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Company data/ Capital composition

Number of Shares (Units)	Current Quarter 9/30/2020
Common - Paid-up Capital	228,105,447
Preferred - Paid-up Capital	-
Total - Paid-up Capital	228,105,447
Common - In Treasury	-
Ordinary - In Treasury	1,222,719
Preferred - In Treasury	-
Total - In Treasury	1,222,719

Individual financial statements - Statement of financial position - Assets
(In thousands of reais)

Account Code	Account Description	Current Quarter 9/30/2020	Prior Year 12/31/2019
1	Total Assets	3,490,018	3,527,999
1.01	Current Assets	753,188	862,317
1.01.01	Cash and Cash Equivalents	47,235	325,276
1.01.02	Short-Term Investments	423,996	278,755
1.01.02.01	Short-Term Investments at Fair Value	423,996	278,755
1.01.02.01.03	Marketable Securities	398,810	265,622
1.01.02.01.04	Restricted Marketable Securities	25,186	13,133
1.01.03	Accounts Receivable	84,182	60,361
1.01.04	Inventories	114,506	99,041
1.01.06	Taxes Recoverable	38,439	27,558
1.01.08	Other Current Assets	44,830	71,326
1.01.08.03	Others	44,830	71,326
1.01.08.03.02	Advances Paid	27,525	46,115
1.01.08.03.04	Other Receivables	17,305	25,211
1.02	Non-Current Assets	2,736,830	2,665,682
1.02.01	Long-Term Receivables	160,342	112,384
1.02.01.01	Non-Current Investments at Fair Value	-	1,366
1.02.01.01.01	Restricted Marketable Securities	-	1,366
1.02.01.07	Deferred Taxes	23,351	-
1.02.01.07.01	Deferred Income Tax and Social Contribution	23,351	-
1.02.01.10	Other Non-Current Assets	136,991	111,018
1.02.01.10.03	Judicial Deposits	33,143	33,434
1.02.01.10.04	Other Receivables	13,560	4,464
1.02.01.10.05	Taxes Recoverable	90,288	73,120
1.02.03	Property and Equipment	1,180,633	1,163,578
1.02.04	Intangible Assets	1,395,855	1,389,720
1.02.04.01	Intangible Assets	1,395,855	1,389,720
1.02.04.01.02	Right-of-use asset	653,804	660,986
1.02.04.01.03	Others Intangible Assets	742,051	728,734

Individual financial statements – Statement of financial position - Liabilities
(In thousands of reais)

Account Code	Account Description	Current Quarter 9/30/2020	Prior Year 12/31/2019
2	Total Liabilities	3,490,018	3,527,999
2.01	Current Liabilities	775,864	671,506
2.01.01	Social and Labor Liabilities	96,590	96,637
2.01.02	Trade Payables	165,389	286,432
2.01.03	Taxes Payable	20,199	25,150
2.01.04	Loans and Financing	339,441	116,556
2.01.05	Other Current Liabilities	154,245	146,731
2.01.05.02	Others	154,245	146,731
2.01.05.02.01	Dividends and interest on capital payables	-	10,054
2.01.05.02.04	Other Payables	20,771	4,622
2.01.05.02.05	Deferred revenue, net	9,850	9,139
2.01.05.02.07	Corporate Payables	11,008	23,760
2.01.05.02.08	Lease liabilities	112,616	99,156
2.02	Non-Current Liabilities	1,266,080	1,069,864
2.02.01	Loans and Financing	598,408	403,314
2.02.02	Other Payables	645,247	641,823
2.02.02.02	Others	645,247	641,823
2.02.02.03	Taxes Payable	11,581	12,605
2.02.02.02.05	Other Payables	17,205	17,237
2.02.02.02.06	Deferred revenue, net	13,007	17,928
2.02.02.02.07	Lease liabilities	603,454	594,053
2.02.03	Deferred Taxes	-	8,452
2.02.03.01	Deferred income tax and social contribution	-	8,452
2.02.04	Provisions	22,425	16,275
2.02.04.01	Provisions for tax, social security, labor and civil claims	22,425	16,275
2.03	Equity	1,448,074	1,786,629
2.03.01	Capital	950,768	950,768
2.03.02	Capital reserves	708,859	701,203
2.03.02.01	Goodwill on share issuance	733,073	725,417
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.04	Profit reserves	134,641	134,641
2.03.04.01	Legal reserve	8,828	8,828
2.03.04.05	Profit retention reserve	125,813	125,813
2.03.05	Retained earnings	-348,350	-
2.03.08	Other comprehensive income	2,156	17

Individual financial statements – Statement of profit or loss
(In thousands of reais)

Account Code	Account Description	Current Quarter 7/1/2020 to 9/30/2020	Current Year 1/1/2020 to 9/30/2020	Prior Quarter 7/1/2019 to 9/30/2019	Prior Year 1/1/2019 to 9/30/2019
3.01	Revenue from Sale of Goods and/or Services	522,286	1,464,128	723,317	2,064,553
3.02	Cost of Sales and/or Services	-202,682	-601,288	-276,488	-778,030
3.03	Gross Profit	319,604	862,840	446,829	1,286,523
3.04	Operating Expenses/Income	-418,699	-1,208,647	-419,736	-1,237,328
3.04.01	Selling Expenses	-381,676	-1,093,121	-384,078	-1,125,382
3.04.02	General and Administrative Expenses	-37,023	-115,526	-34,950	-105,111
3.04.06	Equity Pickup	-	-	-708	-6,835
3.05	Profit Before Financial Income (Expenses) and Taxes	-99,095	-345,807	27,093	49,195
3.06	Financial Income (Expenses), Net	-6,833	-34,346	-17,551	-48,293
3.06.01	Financial Income	24,754	49,177	4,219	16,414
3.06.02	Financial Expenses	-31,587	-83,523	-21,770	-64,707
3.07	Profit (Loss) Before Income Tax and Social Contribution	-105,928	-380,153	9,542	902
3.08	Income Tax and Social Contribution	-	31,803	-4,091	6,333
3.08.02	Deferred	-	31,803	-4,091	6,333
3.09	Profit from Continuing Operations	-105,928	-348,350	5,451	7,235
3.11	Profit for the Period	-105,928	-348,350	5,451	7,235
3.99.01.01	Basic Earnings per Share	-0.4669	-1.5354	0.02405	0.03194
3.99.02.01	Diluted Earnings per Share	-0.4669	-1.5354	0.02405	0.03191

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

Account Code	Account Description	Current Quarter 7/1/2020 to 9/30/2020	Current Year 1/1/2020 to 9/30/2020	Prior Quarter 7/1/2019 to 9/30/2019	Prior Year 1/1/2019 to 9/30/2019
4.01	Profit for the Period	-105,928	-348,350	5,451	7,235
4.02	Other comprehensive income	869	2,139	546	276
4.03	Total Comprehensive Income for the Period	-105,059	-346,211	5,997	7,511

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

Account Code	Account Description	Current Year 1/1/2020 to 9/30/2020	Prior Year 1/1/2019 to 9/30/2019
6.01	Net Cash From Operating Activities	-269,757	141,640
6.01.01	Cash Provided from Operating Activities	-57,218	308,570
6.01.01.01	Profit (Loss) before Income Tax and Social Contribution	-380,153	902
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	151,642	138,888
6.01.01.03	Provision for Bonuses	8,448	18,001
6.01.01.04	Equity Pickup	-	6,835
6.01.01.05	Interest, Charges, Exchange Variation, Monetary Variation and APV on Lease Liabilities	41,241	46,650
6.01.01.06	Allowance for inventory losses	-	-
6.01.01.07	Provision for Legal Claims	20,494	9,607
6.01.01.09	Gain (Loss) on Disposal of Property and Equipment and Intangible Assets	9,483	7,492
6.01.01.10	Stock Options Cost	89,828	79,136
6.01.01.11	Provision (Reversal) for Impairment	7,656	2,327
6.01.01.12	Amortization of Lease	-5,857	-1,268
6.01.02	Changes in Assets and Liabilities	-212,539	-166,930
6.01.02.01	Trade Receivables, Net	-23,821	-740
6.01.02.02	Inventories	-15,465	-5,382
6.01.02.03	Taxes Recoverable	-28,049	-46,981
6.01.02.04	Advances Paid	18,590	-22,668
6.01.02.05	Derivative Financial Instruments	-	366
6.01.02.06	Receivables from Related Parties	-	1,600
6.01.02.07	Other Receivables	-899	4,333
6.01.02.08	Trade and Rental Payables	-121,043	-40,871
6.01.02.09	Payroll and Social Charges	-8,495	-4,966
6.01.02.10	Corporate Payables	-12,752	-4,765
6.01.02.11	Taxes Payable	-5,975	-24,722
6.01.02.13	Deferred Revenue, Net	-4,210	-6,239
6.01.02.14	Other Payables	-	48
6.01.02.16	Other Accounts Payables	16,169	-5,278
6.01.02.17	Interest Expense on Loans and Financings	-12,245	-3,927
6.01.02.18	Legal Claims	-14,344	6,738
6.02	Net Cash from Investing Activities	-320,788	20,476
6.02.02	Advance for Future Capital Increase in Subsidiary	-	-458
6.02.03	Purchases of Property and Equipment	-150,739	-281,045
6.02.04	Purchases of Intangible Assets	-34,900	-30,663
6.02.05	Reimbursable expenses with stock offer	-	-2,773
6.02.06	Investment in Marketable Securities	-920,624	-217,909
6.02.07	Redemption of Securities	785,475	553,284
6.03	Net Cash from Financing Activities	312,504	-252,713
6.03.01	Capital Paid-up in the Period	-	52,535
6.03.02	Acquisition of Treasury Shares	-	-24,214
6.03.03	Investments Payable	-75,914	-98,043
6.03.04	Loans and Financings Raised	-10,054	-26,726
6.03.05	Share issue costs	420,000	-
6.03.06	Payment of Loans and Financing (Principal)	-20,375	-156,265
6.03.07	Interest on Capital Paid	-1,153	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	-278,041	-90,597
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	325,276	166,962
6.05.02	Cash and Cash Equivalents at the End of the Period	47,235	76,365



Individual financial statements – Statement of changes in Equity 1/1/2020 to 9/30/2020
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit reserves	Retained earnings/accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	950,768	701,203	134,641	-	17	1,786,629
5.03	Adjusted Opening Balances	950,768	701,203	134,641	-	17	1,786,629
5.04	Capital Transactions with Shareholders	-	7,656	-	-	-	7,656
5.04.03	Options Granted Recognized	-	7,656	-	-	-	7,656
5.05	Total Comprehensive Income	-	-	-	-348,350	2,139	-346,211
5.05.01	Profit for the Period	-	-	-	-348,350	-	-348,350
5.05.02	Other comprehensive income	-	-	-	-	2,139	2,139
5.05.02.01	Financial instrument adjustments	-	-	-	-	2,139	2,139
5.07	Closing Balances	950,768	708,859	134,641	-348,350	2,156	1,448,074

Individual financial statements – Statement of changes in Equity 1/1/2019 to 9/30/2019
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Earnings/Accumulated Losses	Retained Losses	Other Comprehensive Income	Equity
5.01	Opening balances	898,233	721,102	97,627	-	-	-2	1,716,960
5.03	Adjusted Opening Balances	898,233	721,102	97,627	-	-	-2	1,716,960
5.04	Capital Transactions with Shareholders	52,535	-21,887	-	-	-	-	30,648
5.04.01	Capital Increases	52,535	-	-	-	-	-	52,535
5.04.02	Share Issue Cost	-	-	-	-	-	-	-
5.04.03	Options Granted Recognized	-	2,327	-	-	-	-	2,327
5.04.04	Purchases of Treasury Shares	-	-24,214	-	-	-	-	-24,214
5.05	Total Comprehensive Income	-	-	-	7,235	7,235	276	7,511
5.05.01	Profit for the Period	-	-	-	7,235	7,235	-	7,235
5.05.02	Other Comprehensive Income	-	-	-	-	-	276	276
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	-	276	276
5.07	Closing Balances	950,768	699,215	97,627	7,235	7,235	274	1,755,119

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

Account Code	Account Description	Current Quarter 1/1/2020 to 9/30/2020	Prior Quarter 1/1/2019 to 9/30/2019
7.01	Revenues	1,629,889	2,245,763
7.01.01	Gross Sales of Goods and Services	1,611,376	2,224,855
7.01.02	Other Revenues	18,513	20,908
7.02	Inputs Purchased from Third Parties	-1,121,085	-1,213,126
7.02.01	Cost of Sales and Services	-601,288	-778,030
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-515,463	-428,567
7.02.03	Impairment of Assets	-3,626	-6,224
7.02.04	Others	-708	-305
7.03	Gross Value Added	508,804	1,032,637
7.04	Retentions	-241,470	-218,024
7.04.01	Depreciation, Amortization and Depletion	-241,470	-218,024
7.05	Wealth Created by the Company	267,334	814,613
7.06	Wealth Received in Transfer	49,880	10,381
7.06.01	Equity Pickup	-	-6,835
7.06.02	Financial Income	49,880	17,216
7.07	Total Wealth for Distribution	317,214	824,994
7.08	Wealth Distributed	317,214	824,994
7.08.01	Personnel	373,318	379,724
7.08.01.01	Salaries and Wages	354,839	357,892
7.08.01.03	Unemployment Compensation Fund (FGTS)	18,479	21,832
7.08.02	Taxes, Fees and Contributions	164,420	225,306
7.08.02.01	Federal	106,876	159,950
7.08.02.02	State	46,038	53,833
7.08.02.03	Municipal	11,506	11,523
7.08.03	Lenders and Lessors	127,826	212,729
7.08.03.01	Interest	83,147	64,220
7.08.03.02	Rentals	44,679	148,509
7.08.04	Shareholders	-348,350	7,235
7.08.04.03	Retained Earnings / Profit for the Period	-348,350	7,235

Consolidated financial statements - Statement of financial position - Assets
(In thousands of reais)

Account Code	Account Description	Current Quarter 9/30/2020	Prior Year 12/31/2019
1	Total Assets	3,490,045	3,528,060
1.01	Current Assets	753,215	862,378
1.01.01	Cash and Cash Equivalents	47,236	325,277
1.01.02	Short-Term Investments	424,022	278,816
1.01.02.01	Short-Term Investments at Fair Value	424,022	278,816
1.01.02.01.03	Marketable Securities	398,836	265,683
1.01.02.01.04	Restricted Marketable Securities	25,186	13,133
1.01.03	Accounts Receivable	84,182	60,361
1.01.04	Inventories	114,506	99,041
1.01.06	Taxes Recoverable	38,439	27,558
1.01.08	Other Current Assets	44,830	71,325
1.01.08.03	Others	44,830	71,325
1.01.08.03.02	Advances Paid	27,525	46,115
1.01.08.03.04	Other Receivables	17,305	25,210
1.02	Non-Current Assets	2,736,830	2,665,682
1.02.01	Long-Term Receivables	160,342	112,384
1.02.01.01	Non-Current Investments at Fair Value	-	1,366
1.02.01.01.01	Restricted Marketable Securities	-	1,366
1.02.01.07	Deferred Taxes	23,351	-
1.02.01.07.01	Deferred Income Tax and Social Contribution	23,351	-
1.02.01.10	Other Non-Current Assets	136,991	111,018
1.02.01.10.03	Judicial Deposits	33,143	33,434
1.02.01.10.04	Other Receivables	13,560	4,464
1.02.01.10.05	Taxes Recoverable	90,288	73,120
1.02.03	Property and Equipment	1,180,633	1,163,578
1.02.04	Intangible Assets	1,395,855	1,389,720
1.02.04.01	Intangible Assets	1,395,855	1,389,720
1.02.04.01.02	Right-of-use asset	653,804	660,986
1.02.04.01.03	Others Intangible Assets	742,051	728,734

