/2017
4.01	Profit (Loss) for the Period	27,029	44,411	(4,904)	(18,003)
4.02	Other Comprehensive Income	147	147	-	-
4.03	Total Comprehensive Income (Loss) for the Period	27,176	44,558	(4,904)	(18,003)

Individual financial statements – Statement of cash flows - Indirect method
(In thousands of reais)

Account Code	Account Description	Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
6.01	Net Cash from Operating Activities	60,839	47,321
6.01.01	Cash Provided from Operating Activities	165,790	155,765
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	57,677	(14,390)
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	91,584	82,025
6.01.01.03	Provision for Bonuses	15,273	16,851
6.01.01.04	Equity Pickup	(12,455)	1,244
6.01.01.05	Interest Rates, Exchange Rate and Currency Variation	(3,618)	55,043
6.01.01.07	Provision for Legal Claims	6,061	14
6.01.01.09	Disposal of Property and Equipment and Intangible Assets	5,845	6,959
6.01.01.10	Update of the Balance to Pay Regarding the Contingent Portion	-	9,527
6.01.01.11	Stock Options Cost	3,365	2,588
6.01.01.12	Provision / (Reversal) of Provision for Impairment	2,058	(4,096)
6.01.02	Changes in Assets and Liabilities	(104,951)	(108,444)
6.01.02.01	Trade Receivables, Net	1,095	(12,811)
6.01.02.02	Inventories	(21,836)	(7,318)
6.01.02.03	Taxes Recoverable	(13,883)	1,440
6.01.02.04	Advances Paid	(17,945)	(896)
6.01.02.05	Derivative Financial Instruments	108	(388)
6.01.02.06	Receivables from Related Parties	(938)	(77)
6.01.02.07	Other Receivables	(10,874)	(13,414)
6.01.02.08	Trade and Rental Payables	15,037	(6,709)
6.01.02.09	Payroll and Social Charges	(1,954)	(1,954)
6.01.02.10	Corporate Payables	(4,391)	(13,385)
6.01.02.11	Taxes Payable	(4,399)	1,371
6.01.02.13	Deferred Revenue, Net	-	(6,750)
6.01.02.14	Payables to Related Parties	864	(535)
6.01.02.16	Other Payables	(5,603)	4,493
6.01.02.17	Interest Expense on Loans and Financing	(25,846)	(51,511)
6.01.02.18	Income Tax and Social Contribution Paid	(11,122)	-
6.01.02.19	Legal Claims	(3,264)	-
6.02	Net Cash from Investing Activities	(21,480)	(148,945)
6.02.01	Amount paid in the acquisition of investments	(389,707)	-
6.02.02	Advance for Future Capital Increase in Subsidiary	(17,017)	(2,288)
6.02.03	Purchases of Property and Equipment	(172,697)	(120,721)
6.02.04	Purchases of Intangible Assets	(13,801)	(7,817)
6.02.05	Cash from Merger / Acquisition	-	55
6.02.06	Investment in Marketable Securities	(482,691)	(402,716)
6.02.07	Redemption of Marketable Securities	1,054,433	384,542
6.03	Net Cash from Financing Activities	(81,571)	55,861
6.03.01	Paid-in Capital in the Period	2,397	-
6.03.02	Goodwill on the Issue of Net Shares of Issue Costs	-	150,000
6.03.03	Investments Payable	-	(10,634)
6.03.05	Issuance Expenses	(4,601)	-
6.03.06	Payment of Loans and Financing (Principal)	(79,367)	(83,505)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(42,212)	(45,763)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	102,235	253,445
6.05.02	Cash and Cash Equivalents at the End of the Period	60,023	207,682

Individual financial statements – Statement of changes in Equity 01/01/2018 to 09/30/2018
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Earnings/Accumulated Losses	Retained Losses	Other Comprehensive Income	Equity
5.01	Opening balances	895,836	915,722	(194,364)	-	-	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	(194,364)	-	-	1,617,194
5.04	Capital Transactions with Shareholders	2,397	(195,600)	194,364	-	-	1,161
5.04.01	Capital Increases	2,397	-	-	-	-	2,397
5.04.02	Share Issue Cost	-	(4,601)	-	-	-	(4,601)
5.04.03	Options Granted Recognized	-	3,365	-	-	-	3,365
5.04.08	Absorption of Losses Accumulated by Capital Reserve	-	(194,364)	194,364	-	-	-
5.05	Total Comprehensive Income	-	-	44,411	147	-	44,558
5.05.01	Profit for the Period	-	-	44,411	-	-	44,411
5.05.02	Other Comprehensive Income	-	-	-	-	147	147
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	147	147
5.07	Closing Balances	898,233	720,122	44,411	147	-	1,662,913

Individual financial statements – Statement of changes in Equity 01/01/2017 to 09/30/2017
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Earnings/Accumulated Losses	Retained Equity
5.01	Opening Balances	1,505	736,998	(198,184)	540,319
5.03	Adjusted Opening Balances	1,505	736,998	(198,184)	540,319
5.04	Capital Transactions with Members	-	152,588	-	152,588
5.04.01	Capital Increases	-	150,000	-	150,000
5.04.03	Granted Options Recognized	-	2,588	-	2,588
5.05	Comprehensive Loss	-	-	(18,003)	(18,003)
5.05.01	Loss for the Period	-	-	(18,003)	(18,003)
5.07	Closing Balances	1,505	889,586	(216,187)	674,904

**Individual financial statements – Statement of value added
(In thousands of reais)**

Account Code	Account Description	Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
7.01	Revenues	1,644,285	1,378,053
7.01.01	Gross Sales of Goods and Services	1,622,833	1,363,485
7.01.02	Other Revenues	21,452	14,568
7.02	Inputs Purchased from Third Parties	(947,936)	(789,040)
7.02.01	Cost of Sales and Services	(567,228)	(482,286)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(372,659)	(301,091)
7.02.03	Impairment of Assets	(7,903)	(2,863)
7.02.04	Others	(146)	(2,800)
7.03	Gross Value Added	696,349	589,013
7.04	Retentions	(91,584)	(82,025)
7.04.01	Depreciation, Amortization and Depletion	(91,584)	(82,025)
7.05	Wealth Created by the Company	604,765	506,988
7.06	Wealth Received in Transfer	55,222	20,198
7.06.01	Equity Pickup	12,455	(1,244)
7.06.02	Financial Income	42,767	21,442
7.07	Total Wealth for Distribution	659,987	527,186
7.08	Wealth Distributed	659,987	527,186
7.08.01	Personnel	270,072	224,228
7.08.01.01	Direct Compensation	258,573	210,475
7.08.01.03	Unemployment Compensation Fund (FGTS)	11,499	13,753
7.08.02	Taxes, Fees and Contributions	203,225	156,081
7.08.02.01	Federal	158,498	114,102
7.08.02.02	State	38,010	36,511
7.08.02.03	Municipal	6,717	5,468
7.08.03	Lenders and Lessors	142,279	164,880
7.08.03.01	Interest	33,098	68,850
7.08.03.02	Rentals	109,181	96,030
7.08.04	Shareholders	44,411	(18,003)
7.08.04.03	Retained Earnings / Loss for the Period	44,411	(18,003)

Consolidated financial statements - Balance sheet - Assets
(In thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2018	Prior Year 12/31/2017
1	Total Assets	2,472,944	2,415,555
1.01	Current Assets	870,789	1,338,448
1.01.01	Cash and Cash Equivalents	78,103	102,345
1.01.02	Short-Term Investments	555,327	1,076,384
1.01.02.01	Short-Term Investments at Fair Value	555,327	1,076,384
1.01.02.01.03	Marketable Securities	552,822	1,073,900
1.01.02.01.04	Restricted Marketable Securities	2,505	2,484
1.01.03	Accounts Receivable	67,890	60,958
1.01.04	Inventories	63,937	39,743
1.01.06	Taxes Recoverable	46,894	24,993
1.01.08	Other Current Assets	58,638	34,025
1.01.08.03	Others	58,638	34,025
1.01.08.03.01	Derivative Financial Instruments	166	127
1.01.08.03.02	Advances Paid	42,789	24,762
1.01.08.03.03	Other Receivables	15,683	9,136
1.02	Non-Current Assets	1,602,155	1,077,107
1.02.01	Long-Term Receivables	61,814	61,351
1.02.01.01	Non-Current Investments at Fair Value	12,797	13,285
1.02.01.01.01	Restricted Marketable Securities	12,797	13,285
1.02.01.10	Other Non-Current Assets	49,017	48,066
1.02.01.10.03	Judicial Deposits	32,368	26,566
1.02.01.10.04	Other Receivables	3,760	4,218
1.02.01.10.05	Taxes Recoverable	12,889	17,282
1.02.03	Property and Equipment	824,601	699,642
1.02.04	Intangible Assets	715,740	316,114

Consolidated financial statements - Balance sheet - Liabilities
(In thousands of reais)

Account Code	Account Description	Current Quarter 09/30/2018	Prior Year 12/31/2017
2	Total Liabilities	2,472,944	2,415,555
2.01	Current Liabilities	584,302	472,998
2.01.01	Social and Labor Liabilities	93,318	69,830
2.01.02	Trade Payables	162,667	138,997
2.01.03	Taxes Payable	22,833	20,272
2.01.04	Loans and Financing	278,873	209,987
2.01.05	Other Current Liabilities	26,611	33,912
2.01.05.02	Others	26,611	33,912
2.01.05.02.04	Other Payables	15,872	19,946
2.01.05.02.07	Corporate Payables	10,739	13,966
2.02	Non-Current Liabilities	225,729	325,363
2.02.01	Loans and Financing	131,056	275,720
2.02.02	Other Payables	48,097	5,113
2.02.02.02	Others	48,097	5,113
2.02.02.02.03	Taxes Payable	27,407	5,113
2.02.02.02.05	Other Payables	20,690	-
2.02.03	Deferred Taxes	36,365	38,309
2.02.03.01	Deferred Income Tax and Social Contribution	36,365	38,309
2.02.04	Provisions	10,211	6,221
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Claims	10,211	6,221
2.03	Equity	1,662,913	1,617,194
2.03.01	Capital	898,233	895,836
2.03.02	Capital Reserves	720,122	915,722
2.03.05	Retained Earnings/Accumulated Losses	44,411	(194,364)
2.03.08	Other Comprehensive Income	147	-
2.03.08.01	Derivative Financial Instruments	147	-

Consolidated financial statements – Statement of operations
(In thousands of reais)

Account Code	Account Description	Quarter 07/01/2018 to 09/30/2018	Current Year 01/01/2018 to 09/30/2018	Quarter Prior Year 07/01/2017 to 09/30/2017	Prior Year 01/01/2017 to 09/30/2017
3.01	Revenue from Sale of Goods and/or Services	610,856	1,630,260	442,981	1,261,304
3.02	Cost of Sales and/or Services	(228,361)	(618,836)	(169,979)	(482,286)
3.03	Gross Profit	382,495	1,011,424	273,002	779,018
3.04	Operating Expenses/Income	(342,874)	(957,068)	(259,152)	(744,320)
3.04.01	Selling Expenses	(316,296)	(874,787)	(236,704)	(684,702)
3.04.02	General and Administrative Expenses	(26,578)	(82,281)	(22,448)	(59,618)
3.05	Profit (Loss) Before Financial Income (Expenses) and Taxes	39,621	54,356	13,850	34,698
3.06	Financial Income (Expenses), Net	2,345	7,872	(18,684)	(49,088)
3.06.01	Financial Income	11,728	41,995	8,335	20,553
3.06.02	Financial Expenses	(9,383)	(34,123)	(27,019)	(69,641)
3.07	Profit (Loss) Before Income Tax and Social Contribution	41,966	62,228	(4,834)	(14,390)
3.08	Income Tax and Social Contribution	(14,937)	(17,817)	(70)	(3,613)
3.08.01	Current	(12,989)	(14,463)	-	-
3.08.02	Deferred	(1,948)	(3,354)	(70)	(3,613)
3.09	Profit (Loss) from Continuing Operations	27,029	44,411	(4,904)	(18,003)
3.11	Profit (Loss) for the Period	27,029	44,411	(4,904)	(18,003)
3.11.01	Attributed to Shareholders parent company	27,029	44,411	(4,904)	(18,003)
3.99	Earnings (Loss) per Share - (Reais /Share)				
3.99.01	Basic Earnings (Loss) per Share				
3.99.01.01	Registered Common (ON)	0.00012	0.00020	(0.00003)	(0.00012)
3.99.01.02	Registered Preferred (PN)	0.00000	0.00000	(0.00003)	(0.00012)
3.99.02	Diluted Earnings (Loss) per Share				
3.99.02.01	Registered Common (ON)	0.00012	0.00020	(0.00003)	(0.00012)
3.99.02.02	Registered Preferred (PN)	0.00000	0.00000	(0.00003)	(0.00012)

Consolidated financial statements – Statement of comprehensive income (loss)
(In thousands of reais)

Account Code	Account Description	Quarter 07/01/2018 to 09/30/2018	Current Year 01/01/2018 to 09/30/2018	Quarter Prior Year 07/01/2017 to 09/30/2017	Prior Year 01/01/2017 to 09/30/2017
4.01	Consolidated Profit (Loss) for the Period	27,029	44,411	(4,904)	(18,003)
4.02	Other Comprehensive Income	147	147	-	-
4.03	Consolidated Comprehensive Income (Loss) for the Period	27,176	44,558	(4,904)	(18,003)
4.03.01	Attributable to Parent Company Shareholders	27,176	44,558	(4,904)	(18,003)

Consolidated financial statements – Statement of cash flows - Indirect method
(In thousands of reais)