Consolidated financial statements – Statement of financial position - Liabilities
(In thousands of reais)

Account Code	Account Description	Current Quarter 9/30/2020	Prior Year 12/31/2019
2	Total Liabilities	3,490,045	3,528,060
2.01	Current Liabilities	775,891	671,567
2.01.01	Social and Labor Liabilities	96,590	96,637
2.01.02	Trade Payables	165,389	286,432
2.01.03	Taxes Payable	20,199	25,150
2.01.04	Loans and Financing	339,441	116,556
2.01.05	Other Current Liabilities	154,272	146,792
2.01.05.02	Others	154,272	146,792
2.01.05.02.01	Dividends and interest on capital (IOC) payables	-	10,054
2.01.05.02.04	Other Payables	20,798	4,683
2.01.05.02.05	Deferred revenue, net	9,850	9,139
2.01.05.02.06	Corporate Payables	11,008	23,760
2.01.05.02.08	Lease liabilities	112,616	99,156
2.02	Non-Current Liabilities	1,266,080	1,069,864
2.02.01	Loans and Financing	598,408	403,314
2.02.02	Other Payables	645,247	641,823
2.02.02.02	Others	645,247	641,823
2.02.02.02.03	Taxes Payables	11,581	12,605
2.02.02.02.04	Other Payables	17,205	17,237
2.02.02.02.05	Deferred revenue, net	13,007	17,928
2.02.02.02.06	Lease liabilities	603,454	594,053
2.02.03	Deferred Taxes	-	8,452
2.02.03.01	Deferred income tax and social contribution	-	8,452
2.02.04	Provisions	22,425	16,275
2.02.04.01	Provisions for tax, social security, labor and civil claims	22,425	16,275
2.03	Equity	1,448,074	1,786,629
2.03.01	Capital	950,768	950,768
2.03.02	Capital reserves	708,859	701,203
2.03.02.01	Goodwill on share issuance	733,073	725,417
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.04	Profit reserves	134,641	134,641
2.03.04.01	Legal reserve	8,828	8,828
2.03.04.05	Profit retention reserve	125,813	125,813
2.03.05	Retained earnings	-348,350	-
2.03.08	Other comprehensive income	2,156	17

Consolidated financial statements – Statement of profit or loss
(In thousands of reais)

Account Code	Account Description	Current Quarter 7/1/2020 to 9/30/2020	Current Year 1/1/2020 to 9/30/2020	Prior Quarter 7/1/2019 to 9/30/2019	Prior Year 1/1/2019 to 9/30/2019
3.01	Revenue from Sale of Goods and/or Services	522,286	1,464,128	723,317	2,064,553
3.02	Cost of Sales and/or Services	-202,682	-601,288	-276,488	-778,759
3.03	Gross Profit	319,604	862,840	446,829	1,285,794
3.04	Operating Expenses/Income	-418,722	-1,208,853	-419,786	-1,235,401
3.04.01	Selling Expenses	-381,676	-1,093,121	-384,018	-1,129,914
3.04.02	General and Administrative Expenses	-37,046	-115,732	-35,768	-105,487
3.05	Profit Before Financial Income (Expenses) and Taxes	-99,118	-346,013	27,043	50,393
3.06	Financial Income (Expenses), Net	-6,810	-34,140	-17,501	-48,962
3.06.01	Financial Income	24,777	49,383	4,278	16,733
3.06.02	Financial Expenses	-31,587	-83,523	-21,779	-65,695
3.07	Profit (Loss) Before Income Tax and Social Contribution	-105,928	-380,153	9,542	1,431
3.08	Income Tax and Social Contribution	-	31,803	-4,091	5,804
3.08.02	Deferred	-	31,803	-4,091	5,804
3.09	Profit from Continuing Operations	-105,928	-348,350	5,451	7,235
3.11	Profit for the Period	-105,928	-348,350	5,451	7,235
3.11.01	Attributable to Equity Holders of the Parent	-105,928	-348,350	5,451	7,235
3.99.01.01	Basic Earnings per Share	-0.46688	-1.53537	0.02405	0.03194
3.99.02.01	Diluted Earnings per Share	-0.46688	-1.53537	0.02405	0.03194

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

Account Code	Account Description	Current Quarter 7/1/2020 to 9/30/2020	Current Year 1/1/2020 to 9/30/2020	Prior Quarter 7/1/2020 to 9/30/2019	Prior Year 1/1/2020 to 9/30/2019
4.01	Profit for the Period	-105,928	-348,350	5,451	7,235
4.02	Other comprehensive income	869	2,139	546	276
4.03	Total Comprehensive Income for the Period	-105,059	-356,211	5,997	7,511
4.03.01	Attributable to Parent Company Shareholders	-105,059	-346,211	5,997	7,511

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

Account Code	Account Description	Current Quarter 9/30/2020	Prior Year 09/30/2019
6.01	Net Cash From Operating Activities	-269,792	134,587
6.01.01	Cash Provided from Operating Activities	-57,218	306,657
6.01.01.01	Profit (Loss) before Income Tax and Social Contribution	-380,153	1,431
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	151,642	143,281
6.01.01.03	Provision for Bonuses	8,448	18,001
6.01.01.05	Interest, Charges, Exchange Variation, Monetary Variation and APV on Lease Liabilities	41,241	46,650
6.01.01.07	Provision for Legal Claims	20,494	9,607
6.01.01.09	Provision for Impairment	-5,857	-1,268
6.01.01.11	Stock Options Cost	7,656	2,327
6.01.01.12	Amortization of Leases	89,828	79,136
6.01.01.13	Gain (Loss) on Disposal of Property and Equipment and Intangible Assets	9,483	7,492
6.01.02	Changes in Assets and Liabilities	-212,574	-172,070
6.01.02.01	Trade Receivables, Net	-23,821	-665
6.01.02.02	Inventories	-15,465	-5,382
6.01.02.03	Taxes Recoverable	-28,049	-46,989
6.01.02.04	Advances Paid	18,590	-22,664
6.01.02.05	Receivables from Related Parties	-	366
6.01.02.07	Other Receivables	-899	3,749
6.01.02.08	Trade and Rental Payables	-121,043	-41,655
6.01.02.09	Payroll and Social Charges	-8,495	-5,509
6.01.02.10	Corporate Payables	-12,752	-4,765
6.01.02.11	Taxes Payable	-5,975	-24,733
6.01.02.13	Deferred Revenue, Net	-4,210	-6,239
6.01.02.16	Other Payables	16,134	-6,882
6.01.02.17	Interest Expense on Loans and Financings	-12,245	-3,927
6.01.02.18	Legal Claims	-14,344	-6,775
6.02	Net Cash from Investing Activities	-320,753	19,556
6.02.03	Purchases of Property and Equipment	-150,739	-281,145
6.02.04	Purchases of Intangible Assets	-34,900	-30,663
6.02.05	Reimbursable expenses with stock offer	-	-2,733
6.02.06	Investments in Securities	-920,589	-219,175
6.02.07	Redemption of Securities	785,475	553,272
6.03	Net Cash from Financing Activities	312,504	-252,713
6.03.01	Capital Paid-up in the Period	-	52,535
6.03.02	Acquisition of Treasury Shares	-	-24,214
6.03.03	Arrears Liability Payments	-75,914	-98,043
6.03.04	Interest on capital paid	-10,054	-26,726
6.03.05	Borrowing Costs	420,000	-
6.03.06	Payment of Loans and Financing (Principal)	-20,375	-156,265
6.03.07	Interest on Capital Paid	-1,153	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	-278,041	-98,570
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	325,277	174,963
6.05.02	Cash and Cash Equivalents at the End of the Period	47,236	76,393

Consolidated financial statements – Statement of changes in Equity 01/01/2020 to 09/30/2020
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit reserves	Retained earnings/accumulated losses	Other comprehensive income	Equity	Consolidated Equity
5.01	Opening balances	950,768	701,203	134,641	-	17	1,786,629	1,786,629
5.03	Adjusted Opening Balances	950,768	701,203	134,641	-	17	1,786,629	1,786,629
5.04	Capital Transactions with Shareholders	-	7,656	-	-	-	7,656	7,656
5.04.03	Options Granted Recognized	-	7,656	-	-	-	7,656	7,656
5.05	Total Comprehensive Income	-	-	-	-348,350	2,139	-346,211	-346,211
5.05.01	Profit for the Period	-	-	-	-348,350	-	-348,350	-348,350
5.05.02	Other comprehensive income	-	-	-	-	2,139	2,139	2,139
5.05.02.01	Financial instrument adjustments	-	-	-	-	2,139	2,139	2,139
5.07	Closing Balances	950,768	708,859	134,641	-348,350	2,156	1,448,074	1,448,074

Consolidated financial statements – Statement of changes in Equity 01/01/2019 to 09/30/2019
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Earnings/Accumulated Retained Losses	Other Comprehensive Income	Equity	Consolidated Equity
5.01	Opening balances	898,233	721,102	97,627	-	-2	1,716,960	1,716,960
5.03	Adjusted Opening Balances	898,233	721,102	97,627	-	-2	1,716,960	1,716,960
5.04	Capital Transactions with Shareholders	52,535	21,887	-	-	-	30,648	30,648
5.04.01	Capital Increase	52,535	-	-	-	-	52,535	52,535
5.04.03	Options Granted Recognized	-	2,327	-	-	-	2,327	2,327
5.04.04	Acquired Treasury Shares	-	24,214	-	-	-	-24,214	-24,214
5.05	Total Comprehensive Income	-	-	-	7,235	276	7,511	7,511
5.05.01	Profit for the Period	-	-	-	7,235	-	7,235	7,235
5.05.02	Other Comprehensive Income	-	-	-	-	276	276	276
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	276	276	276
5.0/7	Closing Balances	950,768	699,215	97,627	7,235	274	1,755,119	1,755,119

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

Account Code	Account Description	Current Quarter 1/1/2020 to 9/30/2020	Prior Quarter 1/1/2019 to 9/30/2019
7.01	Revenues	1,629,889	2,245,763
7.01.01	Gross Sales of Goods and Services	1,611,376	2,224,855
7.01.02	Other Revenues	18,513	20,908
7.02	Inputs Purchased from Third Parties	-1,121,291	-1,214,319
7.02.01	Cost of Sales and Services	-601,288	-778,759
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-515,463	-428,783
7.02.03	Impairment of Assets	-3,626	-6,224
7.02.04	Others	-914	-553
7.03	Gross Value Added	508,598	1,031,444
7.04	Retentions	-241,470	-222,417
7.04.01	Depreciation, Amortization and Depletion	-241,470	-222,417
7.05	Wealth Created by the Company	267,128	809,027
7.06	Wealth Received in Transfer	50,086	17,542
7.06.02	Financial Income	50,086	17,542
7.07	Total Wealth for Distribution	317,214	826,569
7.08	Wealth Distributed	317,214	826,569
7.08.01	Personnel	379,318	379,724
7.08.01.01	Salaries and Wages	354,839	357,892
7.08.01.03	Unemployment Compensation Fund (FGTS)	18,479	21,832
7.08.02	Taxes, Fees and Contributions	164,420	225,860
7.08.02.01	Federal	106,876	160,504
7.08.02.02	State	46,038	53,833
7.08.02.03	Municipal	11,506	11,523
7.08.03	Lenders and Lessors	127,826	213,750
7.08.03.01	Interest	83,147	65,193
7.08.03.02	Rentals	44,679	148,557
7.08.04	Shareholders	-348,350	7,235
7.08.04.03	Retained Earnings / Profit for the Period	-348,350	7,235

MANAGEMENT REPORT

HIGHLIGHTS

PERFORMANCE 3Q20 x 3Q19:

- **Net operating revenue** of R\$ 522.3 million, down 27.8%;
- Opening of 100% of operations in September
- **Comparable sales in the same restaurants** of **-27.3%** for BKB (Free Standing +9% in august) and **-7.0%** for Popeyes (+4% in September);
- **Revenue of digital channels (Delivery, Totem and BK Express)** increases from R\$ 43.0 million to R\$ 136.3 million, **+217.0%**, reaching **22.7% of revenue**;
- **Adjusted EBITDA** of R\$ -11.4 million; **EBITDA Mg.** of **-2.2%**;
- **Net loss** of R\$ 105.9 million;
- **Total 857 Burger King restaurants and 43 Popeyes restaurants** at the end of 3Q20, with the net closure of 9 stores (11 openings and 20 closures).
-

PERFORMANCE 9M20 x 9M19:

- **Net operating revenue** of R\$ 1,464.1 million, down 29.1%;
- **Comparable sales in same restaurants** of **-15,3%**;
- **Adjusted EBITDA** of R\$ -89.6 million; **EBITDA Mg.** of **-6.1%**;
- **Adjusted EBITDA (ex IFRS16)** of R\$ -165.5 million; **EBITDA Mg. ex IFRS16** of **-11.3%**;
- **Net loss** of R\$ -348.3 million.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	3Q20	3Q19	VAR.	9M20	9M19	VAR.
NET OPERATING REVENUE	522.3	723.4	-27.8%	1,464.1	2,064.6	-29.1%
ADJUSTED EBITDA	(11.4)	115.0	-109.9%	(89.6)	294.2	-130.5%
% OF NET OPERATING REVENUE	-2.2%	15.9%	-1810bps	-6.1%	14.3%	-2040bps
NET INCOME (LOSS)	(105.9)	5.4	-2061.1%	(348.3)	7.2	-4937.5%
GROSS DEBT	937.8	132.8	606.2%	937.8	132.8	606.2%
NET DEBT (NET CASH)	466.6	(47.8)	-1076.2%	466.6	(47.8)	-1076.2%
SHAREHOLDERS' EQUITY	1,448.1	1,755.1	-17.5%	1,448.1	1,755.1	-17.5%
OPERATIONAL HIGHLIGHTS	3Q20	3Q19	VAR.	9M20	9M19	VAR.
# OF RESTAURANTS	900	840	60	900	840	60
OWNED RESTAURANTS						
# OWNED RESTAURANTS BEGINNING OF PERIOD	712	652	60	714	642	72
BURGER KING® RESTAURANT OPENINGS	6	15	(9)	7	21	(14)
BURGER KING® RESTAURANT CLOSINGS	(19)	(2)	(17)	(22)	(4)	(18)
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	1	-	1	1	-	1
POPEYES® RESTAURANT OPENINGS	2	6	(4)	2	12	(10)
# OWNED RESTAURANTS END OF PERIOD	702	671	31	702	671	31
FRANCHISEES RESTAURANTS						
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	197	165	32	199	161	38
BURGER KING® RESTAURANT OPENINGS	3	4	(1)	3	8	(5)
BURGER KING® RESTAURANT CLOSINGS	(1)	-	(1)	(3)	-	(3)
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	(1)	-	(1)	(1)	-	(1)
# FRANCHISEES RESTAURANTS END OF PERIOD	198	169	29	198	169	29
COMPARABLE SALES GROWTH IN SAME RESTAURANTS BKB	-27.3%	4.0%	-3130bps	-15.3%	7.9%	-2320bps

MESSAGE FROM MANAGEMENT

From the outbreak of the pandemic in our country, as mentioned in the second quarter earnings release, we had to adapt quickly, protect fundamental pillars of our business and prepare for the expected resumption. Throughout the third quarter, we could see that all of our efforts in the last 6 months began to have significant impacts on our business. We are well prepared to reopen more than 300 restaurants and serve our customers with a complete experience on different channels. The sum of our efforts, in line with the easing of restrictive measures, meant that our sales could grow by almost 80% when compared to the performance of the second quarter. This evolution, even faster than we anticipated, has given us even more security to know that we are on the right path.

Accelerated by the pandemic, we maintained our focus on building omnichannel. We continue to develop several fronts that will allow us, more and more, to be present, in a practical and efficient way, in all possible interactions with our customers, wherever they are.

The third quarter was also an important period in terms of balancing the profitability of our business. We went from a tough second quarter of operating cash burn to a quarter with significant improvement in operating cash generation. We achieve this balance through the Pricing power of our brands and our discipline in cost management, which has always been a characteristic of our management.

Looking back, even though we know that we have not yet overcome this difficult period as a society, we are proud of what we have done and, especially, of what is yet to come. We are convinced that we have entered the most important period of our year, the last quarter, well positioned to capture all the results of the initiatives that we have already implemented, those that we will still launch and the opportunities that will appear in our industry.

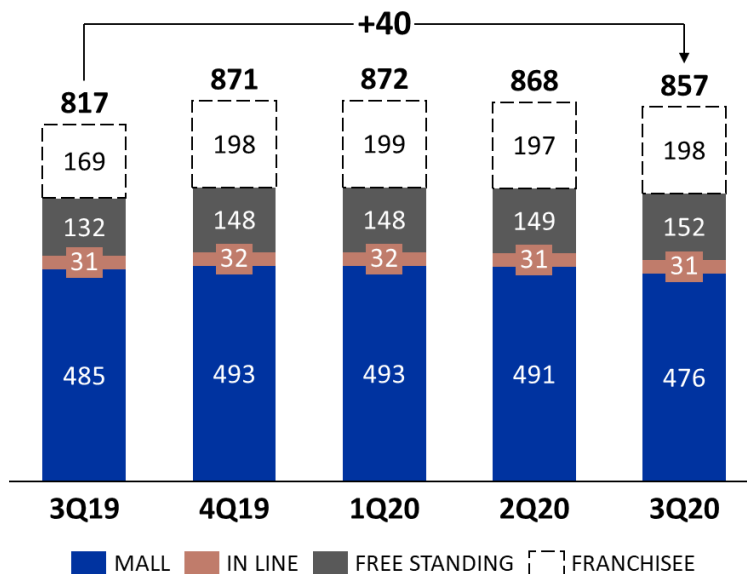
OPERATING PERFORMANCE

Expansion of the restaurant chain

Throughout 3Q20, the Company's net closures involved 9 stores, with 11 openings (6 BK owned restaurants, 3 BK franchised restaurants and 2 Popeyes) and 20 closings (19 owned restaurants and 1 franchise).

BURGER KING® system

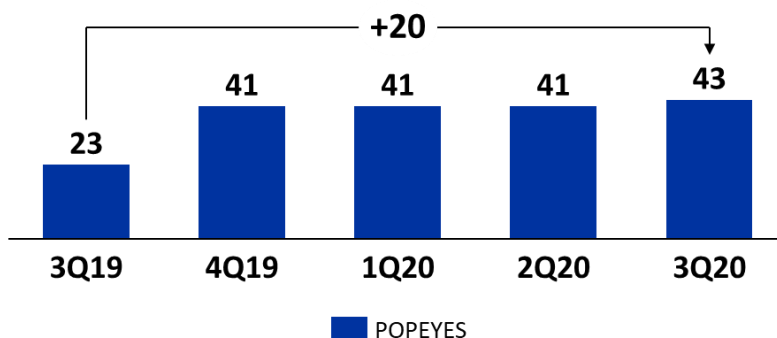
9 Burger King stores were opened (6 owned units and 3 franchises), 5 being in the *free standing* format and 4 in *shopping malls*. During the third quarter, in line with our strategy of optimizing the profitability of our portfolio of restaurants and accelerated by the pandemic, we chose not to reopen 19 owned restaurants and 1 franchise. In addition, there was acquisition of one Burger King store (from franchisee to owned unit) in the *In Line* format.



With this, BURGER KING® ended the quarter with a total of 857 restaurants operating across the country, a net increase of 40 restaurants in the last 12 months.

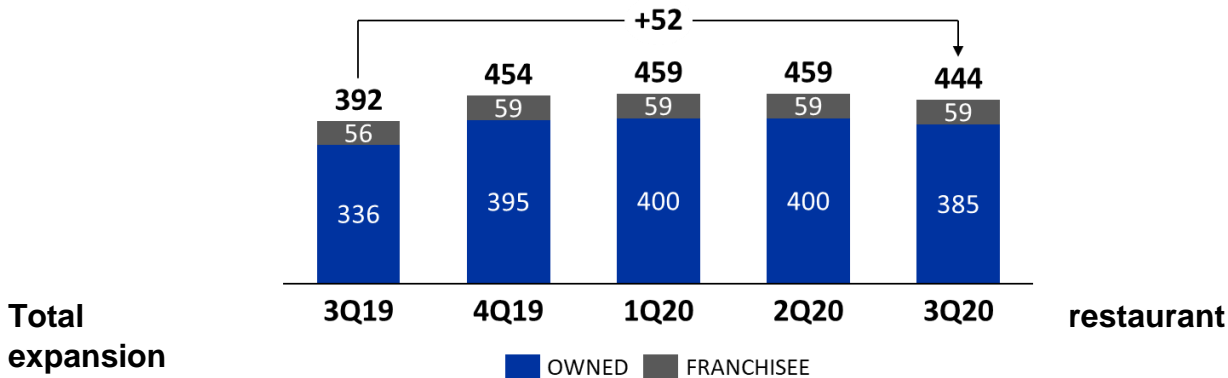
POPEYES®

2 POPEYES® restaurants in the *food court* format were opened, ending the quarter with 43 units, all of which are owned and located in the state of São Paulo.

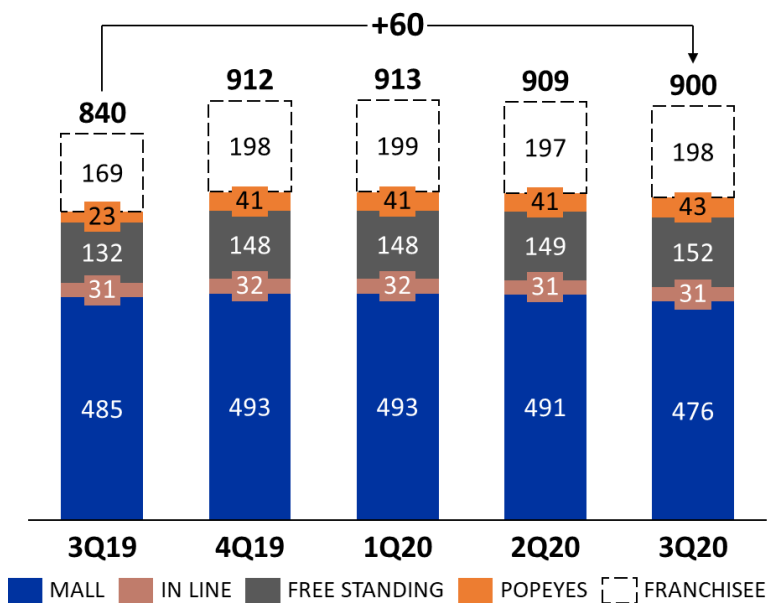


BURGER KING® desert centers expansion

In addition to the 857 restaurants, BURGER KING® ended the quarter with 444 dessert centers, an increase of 52 units when compared to 3Q19.



Therefore, we ended 3Q20 with a total of 900 restaurants, of which 702 are company-owned BURGER KING® and POPEYES® restaurants and 198 are BURGER KING® franchised restaurants.



FINANCIAL PERFORMANCE

Net operating revenue

In 3Q20, the Company's net operating revenue reached R\$ 522.3 million, a 27.8% decrease when compared to the same period of the previous year, and a growth of 78.4% when compared to 2Q20.

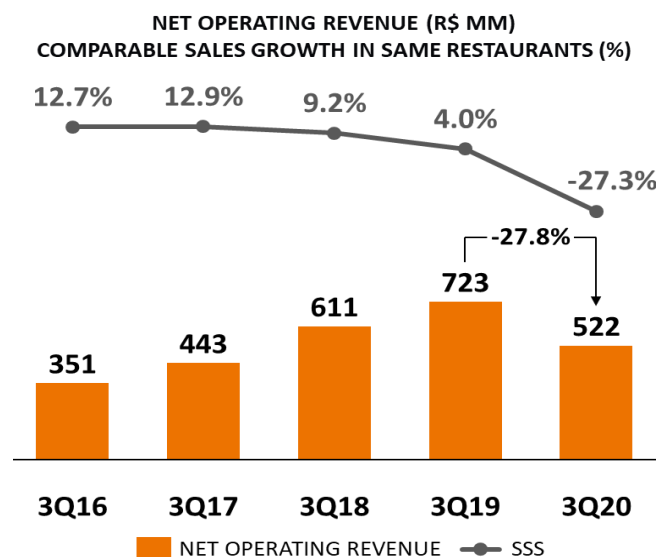
During the quarter, we followed a consistent and upward sales trajectory, following the resumption that started in the second quarter of the year, after the beginning of the most severe period of the pandemic at the end of March.

In July, approximately 40% of our operations were closed due to Covid, with a drop in sales of around 45% against the previous year. However, with the easing of restrictive measures, we now see a rapid recovery in traffic in shopping malls, where we concentrate more than 60% of our operations.

At the beginning of the quarter, we were limited to just one consumption opportunity (lunch or dinner), on a 6 consecutive hours-day, and from the end of July we started capturing the two opportunities in 4-hour shifts each. With that, we noticed a consistent improvement in sales, going from around -45% in July, -25% in August and to approximately -15% in September, against the previous year, the month in which we opened 100% of our operations, as per the Material Fact disclosed by the Company on 9/11. Following this upward trend, we ended October at practically the same level of sales as the previous year and moved towards a more normalized November and December knowing that a good part of our annual volume is concentrated in these two months.

Our restaurants in the *Free Standing* format showed the resilience of their model, achieving significant SSS growth at the end of the quarter. We strongly believe in the versatility of this format, due to all its possibilities. Among them, some are fundamental to capture all the opportunities in this "New Normal". In our *Free Standings*, we have the possibility to adapt the layout; digitize the complete journey of our consumers, with less friction; dedicate specific areas for the *Delivery* operation, manage strategies by channels, like the one we did with *drive thrus* throughout the pandemic and, finally, provide our customers with a complete Burger King experience.

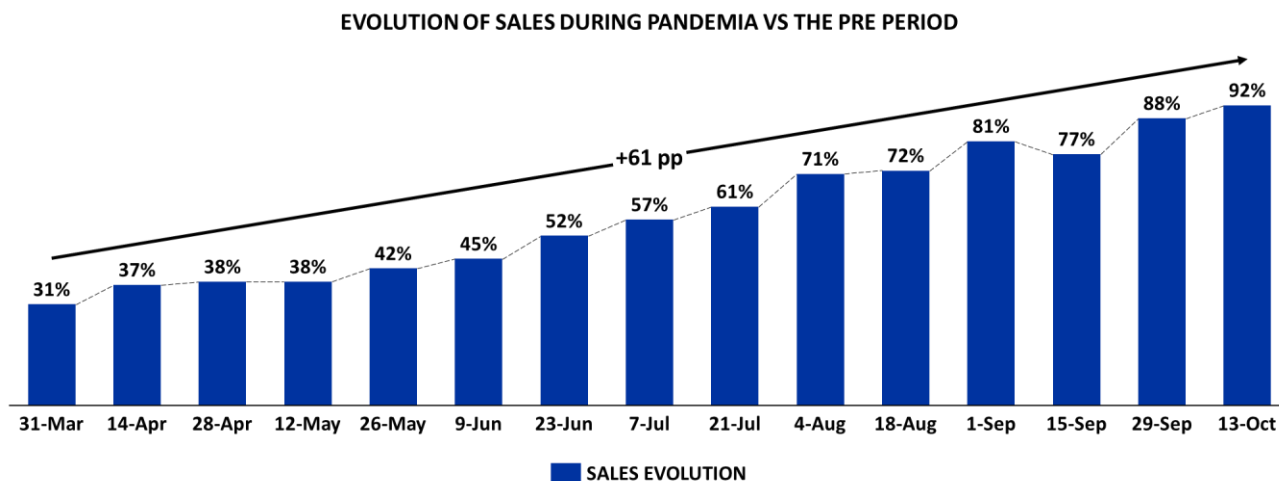
In this quarter, we also did the *roll out* of *contactless for all Free Standing stores*, a modality that allows the customer to send their order to the kitchen in a 100% digital manner, thus improving their shopping experience.



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Part of these stores also started to accept the *car payment* modality, through a partnership with ConectCar, another convenience for our customers.

The combination of the resumption of traffic in shopping malls, with the excellent performance of *Free Standings* and the growth of digital sales, which even with the recovery of *on-premise* volume has maintained a similar growth trend, helped us to move from sales of approximately -65% in relation to the pre-pandemic period, to close to 100% in October.



Sales under the SSS criterion reached -27.3% in 3Q20, still influenced by the closing of stores, mainly at the beginning of the period, as previously discussed. However, we highlight the Popeyes SSS indicator in the quarter, with growth of 4% in September, ending the quarter with -7.0%, despite the restrictions to traffic in shopping malls in São Paulo. The brand, which recently completed 2 years since the opening of its first store in Brazil, has reached relevant levels of knowledge and preference in view of its short construction time in the country.

Additionally, at the beginning of September, we launched The Sandwich - classic chicken sandwich that sold out in 3 weeks at launch in the USA, becoming the most talked about subject on social media and the press, and forming queues in the USA and Canada. Likewise, after launching in Brazil, almost 32,000 units were sold in just 3 weeks leading to the highest sales volume in its recent history.

Also, with the stoppage of over-the-counter service in shopping mall stores, where currently 100% of the brand's operations are concentrated, we accelerated our *delivery* service at Popeyes that has been in operation since 2019, signing new partnerships with delivery applications, in addition to having started the pilot of a Ghost Kitchen - aimed exclusively to the *delivery* service in Sao Paulo. Finally, the great reach that the brand has achieved is evidenced in its *brand* indicators, considering the city of São Paulo, with an increase of 18 p.p. in *Awareness* and 14 p.p. in *Trial* against the same period last year.