Account Code	Account Description	Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
6.01	Net Cash from Operating Activities	77,752	46,743
6.01.01	Cash Provided from Operating Activities	191,442	155,782
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	62,228	(14,390)
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	96,594	83,286
6.01.01.03	Provision for Bonuses	15,273	16,851
6.01.01.05	Interest Rates, Exchange Rate and Currency Variation	(1,677)	55,043
6.01.01.07	Provision for Legal Claims	7,405	14
6.01.01.09	Provision for Impairment	2,058	6,959
6.01.01.10	Update of the Balance to Pay Regarding the Contingent Portion	-	9,527
6.01.01.11	Stock Options Cost	3,365	2,588
6.01.01.12	Provision for Fixed Assets Down	-	(4,096)
6.01.01.13	Disposal of Property and Equipment and Intangible Assets	6,196	-
6.01.02	Changes in Assets and Liabilities	(113,690)	(109,039)
6.01.02.01	Trade Receivables, Net	247	(12,815)
6.01.02.02	Inventories	(22,021)	(7,318)
6.01.02.03	Taxes Recoverable	(15,878)	181
6.01.02.04	Advances Paid	(17,687)	(896)
6.01.02.05	Derivative Financial Instruments	108	(388)
6.01.02.07	Other Receivables	(10,839)	(14,753)
6.01.02.08	Trade and Rental Payables	18,047	(6,758)
6.01.02.09	Payroll and Social Charges	(186)	(1,954)
6.01.02.10	Corporate Payables	(4,170)	(13,385)
6.01.02.11	Taxes Payable	(7,873)	(2,014)
6.01.02.12	Income Tax and Social Contribution Paid	(14,463)	-
6.01.02.13	Deferred Income, Net	-	(6,750)
6.01.02.16	Other Accounts Payable	(1,393)	8,922
6.01.02.17	Interest Payments on Loans and Financing	(27,787)	(51,111)
6.01.02.18	Legal Claims	(9,795)	-
6.02	Net Cash from Investing Activities	958	(147,334)
6.02.01	Combination payment and net cash business acquired	(360,884)	-
6.02.03	Purchases of Property and Equipment	(178,235)	(120,068)
6.02.04	Purchases of Intangible Assets	(14,515)	(8,531)
6.02.05	Cash from Merger / Acquisition	-	55
6.02.06	Investment in Marketable Securities	(499,841)	(402,716)
6.02.07	Redemption of Marketable Securities	1,054,433	383,926
6.03	Net Cash from Financing Activities	(102,952)	51,406
6.03.01	Paid-up Capital	2,397	-
6.03.02	Goodwill on the Issue of Net Shares of Issue Costs	-	150,000
6.03.03	Investments Payable	-	(10,634)
6.03.05	Issuance Expenses	(4,601)	-
6.03.06	Payment of Loans and Financing (Principal)	(100,748)	(87,960)
6.05	Increase (Decrease) in Cash and Cash Equivalents	(24,242)	(49,185)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	102,345	256,920
6.05.02	Cash and Cash Equivalents at the End of the Period	78,103	207,735

Consolidated financial statements – Statement of changes in Equity 01/01/2018 to 09/30/2018
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Equity	Consolidated Equity
5.01	Opening balances	895,836	915,722	(194,364)	-	1,617,194	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	(194,364)	-	1,617,194	1,617,194
5.04	Capital Transactions with Shareholders	2,397	(195,600)	(194,364)	-	1,161	1,161
5.04.01	Capital Increase	2,397	-	-	-	2,397	2,397
5.04.02	Share Issue Cost	-	(4,601)	-	-	(4,601)	(4,601)
5.04.03	Options Granted Recognized	-	3,365	-	-	3,365	3,365
5.04.08	Absorption of Losses Accumulated by Capital Reserve	-	(194,364)	194,364	-	-	-
5.05	Total Comprehensive Income	-	-	44,411	147	44,558	44,558
5.05.01	Profit for the Period	-	-	44,411	-	44,411	44,411
5.05.02	Other Comprehensive Income	-	-	-	147	147	147
5.05.02.01	Adjustments to Financial Instruments	-	-	-	147	147	147
5.07	Closing Balances	898,233	720,122	44,411	147	1,662,913	1,662,913

Consolidated financial statements – Statement of changes in Equity 01/01/2017 to 09/30/2017
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Earnings/Accumulated Losses	Retained Losses	Equity	Consolidated Equity
5.01	Opening balances	1,506	736,998	(198,184)		540,320	540,320
5.03	Adjusted Opening Balances	1,506	736,998	(198,184)		540,320	540,320
5.04	Capital Transactions with Members	-	152,588	-		152,588	152,588
5.04.01	Capital Increases	-	150,000	-		150,000	150,000
5.04.03	Granted Options Recognized	-	2,588	-		2,588	2,588
5.05	Comprehensive Loss	-	-	(18,003)		(18,003)	(18,003)
5.05.01	Loss for the Period	-	-	(18,003)		(18,003)	(18,003)
5.07	Closing Balances	1,506	889,586	(216,187)		674,905	674,905

**Consolidated financial statements – Statement of value added
(In thousands of reais)**

Account Code	Account Description	Current Year 01/01/2018 to 09/30/2018	Prior Year 01/01/2017 to 09/30/2017
7.01	Revenues	1,797,463	1,378,053
7.01.01	Gross Sales of Goods and Services	1,775,187	1,363,485
7.01.02	Other Revenues	22,276	14,568
7.02	Inputs Purchased from Third Parties	(1,035,646)	(788,904)
7.02.01	Cost of Sales and Services	(618,836)	(482,286)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(407,856)	(301,427)
7.02.03	Impairment of Assets	(8,254)	(2,863)
7.02.04	Others	(700)	(2,328)
7.03	Gross Value Added	761,817	589,149
7.04	Retentions	(96,594)	(83,286)
7.04.01	Depreciation, Amortization and Depletion	(96,594)	(83,286)
7.05	Wealth Created by the Company	665,223	505,863
7.06	Wealth Received in Transfer	43,985	21,480
7.06.02	Financial Income	43,985	21,480
7.07	Total Wealth for Distribution	709,208	527,343
7.08	Wealth Distributed	709,208	527,343
7.08.01	Personnel	297,698	224,244
7.08.01.01	Direct Compensation	284,713	210,475
7.08.01.03	Unemployment Compensation Fund (FGTS)	12,985	13,769
7.08.02	Taxes, Fees and Contributions	218,712	156,063
7.08.02.01	Federal	166,947	114,084
7.08.02.02	State	45,048	36,511
7.08.02.03	Municipal	6,717	5,468
7.08.03	Lenders and Lessors	148,387	165,039
7.08.03.01	Interest	33,592	69,009
7.08.03.02	Rentals	114,795	96,030
7.08.04	Shareholders	44,411	(18,003)
7.08.04.03	Retained Earnings / Loss for the Period	44,411	(18,003)

MANAGEMENT REPORT

3Q18x3Q17 Performance:

- **Net Operating Revenue** of R\$611 million in 3Q18, up 37.9% from 3Q17;
- **Total of 20 restaurants opened** in 3Q18, leading to net opening of 108 restaurants in the last 12 months, driving the total restaurant count to 736 at the end of 3Q18;
- **Comparable sales in same restaurants grew 8.2%** in 3Q18;
- **Adjusted EBITDA¹** of R\$77 million in 3Q18, up 51.5% from 3Q17;
- **Adjusted EBITDA Margin** of 12.6%, an improvement of 120 bps compared to 3Q17;
- **Net Income** of R\$27 million in 3Q18 compared to a net loss of R\$5 million in 3Q17, an absolute increase of R\$32 million.

9M18x9M17 Performance:

- **Net Operating Revenue** of R\$1,630 million in 9M18, up 29.3% from 9M17;
- **Comparable sales in same restaurants grew 6.3%** in 9M18;
- **Adjusted EBITDA¹** of R\$163 million in 9M18, up 27.6% from 9M17;
- **Adjusted EBITDA Margin** of 10.0%, compared to 10.1% in 9M17;
- **Net Income** of R\$44 million in 9M18 compared to a net loss of R\$18 million in 9M17, an absolute increase of R\$62 million.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	3Q18	3Q17	VAR.	2Q18	VAR.	9M18	9M17	VAR.
NET OPERATING REVENUE	610.9	443.0	37.9%	536.9	13.8%	1,630.3	1,261.3	29.3%
ADJUSTED EBITDA	76.7	50.6	51.5%	49.5	55.0%	162.6	127.4	27.6%
% OF NET OPERATING REVENUE	12.6%	11.4%	120bps	9.2%	340bps	10.0%	10.1%	-10bps
NET INCOME (LOSS)	27.0	(4.9)	-	8.6	215.3%	44.4	(18.0)	-
GROSS DEBT	409.9	523.4	-21.7%	427.2	-4.0%	409.9	523.4	-21.7%
NET DEBT (CASH)	(236.3)	220.5	-	(222.7)	6.1%	(236.3)	220.5	-
SHAREHOLDERS' EQUITY	1,662.9	674.9	146.4%	1,632.3	1.9%	1,662.9	674.9	146.4%

OPERATIONAL HIGHLIGHTS	3Q18	3Q17	VAR.	2Q18	VAR.	9M18	9M17	VAR.
# OF RESTAURANTS	736	628	108	717	19	736	628	108
OWNED RESTAURANTS								
# OWNED RESTAURANTS BEGINNING OF PERIOD	583	481	102	528	55	526	480	46
RESTAURANT OPENINGS	14	11	3	8	6	27	22	5
RESTAURANT CLOSINGS	0	0	0	(4)	4	(5)	(10)	5
ACQUISITION / SALE* OF RESTAURANT BUSINESSES	(3)	0	(3)	51	(54)	46	0	46
# OWNED RESTAURANTS END OF PERIOD	594	492	102	583	11	594	492	102
FRANCHISEES RESTAURANTS								
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	134	133	1	181	(47)	171	121	50
RESTAURANT OPENINGS	6	4	2	4	2	18	17	1
RESTAURANT CLOSINGS	(1)	(1)	0	0	(1)	(1)	(2)	1
ACQUISITION / SALE* OF RESTAURANT BUSINESSES	3	0	3	(51)	54	(46)	0	(46)
# FRANCHISEES RESTAURANTS END OF PERIOD	142	136	6	134	8	142	136	6
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS)	8.2%	12.9%	-470bps	0.0%	820bps	6.3%	12.9%	-660bps

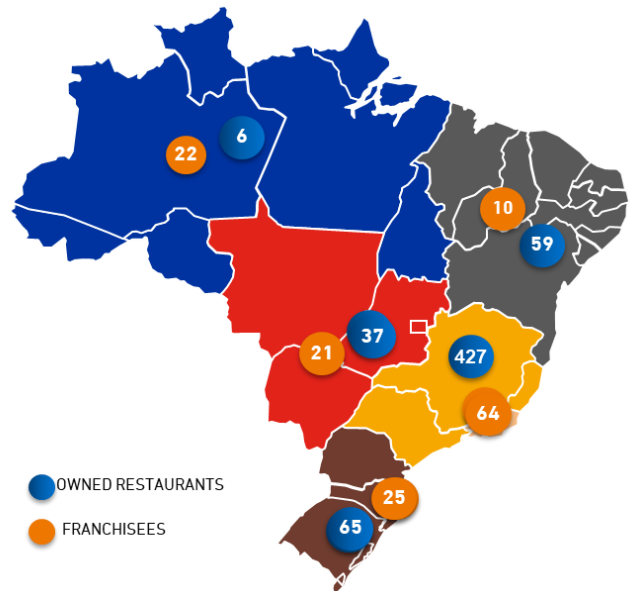
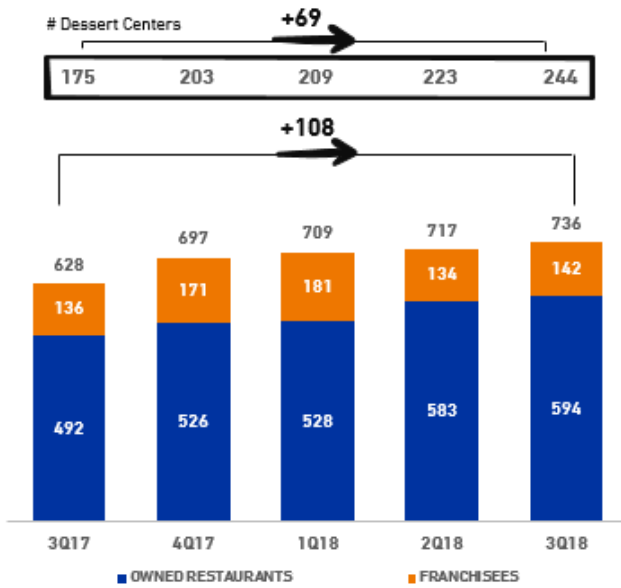
*SALE OF COMPANY-OWNED RESTAURANTS TO FRANCHISEES.

¹ "Adjusted EBITDA" is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses with mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis of the Company's operating performance, including: (i) write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment); and (ii) costs with stock option plan.

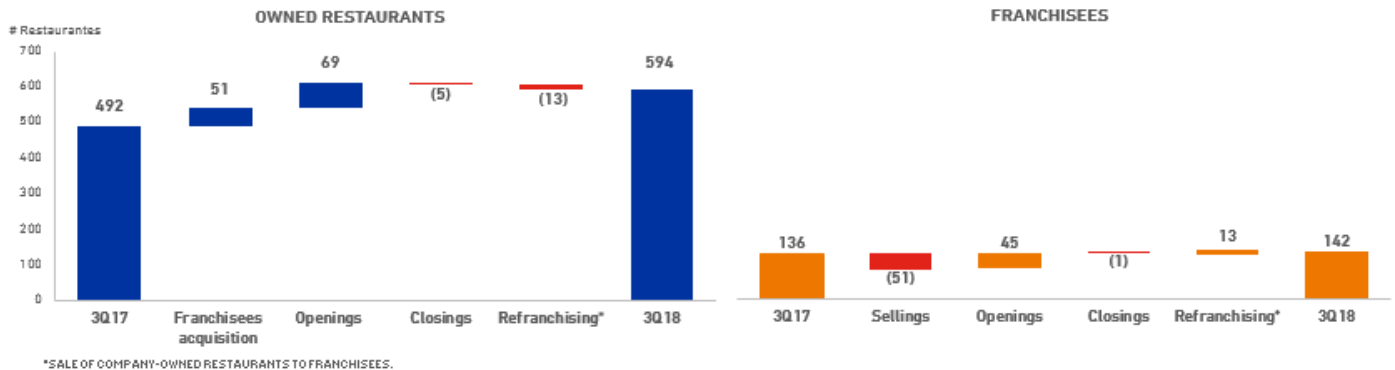
OPERATING AND FINANCIAL PERFORMANCE

Restaurant expansion

During 3Q18, BURGER KING® opened 20 new restaurants, of which 14 were company-owned restaurants and 6 were franchisees. Considering only restaurants operated by BK Brasil, net of sale of restaurant businesses* (3 restaurants), the Company ended the third quarter with 594 company-owned restaurants, an increase of 102 restaurants from 3Q17, including the acquisition of franchisees announced in April this year (51 restaurants). As for franchised restaurants, net of closures (1 restaurant), BURGER KING® ended 3Q18 with 142 restaurants. As such, the BURGER KING® system ended the month of September with a total of 736 restaurants operating across the country, a net increase of 108 restaurants when compared to September 2017. In addition to the 736 restaurants, the BURGER KING® system ended 3Q18 with 244 dessert centers, an increase of 69 units when compared to a growth of 54 during 2Q18.