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Moreover, over the past few years, we have made significant changes to our menu to meet the changing consumption habits and offer increasingly natural foods. Among the initiatives addressed, is the launch, in September, of the free of preservatives and artificial flavorings Whopper. Guided by a strategic and pioneering vision, the adequacy of the sandwich went through more than 2 years of intense research and the novelty has the potential to change the fast food market in Brazil forever. The process to make this initiative real includes major changes in the production chain, logistics and product shelf life. In this first moment, the sandwich will be present in part of the stores in the city of São Paulo and from 2021, the product will be present in all of our stores. This initiative to bring a product free of artificial ingredients shows our pioneering spirit and concern to promote a relevant transformation for the whole society, more and more aligned to our **ESG - Environmental, Social and Governance** initiatives.

Digitalization of Sales

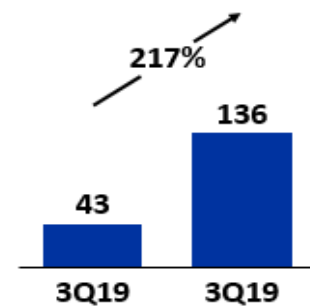
Digital sales, represented by the *delivery*, totem and BK Express, reached 22.7% of the Company's revenue, *versus* 5.2% in the previous year, representing a growth of 217%, with a revenue that went from R\$ 43.0 million to R\$ 136.3 million. Compared to sales in the second quarter of 2020, growth was **27.3%** even with the significant resumption of consumption over the counter.

Even with the reopening of malls, **delivery** posted record sales in the third quarter, reaching R\$ 120.1 million, an increase of 210.1% in relation to the same period of the previous year.

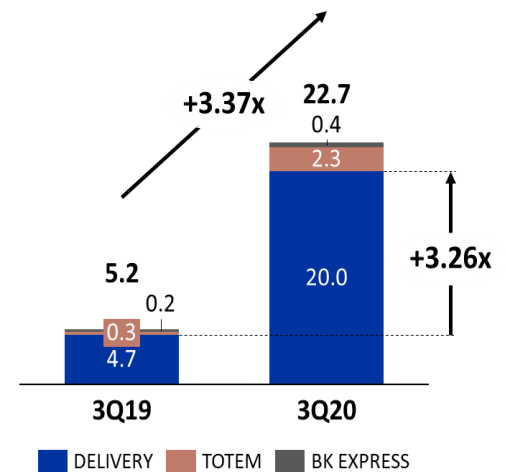
This result was also due to the expansion of store coverage (101%), significantly increasing the points of contact with our customers, going from 254 in 3Q19 to 512 stores in 3Q20. This movement happened through the Ifood, Rappi and Uber Eats aggregators, through the entry of new restaurants, as well as the reopening of stores that were closed due to Covid. We also highlight the entry of two new aggregators in the period: 99 Food and James Delivery, in line with our purpose of being present throughout the country and being able to serve all our consumers quickly.

Still on the *delivery* channel, in this quarter we had the launch of The Sandwich bxy the Popeyes brand, as previously mentioned. The classic chicken sandwich exceeded all sales expectations of the chain, and in the *delivery* channel, sales increased by 900% *versus* 3Q19, from R\$ 1.1 million to R\$ 11.0 million in 3Q20. The result of these efforts is seen in the growth in average sales of Popeyes in *delivery* applications, which grew 268% from the beginning of the quarantine to September 2020.

DIGITAL CHANNEL SALES (R\$)



GROWTH AND REPRESENTATIVITY (%) OF DIGITAL SALES OVER TOTAL REVENUE



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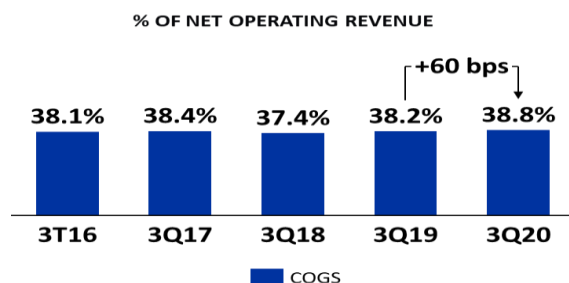
As part of investments in technology fronts, our **own delivery** continues to expand and continuously improve after the launch of its pilot in the second quarter. Our platform currently covers 100 stores, distributed in 25 municipalities across the country, with an expectation of increased coverage in the coming months. For this, our app, which currently has more than 25 million *downloads* and more than 7 million complete registrations, have a fundamental role in improving our own platform. Our app also features the BK Express functionality, promotional coupons and other *features* that increasingly allow us to get closer to our customers and segment our campaigns according to the profile and different consumption habits. With this, we continue to intensify our investments in the knowledge of our customers, through the improvement of our CRM. We strongly believe in the engagement that our customers have with our brands and the important role of omnichannel in this context.

In addition, we inaugurated the first **Ghost Kitchen** of the Burger King and Popeyes chains in the world, with the objective of offering a better experience for our consumers, being 100% dedicated to the *delivery* service. The Ghost Kitchen model will operate both Burger King and Popeyes and its expansion process to other locations in Brazil will depend on the results of the pilot operation. The decision to start this concept was made for strategic reasons: with the growth in sales in *delivery*, we want to optimize the service of our physical stores, offering an excellent experience to our consumers, in addition to capturing "*off-premise*" sales demand, with units structured for this sales channel, focusing on the speed of delivery and the quality of the product delivered. From the design of the project to its implementation, it took three months. To start the service, an existing Burger King restaurant underwent a restructuring to exclusively focus on *delivery* service - without face-to-face service or on-site consumption. The service also allows an even better relationship between the network and delivery professionals, as well as in the operation of the Company's own *delivery*. The objective is that, with the maturation of the operation, Burger King and Popeyes will start to serve about 20 thousand orders per month through this Ghost Kitchen unit alone.

Self-service totems have also been an important tool to boost interactions with our customers and already represent 12.9% of our over-the-counter sales. With that, we remain convinced that this channel will be extremely important for digitalization and efficiency of the post COVID experience. Finally, we launched whatsapp in the quarter as another service channel for our customers, increasing convenience at the time of purchase.

Cost of goods sold and selling expenses

The cost of goods sold reached 38.8% of revenue, an increase of 60 bps *versus* the 3Q19 **and a reduction of 670 bps when compared to 2Q20**.

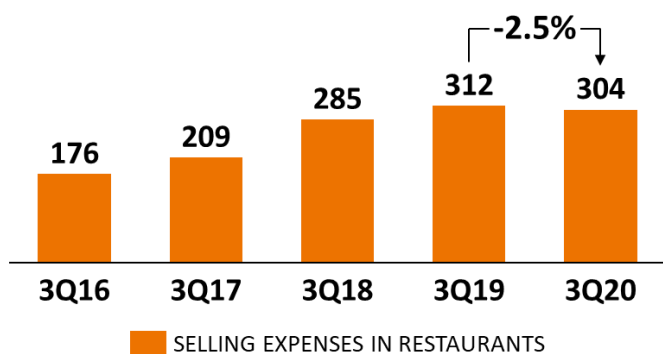


The gradual recovery in sales, supported by the opening of stores and the resumption of shopping malls, helped us to balance our cost structure and discount platform, both in aggregators and in the *drive thru* and coupon app.

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Of the initiatives in the quarter, we highlight the adjustments made to our *mix and match* platform, in which we changed the price from R\$ 15.90 to R\$ 16.90, price transfers made in coupon offers and better *revenue management* balance at the *delivery*. Thus, the recovery in sales also accompanied an improvement in margin, even in a more challenging economic environment. Additionally, as the channels return to normal, we saw a balance in our *portfolio* with higher incidence of drinks and desserts in sales.

SALES EXPENSES (R\$ MM)

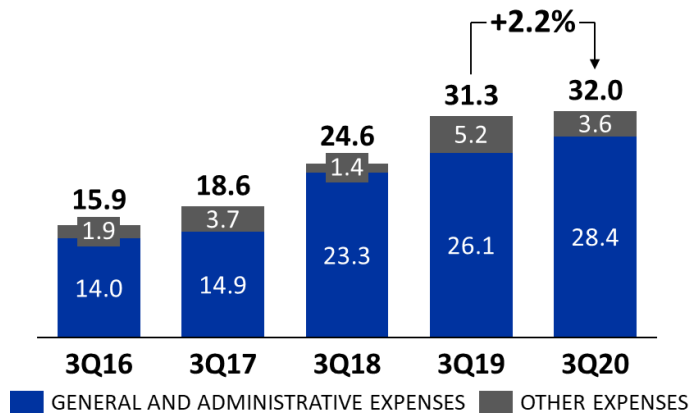


Restaurant sales expenses, excluding depreciation and amortization, totaled R\$ 304 million in 3Q20, a decrease of 2.5% compared to 3Q19. Even with an increase of more than 30 restaurants, the measures implemented during the pandemic allowed us to keep administrative expenses at stable levels compared to the previous year, despite the growth in delivery sales and higher marketing expenses.

Total general and administrative expenses

General and administrative expenses, excluding depreciation and amortization, totaled R\$ 32 million in 3Q20, an increase of 2.2% compared to 3Q19.

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES (R\$ MM)



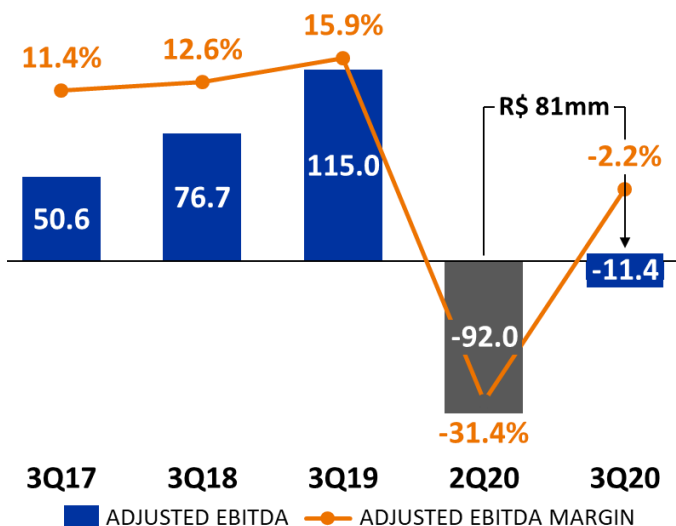
BK Brasil Operação e Assessoria a Restaurantes S.A.

Adjusted EBITDA

In 3Q20, adjusted EBITDA reached R\$ -11.4 million, a decrease of 109.9% when compared to the same period in 2019, due to the significant impacts on revenue resulting from the closing of stores due to the pandemic, generating operational deleveraging due to the non-dilution of fixed costs at closed restaurants. **Even so, in the third quarter, we had a significant improvement in our operating results, which allowed us to reach levels close to *break even* versus the previous quarter of R\$ -92.0 million.**

Year-to-date, adjusted EBITDA reached R\$ -89.6 million, down 130.5% compared to the same period last year, with an adjusted EBITDA margin of -6.1% against 14.3% in 9M19.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (R\$ mm e %)



EBITDA - R\$ MILLION

	3Q20	3Q19	VAR %	9M20	9M19	VAR %
NET INCOME (LOSS) FOR THE PERIOD	(105.9)	5.4	-2061.1%	(348.3)	7.2	-4937.5%
(+) FINANCIAL INCOME (LOSS)	6.8	17.5	-61.1%	34.1	49.0	-30.4%
(+) DEPRECIATION AND AMORTIZATION	82.3	76.5	7.6%	241.5	222.4	8.6%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	0.0	4.1	-100.0%	(31.8)	(5.8)	448.3%
EBITDA	(16.9)	103.5	-116.3%	(104.5)	272.8	-138.3%
<i>EBITDA MARGIN</i>	<i>-3.2%</i>	<i>14.3%</i>	<i>-1750bps</i>	<i>-7.1%</i>	<i>13.2%</i>	<i>-2030bps</i>
(+) OTHERS EXPENSES	1.3	3.7	-64.9%	2.7	5.1	-47.1%
(+) COST OF STOCK OPTION PLAN	2.2	1.0	120.0%	7.7	2.3	234.8%
(+) MERGE AND ACQUISITION EXPENSES	0.1	0.5	-80.0%	0.2	3.0	-93.3%
(+) PRE-OPERATING EXPENSES	1.9	6.3	-69.8%	4.4	11.0	-60.0%
ADJUSTED EBITDA	(11.4)	115.0	-109.9%	(89.6)	294.2	-130.5%
<i>ADJUSTED EBITDA MARGIN</i>	<i>-2.2%</i>	<i>15.9%</i>	<i>-1810bps</i>	<i>-6.1%</i>	<i>14.3%</i>	<i>-2040bps</i>

Net income (loss):

Net loss reached R\$ 105.9 million in 3Q20, against net income of R\$ 5.4 million in 3Q19, a result still impacted by the operating activity during the quarter. In the 9-month period, the net loss was R\$ 348.3 million, compared to a net profit of R\$ 7.2 million in 9M19.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC / SEP No. 01/2007, the Company informs that until September 30, 2020, the independent auditors (ERNST & YOUNG Auditores Independentes SS (EY)) did not provided additional services to contractors 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.

Board of Executive Officers



1. Operations

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 Tocantins, 350 - Alphaville - Barueri - SP, engaged in: (i) the development and the operation of "Burger King" and "Popeyes" restaurants in Brazil; (ii) provision of 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.

It is Management's practice during the preparation of its financial statements to assess the Company's ability to continue its activities normally. As at September 30, 2020, the Company's current liabilities exceed current assets by R\$ 26,676 in both Parent company and Consolidated. This excess - representing 1.8% of the company's shareholders' equity on the same date - is considered temporary by Management, since all restaurants were reopened only at the beginning of September, as disclosed in a material fact on September 11, 2020. In addition, it should be noted that there is also the seasonal effect of the last quarter of the year (Note 2) for the Company, which has historically been positive for cash generation. The Company is in negotiation with financial institutions to extend the maturities related to the next 12 months.

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 same twenty year, 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 monthly net revenue;
- Marketing fund of 5% of monthly net revenue.



Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

1. Operations--Continued

a) Burger King Operation--Continued

As at September 30, 2020 and December 31, 2019, the Company had 659 and 673 company-owned stores, of which:

	<u>9/30/2020</u>	<u>12/31/2019</u>
State of Alagoas	4	4
State of Bahia	13	12
State of Ceará	15	15
Federal District	10	10
State of Espírito Santo	12	11
State of Goiás	22	23
State of Maranhão	5	5
State of Mato Grosso	5	5
State of Mato Grosso do Sul	3	3
State of Minas Gerais	47	51
State of Pará	7	7
State of Paraíba	5	5
State of Pernambuco	15	15
State of Piauí	2	2
State of Paraná	40	40
State of Rio de Janeiro	95	97
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	38	38
State of Santa Catarina	4	3
State of Sergipe	6	6
State of São Paulo	308	318
Total Stores	<u>659</u>	<u>673</u>

b) Popeyes Operation

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

By signing these agreements, BKB acquired the exclusive right of developing and operating restaurants in Brazil through its own operation or franchises under the POPEYES® brand for a twenty-year period.

The agreements establish annual targets aimed at a gradual acceleration of growth of company-owned restaurants and/or franchises, among them the opening of more than 300 restaurants in an initial period of ten years.

The agreements also stipulate that the Company shall be the exclusive service provider under the POPEYES® brand in Brazil, providing marketing, training, monitoring, procurement, audit and other services to the same franchised restaurants in Brazil, and may charge service fee from its franchisees for this purpose.

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

As at September 30, 2020 the Company had forty-three (43) opened stores, (forty-one (41) opened stores as at December 31, 2019), all in the state of São Paulo.

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, 2019, and remains valid.

Accordingly, the Company's individual and consolidated 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 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 *Ofício Circular 03/2011* issued by the Securities and Exchange Commission of Brazil (CVM).

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended September 30, 2020, was prepared in accordance with *NBC TG 21 (R4) - Demonstrações Intermediárias* 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. 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 Company prepared its consolidated interim financial information using the parent company accounting policies.

The Company's operating results are subject to seasonality that affect the retail industry. Sales usually vary in periods of school holidays (January, July and December); and mainly for stores located at malls, during weeks prior to Mother's day (May), Valentine's day (June), Father's day (August), Children's day and Halloween (October), Black Friday (November) and Christmas (December). Therefore, each quarter has its seasonal effect on the Company's results.

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

CIRCULAR-OFÍCIO/CVM/SNC/SEP/No. 02/2020 issued by CVM on March 10, 2020 discusses the potential effects that the pandemic caused by the Coronavirus (COVID-19) may have on the Companies business and their effects on the financial statements. It also highlights the importance of the Companies and their Independent Auditors to thoroughly assess the potential impacts of COVID-19 on their business and the risks and uncertainties to which they are exposed.



2. Accounting policies--Continued

Management has closely monitored the evolution of the impacts caused globally by the pandemic, as well as the measures adopted by the governments so far to support the maintenance of jobs and recovery of the economy. However, there are still uncertainties regarding the new measures, which makes it difficult to predict new direct and/or indirect impacts that could be caused by the pandemic. In addition, the effects mentioned herein may distort the Company's historical seasonality and impair the comparability of the information.

Considering the current information and the data available for this report regarding the potential impacts of COVID-19 pandemic on its activities, the Company recorded during this period the loss of perishable items that are not expected to be used due to their expiry dates, in addition to the strong impact of fixed costs of restaurants that remained closed due to the restrictive measures imposed by Governments. When analyzing the projections of results and cash consumption in the current scenario, the Company has reviewed its analyses in the period after September 30, 2020 and, as a result to date, has identified the need to discontinue the operation of stores that were not expected to recover their results after reopening and has elected to definitively close specific stores for which it had already set up provisions for impairment. Notwithstanding, the Company has periodically monitored its projections of results and cash generation with the purpose also of complying with the existing covenants (including of financial leverage (Net Debt/Adjusted Ebitda), Conservatively, the Company has already started negotiations with its creditors to obtain a waiver for the measurement for the year 2020.

In our conclusion, based on the information currently available, which includes the renegotiation of payment terms with our suppliers, the renegotiation of occupancy expenses (Note 3 and 28) and also borrowings from a financial institution (Note 12.1), in addition to adherence to government programs, reduction of working hours and salaries, measures taken to safeguard the Company's financial health, we have not identified any material adverse effects on our operations which cast doubt on the Company's ability to continue as a going concern and which may significantly impact the accounting estimates applied in the preparation of the individual and consolidated interim financial information.

Due to the crisis generated by COVID-19 and its impacts on the Company's business, BKB continues to monitor closely any information on this matter and assessing the need to disclose a new material fact and/or change the projections and estimates related to the risks reported in its Reference Form, in order to clarify to its shareholders and the market the changes in valuation that bring material effects.

The Company's individual and consolidated interim financial information for the period ended September 30, 2020 was concluded and approved by the Company's officers and authorized for issue according to resolution of the members of the Board of Directors on November 5, 2020.

The other matters related to this note were not materially changed in relation to the disclosures in Note 2 to the individual and consolidated financial statements as of December 31, 2019.



3. Leased assets - Effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16

Right-of-use assets	9/30/2020	12/31/2019
Opening balance	660,986	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	612,223
Additions and updates of leases recognized in the period (i) and (ii)	93,740	167,001
Amortization of right of use (lease) (Note 11) (ii)	<u>(100,922)</u>	<u>(118,238)</u>
Closing balance (Note 11)	<u>653,804</u>	<u>660,986</u>
Lease liabilities	9/30/2020	12/31/2019
Opening balance	693,209	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	859,815
Additions and updates of leases recognized in the period (i) and (ii)	137,551	255,658
Payment of lease liabilities (ii)	(125,693)	(151,150)
Adjustment to present value recognized in the transition to CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16	-	(247,592)
Additions of adjustment to present value (APV) recognized in the period (i) and (ii)	(43,811)	(88,657)
Write-off of accrued interest (AVP) (ii)	54,814	65,135
Closing balance (Note 14)	<u>716,070</u>	<u>693,209</u>
Current (Note 14)	112,616	99,156
Non-current (Note 14)	603,454	594,053
Income from lease (iii)	9/30/2020	9/30/2019
Expenses on stores - variable rental	(13,443)	(10,004)
Amortization of right of use (lease) (Notes 25 and 26) (ii)	(89,828)	(52,127)
Financial expenses – Accrued interest (APV) (Note 27) (ii)	(50,526)	(29,175)
Lease discounts - COVID19 (Note 28) (iv)	34,396	-
Closing balance	<u>(119,401)</u>	<u>(91,306)</u>

(i) The adjustments of financial indexes for Lease Liabilities are recorded according to each agreement, causing impacts in line items APV, Lease liabilities and Right-of-use assets. These adjustments, when recorded, do not impact the profit or loss for the period, only the balance sheet figures.

(ii) In compliance with CVM *Circular Ofício 02/2019*, the balances in the balance sheet accounts are gross of taxes (Pis and Cofins) while the balances in the statement of income accounts are net of taxes (Pis and Cofins).

(iii) As established in *Circular Ofício/CVM/SNC/SEP/No. 02/2019*, the effects of the application of such document were disclosed in the financial statements for the year ended December 31, 2019, and prospectively. Therefore, the balances of this line item are not fully comparable with the base date as of September 30, 2019 and the Company's Management does not consider it necessary to restate the comparative individual and consolidated interim financial information since it is not considered material.

The effects of the application of the document mentioned in the previous paragraph are to recognize the actual estimated payment flows gross of taxes and the right-of-use assets were measured at the value equal to the lease liability at present value (APV). The incremental borrowing rate (discount) used to measure the adjustment to present value of the agreements was calculated on the projected CDI + spread (nominal rate). The balances in the balance sheet accounts are gross of Pis and Cofins (combined rate of 9.25%), while the balances in the statement of income accounts are net of Pis and Cofins.

As at September 30, 2019, the balances in balance sheet accounts were recorded net of Pis and Cofins using the nominal rate for calculating APV. Therefore, the amounts recognized in the statement of income accounts were net of Pis and Cofins.

(iv) Based on the Revision of Technical Pronouncements No.16 issued by CVM on July 7, 2020, which contained amendments to CPC 06 (R2), referring to Benefits Related to Covid-19 Granted to Lessees under Lease Agreements, the Company elected to use the practical expedient of not remeasuring the operating lease agreements since the renegotiations made were in respect of benefits related to COVID-19, recognizing such benefits in profit or loss for the period (Note 28).

Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

3. Leased assets - Effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16--Continued

The other matters related to this note were not materially changed in relation to the disclosures in Note 2.22 to the individual and consolidated financial statements as of December 31, 2019.

4. Cash and cash equivalents

	Parent company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Cash	24,155	28,221	24,155	28,221
Banks	4,737	3,333	4,738	3,334
Financial investments (Note 30)	18,343	293,722	18,343	293,722
Total cash and cash equivalents (Notes 30 and 32)	47,235	325,276	47,236	325,277

Type of investment	Parent company and Consolidated		
	Annual yield	9/30/2020	12/31/2019
CDB	100.1% to 101.2% of CDI	-	100,515
Repurchase agreement	55% to 80% of CDI	10,901	166,762
Automatic investment	10% to 60% of CDI	7,442	26,445
Total financial investments		18,343	293,722

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.

5. Marketable securities

Type of investment	Annual yield	Parent company		Consolidated	
		9/30/2020	12/31/2019	9/30/2020	12/31/2019
Exclusive investment fund - XPA BK (i)	100% to 126% of CDI or IPCA	121,749	211,852	-	-
Federal Treasury Bills (LFT)	100% to 126% of CDI or IPCA	-	-	53,961	114,643
Investment Funds	IPCA	-	-	24,017	29,621
CDB	98% to 120% of CDI	277,061	53,770	277,061	59,750
Investments in debentures	100% to 112% of CDI or IPCA	-	-	9,815	18,209
Financial bills (LF)	100% to 111.2% of CDI or IPCA	-	-	33,982	42,631
National Treasury Bills (NTN-B)	IPCA	-	-	-	829
Investment Fund and CDB (ii)	99% of CDI	-	1,366	-	1,366
Repurchase agreement (iii)	101% of CDI	25,186	13,133	25,186	13,133
Total marketable securities (Notes 30 and 32)		423,996	280,121	424,022	280,182
Current		423,996	278,755	424,022	278,816
Marketable securities		398,810	265,622	398,836	265,683
Restricted marketable securities		25,186	13,133	25,186	13,133
Non-current		-	1,366	-	1,366

(i) 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.

(ii) Financial investments pledged as collateral of loans and financing mentioned in Note 12 and their redemption is linked to the maturity of those loans.

(iii) Repurchase agreements (restricted account) pledged as collateral for Bradesco loan (Note 12.1 (i)).

Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

6. Trade receivables, net

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Sales transactions	75,811	54,007
Service rendered with franchisees	5,523	3,883
Services rendered with related parties (Note 20.1)	159	438
Other receivables	2,689	2,033
Total trade receivables (Notes 30 and 32)	84,182	60,361

As mentioned in Note 12, part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financings and debentures.

The increase of service rendered with franchisees is caused by the negotiations carried out between the Company and its franchisees at the beginning of COVID-19 pandemic, where BKB accepted the postponement of deadlines for receipts.

Considering the current information and data regarding the potential impacts of COVID-19 pandemic on its activities to date, the Company has not identified significant risks in its trade receivables since a large part of the existing balance is from card companies, delivery platforms and its franchises.

7. Inventories

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Goods for resale (stores)	56,410	61,444
Distribution center – BKB	48,094	28,099
Gifts	10,002	9,498
Total inventories	114,506	99,041

8. Taxes recoverable

	Parent company and Consolidated	
	9/30/2020	12/31/2019
IRPJ (Income Tax)	1,973	1,973
CSLL (Social Contribution on Profit)	1,019	839
IRRF (Withholding Income Tax)	7,865	2,366
ICMS (State VAT)	33,264	23,206
Non-cumulative PIS	17,229	15,904
Non-cumulative COFINS	54,784	52,486
INSS (Social Security Contribution)	12,242	3,551
Other	351	353
Total taxes recoverable	128,727	100,678
Current	38,439	27,558
Non-current	90,288	73,120

(i) The increase in the balances of taxes recoverable includes the recognition of untimely tax credits. The Company expects to offset these credits by 2025.



Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

9. Advances expenses

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Advances to suppliers of services and materials	5,065	10,130
Expenses to be reimbursed - Marketing Fund	22,460	35,985
Total advances paid	27,525	46,115

10. Property and equipment, net

	Annual depreciation rate range	Parent company and Consolidated	
		9/30/2020	12/31/2019
Facilities, improvement and projects	(i)	596,752	524,503
Machinery and equipment	5% to 25%	300,731	235,785
Furniture and fixtures	6% to 20%	48,108	57,550
Computers and hardware	20% to 50%	80,576	67,716
Other assets	-	158,949	288,364
(-) Provision for impairment	-	(4,483)	(10,340)
Total property and equipment		1,180,633	1,163,578

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

In the period ended September 30, 2020, financial charges in the amount of R\$ 8,451 were capitalized (R\$ 986 in the year ended December 31, 2019).

Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

10. Property and equipment, net--Continued

The movements in property and equipment intangible assets in the periods ended September 30, 2020 and 2019 were as follows:

	Parent company					(-) Provision for impairment (Note 29)	Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)		
Cost							
Balance as at 12/31/2018	663,825	236,621	62,168	103,167	250,129	(7,533)	1,308,377
Additions	28,869	58	-	-	252,118	-	281,045
Merger	18,881	12,352	3,956	2,459	-	-	37,648
Transfers	122,731	74,024	19,784	35,489	(252,028)	-	-
Write-offs	(9,025)	(643)	(102)	(3,098)	(1,799)	-	(14,667)
Sale of stores (i)	(733)	(245)	(82)	(127)	-	-	(1,187)
Impairment (Note 26)	-	-	-	-	-	1,268	1,268
Balance as at 9/30/2019	824,548	322,167	85,724	137,890	248,420	(6,265)	1,612,484
Balance as at 12/31/2019	874,677	344,631	88,527	148,227	288,364	(10,340)	1,734,086
Additions	22,682	-	-	-	128,057	-	150,739
Transfers	127,940	96,937	(2,382)	34,037	(256,532)	-	-
Write-offs (Note 26)	(20,993)	(127)	(1,299)	(1,835)	(37)	-	(24,291)
Sale of stores (i) (Note 26)	-	(503)	(5)	(35)	(903)	-	(1,446)
Impairment (Note 26)	-	-	-	-	-	5,857	5,857
Balance as at 9/30/2020	1,004,306	440,938	84,841	180,394	158,949	(4,483)	1,864,945
Depreciation							
Balance as at 12/31/2018	(258,193)	(80,227)	(23,392)	(61,729)	-	-	(423,541)
Additions	(75,751)	(21,701)	(5,811)	(16,274)	-	-	(119,537)
Write-offs	5,331	333	64	2,630	-	-	8,358
Sale of stores (i)	394	120	37	118	-	-	669
Balance as at 9/30/2019	(328,219)	(101,475)	(29,102)	(75,255)	-	-	(534,051)
Balance as at 12/31/2019	(350,174)	(108,846)	(30,977)	(80,511)	-	-	(570,508)
Additions (Notes 25 and 26)	(71,710)	(31,668)	(6,557)	(20,221)	-	-	(130,156)
Write-offs (Note 26)	14,330	2	798	884	-	-	16,014
Sale of stores (i) (Note 26)	-	305	3	30	-	-	338
Impairment (Note 26)	-	-	-	-	-	-	-
Balance as at 9/30/2020	(407,554)	(140,207)	(36,733)	(99,818)	-	-	(684,312)
Total property and equipment at 9/30/2019	496,329	220,692	56,622	62,635	248,420	(6,265)	1,078,433
Total property and equipment at 12/31/2019	524,503	235,785	57,550	67,716	288,364	(10,340)	1,163,578
Total property and equipment at 9/30/2020	596,752	300,731	48,108	80,576	158,949	(4,483)	1,180,633

(i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and sell scrapped assets, generating a net capital loss of R\$240 in 2020 (Disposal of 1 store generated a net capital gain of R\$501 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

(ii) Stores built and/or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$37,776 (R\$149,888 in 2019), works referring to stores under construction R\$42,462 (R\$25,683 in 2019), new equipment in stock R\$55,593 (R\$65,197 in 2019), maintenance equipment R\$3,118 (R\$2,448 in 2019), and other assets in progress R\$ 20,000 (R\$45,148 in 2019).

Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

10. Property and equipment, net--Continued

	Consolidated					(-) Provision for impairment (Note 29)	Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)		
Cost							
Balance as at 12/31/2018	693,531	258,420	71,633	107,209	250,298	(7,533)	1,373,558
Additions	28,869	58	102	-	252,116	-	281,145
Transfers	122,731	74,024	19,784	35,489	(252,028)	-	-
Write-offs	(9,025)	(643)	(102)	(3,098)	(1,799)	-	(14,667)
Sale of stores (i)	(733)	(245)	(82)	(127)	-	-	(1,187)
Impairment (Note 26)	-	-	-	-	-	1,268	1,268
Balance as at 9/30/2019	835,373	331,614	91,335	139,473	248,587	(6,265)	1,640,117
Balance as at 12/31/2019	884,613	353,409	93,713	149,945	288,391	(10,340)	1,759,731
Additions	22,682	-	-	-	128,057	-	150,739
Transfers	127,940	96,937	(2,382)	34,037	(256,532)	-	-
Write-offs (Note 26)	(20,993)	(127)	(1,299)	(1,835)	(37)	-	(24,291)
Sale of stores (i) (Note 26)	-	(503)	(5)	(35)	(903)	-	(1,446)
Impairment (Note 26)	-	-	-	-	-	5,857	5,857
Balance as at 9/30/2020	1,014,242	449,716	90,027	182,112	158,976	(4,483)	1,890,590
Depreciation							
Balance as at 12/31/2018	(266,156)	(87,662)	(28,176)	(63,312)	(27)	-	(445,333)
Additions	(77,723)	(23,044)	(6,123)	(16,410)	-	-	(123,390)
Write-offs	5,331	333	64	2,630	-	-	8,358
Sale of stores (i)	394	120	37	118	-	-	669
Balance as at 9/30/2019	(338,154)	(110,253)	(34,288)	(76,974)	(27)	-	(559,696)
Balance as at 12/31/2019	(360,110)	(117,624)	(36,163)	(82,229)	(27)	-	(596,153)
Additions (Notes 25 and 26)	(71,710)	(31,668)	(6,557)	(20,221)	-	-	(130,156)
Write-offs (Note 26)	14,330	2	798	884	-	-	16,014
Sale of stores (i) (Note 26)	-	305	3	30	-	-	338
Impairment (Note 26)	-	-	-	-	-	-	-
Balance as at 9/30/2020	(417,490)	(148,985)	(41,919)	(101,536)	(27)	-	(709,957)
Total property and equipment at 9/30/2019	497,219	221,361	57,047	62,499	248,560	(6,265)	1,080,421
Total property and equipment at 12/31/2019	524,503	235,785	57,550	67,716	288,364	(10,340)	1,163,578
Total property and equipment at 9/30/2020	596,752	300,731	48,108	80,576	158,949	(4,483)	1,180,633

- (i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and sell scrapped assets, generating a net capital loss of R\$240 in 2020 (Disposal of 1 store generated a net capital gain of R\$501 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").
- (ii) Stores built and/or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$37,776 (R\$149,888 in 2019), works referring to stores under construction R\$42,462 (R\$25,683 in 2019), new equipment in stock R\$55,593 (R\$65,197 in 2019), maintenance equipment R\$3,118 (R\$2,448 in 2019), and other assets in progress R\$20,000 (R\$45,148 in 2019).

Considering the current information and data regarding the potential impacts of the COVID-19 pandemic on its activities to date, the Company has identified the need to recognize a provision for impairment of its assets (Note 26), and continues attentive to any additional indication of impairment that may arise and elected to definitely close specific stores for which it had already set up such provision.

The other matters related to this note were not materially changed in relation to the disclosures in Note 11 to the individual and consolidated financial statements as of December 31, 2019.

Notes to the interim financial information
 Period ended September 30, 2020
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11. Intangible assets, net

	Parent company and Consolidated		
	Annual average amortization rate	9/30/2020	12/31/2019
Commercial rights	(i)	68,033	68,645
Franchise fee	5%	85,794	76,626
Software licenses	20%	16,025	11,264
Right-of-use asset (Note 3)	(ii)	653,804	660,986
Goodwill	(iii)	572,199	572,199
Total intangible assets		1,395,855	1,389,720

- (i) According to the rental agreement terms, 10 years on average.
 (ii) According to the rental agreement term.
 (iii) Annual analysis of impairment.

The movements in intangible assets in the periods ended September 30, 2020 and September 30, 2019 were as follows:

	Parent company					
	Commercial rights	Franchise fee (Note 20)	Software licenses	Goodwill	Right-of-use asset (Note 3)	Total
Cost						
Balance as at 12/31/2018	101,757	70,161	19,132	184,917	-	375,967
Additions	12,727	12,825	5,111	-	678,196	708,859
Mergers	18,382	5,341	905	370,115	-	394,743
Write-offs	(1,270)	-	(95)	-	-	(1,365)
Sale of stores (i)	-	(109)	(12)	-	-	(121)
Balance as at 9/30/2019	131,596	88,218	25,041	555,032	678,196	1,478,083
Balance as at 12/31/2019	141,116	95,594	26,867	572,199	779,224	1,615,000
Additions	12,608	13,548	8,744	-	93,740	128,640
Write-offs (Note 26)	(645)	(22)	(252)	-	-	(919)
Balance as at 9/30/2020	153,079	109,120	35,359	572,199	872,964	1,742,721
Amortization						
Balance as at 12/31/2018	(55,334)	(14,504)	(12,337)	-	-	(82,175)
Additions	(13,357)	(3,501)	(2,493)	-	(79,136)	(98,487)
Write-offs	751	-	39	-	-	790
Sale of stores (i)	-	28	5	-	-	33
Balance as at 9/30/2019	(67,940)	(17,977)	(14,786)	-	(79,136)	(179,839)
Balance as at 12/31/2019	(72,471)	(18,968)	(15,603)	-	(118,238)	(225,280)
Additions (Notes 25 and 26)	(13,214)	(4,358)	(3,914)	-	(100,922)	(122,408)
Write-offs	639	-	183	-	-	822
Balance as at 9/30/2020	(85,046)	(23,326)	(19,334)	-	(219,160)	(346,866)
Total intangible assets as at 9/30/2019	63,656	70,241	10,255	555,032	599,060	1,298,244
Total intangible assets as at 12/31/2019	68,645	76,626	11,264	572,199	660,986	1,389,720
Total intangible assets as at 9/30/2020	68,033	85,794	16,025	572,199	653,804	1,395,855

- (i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and sell scrapped assets, generating a net capital loss of R\$240 in 2020 (Disposal of 1 store generated a net capital gain of R\$501 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

11. Intangible assets, net--Continued

	Consolidated					Total
	Commercial rights	Franchise fee	Software licenses	Goodwill	Right-of-use asset (Note 3)	
Cost						
Balance as at 12/31/2018	125,848	78,337	20,437	574,941	-	799,563
Additions	12,727	12,825	5,111	-	678,196	708,859
Acquisition	-	-	-	(2,742)	-	(2,742)
Write-offs	(1,270)	-	(95)	-	-	(1,365)
Sale of stores (i)	-	(109)	(12)	-	-	(121)
Balance as at 9/30/2019	137,305	91,053	25,441	572,199	678,196	1,504,194
Balance as at 12/31/2019	143,604	96,321	27,264	572,199	779,224	1,618,612
Additions	12,608	13,548	8,744	-	93,740	128,640
Write-offs (Note 26)	(645)	(22)	(252)	-	-	(919)
Balance as at 9/30/2020	155,567	109,847	35,756	572,199	872,964	1,746,333
Amortization						
Balance as at 12/31/2018	(57,644)	(14,923)	(12,680)	-	-	(85,247)
Additions	(13,534)	(3,809)	(2,548)	-	(79,136)	(99,027)
Write-offs	751	-	39	-	-	790
Sale of stores (i)	-	28	5	-	-	33
Balance as at 09/30/2019	(70,427)	(18,704)	(15,184)	-	(79,136)	(183,451)
Balance as at 12/31/2019	(74,959)	(19,695)	(16,000)	-	(118,238)	(228,892)
Additions (Notes 25 and 26)	(13,214)	(4,358)	(3,914)	-	(100,922)	(122,408)
Write-offs	639	-	183	-	-	822
Balance as at 9/30/2020	(87,534)	(24,053)	(19,731)	-	(219,160)	(350,478)
Total intangible assets as at 9/30/2019	66,878	72,349	10,257	572,199	599,060	1,320,743
Total intangible assets as at 12/31/2019	68,645	76,626	11,264	572,199	660,986	1,389,720
Total intangible assets as at 9/30/2020	68,033	85,794	16,025	572,199	653,804	1,395,855

(i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and sell scrapped assets, generating a net capital loss of R\$240 in 2020 (Disposal of 1 store generated a net capital gain of R\$501 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

Considering the current information and data regarding the potential impacts of COVID-19 pandemic on its activities to date, the Company has identified the need to recognize a provision for impairment of its assets (Note 26), and continues attentive to any additional indication of impairment that may arise and elected to definitely close specific stores for which it had already set up such provision.

The other matters related to 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, 2019.

Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

12. Loans and financings

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Loans and financings (Note 12.1)	430,349	8,094
Debentures and CRA (Agribusiness Receivables Certificate) (Note 12.2)	507,500	511,776
Total loans and financings (Notes 30 and 32)	937,849	519,870
Current	339,441	116,556
Non-current	598,408	403,314

The loans and financings in local currency are represented by financing for the purchase of assets for new stores opened and for Working capital.

12.1. Loans and financings

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			9/30/2020	12/31/2019
Working capital (i)	100% of CDI + + 0.23% to 0.37%	Mar/21 to Jun/2023	430,999	-
Investments	0.89%	(ii)	-	8,094
Financial charges to be incurred			(650)	-
Total loans and financings (Note 12)			430,349	8,094
Current			230,452	1,941
Non-current			199,897	6,153

- (i) On March 20, 2020, the Company contracted a new loan from, pursuant to Law No. 4,131 simultaneously with a swap transaction, to hedge against the fluctuations in exchange rates, in the amount of R\$ 170,000 with interest linked to CDI + 0.37% p.m., for working capital purposes. This loan has covenants similar those of the 8th issue of debenture with maturity in March 2021 and has no guarantees (clean), except for standby letter of credit linked to it.

However, on April 9, 2020 the Company contracted a new loan from through CCB without IOF in accordance with Decree 10,305/2020, in the amount of R\$ 50,000 with interest linked to CDI + 0.23% p.m. for working capital purposes. This loan has covenants similar those of the 8th issue of debenture with maturity in April 2021 but has no clause of financial leverage (net debt/adjusted EBITDA) and guarantees (clean).

On June 5, 2020, the Company contracted a new loan through CCB without IOF in accordance with Decree 10,305/2020, in the amount of R\$ 150,000 with interest linked to CDI + 0.30% p.m. for working capital purposes and lengthening of the debt profile. This loan has covenants similar to those of the 8th issue of debentures, and maturity in June 2023. The fiduciary assignment of the card banner representing 20% of the outstanding balance was pledged as collateral, in addition to a CDB of R\$ 25,000 for a specified period of 90 days.

Also on June 5, 2020, the Company contracted a new loan from through CCB without IOF in accordance with Decree 10,305/ 2020, in the amount of R\$ 50,000 with interest linked to CDI + 0.30% p.m. for working capital purposes and lengthening of the debt profiles. This loan has covenants similar those of the 8th issue of debenture with maturity in June 2022, but has no clause of financial leverage (net debt/adjusted EBITDA) and guarantees (clean).

- (ii) On 09/03/2020, the Company settled the debt.

In response to the economic impact of the evolution of COVID-19 in Brazil, the Company is taking measures to strengthen and preserve its cash and the financial health of its business, in view of the scenario of uncertainties resulting from the spread of the disease and the policies to prevent it, which included the closing of physical commerce and great limitation of movement of people, directly impacting the Company's business.



Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

12. Loans and financings--Continued

12.2. Debentures and Agribusiness Receivables Certificate (CRA)

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			9/30/2020	12/31/2019
Debentures 6 th issue (i)	100% of CDI + 0.24%	May 2020	-	12,373
Debentures 7 th issue (CRA) (ii)	100% of CDI + 0.07%	October 2020	102,718	102,371
Debentures 8 th issue	100% of CDI + 0.11%	October 2024	406,959	403,423
Financial charges to be incurred			(2,177)	(6,391)
Total debentures (Note 12)			507,500	511,776
Current			108,989	114,615
Non-current			398,511	397,161

- (i) On May 4, 2020, the Company settled the Debentures 6th issue, according to the schedule stipulated in its issue.
 (ii) On October 20, 2020, the Company settled the Debentures 7th issue (CRA), according to the schedule stipulated in its issue.

The amounts of noncurrent loans, financings, debentures and CRAs, not deducting financial charges to be incurred, have the following original maturities as of September 30, 2020 and December 31, 2019:

Year	Parent company and Consolidated	
	9/30/2020	12/31/2019
2,021	37,500	2,032
2,022	125,000	2,081
2,023	37,500	920
2024 onwards	400,000	401,074
	600,000	406,107

Covenants

The Company has covenants in loans, financings and debentures, which restrict 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, and monthly by the Company. Considering the projections of results, cash consumption in the current scenario and the worsening of the effects of the pandemic on its operating activities, the Company obtained indications that may limit the compliance with the covenants regarding its annual obligation.

Collaterals

As at September 30, 2020 and December 31, 2019, the Company has a letter of guarantee with banks amounting to R\$ 5,164 as collateral for the rental of stores.

The other matters related to 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, 2019.



13. Trade payables

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Suppliers of materials and services (i)	119,921	218,616
Agreement suppliers (ii)	30,170	58,116
Others	15,298	9,700
Total trade payables (Notes 30 and 32)	165,389	286,432

- (i) The decrease in the balance of suppliers of materials and services in the period ended September 30, 2020 is due to the existing seasonality (Note 2) combined with the reduction in natural purchases during the period, partially impacted by the reduced operation of restaurants due to COVID-19 pandemic.
- (ii) The Company has financial liabilities with suppliers, through financial institutions, whose suppliers received in advance in the period ended September 30, 2020. We have evaluated the potential financial value embedded in the operations, in conjunction with the term and do not consider it significant for greater details.

14. Lease liabilities

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Lease liabilities	976,181	964,323
Adjustment to present value - APV	(260,111)	(271,114)
Total lease liabilities (Notes 3, 30 and 32)	716,070	693,209
Current (Note 3)	112,616	99,156
Non-current (Note 3)	603,454	594,053

The non-current lease liabilities have the following original maturities as at September 30, 2020:

Aging list (i)	Parent company and Consolidated		
	9/30/2020		
	Lease Liabilities	(-) Adjustment to present value of lease liabilities	Total
Over 1 year and less than 3 years	321,300	(99,023)	222,277
Over 3 years and less than 5 years	237,254	(59,737)	177,517
Over 5 years	239,088	(35,428)	203,660
Total	797,642	(194,188)	603,454

- (i) Balance presented related to the fixed installments payable on the rental agreements.