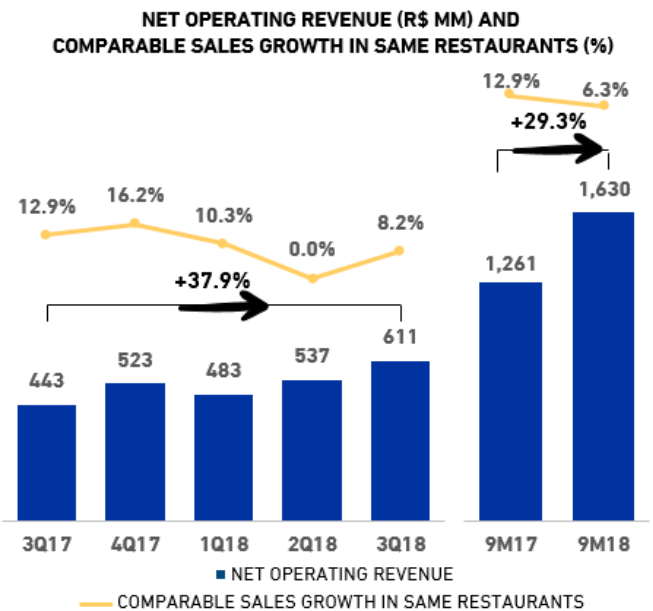
In the last 12 months, 114 restaurants were opened, of which 69 were company-owned and 45 were franchisees. Meanwhile, a total of 6 restaurants were closed, whereof 5 were company-owned and 1 franchisee.



Net operating revenue

In 3Q18, BK Brasil posted net operating revenue of R\$611 million, an increase of 37.9% from 3Q17. This increase is related to the restaurants opened in the last 12 months, the acquisition of franchised restaurants and the robust growth in comparable sales by 8.2%. The growth in comparable sales is a result of the continuous evolution of the brand, operational improvement and assertive execution of the marketing strategy. During this quarter we highlight the launch of Mega Stacker Catupiry® on the premium platform, the *dulce the leche* flavor on the ice cream platform and the successful campaigns on the kids platform including Emoji, Nerf® and Miraculous®.

In 9M18, net operating revenue grew 29.3% when compared to the same period in 2017, leveraged by the comparable sales growth of 6.3%, the good performance of the new stores opened, and the consolidation of the restaurants acquired from franchisees in 2Q18.



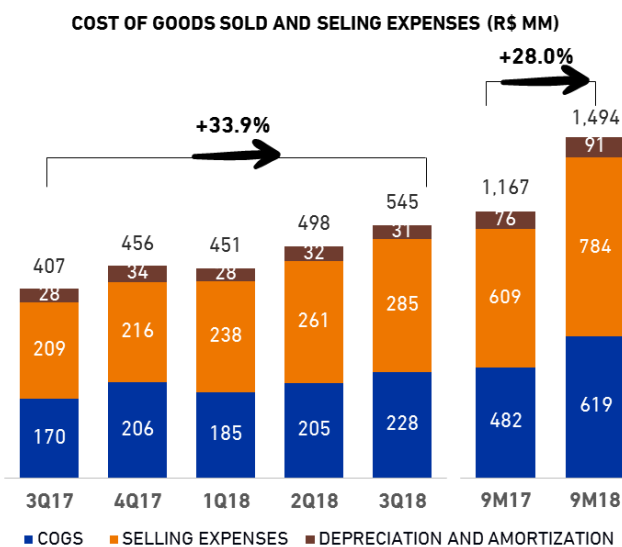
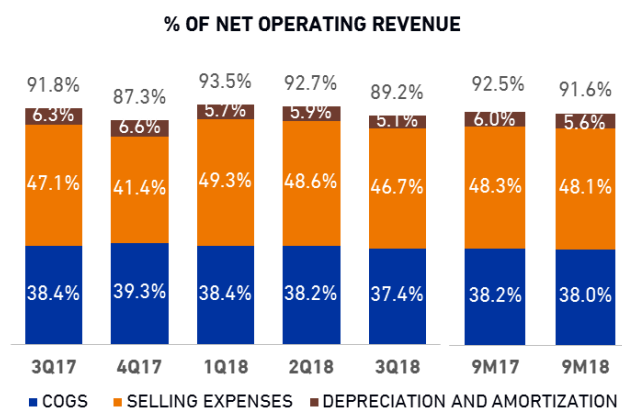
Cost of goods sold and selling expenses

Total restaurant expenses, including cost of goods sold and selling expenses at restaurants, were R\$545 million in 3Q18, representing 89.2% of net operating revenue, an improvement of 260 bps compared to 3Q17.

Cost of goods sold in 3Q18 improved to 37.4% of net operating revenue, reaching the lowest level since 4Q16, which represents a decrease of 100 bps compared to 3Q17, reflecting a better product mix and efficient cost control. Moreover, selling expenses at restaurants (excluding depreciation and amortization) represented 46.7% of net operating revenue, a reduction of 40 bps versus 3Q17, reflecting the Company's operating leverage, with improvement mainly in the personnel and occupation and utilities costs, partially offset by an increase in the repair and maintenance expenses.

In 9M18, total restaurant expenses were R\$1,494 million, representing 91.6% of net operating revenue, an improvement of 90 bps against 9M17. Cost of goods sold represented 38.0% of net operating revenue, improving 20 bps compared to 9M17.

Lastly, selling expenses at restaurants (excluding depreciation and amortization) represented 48.1% of net operating revenue, a decrease of 20 bps, despite the non-recurring effects in 2Q18 that negatively impacted the Company's operating margins.

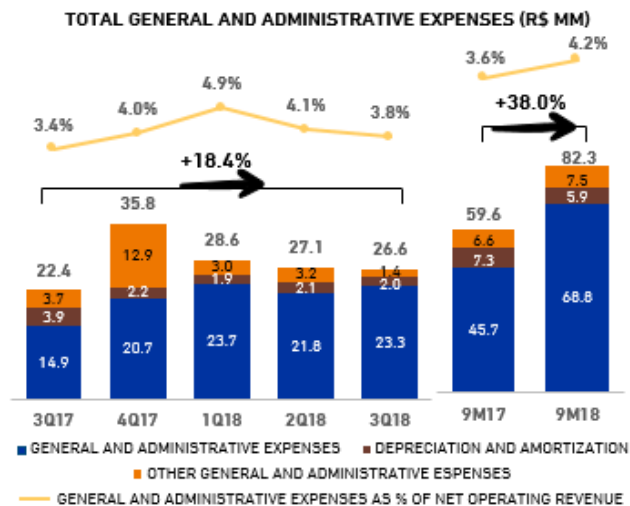


Total general and administrative expenses

Corporate general and administrative expenses (G&A) represented 3.8% of net operating revenue in 3Q18, reflecting expenses on services for the management of acquired franchisees, higher provisions for lawsuits and attorneys' fees. These corporate expenses totaled R\$23 million in 3Q18 compared to R\$15 million in 3Q17. Total general and administrative expenses reached R\$27 million, an increase of 18.4% compared to 3Q17, mainly due to the increase in corporate general and administrative expenses, partially offset by the decrease in other expenses.

Corporate general and administrative expenses

represented 4.2% of net revenue in 9M18, mainly due to higher expenses on provisions for lawsuits and expenses on services for the management of acquired franchisees, as well as expenses to meet the Company's requirements after the listing process.



Adjusted EBITDA

In 3Q18, adjusted EBITDA increased by 51.5%, from R\$51 million in 3Q17 to R\$77 million. The increase in adjusted EBITDA was due to the increase in net operating revenue, given the increase in the number of restaurants, strong growth of comparable sales, acquisition of franchisees, as well as the continued focus on cost control. Adjusted EBITDA margin increased 120 bps to 12.6% due to the improvement in gross margin and the Company's operating leverage.

In 9M18, adjusted EBITDA reached R\$163 million, an increase of 27.6% compared to 9M17, despite the impact of the truckers' strike and the World Cup in 2Q18. As a result, the adjusted EBITDA margin was 10.0% in the period.

EBITDA - R\$ MILLION	3Q18	3Q17	VAR %	2Q18	VAR %	9M18	9M17	VAR %
INCOME (LOSS) FOR THE PERIOD	27.0	(4.9)	-	8.6	215.3%	44.4	(18.0)	-
(+) FINANCIAL INCOME (LOSS)	(2.3)	18.7	-	2.5	-	(7.9)	49.1	-
(+) DEPRECIATION AND AMORTIZATION	33.3	31.8	4.5%	33.7	-1.3%	96.6	83.3	16.0%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	14.9	0.1	-	0.8	-	17.8	3.6	393.0%
EBITDA	72.9	45.7	59.6%	45.6	59.9%	151.0	118.0	27.9%
<i>EBITDA MARGIN</i>	<i>11.9%</i>	<i>10.3%</i>	<i>160bps</i>	<i>8.5%</i>	<i>340bps</i>	<i>9.3%</i>	<i>9.4%</i>	<i>-10bps</i>
(+) OTHERS EXPENSES*	(0.4)	0.3	-	0.4	-	1.1	2.6	-57.9%
(+) COST OF STOCK OPTION PLAN	1.1	2.6	-56.6%	1.1	0.1%	3.4	2.6	30.0%
(+) MERGE AND ACQUISITION EXPENSES	0.6	0.8	-17.1%	1.6	-59.4%	3.1	1.4	113.7%
(+) PRE-OPERATING EXPENSES	2.5	1.3	91.7%	0.7	227.9%	4.1	2.8	45.1%
ADJUSTED EBITDA¹	76.7	50.6	51.5%	49.5	55.0%	162.6	127.4	27.6%
<i>ADJUSTED EBITDA MARGIN</i>	<i>12.6%</i>	<i>11.4%</i>	<i>120bps</i>	<i>9.2%</i>	<i>340bps</i>	<i>10.0%</i>	<i>10.1%</i>	<i>-10bps</i>

¹Include write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment).

Net income

Net income increased significantly, reaching R\$27 million in 3Q18 compared to a net loss of R\$5 million in 3Q17, as a result of the strong revenue growth and the Company's operating leverage.

In 9M18, the Company posted a net income of R\$44 million against a net loss of R\$18 million in 9M17, an increase of R\$62 million, due to better operating and financial results.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that during the period ended 30 September 2018, the independent auditors (ERNST & YOUNG Auditores Independentes S.S. (EY)), in addition to the external audit services, also provided additional services relating to due diligence services and provision of tax services, which totaled R\$173 thousand or 12% of the total amount contracted for external audit services.

The Company and its joint ventures adopt as a formal procedure to consult the independent auditors, to ensure that the performance of other services will not affect the independence and objectivity required to perform independent audit services. The Company's policy in the hiring of independent auditors' services ensures that there is no conflict of interests, loss of independence or objectivity. In the hiring of such services, the policies adopted by the Company are based on principles that preserve the auditor's independence. These principles, according to internationally accepted standards, are: (a) the auditor cannot audit his own work; (b) the auditor cannot function as a part of management in his client, and (c) the auditor cannot serve in an advocacy role for his clients. EY stated that the provision of services was performed in strict compliance with the accounting standards that deal with the independent auditors' independence in audit work and did not represent a situation that could affect the independence and objectivity in the performance of their external audit services.

Barueri, November 08, 2018.

Board of Executive Officers.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information
June 30, 2018
(In thousands of reais)

1. Operations

The BK Brasil Operação e Assessoria a Restaurantes S.A. (“BKB ” or “Company”) is a publicly-held corporation established in Brazil, with its head office at Alameda Rio Negro, 161 - Alphaville - Barueri - State of São Paulo (SP), in process of change of address, engaged in: i) development and operation of “Burger King” restaurants in Brazil; (ii) advisory and support services to “Burger King” restaurants in Brazil; (iii) sale, import and export of products related to the aforementioned activities; and (iv) holding of equity interests in other companies that develop the activities above in Brazil, as partner or shareholder.

a) Burger King Operation

The right to operate the “Burger King” restaurants was obtained through a Master Franchise agreement entered into with Burger King Corporation (“BKC”) on July 9, 2011. The restaurant operation rights have a term of twenty years, renewable for additional twenty years, if the parties intend to (Note 20).

The Company obtained from Burger King Corporation, owner of the Burger King brand, a franchise for 20 years counted from each store’s opening date. In the opening of each store, the following are paid:

Franchise fee:

- Free Standing/Food Court/in Line at US\$45 thousand;
- Express at US\$30 thousand;
- Kiosk at US\$5 thousand;
- Royalties: 5% of net revenue;
- Marketing fund of 5% of net revenue.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

1. Operations--Continued

a) Burger King Operation--Continued

As of September 30, 2018 and December 31, 2017, the Company had 594 and 526 company-owned stores, respectively, of which:

	<u>09/30/2018</u>	<u>12/31/2017</u>
State of Alagoas	4	4
State of Bahia	11	12
State of Ceará	12	12
Federal District	15	15
State of Espírito Santo	10	10
State of Goiás	18	7
State of Maranhão	5	5
State of Mato Grosso	3	-
State of Mato Grosso do Sul	1	-
State of Minas Gerais	47	23
State of Pará	6	6
State of Paraíba	5	4
State of Pernambuco	13	11
State of Piauí	2	2
State of Paraná	33	16
State of Rio de Janeiro	84	82
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	32	32
State of Sergipe	4	4
State of São Paulo	286	278
Total Stores	<u>594</u>	<u>526</u>

Business Combination

During 2018, the Company confirmed the acquisition of the following companies, with the purpose of increasing the number of restaurants and maximizing its results through the synergy of operations, as well as centralizing its administration and capital management:

<u>Company</u>	<u>Date of acquisition</u>	<u>% of acquisition</u>
King Food Comércio de Alimentos S.A.	02/04/2018	100%
Good Food Comércio de Alimentos S.A.	02/04/2018	100%
Fast Burger Comércio de Alimentos S.A.	02/04/2018	100%

In this operation, 51 restaurants and 20 dessert kiosks were acquired (Note 4.1).

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

1. Operations--Continued

b) Popeyes Operation

In line with its expansion plan, on March 20, 2018, the Company and Popeyes Louisiana Kitchen, Inc. announced "Master Franchise" agreements.

With the execution of the agreements, BKB started to have the exclusive right of developing and operating restaurants, itself or through franchisees, with the POPEYES® brand in Brazil for a period of 20 years.

The agreements establish annual targets to allow gradual acceleration of growth of company and/or franchised restaurants, among which that of opening more than 300 restaurants in the initial period of 10 years.

The agreements also provide that the Company shall be the exclusive provider of POPEYES® services in Brazil, rendering marketing, training, monitoring, procurement and audit services, among others, to franchised restaurants in Brazil, being allowed for this to collect service charge from its franchisees.

In addition, royalties and contribution to the marketing fund were established at levels that are similar to those applicable to the BURGER KING® brand in Brazil.

In the period ended September 30, 2018, the Company's total capitalized expenses referring to the POPEYES® brand project in Brazil aggregated R\$2,586.

The remaining explanations referring to this note were not materially changed in relation to those disclosed in Note 1 to the individual and consolidated financial statements as of December 31, 2017.

2. Accounting policies

The individual and consolidated interim financial information was prepared consistently with the accounting policies described in Note 2 to the annual individual and consolidated financial statements for the year ended December 31, 2017, and remains valid, except for the adoption on January 1, 2018 of CPC 47 – Revenue from Contracts with Customers and CPC 48 – Financial Instruments, and the effects are already reflected in this individual and consolidated quarterly information for the period ended September 30, 2018. The adoption of these pronouncements did not materially affect the accounting policies and practices adopted and used in the year ended December 31, 2017. The change in adopting these pronouncements refers to the recognition of franchise fee revenue, that revenue used to be fully recognized upon entering into the franchise agreement and, after adoption of the new pronouncement, it is recognized according to the stipulated period of permanence of the brand with the franchisee – of 20 years. In the period ended September 30, 2018, the amount of franchise fee revenue in the Company's P&L due to the adoption of the new standard was R\$757, obligation that was recorded in liabilities.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

2. Accounting policies--Continued

Accordingly, this interim financial information does not include all the notes and disclosures required by applicable standards for annual individual and consolidated financial statements and, therefore, the respective financial information should be read in conjunction with such annual individual and consolidated financial statements. Based on the judgment and assumptions adopted by management regarding the materiality and changes that should be disclosed in the notes to the financial statements, this interim financial information includes selected notes and does not include all the notes presented in the annual financial statements, as allowed by Official Circular No. 03/2011, issued by the Brazilian Securities and Exchange Commission (CVM).

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended September 30, 2018, was prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented consistently with CVM rules, applicable to the preparation of Quarterly Information (ITR).

The preparation of interim financial information requires the use of critical accounting estimates and also the exercise of judgment by Company management in the process of applying the accounting practices. Accounting estimates and assumptions are periodically evaluated and are based on historical experience and other factors, including expected future events, considered to be reasonable in the circumstances. Actual results may differ from those estimates.

The consolidated interim information consists of the interim information of BKB and its subsidiaries as mentioned in Notes 1, 4 and 11. In addition, the Company prepared its consolidated interim financial information using the parent company accounting policies.

The Company's individual and consolidated interim financial information for the period ended September 30, 2018 was concluded and approved by the Company's officers and authorized for issue according to resolution of the members of the Board of Director on November 08, 2018.

The Company develops its activities and bases its business decisions considering only one operating segment; related to the sale of food and beverages in restaurants operated by the Company.

2.1 IFRS 9 - Financial Instruments

The Company adopted the IFRS 9 Financial Instruments in replacement of IAS 39 Financial Instruments: Recognition and measurement as of January 1, 2018, in accordance with CVM resolution 763/16. The changes made to the Company's accounting policies are described below, as well as their impacts at on the financial information:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

2. Accounting policies—Continued

2.1 IFRS 9 - Financial Instruments--Continued

Financial Assets Classification

The IFRS 9 have a new classification and measurement approach for financial assets that contains three main classification categories: measured at amortized cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). The standard eliminates existing IAS 39 categories, held to maturity, held for trading, loans and receivables, and available for sale.

This change did not generate any retrospective impact on the Company's financial assets measurement. Prospectively for the equity instruments measured by FVOCI, when they are settled or transferred, the accumulated profit or loss in the other comprehensive income no longer affect the result, being immediately reclassified to the accumulated profit or loss, in shareholder's equity.

Hedge Accounting

The Company opted to apply the new requirements of IFRS 9 in relation to hedge accounting. These requirements demand that hedge accounting relationships are aligned with the Company's risk management, objectives and strategies, make the effectiveness assessment more qualitative and prospective, and prohibit voluntary discontinuation of the hedge accounting.

The Company has instruments designated for cash flow hedge, and recognizes the changes in fair value related to the hedge (mark to market), in other comprehensive income. When the instrument is liquidated, these hedge costs are reclassified to income.

Impairment of Financial Assets

The IFRS 9 replaces the "losses incurred" model IAS 39 with a prospective "expected credit loss" model. These new model applies to financial assets measured at amortized costs or FVOCI, with the exception of investments in equity instruments and contractual assets.

For cash investments, cash and cash equivalents, the Company did not have significant effect in credit losses, given the high ratings of its counterparts.

The adoptions of these new politic generated the following impacts in the Company shareholders' equity at other comprehensive income in the amount of R\$147.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued
September 30, 2018
(Values expressed in thousands of Reais)

2. Accounting policies--Continued

2.1 IFRS 9 - Financial Instruments--Continued

Transition

The changes in accounting policies resulting from the adoption of IFRS 9 were applied retrospectively, except for the situations described below:

- a) The Company adopted the exemption that allows it not to restate the comparative information from prior periods arising from changes in the classification and measurement of financial instruments (including expected losses). Thus, the information presented for 2017 does not reflect the requirements of IFRS 9, but the requirements of IAS 39.
- b) The new requirements of hedge accounting were applied prospectively.

The other explanations related to the objectives and policies for financial risk management adopted by the Company are described in note 30 of this quarter information.

3. Standards, amendments to and interpretations of standards not yet effective

In January 2016, IFRS 16 - Leasing was issued and in December 2017 was issued CPC 06 (R2) - Leasing Operations, applicable as of January 1, 2019. The Company believes that CPC 06 will bring significant impacts, since the operation depends on operating leases. The potential impacts refer to the registration of the obligations assumed by BKB, with its counterpart in the assets to their right of use. The BKB is evaluating the impact of adopting this standard and is expected to have the initial measurement throughout this year.

There are no other standards, amendments to standards and interpretations issued and not yet adopted that could have a significant impact arising from their application to the Company's interim financial information, besides those already disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2017.

Other disclosures referring to this note were not materially changed in relation to the information disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2017.

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Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

4. Business combination

On October 17, 2017, the Company entered into a Share Purchase Agreement for the acquisition of King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A., which have in total 51 restaurants and 20 dessert kiosks of the BURGER KING® system (Note 1).

The transaction amounted to R\$ 404 million (note 11), through the fulfillment of several suspensive conditions, among them, the approval of the transaction by the Brazil's antitrust authority ("CADE"), which occurred on January 31, 2018 in a manner satisfactory to BKB published in the Federal Official Gazette ("DOU"), the Company's initial public offering on December 18, 2017 and the satisfactory completion of legal, accounting, financial and operating due diligence of the companies.

On April 2, 2018, the Company announced the completion of the acquisition of control and the totality of the shares issued by the franchisees King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A.

4.1. King Food Comércio de Alimentos S.A.

The composition of the consideration, preliminary allocation of the acquisition price, identification of the market value of the calculated net assets and the allocation of the goodwill are shown below:

Consideration paid on acquisition	95,174
Consideration payable (Note 18)	3,710
Total consideration	98,884

	Accounting value as of 03/31/2018	Adjustment Fair Value	Fair value
Current assets, net of cash acquired	6,821	-	6,821
Other non-current assets	2,401	-	2,401
Property (Note 12)	13,564	-	13,564
Intangible (Note 13)			
Goodwill	-	89,186	89,186
Franchise fee	522	1,226	1,748
Commercial rights	434	3,927	4,361
Software	221	-	221
	23,963	94,339	118,302
Current liabilities	13,088	-	13,088
Non-current liabilities (*)	6,330	-	6,330
Assets acquired of fair value	4,545	94,339	98,884

(*) Beginning in 2015, there were no more differences between fiscal and accounting books on Business Combinations, and no deferred taxes were recorded.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

4. Business combination--Continued

4.2. Good Food Comércio de Alimentos S.A.

The composition of the consideration, preliminary allocation of the acquisition price, identification of the market value of the calculated net assets and the allocation of the goodwill are shown below:

Consideration paid on acquisition	155,672
Consideration payable (Note 18)	4,887
Total consideration	160,559

	Accounting value as of 03/31/2018	Adjustment Fair Value	Fair value
Current assets, net of cash acquired	22,877	-	22,877
Other non-current assets	1,604	-	1,604
Property (Note 12)	10,847	-	10,847
Intangible (Note 13)			
Goodwill	-	138,658	138,658
Franchise fee	598	1,265	1,863
Commercial rights	346	5,905	6,251
Software	205	-	205
	36,477	145,828	182,305
Current liabilities	13,372	-	13,372
Non-current liabilities (*)	8,374	-	8,374
Assets acquired of fair value	14,731	145,828	160,559

(*) Beginning in 2015, there were no more differences between fiscal and accounting books on Business Combinations, and no deferred taxes were recorded.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

4. Business combination--Continued

4.3. Fast Burger Comércio de Alimentos S.A.

The composition of the consideration, preliminary allocation of the acquisition price, identification of the market value of the calculated net assets and the allocation of the goodwill are shown below:

Consideration paid on acquisition	138,861
Consideration payable (Note 18)	5,583
Total consideration (*)	144,444

	Accounting value as of 03/31/2018	Adjustment Fair Value	Fair value
Current assets, net of cash acquired	14,572	-	14,572
Other non-current assets	3,607	-	3,607
Property (Note 12)	14,052	-	14,052
Intangible (Note 13)			
Goodwill	-	145,014	145,014
Franchise fee	1,509	802	2,311
Commercial rights	1,072	7,242	8,314
Software	89	-	89
	34,901	153,058	187,959
Current liabilities	28,295	-	28,295
Non-current liabilities (**)	15,220	-	15,220
Assets acquired of fair value	(8,614)	153,058	144,444

(*) The value of the consideration may be modified since one of the stores acquired from this subsidiary did not have 12 operating months at the date of acquisition, so the premises used were different from the other stores. Therefore, the Company is aware that the value of its consideration may change and it is expected that it will not be significant.

(**) Beginning in 2015, there were no more differences between fiscal and accounting books on Business Combinations, and no deferred taxes were recorded.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

5. Cash and cash equivalents

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Cash	16,146	19,580	18,578	19,580
Banks	4,608	424	4,610	424
Financial investments	39,269	82,231	54,915	82,341
Total cash and cash equivalents	60,023	102,235	78,103	102,345

The cash balance is mainly comprised by cash funds of stores, which are used for the daily opening of cash in stores and cash in transit, which after the daily closing of cash in stores are sent for collection and bank deposits.

Financial investments are held for the purpose of meeting short-term cash commitments.

Type of investment	Annual yield	Parent company		Consolidated	
		09/30/2018	12/31/2017	09/30/2018	12/31/2017
CDB	98% to 100% of CDI	73	55,182	73	55,292
Financial bills ("LF")	104% to 117% of CDI	-	26,006	-	26,006
Invest plus	2% to 60% of CDI	39,196	1,043	54,842	1,043
Total financial investments		39,269	82,231	54,915	82,341

These investments are highly liquid and the Company may redeem them at any time without significant change in value. These investments are in compliance with the Company's internal policy, observing the limits among financial institutions, ratings and liquidity criteria.

6. Marketable securities

Type of investment	Annual yield	Parent company		Consolidated	
		09/30/2018	12/31/2017	09/30/2018	12/31/2017
Exclusive investment fund - XPA BK (*)	100% to 124% of CDI and SELIC	380,563	518,248	-	-
Federal Treasury Bills ("LFT")	100% to 126% of CDI and SELIC	-	-	195,114	498,124
Investment funds	IPC-A	-	18,336	31,238	38,460
Lease bills ("LAM")	100% to 102.1% of CDI	58,044	332,607	58,044	332,607
CDB	100% to 101.4% of CDI	97,071	204,708	120,298	204,708
National Treasury Bills ("LTN")	Prefixed 7.86% to 9.19%	-	-	9,201	-
Investments in debentures	CDI	-	-	72,755	-
Financial Bills ("LF")	100.4% to 117% of CDI	-	-	66,172	-
Investment Fund and CDB (**)	85% to 99% of CDI	2,840	3,902	2,840	3,902
Repurchase agreements (***)	100% of CDI	12,462	11,868	12,462	11,868
Total marketable securities		550,980	1,089,669	568,124	1,089,669
Current		538,183	1,076,384	555,327	1,076,384
Marketable securities		535,678	1,073,900	552,822	1,073,900
Restricted marketable securities		2,505	2,484	2,505	2,484
Non-current		12,797	13,285	12,797	13,285

(*) XPA BK FUNDO DE INVESTIMENTO MULTIMERCADO INVESTIMENTO NO EXTERIOR – Exclusive investment fund, 100% held by the Company, created on 12/29/2017. The portfolio of this fund, by type of investment, is shown in the consolidated balances, and is comprised of financial treasury bills, national treasury bills and CDBs.

(**) Financial investments pledged as collateral of loans and financing mentioned in Note 14 and their redemption is linked to the maturity of those loans.

(***) Repurchase agreements (restricted account) pledged as collateral of the 6th issue of debentures mentioned in Note 14.2.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

7. Trade receivables, net

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Sales transactions	53,563	52,679	61,590	52,679
Service rendered with franchisees	3,647	7,457	3,647	7,457
Services rendered with related parties	406	639	406	639
Other receivables	2,247	183	2,247	183
Total trade receivables	59,863	60,958	67,890	60,958

As mentioned in Note 14, part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financing (debentures).

8. Inventories

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Goods for resale	28,174	28,116	29,760	28,116
Distribution center – BKB	23,306	7,348	23,306	7,348
Souvenirs	10,099	4,279	10,871	4,279
Total inventories	61,579	39,743	63,937	39,743

9. Taxes recoverable

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
IRPJ (Income Tax)	2,368	2,582	3,106	2,582
CSLL (Social Contribution on Profit)	1,085	1,053	1,356	1,053
PIS and COFINS (indirect taxes) on property and equipment	70	71	70	71
IRRF (Withholding Income Tax)	11,242	5,414	11,281	5,414
ICMS (State VAT)	6,872	3,681	7,523	3,722
Non-cumulative PIS	4,185	4,591	4,820	4,591
Non-cumulative COFINS	19,024	19,532	21,950	19,532
INSS (Social Security Contribution)	8,479	2,505	8,615	3,921
Other	288	301	1,062	1,389
Total taxes recoverable	53,613	39,730	59,783	42,275
Current	40,724	22,448	46,894	24,993
Non-current (*)	12,889	17,282	12,889	17,282

(*) The Company expects to realize the tax credits until 2020.

10. Advances paid

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Advances to suppliers of services and materials	24,489	17,961	24,571	17,961
Expenses to be reimbursed - Marketing Fund	18,218	6,801	18,218	6,801
Total prepaid expenses	42,707	24,762	42,789	24,762

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

11. Investments

The movement in investments as of September 30, 2018 and December 31, 2017 were as follows:

	Parent company	
	09/30/2018	12/31/2017
Opening balance	17,965	56,887
Investments acquired (Note 4)	403,887	-
Advance for future capital increase - in cash	17,017	2,438
Advance for future capital increase - PERT (*)	1,489	2,963
Merger of subsidiaries	-	(42,351)
Equity pickup	12,455	(1,972)
Closing balance	452,813	17,965

(*) In September 2018, the subsidiaries enrolled in the tax debt refinancing program (PERT). On that occasion, the Company's tax loss was used to settle part of the Subsidiary's debt and a contribution on this transaction was recognized.

The acquisition of the net assets of direct subsidiaries resulted in optimization and synergy of processes and maximization of results for the Company.

The carrying amounts (without the effect of fair value) as of September 30, 2018 and December 31, 2017 are as follows:

	09/30/2018					Total
	BGMXX BA	BGMXX AL	KING FOOD	FAST BURGER	GOOD FOOD	
Assets						
Current	2,473	134	10,181	14,284	26,642	53,714
Non-current	4,164	108	17,426	20,239	13,643	55,580
Total assets	6,637	242	27,607	34,523	40,285	109,294
Liabilities						
Current	5,365	1,559	7,966	11,427	10,551	36,868
Non-current	2,127	764	7,462	10,975	13,063	34,391
Total liabilities	7,492	2,323	15,428	22,402	23,614	71,259
Equity	(855)	(2,081)	12,179	12,121	16,671	38,035
Total liabilities and equity	6,637	242	27,607	34,523	40,285	109,294
% interest in subsidiary	100%	100%	100%	100%	100%	
Net operating revenue	-	-	37,983	51,777	51,720	141,480
Equity pickup	(334)	(17)	4,021	6,845	1,940	12,455

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

11. Investments--Continued

	12/31/2017			Total
	BGMXX BA	BGMXX AL	Realty (*)	
Assets				
Current	3,990	197	-	4,187
Non-current	5,088	112	-	5,200
Total assets	9,078	309	-	9,387
Liabilities				
Current	5,974	1,778	-	7,752
Non-current	4,463	622	-	5,085
Total liabilities	10,437	2,400	-	12,837
Equity	(1,359)	(2,091)	-	(3,450)
Total liabilities and equity	9,078	309	-	9,387
% interest in subsidiary	100%	100%	-	-
Net operating revenue (a)	-	-	-	-
Equity pickup	(1,786)	(72)	(114)	(1,972)

(*) Realty was merged during 2017.

(a) Operating revenues of subsidiaries are being recognized at the parent company.

The Company holds full participation in these subsidiaries and for consolidation purposes the net asset is eliminated against the investment balance, remaining the surplus value balance, which was reclassified to intangible assets (Note 13).

12. Property and equipment, net

	Annual average depreciation rate	Parent company		Consolidated	
		09/30/2018	12/31/2017	09/30/2018	12/31/2017
Facilities, improvements and projects	(i)	389,647	371,036	409,787	372,473
Machinery and equipment	5% to 25%	130,817	123,794	145,212	125,323
Furniture and fixtures	6% to 20%	36,729	32,459	41,943	33,395
Computers and hardware	2% to 5%	40,121	42,519	42,640	42,493
Other assets (ii)	-	189,415	129,167	190,406	129,286
(-) Provision for impairment	-	(5,386)	(3,328)	(5,386)	(3,328)
Total property and equipment		781,343	695,647	824,601	699,642

(i) According to the rental agreement terms, 10 years on average.

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

The movement in property and equipment in the period ended September 30, 2018 and year ended December 31, 2017 were as follows:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

12. Property and equipment, net--Continued

	Parent company					(-)	Total
	Facilities, improvements and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)	Provision for impairment	
Cost							
Balance at 12/31/2016	492,089	155,464	43,691	74,291	127,560	(7,955)	885,140
Additions	28,720	-	3	7	143,507	-	172,237
Mergers	2,637	920	951	451	384	-	5,343
Transfers	73,155	31,308	8,503	20,819	(133,785)	-	-
Write-offs	(15,271)	(1,745)	(1,463)	(3,860)	(8,500)	-	(30,839)
Sale of stores (i)	(10,690)	(2,182)	(911)	(1,049)	1	-	(14,831)
Impairment	-	-	-	-	-	4,627	4,627
Balance at 12/31/2017	570,640	183,765	50,774	90,659	129,167	(3,328)	1,021,677
Additions	25,787	-	-	5	146,905	-	172,697
Transfers	42,627	22,681	8,753	10,118	(84,179)	-	-
Write-offs	(4,380)	(278)	(98)	(955)	(1,449)	-	(7,160)
Sale of stores (i)	(2,293)	(843)	(191)	(427)	(1,029)	-	(4,783)
Impairment (Note 27)	-	-	-	-	-	(2,058)	(2,058)
Balance at 09/30/2018	632,381	205,325	59,238	99,400	189,415	(5,386)	1,180,373
Depreciation							
Balance at 12/31/2016	(151,667)	(43,440)	(14,350)	(35,036)	-	-	(244,493)
Additions	(61,291)	(18,159)	(5,012)	(16,827)	-	-	(101,289)
Write-offs	8,593	831	678	2,933	-	-	13,035
Sale of stores (i)	4,761	797	369	790	-	-	6,717
Balance at 12/31/2017	(199,604)	(59,971)	(18,315)	(48,140)	-	-	(326,030)
Additions	(47,960)	(15,017)	(4,326)	(12,360)	-	-	(79,663)
Write-offs	3,769	144	48	907	-	-	4,868
Sale of stores (i)	1,061	336	84	314	-	-	1,795
Balance at 09/30/2018	(242,734)	(74,508)	(22,509)	(59,279)	-	-	(399,030)
Total property and equipment at 12/31/2017	371,036	123,794	32,459	42,519	129,167	(3,328)	695,647
Total property and equipment at 09/30/2018	389,647	130,817	36,729	40,121	189,415	(5,386)	781,343

(i) Sale of 5 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$3,871 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

12. Property and equipment, net--Continued

	Consolidated					(-)	Total
	Facilities, improvements and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)	Provision for impairment	
Cost							
Balance at 12/31/2016	501,096	163,165	49,697	75,730	128,063	(7,955)	909,796
Additions	28,720	-	3	6	143,507	-	172,236
Transfers	73,155	31,308	8,503	20,819	(133,785)	-	-
Write-offs	(15,316)	(1,745)	(1,463)	(3,860)	(8,500)	-	(30,884)
Sale of stores (i)	(10,690)	(2,182)	(911)	(1,049)	1	-	(14,831)
Impairment	-	-	-	-	-	4,627	4,627
Balance at 12/31/2017	576,965	190,546	55,829	91,646	129,286	(3,328)	1,040,944
Additions	25,827	356	84	152	151,817	-	178,235
Acquisition (Note 4)	19,525	12,737	4,412	1,738	50	-	38,463
Transfers	44,075	23,939	8,996	11,240	(88,251)	-	-
Write-offs	(4,731)	(278)	(100)	(1,117)	(1,449)	-	(7,675)
Sale of stores (i)	(2,293)	(843)	(191)	(427)	(1,029)	-	(4,783)
Impairment (Note 27)	-	-	-	-	-	(2,058)	(2,058)
Balance at 09/30/2018	659,367	226,458	69,030	103,233	190,424	(5,386)	1,243,126
Depreciation							
Balance at 12/31/2016	(156,173)	(48,312)	(18,337)	(35,999)	-	-	(258,821)
Additions	(61,673)	(18,539)	(5,144)	(16,877)	-	-	(102,233)
Write-offs	8,593	831	678	2,933	-	-	13,035
Sale of stores (i)	4,761	797	369	790	-	-	6,717
Balance at 12/31/2017	(204,492)	(65,223)	(22,434)	(49,153)	-	-	(341,302)
Additions	(49,918)	(16,503)	(4,788)	(12,823)	(18)	-	(84,050)
							5.032
Write-offs	3,769	144	50	1,069	-	-	
Sale of stores (i)	1,061	336	84	314	-	-	1,795
	(249,580)						(418,525)
Balance at 09/30/2018		(81,246)	(27,087)	(60,593)	(18)	-	
Total property and equipment at 12/31/2017	372,473	125,323	33,395	42,493	129,286	(3,328)	699,642
Total property and equipment at 09/30/2018	409,787	145,212	41,943	42,640	190,406	(5,386)	824,601

(i) Sale of 5 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$3,871 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

The other subjects of this note were not materially changed in relation to the disclosures in Note 12 to the individual and consolidated financial statements as of December 31, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

13. Intangible assets, net

	Annual average amortization rate	Parent company		Consolidated	
		09/30/2018	12/31/2017	09/30/2018	12/31/2017
Commercial rights	(*)	47,805	49,977	69,726	53,250
Franchise fee	5%	54,639	49,770	62,571	51,924
Software licenses	20%	7,477	8,859	8,502	8,857
Goodwill	(**)	184,917	184,917	574,941	202,083
Total intangible assets		294,838	293,523	715,740	316,114

(*) According to the rental agreement terms, 10 years on average.

(**) Annual analysis of impairment.

The movements in intangible assets in the period ended September 30, 2018 and year ended December 31, 2017 were as follows:

	Parent company				
	Commercial rights	Franchise fee (Note 21)	Software licenses	Goodwill	Total
Cost					
Balance at 12/31/2016	80,675	51,679	13,555	154,622	300,531
Additions	10,560	8,862	5,329	-	24,751
Mergers	6,200	979	-	30,295	37,474
Write-offs	-	-	(423)	-	(423)
Sale of stores (i)	(655)	(707)	(11)	-	(1,373)
Balances at 12/31/2017	96,780	60,812	18,450	184,917	360,959
Additions	5,196	7,839	766	-	13,801
Write-offs	(1,018)	-	(4)	-	(1,022)
Sale of stores (i)	(60)	(260)	(47)	-	(367)
Balance at 09/30/2018	100,898	68,391	19,165	184,917	373,371
Amortization					
Balance at 12/31/2016	(35,722)	(7,840)	(7,144)	-	(50,706)
Additions	(11,316)	(3,333)	(2,815)	-	(17,464)
Write-offs	-	-	360	-	360
Sale of stores (i)	235	131	8	-	374
Balance at 12/31/2017	(46,803)	(11,042)	(9,591)	-	(67,436)
Additions	(7,050)	(2,763)	(2,108)	-	(11,921)
Write-offs	733	-	1	-	734
Sale of stores (i)	27	53	10	-	90
Balance at 09/30/2018	(53,093)	(13,752)	(11,688)	-	(78,533)
Total intangible assets at 12/31/2017	49,977	49,770	8,859	184,917	293,523
Total intangible assets at 09/30/2018	47,805	54,639	7,477	184,917	294,838

(i) Sale of 5 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$3,871 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

13. Intangible assets, net--Continued

	Consolidated				Total
	Commercial rights	Franchise fee	Software licenses	Goodwill	
Cost					
Balance at 12/31/2016	91,159	54,859	13,728	202,083	361,829
Additions	11,443	8,862	5,329	-	25,634
Write-offs	-	-	(423)	-	(423)
Sale of stores (i)	(655)	(707)	(11)	-	(1,373)
Balance at 12/31/2017	101,947	63,014	18,623	202,083	385,667
Additions	5,195	7,939	1,381	-	14,515
Acquisition (Note 4)	18,926	5,922	515	372,858	398,220
Write-offs	(1,018)	-	(8)	-	(1,026)
Sale of stores (i)	(60)	(260)	(47)	-	(367)
Balance at 09/30/2018	124,990	76,615	20,463	574,941	797,009
Amortization					
Balance at 12/31/2016	(37,616)	(7,888)	(7,319)	-	(52,823)
Additions	(11,316)	(3,333)	(2,815)	-	(17,464)
Write-offs	-	-	360	-	360
Sale of stores (i)	235	131	8	-	374
Balance at 12/31/2017	(48,697)	(11,090)	(9,766)	-	(69,553)
Additions	(7,327)	(3,007)	(2,210)	-	(12,544)
Write-offs	733	-	5	-	738
Sale of stores (i)	27	53	10	-	90
Balance at 09/30/2018	(55,264)	(14,044)	(11,961)	-	(81,269)
Total intangible assets at 12/31/2017	53,250	51,924	8,857	202,083	316,114
Total intangible assets at 09/30/2018	69,726	62,571	8,502	574,941	715,740

(i) Sale of 5 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$3,871 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

The other subjects of this note were not materially changed in relation to the disclosures in Note 13 to the individual and consolidated financial statements as of December 31, 2017.

14. Loans and financing

	Parent company and Consolidated	
	09/30/2018	12/31/2017
Loans and financing (Note 14.1)	9,937	10,599
Debentures and CRA (Agribusiness Receivables Certificate) (Note 14.2)	399,992	475,108
Total loans and financing	409,929	485,707
Current	278,873	209,987
Non-current	131,056	275,720

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

14. Loans and financing--Continued

14.1. Loans and financing

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			09/30/2018	12/31/2017
Investments	0.89%	January 2026	9,929	10,577
Other	0.86% to 100% of CDI + 0.80%	October 2019	8	22
Total loans and financing (Note 14)			9,937	10,599
			<hr/>	
Current			167	829
Non-current			9,770	9,770

Foreign currency

At September 30, 2018 and December 31, 2017, the Company had no loans in foreign currency.

14.2. Debentures and Agribusiness Receivables Certificate (CRA)

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			09/30/2018	12/31/2017
Debentures 1st issue	100% of CDI + 0.15%	April 2018	-	20,325
Debentures 2nd issue	100% of CDI + 0.20%	March 2019	13,383	33,466
Debentures 3rd issue	100% of CDI + 0.20%	December 2019	40,740	61,414
Debentures (CRA) - 4th and 5th issue	100% of CDI + 0.09%	February 2019	103,303	105,592
Debentures 6th issue	100% of CDI + 0.24%	May 2020	43,507	62,127
Debentures 7th issue (CRA)	100% of CDI + 0.07%	October 2020	209,065	205,683
Financial charges to be incurred (*)			(10,006)	(13,499)
Total debentures (Note 14)			399,992	475,108
			<hr/>	
Current			278,706	209,158
Non-current			121,286	265,950

(*) Costs of issue of debentures and CRA.

The amounts of non-current debentures and CRAs, not deducting financial charges to be incurred, have the following original maturities as of September 30, 2018 and December 31, 2017:

Year	Parent company and Consolidated	
	09/30/2018	12/31/2017
2019	12,830	178,875
2020	113,569	95,423
	126,399	274,298

Additionally, on October 18, 2018, the Company made the amortization in the amount of R\$101,250 referring to debentures 7th (CRA) following the contract payment flow.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

14. Loans and financing--Continued

14.2. Debentures and Agribusiness Receivables Certificate (CRA)--Continued

Covenants

The Company has covenants in loans, financing and debentures, which limit its ability to take certain actions, and may require the accelerated maturity or the refinancing of debts if the Company does not comply with these covenants.

Covenants are controlled annually by the financial institutions, however the Company monitors them on a monthly basis. There are no uncertainties about annual compliance therewith.

Collaterals

In the period ended September 30, 2018 and as of December 31, 2017, the Company has a letter of guarantee as collateral for the rental of stores with banks amounting to R\$6,711 (R\$6,593 as of December 31, 2017).

The 6th issue debentures are collateralized by the financial flow from transactions carried out with Ticket, Sodexo and Alelo food vouchers, with a minimum 20% of the outstanding balance with over 10% of Restricted account (Note 6). If the guarantee is not sufficient, the Company must guarantee the outstanding balance with financial investments.

The other subjects related to this note were not materially changed in relation to the disclosures in Note 14 to the individual and consolidated financial statements as of December 31, 2017.

15. Trade and rental payables

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Suppliers of materials and services	148,747	132,867	156,408	132,911
Rentals and commercial rights	5,243	6,086	6,259	6,086
Total trade and rental payables	153,990	138,953	162,667	138,997

16. Corporate payables

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Royalties/Franchise Fee (Note 20.1)	9,575	13,966	10,739	13,966
Total corporate payables	9,575	13,966	10,739	13,966

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

17. Taxes payable

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	800	2,424	3,059	4,378
Corporate Income Tax (IRPJ)	3,495	71	5,205	74
Social Contribution on Profit (CSLL)	1,252	18	1,934	71
Social Integration Program (PIS)	23	889	348	1,147
Withholding Income Tax (IRRF)	329	331	1,117	887
State VAT (ICMS)	518	5,958	2,401	6,062
Contribution For Intervention in the Economic Domain (CIDE)	985	1,401	1,422	1,602
Taxes in installments (*)	-	94	16,957	5,563
ISS (Service Tax) withheld	4,045	3,583	4,065	3,584
INSS (Social Security Contribution) withheld	-	-	23	201
INSS payable	-	-	11,855	-
Other taxes payable	205	1,282	1,854	1,816
Total taxes payable	11,652	16,051	50,240	25,385
Current	11,652	16,023	22,833	20,272
Non-current	-	28	27,407	5,113

(*) These refer to the installment payment of taxes joined by investee.

18. Other payables

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Provision for sundry expenses	10,028	15,442	15,819	15,442
Investments payable – BGMAXX	500	500	500	500
Investments payable – King Food / Good Food / Fast Burger (Note 4)	14,180	-	14,180	-
Advances from customers (*)	2,352	3,771	2,352	3,771
Others	1,454	224	3,711	233
Total other payables	28,514	19,937	36,562	19,946
Current	13,615	19,937	15,872	19,946
Non-current	14,899	-	20,690	-

(*) Advance receipt from the sale of stores and sub-franchise agreements.

19. Provision for legal claims

The Company is exposed to certain risks, arising from tax, civil and labor claims, which are provided for in the financial statements, since they are considered as having a probable likelihood of loss or because of their significance to the Company's financial position.

The provision for legal claims were based on various factors, including (but not limited to) the opinion of the Company's legal counsel, the nature of lawsuits and historical experience. The amounts provided for related to legal claims under judicial and administrative proceedings are shown in the table below.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

19. Provision for legal claims--Continued

Besides that, as of September 30, 2018, the Company and its investees are involved of other tax, civil and labor lawsuits. Based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$36,563 (R\$28,606 as of December 31, 2017), as follows:

	Parent company			
	09/30/2018		12/31/2017	
	Probable	Possible (*)	Probable	Possible (*)
Labor lawsuits	8,313	18,341	5,706	19,641
Civil lawsuits	699	5,739	500	6,066
Tax lawsuits	6	11,421	15	2,899
Total provision for legal claims	9,018	35,501	6,221	28,606

	Consolidated			
	09/30/2018		12/31/2017	
	Probable	Possible (*)	Probable	Possible (*)
Labor lawsuits	9,445	19,378	5,706	19,641
Civil lawsuits	762	5,764	500	6,066
Tax lawsuits	4	11,421	15	2,899
Total provision for legal claims	10,211	36,563	6,221	28,606

(*) For lawsuits with a possible likelihood of loss, there is no provision to cover possible losses on these lawsuits because the accounting practices adopted in Brazil and the IFRS do not require their recognition, only their disclosure.

Probable labor claims

The Company is a party to labor lawsuits, mainly regarding employee terminations in the normal course of business. As of September 30, 2018, the Company had a provision of R\$9,445 (R\$5,706 as of December 31, 2017) for the contingencies related to lawsuits.

These contingencies are evaluated based on the average historical loss of the last eighteen months compared with the total lawsuits outstanding at the end of the year, excluding lawsuits considered as specific and non-routine, for which specific provisions are set up adopting criteria similar to those applied for tax and civil assessments.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

19. Provision for legal claims --Continued

Probable labor claims--Continued

The movements in the provision for legal claims were as follows:

	Parent company				09/30/2018
	12/31/2017	Additions	Payments		
Labor lawsuits	5,706	5,680	(3,253)		8,313
Civil lawsuits	500	201	(2)		699
Tax lawsuits	15	-	(9)		6
Total	6,221	6,061	(3,264)		9,018

	Consolidated				09/30/2018
	12/31/2017	Legal claims of subsidiary before acquisition	Additions	Payments	
Labor lawsuits	5,706	542	6,649	(3,452)	9,445
Civil lawsuits	500	23	244	(5)	762
Tax lawsuits	15	-	512	(523)	4
Total	6,221	565	7,405	(3,980)	10,211

Judicial deposits

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Labor lawsuits	25,180	20,787	25,802	20,816
Civil lawsuits	704	1,117	704	1,117
Tax lawsuits	5,862	4,633	5,862	4,633
Total judicial deposits	31,746	26,537	32,368	26,566

The increase in the volume of judicial deposits is related to the increase in the number of labor lawsuits.

The other subjects related to this note were not materially changed in relation to the disclosures in Note 20 to the individual and consolidated financial statements as of December 31, 2017.

20. Related parties

20.1 Franchise Fees e Royalties

The Company has recorded in its payables and receivables, as of September 30, 2018 and December 31, 2017, the following amounts:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

20. Related parties--Continued

20.1 Franchise Fees e Royalties--Continued

	Burger King Corporation (BKC)		BG MAXX BA	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Assets				
Trade receivables (Note 7)	406	639	-	-
Additions to Franchise Fee (Note 13)	7,839	8,862	-	-
Other receivables	-	-	2,162	2,162
Liabilities				
Corporate payables (Note 16)	(9,575)	(13,966)	-	-
Other payables	-	-	-	(74)
	<u>09/30/2018</u>	<u>12/31/2017</u>	<u>09/30/2018</u>	<u>12/31/2017</u>
Profit or loss				
Royalties expenses	(72,703)	(40,092)	-	-

	King Food		Fast Burger		Good Food	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Liabilities						
Other payables	453	-	222	-	263	-
	<u>09/30/2018</u>	<u>12/31/2017</u>	<u>09/30/2018</u>	<u>12/31/2017</u>	<u>09/30/2018</u>	<u>12/31/2017</u>
Profit or loss						
Royalties expenses	(1,834)	-	(2,575)	-	(2,548)	-

20.2 Management compensation

	09/30/2018	09/30/2017
Management fees	3,364	3,143
Direct and indirect benefits	733	88
Variable compensation	10,522	6,727
	<u>14,619</u>	<u>9,958</u>

The Company's officers are also included in the Stock Option Plan, whose options are described in Note 33.

Other subjects related to this note were not materially changed in relation to the disclosures in Note 21 to the individual and consolidated financial statements as of December 31, 2017.

21. Equity

Capital

As of September 30, 2018 the Company's capital was R\$898,233 and is represented by 222,525,821 registered common shares (was from R\$895.836 were represented by 222.278.169 shares as of December 31, 2017), book-entry and without par value, held as follows:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

21. Equity--Continued

Capital--Continued

Shareholders	Shareholding Structure BK Brasil – 09/30/2018		
	Total Shares		Interest %
	Subscribed	Paid up	
Vinci Capital Partners II B Fundo de Investimento em Participações	29,535,393	29,535,393	13.3%
Montjuic Fundo de Investimento em Participações	28,380,817	28,380,817	12.8%
Burger King do Brasil Assessoria a Restaurantes Ltda.	22,442,100	22,442,100	10.1%
Sommerville Investments B.V. (Temasek)	18,523,620	18,523,620	8.3%
Others	123,643,891	123,643,891	55.5%
	222,525,821	222,525,821	100.0%

The Company's authorized capital is 237,673,167 common shares, so that the capital can be increased within such limit, irrespective of any amendments to bylaws, upon the approval of the Board of Directors.

Increase of the capital stock

On December 18, 2017, the Company conducted its initial public offering of shares (IPO) with the issue of 49,230,769 common shares. The initial price of the offer was R\$18.00 per common share. The Company's shares are listed in the Novo Mercado segment of the São Paulo Stock Exchange - B3 S.A., under the ticker BKBR3.

On August 28, 2018 was approved the increase of the capital stock for R\$898.233 through the issue of 194,350 new ordinary shares, by the issue price of R\$9.56 per share as a result of the purchase option of shares granted in the first stock option plan, plus the issuance of 5,251 new ordinary shares, by the issue price of R\$6.99 per share as a result of the purchase option of shares granted in the second stock option plan, and plus the issuance of 48,051 new ordinary shares, by the issue price of R\$10.44 per share as a result of the purchase option of shares granted in the third stock option plan.

Capital reserve

On April 27, 2018, the Ordinary and Extraordinary General Meeting was held, approving the following: (i) the allocation of profit for the year ended December 31, 2017, in the amount of R\$3,819 to reduce accumulated losses and; (ii) the absorption of all accumulated losses, after item (i), in the total amount of R\$194,364 by the line item capital reserve, which had a balance of R\$915,722 in the year ended December 31, 2017.

The other subjects related to this note were not materially changed in relation to the disclosures in Note 22 to the individual and consolidated financial statements as of December 31, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

22. Earnings (loss) per share

Based on CPC 41 - Earnings per Share, the Company must disclose the basic and diluted loss per share. The comparative figures of basic and diluted earnings and loss per share are based on the weighted average number of shares outstanding in the year, and all shares with potential dilutive effect outstanding for each presented year, respectively.

Diluted earnings (loss) per share is computed similarly to basic earnings (loss) per share, except for the potential shares outstanding that are added, in order to include the number of additional shares that would be outstanding if the potential dilutive shares attributed to stock options and redeemable shares held by non-controlling interests had been issued during the respective periods, using the weighted average share price.

The following table presents the calculation of the basic and diluted earnings (loss) per share. Due to the loss for the period ended September 30, 2017, the shares with potential dilutive effect are not considered, since the impact would be the anti-dilution.

	<u>Parent company and consolidated</u>	
	<u>09/30/2018</u>	<u>09/30/2017</u>
<u>Basic numerator</u>		
Profit (loss) for the period	44,411	(18,003)
<u>Basic denominator</u>		
Basic weighted average number of shares – in units	222,308,215	153,094,803
<u>Basic earnings (loss) per share</u>	0,00020	(0,00012)
<u>Diluted numerator</u>		
Profit (loss) for the period	44,411	(18,003)
<u>Diluted denominator</u>		
Weighted average number of shares – in units (*)	222,308,215	153,094,803
Stock options (Note 33) – in units	3,780,748	6,334,600
Anti-dilutive effect – in units	-	(6,334,600)
Diluted weighted average number of shares	226,088,963	153,094,803
<u>Diluted earnings (loss) per share</u>	0,00020	(0,00012)

(*) On September 30, 2017, the Company held common and preferred shares, as described in note 22 to the individual and consolidated financial statements as of December 31, 2017.

23. Net operating revenue

	<u>Parent company</u>				<u>Consolidated</u>			
	<u>07/01/2018 to</u> <u>09/30/2018</u>	<u>01/01/2018 to</u> <u>09/30/2018</u>	<u>07/01/2017 to</u> <u>09/30/2017</u>	<u>01/01/2017 to</u> <u>09/30/2017</u>	<u>07/01/2018 to</u> <u>09/30/2018</u>	<u>01/01/2018 to</u> <u>09/30/2018</u>	<u>07/01/2017 to</u> <u>09/30/2017</u>	<u>01/01/2017 to</u> <u>09/30/2017</u>
Gross sales revenue	582,815	1,612,590	478,992	1,352,908	662,914	1,764,944	478,992	1,352,908
Sales revenue deductions	(46,884)	(132,892)	(39,916)	(101,598)	(55,097)	(143,766)	(39,916)	(101,598)
Net sales revenue	535,931	1,479,698	439,076	1,251,310	607,817	1,621,178	439,075	1,251,310
Gross revenue from services rendered	3,469	10,243	4,169	10,577	3,469	10,243	4,169	10,577
Service revenue deductions	(430)	(1,161)	(264)	(583)	(430)	(1,161)	(263)	(583)
Net service revenue	3,039	9,082	3,905	9,994	3,039	9,082	3,905	9,994
Total net operating revenue	538,970	1,488,780	442,981	1,261,304	610,856	1,630,260	442,981	1,261,304

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

24. Cost of goods and products sold

	Parent company				Consolidated			
	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
Costs of food, beverages and packaging	(176,104)	(510,835)	(153,581)	(446,886)	(202,774)	(561,657)	(153,581)	(446,886)
Other costs	(25,183)	(56,393)	(16,398)	(35,400)	(25,587)	(57,179)	(16,398)	(35,400)
Cost of sales and services	(201,287)	(567,228)	(169,979)	(482,286)	(228,361)	(618,836)	(169,979)	(482,286)

25. Expenses with stores

	Parent company				Consolidated			
	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
Administrative personnel expenses	(92,165)	(268,003)	(79,462)	(227,083)	(105,459)	(295,552)	(79,462)	(227,083)
Royalties and marketing fund	(50,003)	(136,452)	(42,589)	(122,041)	(57,326)	(150,150)	(42,589)	(122,041)
Occupancy and utilities expenses	(65,189)	(186,511)	(55,318)	(162,776)	(72,686)	(200,973)	(55,318)	(162,776)
Depreciation and amortization (Notes 12 and 13)	(28,913)	(85,698)	(26,439)	(74,683)	(31,301)	(90,652)	(27,473)	(75,473)
Pre-operating expenses (*)	(2,456)	(4,105)	(1,281)	(2,829)	(2,456)	(4,105)	(1,281)	(2,829)
Sundry services	(12,374)	(36,711)	(9,215)	(28,187)	(12,581)	(37,176)	(9,215)	(28,187)
Repairs and maintenances	(11,805)	(33,611)	(6,434)	(18,744)	(12,704)	(35,289)	(6,434)	(18,744)
Others	(19,524)	(56,258)	(15,725)	(47,569)	(21,783)	(60,890)	(14,932)	(47,569)
Total expenses on stores	(282,429)	(807,349)	(236,463)	(683,912)	(316,296)	(874,787)	(236,704)	(684,702)

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

26. General and administrative expenses

	Parent company				Consolidated			
	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
Administrative personnel expenses	(25,500)	(69,686)	(21,178)	(60,559)	(25,562)	(69,763)	(21,178)	(60,559)
Occupancy and utilities expenses	(561)	(1,605)	(268)	(757)	(588)	(1,672)	(268)	(757)
Depreciation and amortization (Notes 12 and 13)	(1,982)	(5,886)	(3,882)	(7,342)	(1,972)	(5,942)	(3,882)	(7,342)
Expenses on acquisitions and mergers (i)	(527)	(2,401)	(776)	(1,442)	(643)	(3,081)	(776)	(1,442)
Disposal of property and equipment and intangible assets (Notes 12 and 13)	(474)	(2,552)	(384)	(6,959)	(289)	(2,553)	(384)	(6,959)
Income from stores sold	5,745	7,164	-	-	5,745	7,164	-	-
Write-off of assets of stores sold	(1,909)	(3,293)	-	-	(2,259)	(3,643)	-	-
Gain (loss) on claims	-	4	86	281	-	4	86	281
Provision for impairment (Note 12)	(2,783)	(2,058)	-	4,096	(2,783)	(2,058)	-	4,096
Stock options cost (Note 33)	(1,122)	(3,365)	(2,588)	(2,588)	(1,122)	(3,365)	(2,588)	(2,588)
Other operating income (expenses), net (ii)	5,146	7,489	6,552	15,715	2,895	2,628	(6,542)	15,652
Total general and administrative expenses	(23,967)	(76,189)	(22,438)	(59,554)	(26,578)	(82,281)	(22,448)	(59,618)

- (i) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the year.
(ii) This refers to the income from the premium on the initial supply agreement and reversal of costs on the construction of stores, expenses with provision for legal claims, services taken and travel expenses.

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September 30, 2018

(Values expressed in thousands of Reais)

27. Financial expenses

	Parent company				Consolidated			
	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
Interest on loans and financing	(8,204)	(26,001)	(14,774)	(51,914)	(8,223)	(26,030)	(14,774)	(51,987)
Banking expenses and sundry interest	(868)	(3,139)	(1,170)	(3,919)	453	(3,378)	(1,197)	(4,001)
Foreign exchange losses	(589)	(1,573)	(177)	(442)	(649)	(1,806)	(177)	(442)
Balance update to pay installments contingent on acquisitions	-	-	(9,527)	(9,527)	-	-	(9,527)	(9,527)
Other financial expenses	(999)	(2,872)	(1,254)	(3,411)	(964)	(2,909)	(1,346)	(3,684)
Financial expenses	(10,660)	(33,585)	(26,902)	(69,213)	(9,383)	(34,123)	(27,019)	(69,641)

28. Financial income

	Parent company				Consolidated			
	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
Short-term investments interest and yield	10,754	39,914	8,088	18,953	11,605	41,110	8,088	18,988
Foreign exchange gains	-	558	219	1,643	6	564	219	1,643
Taxes on financial income	(536)	(1,974)	(400)	(926)	(548)	(1,990)	(400)	(926)
Other financial income	657	2,295	427	846	665	2,311	427	848
Financial income	10,875	40,793	8,335	20,516	11,728	41,995	8,335	20,553

29. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended September 30, 2018 and 2017 is as follows:

	Parent company				Consolidated			
	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018	07/01/2017 to 09/30/2017	01/01/2017 to 09/30/2017
Current	(10,361)	(11,122)	-	-	(12,989)	(14,463)	-	-
Deferred	(764)	(2,144)	(70)	(3,613)	(1,948)	(3,354)	(70)	(3,613)
	(11,125)	(13,266)	(70)	(3,613)	(14,937)	(17,817)	(70)	(3,613)

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Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

29. Income tax and social contribution--Continued

Reconciliation to effective tax rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates with amounts recorded in the statement of operations for the periods ended September 30, 2018 and 2017 is shown below:

	Parent company		Consolidated	
	01/01/2018 to 09/30/2018	01/01/2017 to 09/30/2017	01/01/2018 to 09/30/2018	01/01/2017 to 09/30/2017
Profit (loss) before income tax and social contribution	57,677	(14,390)	62,228	(14,390)
Income tax and social contribution expense at the combined statutory rate of 34%	(19,610)	4,893	(21,158)	4,893
Adjustments to reconcile the effective rate:				
Equity pickup	4,235	(423)	-	-
Deferred taxes not recognized	5,627	(6,045)	5,627	(6,045)
Payment of non-deductible bonus	(3,577)	(2,300)	(3,577)	(2,300)
Cash shortage	(289)	(379)	(289)	(379)
Tax and labor fines and infractions	(39)	(189)	(39)	(189)
Stock options costs	(1,144)	-	(1,144)	-
Share issue costs	1,836	-	1,836	-
Other permanent differences	(304)	830	928	407
Income tax and social contribution	(13,266)	(3,613)	(17,816)	(3,613)
Effective rate	23%	-25%	29%	-25%

Deferred

The breakdown of deferred income tax and social contribution, net, is shown below:

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Deferred income tax and social contribution - liabilities	(41,942)	(38,309)	(36,365)	(38,309)
	(41,942)	(38,309)	(36,365)	(38,309)

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Notes to the interim financial information -- Continued

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(Values expressed in thousands of Reais)

29. Income tax and social contribution--Continued

The main components of deferred income tax and social contribution are shown below:

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Tax loss carryforwards	167,095	190,859	168,655	190,859
<u>Temporary differences</u>				
Provision for legal claims (Note 19)	9,018	6,221	10,212	6,221
Provision for bonuses	15,273	24,891	15,273	24,891
Provision for purchases	153	1,426	153	1,426
Provision for impairment (Note 12)	5,386	3,328	5,386	3,328
Pre-operating	16,364	15,749	16,364	15,749
Accrued expenses	12,356	15,791	26,004	15,791
Other	3,271	47	3,271	47
Tax base	228,916	258,312	245,318	258,312
Statutory rate	34%	34%	34%	34%
	77,831	87,826	83,408	87,826
(-) Unrecognized deferred taxes	(77,831)	(87,826)	(77,831)	(87,826)
Deferred income tax and social contribution – assets	-	-	5,577	-
Transitional Tax System (RTT)	(1,562)	(1,743)	(1,562)	(1,743)
Financial charges to be incurred	(10,006)	(13,499)	(10,006)	(13,499)
Tax amortization of goodwill	(107,245)	(97,304)	(107,245)	(97,304)
Gain (loss) on derivative transactions	(166)	(127)	(166)	(127)
Other	(4,379)	-	(4,379)	-
Tax base	(123,358)	(112,673)	(123,358)	(112,673)
Combined rate	34%	34%	34%	34%
Deferred income tax and social contribution - liabilities	(41,942)	(38,309)	(41,942)	(38,309)
Deferred income tax and social contribution, net	(41,942)	(38,309)	(36,365)	(38,309)

The other subjects related to this note were not materially changed in relation to the disclosures in Note 30 to the individual and consolidated financial statements as of December 31, 2017.

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Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

30. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and financing, debentures, trade payables and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations.

Market risk

The sensitivity analyses presented below relate to the position as of September 30, 2018.

Interest rate risk

Interest rate sensitivity

At the end of the reporting period, the profile of interest-bearing financial instruments was:

Variable rate instrument	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Financial assets				
Short-term investments (Note 5)	39,269	82,231	54,915	82,341
Marketable securities (Note 6)	550,980	1,089,669	568,124	1,089,669
Financial liabilities				
Loans and financing (Note 14)	(409,929)	(485,707)	(409,929)	(485,707)

The following table demonstrates the possible impacts on profit or loss in the event of the respective scenarios presented, and for the probable scenario we used the average CDI of 6.39%.

Asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	(25%)	(50%)
Short-term investments (Notes 5 and 6)	623,039	DI variation	41,110	20,555	10,278	(10,278)	(20,555)
Loans and financing (Note 14) (a)	(400,000)	DI variation	(26,030)	(13,015)	(6,508)	6,508	13,015

(a) Comprise only the loans and financing subject to variable rates

Foreign currency risk

Foreign currency sensitivity

The following table demonstrates the possible impacts on profit or loss in the event of the respective scenarios presented:

Equity Exposure	Exposure	Risk	Exchange rate as of 09/30/2018	Parent company				
				Probable scenario	Increase		Decrease	
					50%	25%	(25%)	(50%)
Royalties/Franchise Fee (Note 16)	9,575	US dollar variation	4,0039	9,575	(4,788)	(2,394)	2,394	4,788

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Notes to the interim financial information -- Continued

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(Values expressed in thousands of Reais)

30. Financial risk management objectives and policies--Continued

Foreign currency risk--Continued

Equity Exposure	Exposure	Risk	Exchange rate as of 09/30/2018	Probable scenario	Consolidated				
					Increase		Decrease		
					I	II	III	IV	V
Royalties/Franchise Fee (Note 16)	10,739	US dollar variation	4.0039	10,739	(5,370)	(2,685)	2,685	5,370	

Credit risk

The following table demonstrates the rating of the amounts invested (Notes 5 and 6) according to the rating agency Fitch.

Rating	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
AAA	475,752	543,601	361,872	543,711
AA+	1,916	66,947	76,965	66,947
AA	-	-	39,800	-
AA-	112,581	557,921	144,402	557,921
BBB+	-	3,431	-	3,431
	590,249	1,171,900	623,039	1,172,010

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of September 30, 2018:

	Parent company					
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	from 1 to 5 years	Total
Assets						
Cash and Cash equivalents (Note 5)	60,023	60,023	60,023	-	-	60,023
Marketable securities (Note 6)	550,980	550,980	-	538,183	12,797	550,980
Trade Receivables (Note 7)	59,863	59,863	59,863	-	-	59,863
Liabilities						
Loans and financing (Note 14)	409,929	460,062	33,568	274,768	151,726	460,062
Trade and rental payables (Note 15)	153,990	153,990	153,990	-	-	153,990
Corporate payables (Note 16)	9,575	9,575	9,575	-	-	9,575
Tax Obligations (Note 17)	11,652	11,652	11,652	-	-	11,652
	Consolidated					
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	from 1 to 5 years	Total
Assets						
Cash and Cash equivalents (Note 5)	78,103	78,103	78,103	-	-	78,103
Marketable securities (Note 6)	568,124	568,124	-	555,327	12,797	568,124
Trade Receivables (Note 7)	67,890	67,890	67,890	-	-	67,890
Liabilities						
Loans and financing (Note 14)	409,929	460,062	33,568	274,768	151,726	460,062
Trade and rental payables (Note 15)	162,667	162,667	162,667	-	-	162,667
Corporate payables (Note 16)	10,739	10,739	10,739	-	-	10,739
Tax Obligations (Note 17)	50,240	50,240	11,652	11,181	27,407	50,240

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Notes to the interim financial information -- Continued

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(Values expressed in thousands of Reais)

30. Financial risk management objectives and policies--Continued

Capital management

The Company is not subject to any external requirement on capital. Total capital is defined as total equity plus net debt, as follows:

	Consolidated	
	09/30/2018	12/31/2017
Equity	1,662,913	1,617,194
Cash and cash equivalents (Note 5)	(78,103)	(102,345)
Marketable securities (Note 6)	(568,124)	(1,089,669)
Derivative financial instruments (Note 31)	-	(127)
Loans and financing (Note 14) (*)	409,929	485,707
Net debt	(236,298)	(706,434)
Total capital	1,426,615	910,760

(*)Includes current and non-current, net of costs.

Hedge Accounting

The Company applies the norm accounting for hedge accounting for derivatives and non-derivatives financial instruments that qualify cash flow hedge, with concordance with its risk politics.

The Company makes formal designation of its hedge accounting according to CVM no 763/16 instruction and with its risk politics. The relations used by the Company at September, 30 are described below:

i. Cash flow hedge

The Company purchase fries, components of the cost of goods and products sold, being this cost attached to the euro, so that, in the moment that expectation of future purchase becomes highly probable, there is the exchange rate risk. With this the Company has a policy to manage this risk through the contracting of derivatives (NDF - Non Deliverable Forward). Since the derivatives contracted are strictly related to future purchase of inputs, it consequently qualifies for the adoption of hedge accounting. The Company opted for the cash flow hedge accounting, being the strategy to fix the actual cash flow of future purchase of fries (hedge object), fixing the euro rate through the derivative (hedge instrument).

ii. Profit and Loss with hedge accounting

The financial instruments designed how cash flow hedge, while not performed, are recorded in other comprehensive income while effective, and as the strategy defined in policy.

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Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

30. Financial risk management objectives and policies--Continued

Hedge Accounting--Continued

iii. Sensibility analysis

In agreement with the instruction CVM 475/08 the Company demonstrate the possible impacts of financial instruments at result and shareholder's equity considering the scenarios: probable, pessimistic (deviation of 25%), adverse (deviation of 50%).

Parity - R\$ x EUR		Actual Scenario	Scenario I Appreciation 25%	Scenario II Appreciation 50%	Scenario III Depreciation 25%	Scenario IV Depreciation 50%
Operation/Instrument	Risk					
Designated as hedge accounting						
NDF	Depreciation of R\$	139	174	209	105	70
Import (object)	Appreciation of R\$	(139)	(174)	(209)	(105)	(70)
Net effect		-	-	-	-	-

Other subjects related to this note were not materially changed in relation to the disclosures in Note 31 to the individual and consolidated financial statements as of December 31, 2017.

31. Derivative financial instruments

NDF - Non deliverable Forward
Total NDF

Parent company and Consolidated	
09/30/2018	12/31/2017
166	127
166	127

The values of derivative financial instruments, are represented by NDF contracts, are summarized below:

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			09/30/2018		12/31/2017	
			Notional	Fair value	Notional	Fair value
<i>(Not designated as cash flow hedge)</i>						
NDF	01/15/2018	USD	-	-	2,932	127
NDF	10/15/2018	USD	726	61	-	-
NDF	10/15/2018	USD	9,275	(42)	-	-
			10,001	19	2,932	127

Gains and losses on derivative transactions, not designated as cash flow hedge, are recognized monthly in the statement of operations, considering the fair value of these instruments.

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Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

31. Derivative financial instruments--Continued

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			09/30/2018		12/31/2017	
			Notional	Fair value	Notional	Fair value
<u>(Designated as cash flow hedge)</u>						
NDF	10/08/2018	EURO	451	30	-	-
NDF	10/01/2018	EURO	448	27	-	-
NDF	10/15/2018	EURO	451	30	-	-
NDF	10/22/2018	EURO	451	30	-	-
NDF	10/29/2018	EURO	451	30	-	-
			2,252	147	-	-

Gains and losses on derivative transactions, designated as cash flow hedge, are recognized at fair value related to hedge mark to market, in other comprehensive income. When the instrument is liquidated, these hedge costs are reclassified to income.

32. Fair value

Methodology for calculation of fair value of financial instruments

Fair value is defined as the amount by which an asset could be exchanged or a liability settled between knowledgeable, willing parties, in an arm's length transaction. The amount of the main financial assets and financial liabilities at fair value approximates the carrying amount, as shown below:

	Consolidated		
	Carrying amount	Fair value	Fair value hierarchy level
Assets			
Cash and cash equivalents (Note 5)	78,103	78,103	2
Marketable securities (Note 6)	568,124	568,124	2
Trade receivables, net (Note 7)	67,890	67,890	2
Derivatives financial instruments (Note 31)	166	166	2
Liabilities			
Loans and financing (Note 14)	409,929	409,929	2
Trade and rental payables (Note 15)	162,667	162,667	2
Corporate payables (Note 16)	10,739	10,739	2
Derivatives designated as Hedge accounting ⁽¹⁾	147	147	2

- (1) All derivatives are registered how fair value for results, however for those designated as hedge accounting have their effects also in shareholder's equity and Inventories.

The other explanations related to this note were not materially changed in relation to the disclosures in Note 33 to the individual and consolidated financial statements as of December 31, 2017.

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Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

33. Share-based compensation plan

First Plan

The information on the amendment to the stock option plan and assumptions used in the valuation are those that follows:

	First Plan		
	First tranche	Second tranche	Total
Grant date	07/07/2014	07/07/2014	N/A
Plan amendment date	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2019	07/14/2020	N/A
Exercise price	9.56	9.56	9.56
Strike price (estimated) at the end of the reporting period	13.45	13.45	13.45
Risk-free interest rate%	9.20%	9.87%	N/A
Contractual period by tranche	1 year	2 years	N/A
Expected return of dividend	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	N/A
Total number of options outstanding	26,800	26,800	53,600
Number of options vested	2,374,950	-	2,374,950
Number of options lost/expired	39,100	-	39,100
Number of options exercised	4,289,150	-	4,289,150
Number of options to be exercised	2,401,750	26,800	2,428,550
Estimated fair value (R\$/share)	1.2912	1.4832	N/A

Second Plan

The information on the stock option plan and assumptions used in the valuation are those that follows:

	Second Plan	
	First tranche	Total
Grant date	06/22/2017	N/A
Vesting date	07/14/2019	N/A
Exercise price	6.99	6.99
Strike price (estimated) at the end of the reporting period	13.45	13.45
Risk-free interest rate%	9.20%	N/A
Contractual period by tranche	1 year	N/A
Expected return of dividend	0%	N/A
Volatility of shares in the market %	14.91%	N/A
Total number of options outstanding	827,600	827,600
Number of options vested	429,249	429,249
Number of options lost/expired	-	-
Number of options exercised	1,267,551	1,267,551
Number of options to be exercised	1,256,849	1,256,849
Estimated fair value (R\$/share)	3.5470	N/A

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Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

33. Share-based compensation plan--Continued

Third Plan

The information on the stock option plan and assumptions used in the valuation are those that follows:

	Third Plan			Total
	First tranche	Second tranche	Third tranche	
Grant date	06/22/2017	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2019	07/14/2020	07/14/2021	N/A
Exercise price	10.44	10.44	10.44	10.44
Strike price (estimated) at the end of the reporting period	13.45	13.45	13.45	13.45
Risk-free interest rate%	9.20%	9.87%	10.24%	N/A
Contractual period by tranche	1 year	2 years	3 years	N/A
Expected return of dividend	0%	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	14.91%	N/A
Total number of options outstanding	1,023,700	1,535,300	1,535,300	4,094,300
Number of options vested	976,549	-	-	976,549
Number of options lost/expired	-	-	-	-
Number of options exercised	48,051	-	-	48,051
Number of options to be exercised	2,000,249	1,535,300	1,535,300	5,070,849
Estimated fair value (R\$/share)	1.0764	1.5304	1.929	N/A

Below we present the movements of the options of the first, second and third plans:

	First Plan	Second Plan	Third Plan	Total
Outstanding as of December 31, 2017	2,662,000	1,262,100	4,943,400	8,867,500
Granted	-	-	175,500	175,500
Canceled	(39,100)	-	-	(39,100)
Exercised	(194,350)	(5,251)	(48,051)	(247,652)
Outstanding as of September 30, 2018	2,428,550	1,256,849	5,070,849	8,756,248
Exercisable (vested) as of September 30, 2018 (Note 22)	2,374,950	429,249	976,549	3,780,748

In the period ended September 30, 2018, the Company recognized the amount of R\$3,365 of expenses arising from the stock options plans, recorded in line item Stock options cost plan (Note 26).

The other subjects related to this note were not materially change in relation to the disclosures in Note 34 to the individual and consolidated financial statements as of December 31, 2017.

34. Insurance

As of September 30, 2018, the Company had the following insurance policies in effect:

Insured location	Maximum indemnity limit
Civil Liability of Directors and Officers (D&O)	50,000
General Civil Liability	32,000
Property (RO) – Average	7,200
Professional Civil Liability (E&O)	15,000
Public Offering Insurance (POSI)	70,000

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information -- Continued

September 30, 2018

(Values expressed in thousands of Reais)

35. Commitments - operating leases

As of September 30, 2018, the Company has 594 stores under operating leases. These leases usually have an initial lease period of ten years on average, with lease renewal option after this period. Lease payments are adjusted annually, in accordance with market rents. Some leases provide additional rental payments, which are based on changes in local price index.

During the period from January 1 to September 30, 2018, a consolidated amount of R\$80,906 (R\$71,481 from January 1 to September 30, 2017) was recognized as expense i related to operating leases.

Future minimum lease payments under non-cancelable operating leases considering the stores in operation as of September 30, 2018 are as follows:

	Parent company		Consolidated	
	09/30/2018	12/31/2017	09/30/2018	12/31/2017
Within one year	103,060	108,066	110,950	108,066
Over one year and less than five years	400,798	426,513	425,766	426,513
Over five years	100,471	121,810	106,515	121,810
	604,329	656,389	643,231	656,389

36. Subsequent events

On October 10, 2018 and November 01, 2018 the Company opened two restaurants of the POPEYES® brand, in line with its expansion plan and as announced on March 20, 2018 on the signing of the Master Franchise agreements.

The agreements gave to the Company exclusive right to develop and operate restaurants, through owned or franchised operations, under the brand POPEYES® in Brazil for a period of 20 years. The agreements establish annual targets considering a gradual acceleration of the growth in owned and/or franchised restaurants, which encompass the opening of more than 300 restaurants in the first 10 years.

A free translation from Portuguese into English of Independent Auditor's Review Report on Interim Financial Information prepared in Brazilian currency

Review report on Interim Financial Information

To the

Shareholders, Board of Directors and Officers of

BK Brasil Operação e Assessoria a Restaurantes S.A.

Barueri - SP

Introduction

We have reviewed the individual and consolidated interim financial information of BK Brasil Operação e Assessoria a Restaurantes S.A. ("Company"), included in the Quarterly Information Form – ITR for the quarter ended September 30, 2018, which comprises the balance sheets as of September 30, 2018 and the respective statements of operations and of comprehensive income (loss) for the three and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) – *Demonstração intermediária* and in accordance with the international accounting rule IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission ("CVM"), applicable to the preparation of Quarterly Information Form - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 – *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the persons responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the significant matters that could have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual and the consolidated interim financial information

Based on our review, we are not aware of any fact that might lead us to believe that the individual and consolidated interim financial information included in the aforementioned interim financial information were not prepared, in all material respects, in accordance with the Technical Pronouncement *CPC 21 (R1)* and the IAS 34 applicable to the preparation of the Quarterly Information Form - ITR and presented in accordance with the standards issued by the *CVM*.

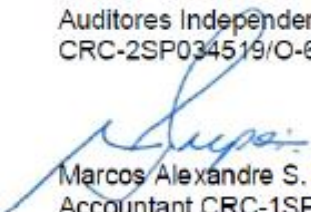
Other matters

Statement of value added

The interim financial information aforementioned include the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2018, prepared under the responsibility of the Company's management and presented as supplementary information for IAS 34 purposes. These statements were submitted to the review procedures performed in conjunction with the quarterly review, with the purpose to conclude if they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Technical Pronouncement *CPC 09 - Statement of Value Added*. Based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth in this Technical Pronouncement and are consistent with the overall individual and consolidated interim financial information, taken as a whole.

São Paulo, November 8, 2018.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6



Marcos Alexandre S. Pupo
Accountant CRC-1SP221749/O-0

BK Brasil Operação e Assessoria a Restaurantes S.A.

September 30, 2018

Officer's Statement on the Financial Statements

STATEMENT OF COMPLIANCE WITH ARTICLE 25, PARAGRAPH 1, ITEM VI, OF CVM INSTRUCTION 480/09

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the city of Alphaville – Barueri, State of São Paulo, at Alameda Rio Negro, 161, 12o floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's financial statements for quarter ended September 30, 2018.

Barueri, November 08, 2018.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

BK Brasil Operação e Assessoria a Restaurantes S.A.

September 30, 2018

Officers' Statement on the Independent Auditor's Report

STATEMENT OF COMPLIANCE WITH ARTICLE 25, PARAGRAPH 1, ITEM V, OF CVM INSTRUCTION 480/09

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the city of Alphaville – Barueri, State of São Paulo, at Alameda Rio Negro, 161, 12o floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company"), that, in compliance with the provisions of item V, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the opinion in the independent auditor's report of Ernst & Young Auditores Independentes S.A., related to the Company's Financial Statements for quarter ended September 30, 2018.

Barueri, November 08, 2018.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Office