15. Corporate payables

As at September 30, 2020, the Company (Parent Company and Consolidated) had the balance of R\$ 11,008 related to royalties and franchise fee due to BKC and PLK (R\$ 23,760 as at December 31, 2019), as detailed in notes 20.1, 30 and 32.

Notes to the interim financial information
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16. Taxes payable

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	-	825
Corporate Income Tax (IRPJ)	-	4,243
Social Contribution on Profit (CSLL)	-	1,536
Social Integration Program (PIS)	-	26
Withholding Income Tax (IRRF)	510	1,999
State VAT (ICMS)	9,093	4,644
Contribution For Intervention in the Economic Domain (CIDE)	1,891	2,022
Taxes in installments (i)	11,164	12,129
Service Tax (ISS) withheld	4,999	5,895
Social Security Contribution (INSS) payable (ii)	2,432	2,432
Other	1,691	2,004
Total taxes payable (Note 30)	31,780	37,755
Current	20,199	25,150
Non-current	11,581	12,605

(i) Refers to the installment payment of taxes and enrollment in the PERT made by the investees, merged during 2019.

(ii) Refers to the spontaneous installment of INSS of funds made by the investees, merged during 2019.

17. Deferred revenue, net

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Deferred revenue, net (i) – franchise fee	3,851	2,579
Deferred revenue, net (ii)	19,006	24,488
Total deferred revenue, net	22,857	27,067
Current	9,850	9,139
Non-current	13,007	17,928

(i) Recognition of franchise fee of sub-franchisee due to the adoption of CPC 47/NBC TG 47/IFRS 15 - Revenue from Contracts with Customers.

(ii) Amounts received in advance for the marketing campaign agreement entered into with specific suppliers for the exclusive sale of products of these suppliers in Burger King restaurants, exposure of suppliers' brands and investment in marketing campaigns to increase the sales of Burger King products and consequently increase in sales of the suppliers' products.

18. Other payables

	Parent company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Provision for sundry expenses	21,708	6,981	21,708	6,981
Investments payable	15,317	15,242	15,317	15,242
(-) APV of investments payable	(1,385)	(2,043)	(1,385)	(2,043)
Advances from customers	1,786	1,523	1,786	1,523
Others	550	156	577	217
Total other payables	37,976	21,859	38,003	21,920
Current	20,771	4,622	20,798	4,683
Non-current	17,205	17,237	17,205	17,237



19. Provision for legal claims

The Company is exposed to certain risks, represented by 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 was considered 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.

In addition, the Company is aware, as at September 30, 2020, of other tax, civil and labor lawsuits, and based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$ 47,770 (R\$ 39,371 as at December 31, 2019) in Parent company and Consolidated, as follows:

	Parent company and Consolidated			
	9/30/2020		12/31/2019	
	Probable	Possible (i)	Probable	Possible (i)
Labor lawsuits	20,431	27,596	15,626	19,780
Civil lawsuits	1,990	8,816	625	10,316
Tax lawsuits	4	11,358	24	9,275
Total provision for legal claims (Note 29)	22,425	47,770	16,275	39,371

(i) For lawsuits with a possible likelihood of loss, there is no provision to cover losses on these lawsuits.



Notes to the interim financial information
 Period ended September 30, 2020
 (Amounts in thousands of reais)

19. Provision for legal claims--Continued

Probable labor claims

The Company and its investees are parties to labor lawsuits, mainly regarding employee terminations in the normal course of business. As at September 30, 2020, the Company had a provision of R\$ 20,431 (R\$ 15,626 as at December 31, 2019) in the Parent company and Consolidated, 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 period, 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.

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

	Parent company and Consolidated			
	12/31/2019	Additions	Payments	9/30/2020
Labor lawsuits	15,626	17,085	(12,280)	20,431
Civil lawsuits	625	3,406	(2,041)	1,990
Tax lawsuits	24	3	(23)	4
Total provision for legal claims	16,275	20,494	(14,344)	22,425

Judicial deposits

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Labor lawsuits	22,749	24,289
Civil lawsuits	697	659
Tax lawsuits	9,697	8,486
Total judicial deposits	33,143	33,434

The other matters 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, 2019.



20. Related parties

Restaurant Brands International (RBI) is a Company's shareholder and, therefore, a related party. As discussed in Note 1, the Company has entered into a Master Franchisee agreement, and it has the obligation to pay a franchise fee and royalties to RBI.

20.1 Franchise Fees and Royalties

These transactions are carried out under exclusive conditions provided in the agreements with BKC and PLK, since BKB is the representative of the brand in Brazil, and there are no comparable conditions in the market.

In view of the agreements described above, the Company has recorded in its payables and receivables in the periods ended September 30, 2020 and December 31, 2019 the following amounts:

	BKC		PLK	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Assets				
Trade receivables (Note 6)	159	438	-	-
Additions of Franchise Fee (Note 11)	11,172	17,940	2,376	2,768
Liabilities				
Corporate payables (Note 15)	(10,671)	(22,246)	(337)	(1,514)
Results				
Royalties expenses	(70,020)	(98,529)	(1,900)	1,023

20.2 Management compensation

	9/30/2020		9/30/2019	
	Officers	Directors	Officers	Directors
Management fees	4,031	-	3,626	-
Direct and indirect benefits	408	-	609	-
Variable compensation	6,804	-	9,056	-
Fees	-	1,706	-	253
Others (INSS)	1,054	341	1,016	51
	12,297	2,047	14,307	304

On July 31, 2020, an Annual General Meeting was held, which approved the Company's global management compensation for 2020, in the amount of up to R\$23,982, of which R\$21,170 refer to the compensation provided for the Company's Statutory Officers and R\$2,812 to the compensation provided for the Board of Directors, as detailed in the Management Proposal. The calculated amounts are recorded in general and administrative expenses.

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

The other matters 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, 2019.



21. Equity

Capital

As at September 30, 2020 and December 31, 2019, the Company's capital is R\$ 950,768 and is represented by 228,105,447 registered common shares, book-entry and without par value.

On September 29, 2020, the EGM approved the increase in the Company's authorized capital, from 237,673,167 common shares to 282,690,560 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.

On March 30, 2020, the government issued the provisional measure *MP 931/2020* which allows flexible date for the AGM. In view of this, the Company opted to postpone the AGM until July 31, 2020, when the allocation of the result for 2019 as well as the audited financial statements for 2019 were submitted for approval.

The other matters 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, 2019.

22. Earnings (loss) per share

The following table presents the calculation of the basic and diluted earnings (loss) per share:

	<u>Parent company and Consolidated</u>	
	<u>9/30/2020</u>	<u>9/30/2019</u>
<u>Basic numerator</u>		
Profit (loss) for the year	(348,350)	7,235
<u>Basic denominator</u>		
Basic weighted average number of shares - in thousand	226,883	226,536
<u>Basic earnings (loss) per share</u>	(1.535373)	0.031938
<u>Diluted numerator</u>		
Profit (loss) for the year	(348,350)	7,235
<u>Diluted denominator</u>		
Weighted average number of shares - in thousand	226,883	226,536
Stock options (Note 33) - in thousand	1,693	177
Anti-dilution effect - in thousand	(1,693)	-
Diluted weighted average number of shares	226,883	226,713
<u>Diluted earnings (loss) per share</u>	(1.535373)	0.031913

The other matters related to this note were not materially changed in relation to the disclosures in Note 23 to the individual and consolidated financial statements as of December 31, 2019.

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23. Net operating revenue

	Parent company and Consolidated			
	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019
Gross sales revenue	569,409	1,590,432	773,703	2,210,031
Sales revenue deductions	(52,295)	(144,973)	(55,204)	(158,769)
Net sales revenue	517,114	1,445,459	718,499	2,051,262
Gross revenue from services rendered	5,818	20,944	5,320	14,824
Service revenue deductions	(646)	(2,275)	(502)	(1,533)
Net service revenue	5,172	18,669	4,818	13,291
Total net operating revenue	522,286	1,464,128	723,317	2,064,553

24. Cost of goods and products sold

	Parent company				Consolidated			
	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019
Costs of food, beverages and packaging (i)	(189,904)	(540,475)	(244,024)	(694,891)	(189,904)	(540,475)	(244,024)	(695,620)
Cost of services rendered and others	(12,778)	(60,813)	(32,464)	(83,139)	(12,778)	(60,813)	(32,464)	(83,139)
Total cost of sales and services	(202,682)	(601,288)	(276,488)	(778,030)	(202,682)	(601,288)	(276,488)	(778,759)

- (i) As a result of COVID-19 pandemic, the cost of food, beverages and packaging was impacted by R\$ 9,176, represented by expired perishable items and additional freight when transferring products between stores.

25. Selling expenses

	Parent company				Consolidated			
	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019
Personnel expenses	(117,491)	(347,759)	(121,288)	(377,108)	(117,491)	(347,759)	(121,288)	(377,108)
Royalties and marketing fund	(56,694)	(155,001)	(67,836)	(191,548)	(56,694)	(155,001)	(67,836)	(191,548)
Occupancy and utilities expenses	(45,864)	(144,897)	(59,061)	(168,566)	(45,864)	(144,897)	(59,061)	(168,615)
Depreciation and amortization (Notes 10 and 11)	(46,873)	(135,829)	(45,205)	(124,248)	(46,873)	(135,829)	(45,146)	(128,641)
Amortization of right of use (lease) (Note 3) (i)	(30,418)	(88,890)	(26,747)	(78,207)	(30,418)	(88,890)	(26,747)	(78,207)
Preoperating expenses (ii)	(1,924)	(4,380)	(6,264)	(10,954)	(1,924)	(4,380)	(6,264)	(10,954)
Sundry services (iii)	(44,334)	(109,825)	(23,280)	(62,044)	(44,334)	(109,825)	(23,280)	(62,044)
Repairs and maintenances	(14,011)	(43,888)	(15,326)	(44,911)	(14,011)	(43,888)	(15,326)	(44,966)
Others (iv)	(24,067)	(62,652)	(19,071)	(67,796)	(24,067)	(62,652)	(19,070)	(67,831)
Total expenses with stores	(381,676)	(1,093,121)	(384,078)	(1,125,382)	(381,676)	(1,093,121)	(384,018)	(1,129,914)

- (i) In compliance with CVM *Circular Ofício 02/2019*, the balances in the balance sheet account Amortization of right of use (Notes 3 and 11) are gross of taxes (Pis and Cofins) and totals R\$ 100,922, while the balances in the statement of income accounts Amortization of right of use (Notes 25 and 26) are net of taxes (Pis and Cofins) totaling R\$ 89,828.
- (ii) Preoperating 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.
- (iii) The variation in sundry services is mainly due to the increase in delivery platform services, which are directly linked to the sales generated by this channel.
- (iv) As a result of combating against COVID-19 pandemic, the Company recognized additional expenses in the amount of R\$ 3,183 in general and administrative expense related mainly to alcohol, masks and soaps for employees of stores that continued to sell, even with the reduced operation.

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26. General and administrative expenses

	Parent company				Consolidated			
	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019
Administrative personnel expenses	(31,078)	(81,972)	(27,964)	(84,667)	(31,078)	(81,972)	(27,964)	(84,667)
Occupancy and utilities expenses	(222)	(923)	(86)	(666)	(222)	(923)	(86)	(679)
Depreciation and amortization (Notes 10 and 11)	(4,626)	(15,813)	(4,346)	(14,640)	(4,626)	(15,813)	(4,346)	(14,640)
Amortization of right of use (lease) (Note 3) (i)	(328)	(938)	(262)	(929)	(328)	(938)	(262)	(929)
Expenses on acquisitions and mergers (ii)	(70)	(153)	(522)	(3,019)	(70)	(153)	(522)	(3,019)
Disposal of property and equipment (Notes 10 and 11)	(7,492)	(8,374)	(5,253)	(6,884)	(7,492)	(8,374)	(5,253)	(6,884)
Income from stores sold	2	869	420	1,109	2	869	420	1,109
Write-off of assets of stores sold (Note 10)	-	(1,109)	-	(608)	-	(1,109)	-	(608)
Gains on claims	-	43	-	-	-	43	-	-
Provision for impairment (Note 10)	6,240	5,857	1,151	1,268	6,240	5,857	1,151	1,268
Stock options cost (Note 33)	(2,182)	(7,656)	(1,005)	(2,327)	(2,182)	(7,656)	(1,005)	(2,327)
Other operating income (expenses), net (iii) / (iv)	2,733	(5,357)	2,917	6,252	2,710	(5,563)	2,099	5,889
Total general and administrative expenses	(37,023)	(115,526)	(34,950)	(105,111)	(37,046)	(115,732)	(35,768)	(105,487)

- (i) In compliance with CVM *Circular Ofício 02/2019*, the balances in the balance sheet account Amortization of right of use (Notes 3 and 11) are gross of taxes (Pis and Cofins) and totals R\$ 100,922, while the balances in the statement of income accounts Amortization of right of use (Notes 25 and 26) are net of taxes (Pis and Cofins) totaling R\$ 89,828.
- (ii) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the period.
- (iii) Refer to the income from the premium on the initial supply agreement, reversal of costs on the construction of stores, expenses with provisions for legal claims, services taken and travel expenses and services rendered in the subsidiaries.
- (iv) As a result of combating against COVID-19 pandemic, the Company recognized additional expenses in general and administrative expenses in the total amount of R\$ 1,947, related mainly to donation made to SUS (Sistema Único de Saúde - National Health Service).

27. Financial expenses

	Parent company				Consolidated			
	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019
Interest on loans and financings	(8,897)	(19,519)	(2,765)	(10,444)	(8,897)	(19,519)	(2,765)	(10,444)
Banking expenses and sundry interest	(2,115)	(4,821)	(1,928)	(4,406)	(2,115)	(4,821)	(1,933)	(4,455)
Foreign exchange losses	(962)	(2,322)	(734)	(1,490)	(962)	(2,322)	(734)	(1,490)
Lease APV expense payable (Note 3)	(17,007)	(50,526)	(13,951)	(43,126)	(17,007)	(50,526)	(13,951)	(43,126)
Investment APV expense payable – BKCS	(254)	(658)	(118)	(545)	(254)	(658)	(118)	(545)
Derivatives expenses	(316)	(1,849)	(800)	(1,095)	(316)	(1,849)	(800)	(1,095)
Inflation adjustment	(78)	(339)	(220)	(1,284)	(78)	(339)	(220)	(2,190)
Others	(1,958)	(3,489)	(1,254)	(2,317)	(1,958)	(3,489)	(1,258)	(2,350)
Financial expenses	(31,587)	(83,523)	(21,770)	(64,707)	(31,587)	(83,523)	(21,779)	(65,695)

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28. Financial income

	Parent company				Consolidated			
	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019
Short-term investments interest and yield	2,594	8,635	3,616	15,239	2,617	8,841	3,675	15,565
Foreign exchange gains	278	1,932	295	1,039	278	1,932	295	1,039
Derivatives income	283	2,040	-	-	283	2,040	-	-
Lease discounts - COVID19 (Nota3) (i)	19,963	34,396	-	-	19,963	34,396	-	-
Taxes on financial income	(190)	(703)	(206)	(802)	(190)	(703)	(206)	(809)
Inflation adjustment	616	616	-	-	616	616	-	-
Other financial income	1,210	2,261	514	938	1,210	2,261	514	938
Financial income	24,754	49,177	4,219	16,414	24,777	49,383	4,278	16,733

- (i) Based on the Revision of Technical Pronouncements No.16 issued by CVM on July 7, 2020, which contained amendments to CPC 06 (R2), referring to Benefits Related to Covid-19 Granted to Lessees under Lease Agreements, the Company elected to use the practical expedient of not remeasuring the operating lease agreements since the renegotiations made were in respect of benefits related to COVID-19, recognizing such benefits in profit or loss for the period (Note 3).

29. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended September 30, 2020 and 2019 is as follows:

	Parent company				Consolidated			
	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2020 to 9/30/2020	1/1/2020 to 9/30/2020	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019
Current	-	-	-	-	-	-	-	-
Deferred	-	31,803	(4,091)	6,333	-	31,803	(4,091)	5,804
	-	31,803	(4,091)	6,333	-	31,803	(4,091)	5,804

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates with amounts recorded in the statement of income for the periods ended September 30, 2020 and 2019 is shown below:

	Parent company		Consolidated	
	1/1/2020 to 9/30/2020	1/1/2019 to 9/30/2019	1/1/2020 to 9/30/2020	1/1/2019 to 9/30/2019
Profit (loss) before income tax and social contribution	(380,153)	902	(380,153)	1,431
Income tax and social contribution expense at the combined statutory rate of 34%	129,252	(307)	129,252	(487)
Adjustments to reconcile the effective rate:				
Equity pickup	-	(2,324)	-	-
Deferred taxes recognized (not recognized) on tax losses carryforwards	(98,370)	6,738	(98,370)	6,738
Payment of non-deductible bonus	-	(3,079)	-	(3,079)
Cash shortage	(182)	(251)	(182)	(251)
Tax and labor fines and infractions	(508)	(456)	(508)	(456)
Stock options costs	(2,603)	(791)	(2,603)	(791)
Interest on capital (IOC)	3,920	6,753	3,920	6,753
Other permanent differences	294	50	294	(2,623)
Income tax and social contribution	31,803	6,333	31,803	5,804
Effective rate	8%	-702%	8%	-406%

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29. Income tax and social contribution--Continued

Deferred

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

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Deferred income tax and social contribution - assets	173,260	95,551
Deferred income tax and social contribution - liabilities	(149,909)	(104,003)
	23,351	(8,452)

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

	Parent company and Consolidated	
	9/30/2020	12/31/2019
Tax loss carryforwards	496,727	119,056
<u>Temporary differences</u>		
Provision for legal claims (Note 19)	27,769	16,275
Provision for bonuses (PLR)	8,988	25,175
Provision for impairment (Note 10)	4,483	10,340
Pre-operating	27,961	31,137
Accrued expenses	20,353	8,990
Amortization of leases and APV on lease liabilities	309,746	169,392
Others	11,364	9,147
Tax base	907,391	389,512
Statutory rate	34%	34%
	308,513	132,434
(-) Unrecognized deferred taxes	(135,253)	(36,883)
Deferred income tax and social contribution - assets	173,260	95,551
Transitional Tax System (RTT)	(695)	(1,506)
Financial charges to be incurred	(2,827)	(6,391)
Tax amortization of goodwill	(225,897)	(160,826)
Payment of lease liabilities	(211,491)	(137,169)
Tax base	(440,910)	(305,892)
Combined rate	34%	34%
Deferred income tax and social contribution – liabilities	(149,909)	(104,003)
Deferred income tax and social contribution, net	23,351	(8,452)

Due the expectations of future taxable profit the Company elected to provide for the balance of deferred income tax and social contribution assets, up to the expected limit of utilization until 2025.

Other matters 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, 2019.



30. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and financings, debentures, trade payables and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans, trade and other receivables, and cash and short-term deposits that arise directly from its operations.

Management reviews and agrees policies for managing each of these risks that are summarized below:

Market risk

The sensitivity analyses in the following sections relate to the position as of September 30, 2020.

Interest rate risk

Interest rate sensitivity

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

Variable rate instruments	Parent company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
Financial assets				
Short-term investments (Note 4)	18,343	293,722	18,343	293,722
Marketable securities (Note 5)	423,996	280,121	424,022	280,182
Financial liabilities				
Loans and financings (Note 12)	(937,849)	(519,870)	(937,849)	(519,870)

The 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 1.90%.

Consolidated asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	(25%)	(50%)
Short-term investments (Notes 4 and 5)	442,365	DI variation	8,841	4,421	2,210	(2,210)	(4,421)
Loans and financings (Note 12) (i)	(937,849)	DI variation	(19,519)	(9,760)	(4,880)	4,880	9,760

(i) Comprise only the loans and financings subject to variable rates.


30. Financial risk management objectives and policies--Continued
Foreign currency risk
Foreign currency sensitivity

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

Asset exposure	Exposure	Risk	Exchange rate as of 9/30/2020	Parent company and Consolidated				
				I	II	III	IV	V
				Probable	50%	25%	(25%)	(50%)
Royalties/Franchise Fee (Note 15)	11,008	US dollar variation	5.6401	11,008	(5,504)	(2,752)	2,752	5,504

Credit risk

The table demonstrates the rating of the amounts invested (Notes 4 and 5) according to the rating agency Fitch.

Rating	Parent company		Consolidated	
	9/30/2020	12/31/2019	9/30/2020	12/31/2019
AAA+	-	1,228	-	1,228
AAA	319,593	570,665	307,780	553,684
AA+	-	-	-	9,999
AA	120,486	1,633	132,325	1,633
AA-	-	-	-	7,043
A+	-	317	-	317
A	2,260	-	2,260	-
	442,339	573,843	442,365	573,904

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of September 30, 2020:

	Consolidated					Total
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	Over 1 year	
Assets						
Cash and cash equivalents (Note 4)	47,236	47,236	47,236	-	-	47,236
Marketable securities (Note 5)	424,022	424,022	-	424,022	-	424,022
Trade receivables (Note 6)	84,182	84,182	84,182	-	-	84,182
Liabilities						
Loans and financings (Note 12)	937,849	1,100,676	115,430	302,821	682,425	1,100,676
Trade payables (Note 13)	165,389	165,389	165,389	-	-	165,389
Lease payables (Note 14)	716,070	976,181	48,842	129,697	797,642	976,181
Corporate payables (Note 15)	11,008	11,008	11,008	-	-	11,008
Taxes payable (Note 16)	31,780	31,780	5,050	15,149	11,581	31,780



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	
	9/30/2020	12/31/2019
Equity	1,448,074	1,786,629
Cash and cash equivalents (Note 4)	(47,236)	(325,277)
Marketable securities (Note 5) (i)	(424,022)	(280,182)
Loans and financings (Note 12) (i)	937,849	519,870
Net debt	466,591	(85,589)
Lease payables (Note 14)	716,070	693,209
Total capital	2,630,735	2,394,249

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

Hedge accounting

The Company applies the hedge accounting rules to derivative and non-derivative instruments that qualify for cash flow hedge relationship, according to the determinations of its Risk Policies.

The Company makes the formal designation of its hedge accounting relationship, as provided for in CVM Resolution 763/16/IFRS 9 and with its Risk Policy. The relationships used by the Company, as at September 30, 2020, are described below:

i. Cash flow hedge

The Company purchase fries, component of the cost of sales, and this cost is linked to the Euro, so that, when the Company knows its expectation of highly probable future purchases, a foreign exchange risk arises. Thus, the Company adopts the policy of managing this risk by entering into derivatives (NDF - non-deliverable forwards). When derivative contracts are entered into, they are intrinsically related to future purchases of inputs and therefore qualify for the adoption of hedge accounting. The Company opted for the adoption of the cash flow hedge accounting and the strategy is to set the actual cash flow from future potato purchases (hedged item) and to set the Euro rate through a derivative (hedging instrument).

ii. Gains and losses on hedge accounting instruments

Financial instruments designated as cash flow hedge, while not realized, are recognized in other comprehensive income while effective and according to the strategy defined in the policy.



30. Financial risk management objectives and policies--Continued

Hedge accounting--Continued

iii. Sensitivity analysis

In accordance with CVM Instruction 475/08, the Company demonstrates the possible impacts of the financial instruments in profit or loss and equity considering the scenarios: probable, pessimistic (25% deviation) and adverse (50% deviation).

Parity - R\$ x EUR			Scenario II	Scenario III	Scenario IV	
Operation/Instrument	Risk	Current Scenario	Scenario I 25% Appreciation	50% Appreciation	25% Depreciation	50% Depreciation
Designated as hedge accounting						
NDF	R\$ depreciation	2,156	6,099	10,041	(1,786)	(5,729)
Import (item)	R\$ appreciation	(2,156)	(6,099)	(10,041)	1,786	5,729
Net effect		-	-	-	-	-

The other matters 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, 2019.

31. Derivative financial instruments

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			9/30/2020		12/31/2019	
			Notional	Fair value	Notional	Fair value
<i>(Designated as cash flow hedge)</i>						
NDF	January 2020	Euro	-	-	319	17
NDF	October 2020	Euro	983	855	-	-
NDF	November 2020	Euro	819	692	-	-
NDF	December 2020	Euro	737	609	-	-
			2,539	2,156	319	17

Losses and gains on derivative transactions, designated as cash flow hedge, are recognized at fair value related to hedge market marking, in other comprehensive income. When the instrument is liquidated, these hedge costs are classified in the income statement.



32. Fair value

Methodology for calculation of fair value of financial instruments

The fair value of financial assets and liabilities represents the amount by which the instrument could be exchanged between willing parties in an arm's length transaction, rather than in a forced sale or liquidation. The fair values of the main financial assets and liabilities approximate their carrying amounts, as shown below:

	<u>Consolidated</u>		Fair value hierarchy level
	<u>Carrying amount</u>	<u>Fair value</u>	
Assets			
Cash and cash equivalents (Note 4)	47,236	47,236	2
Marketable securities (Note 5)	424,022	424,022	2
Trade receivables, net (Note 6)	84,182	84,182	2
Liabilities			
Loans and financings (Note 12)	937,849	978,538	2
Trade payables (Note 13)	165,389	165,389	2
Lease payables (Note 14)	716,070	716,070	2
Corporate payables (Note 15)	11,008	11,008	2

The other matters 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, 2019.

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33. Share-based compensation plan

As at period ended September 30, 2020, the Company recognized the amount of R\$ 7,656 (R\$ 2,327 as at September 30, 2019) of expenses arising from the stock options plans, recorded in line item General and administrative expenses (Note 26).

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

Third Plan

	Third Plan							Total
	First tranche	Second tranche	Third tranche	Fourth tranche	Fifth tranche	Sixth tranche	Seventh tranche	
Grant date	6/22/2017	6/22/2017	10/30/2019	10/30/2019	10/30/2019	10/30/2019	10/30/2019	N/A
Vesting date	7/14/2020	7/14/2021	10/30/2019	7/14/2020	7/14/2021	7/14/2022	7/14/2023	N/A
Strike price	10.82	10.82	10.82	11.37	12.14	12.95	13.82	N/A
Strike price (estimated) at the reporting period	10.71	10.71	10.71	10.71	10.71	10.71	10.71	10.71
Risk-free interest rate%	9.87%	10.24%	5.40%	4.42%	4.70%	5.19%	5.64%	N/A
Contractual period by tranche	1 year	2 years	N/A	1 year	2 years	3 years	4 years	N/A
Expected return of dividend	0%	0%	0.40%	0.40%	0.40%	0.40%	0.40%	N/A
Volatility of shares in the market %	14.91%	14.91%	23.47%	23.47%	23.47%	23.47%	23.47%	N/A
Total number of options outstanding	1,467,064	1,532,800	112,990	112,990	112,990	112,990	112,990	3,564,814
Number of options vested	1,467,064	0	112,990	112,990	0	0	0	1,693,044
Number of options lost/expired	187,404	225,300	12,600	12,600	12,600	12,600	12,600	475,704
Number of options exercised (2018 and 2019)	1,942,278	0	0	0	0	0	0	1,942,278
Number of options to be vested	1,456,418	1,307,500	100,390	100,390	100,390	100,390	100,390	3,265,868
Estimated fair value (R\$/share)	1.08	1.53	7.88	7.62	7.45	7.49	7.64	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 at 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 at December 31, 2018	2,428,550	1,256,849	5,070,849	8,756,248
Granted	-	-	564,950	564,950
Exercised	(2,428,550)	(1,256,849)	(1,894,227)	(5,579,626)
Outstanding as at December 30, 2019	-	-	3,741,572	3,741,572
Canceled	-	-	(475,704)	(475,704)
Outstanding as at September 30, 2020	-	-	3,265,868	3,265,868
Vested as at September 30, 2020 (Note 22)	-	-	1,693,044	1,693,044



33. Share-based compensation plan— Continued

Fourth Plan

On March 22, 2019, the Special General Meeting approved the Company’s Stock Option Plan. The Fourth Plan aims to grant participants the opportunity to receive common shares issued by the Company in order to: (a) encourage the expansion, success and achievement of the Company’s corporate objectives, corporate goals and the interests of its shareholders, encouraging the integration of the Participants into the Company; (b) increase the medium and long-term alignment of participants’ interests with shareholders’ interests, enhancing participants’ sense of “ownership” and commitment through the concept of investment and risk; (c) strengthen the incentives for long-term permanence and stability of the Company’s participants; and (d) attract new talents to the Company.

The maximum number of Virtual Restricted Shares that may be granted to participants under this Plan is limited to 1,839,905 Virtual Restricted Shares (the “Quantitative Limit”). Any change in the Quantitative Limit will depend on the approval of the General Meeting.

The other matters related to this note were not materially changed in relation to the disclosures in Note 34 to the individual and consolidated financial statements as of December 31, 2019.

34. Insurance

As at September 30, 2020, the Company had the following insurance policies in effect:

<u>Insured location</u>	<u>Maximum indemnity limit</u>
Civil Liability of Directors and Officers (D&O)	50,000
General Civil Liability	40,000
Property (RO) – Average	10,216
Professional Civil Liability (E&O)	15,000



35. Events after the reporting period

35.1 Settlement of debentures 7th issue (CRA)

On October 20, 2020, the Company settled the Debentures 7th issue (CRA), according to the schedule stipulated in its issue.

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 accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of BK Brasil Operação e Assessoria a Restaurantes S.A. ("Company") for the quarter ended September 30, 2020, comprising the statement of financial position as of September 30, 2020 and the related statements of profit or loss and of comprehensive income (loss), for the three and nine-months periods then ended, and of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 – *Demonstrações Intermediárias*, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission applicable to the preparation of the 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 standards on review engagements (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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Statement of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the nine-month period ended September 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Demonstração do Valor Adicionado. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, November 5, 2020.

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

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

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 Tocantins, 350, 11o 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 Interim Financial Information for the period ended September 30, 2020.

Barueri, November 5, 2020

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

Officer's Statement on the Independent Auditor's Report

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 Tocantins, 350, 11o 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 conclusions expressed in the report of the independente auditors of Ernst & Young Auditores Independentes S.A., referring to the Company's Interim Financial Information for the period ended September 30, 2020.

Barueri, November 5, 2020

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer