

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

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Company data/ Capital composition

Number of Shares (Units)	Current Quarter 6/30/2019
Common - Paid-up Capital	227,381,070
Preferred - Paid-up Capital	-
Total - Paid-up Capital	227,381,070
Common - In Treasury	-
Preferred - In Treasury	-
Total - In Treasury	-

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

Account Code	Account Description	Current Quarter 6/30/2019	Prior Year 12/31/2018
1	Total Assets	2,896,652	2,500,794
1.01	Current Assets	519,650	796,658
1.01.01	Cash and Cash Equivalents	145,506	166,962
1.01.02	Short-Term Investments	106,901	402,276
1.01.02.01	Short-Term Investments at Fair Value	106,901	402,276
1.01.02.01.03	Marketable Securities	104,423	399,790
1.01.02.01.04	Restricted Marketable Securities	2,478	2,486
1.01.03	Accounts Receivable	80,249	59,528
1.01.04	Inventories	81,852	81,276
1.01.06	Taxes Recoverable	39,399	35,546
1.01.08	Other Current Assets	65,743	51,070
1.01.08.03	Others	65,743	51,070
1.01.08.03.01	Derivative Financial Instruments	-	90
1.01.08.03.02	Advances Paid	47,618	26,618
1.01.08.03.03	Related Parties	6,521	3,753
1.01.08.03.04	Other Receivables	11,604	20,609
1.02	Non-Current Assets	2,377,002	1,704,136
1.02.01	Long-Term Receivables	89,961	62,855
1.02.01.01	Non-Current Investments at Fair Value	11,766	12,361
1.02.01.01.01	Restricted Marketable Securities	11,766	12,361
1.02.01.10	Other Non-Current Assets	78,195	50,494
1.02.01.10.03	Judicial Deposits	31,456	30,382
1.02.01.10.04	Other Receivables	4,476	4,561
1.02.01.10.05	Taxes Recoverable	42,263	15,551
1.02.02	Investments	21,097	462,653
1.02.03	Property and Equipment	1,007,495	884,836
1.02.04	Intangible Assets	1,258,449	293,792

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

Account Code	Account Description	Current Quarter 6/30/2019	Prior Year 12/31/2018
2	Total Liabilities	2,896,652	2,500,794
2.01	Current Liabilities	450,928	598,474
2.01.01	Social and Labor Liabilities	93,657	94,620
2.01.02	Trade Payables	193,308	239,470
2.01.03	Taxes Payable	13,091	30,327
2.01.04	Loans and Financing	43,855	161,581
2.01.05	Other Current Liabilities	107,017	72,476
2.01.05.01	Payables to Related Parties	-	5,664
2.01.05.02	Others	107,017	66,812
2.01.05.02.01	Dividends and interest on capital payables	-	26,726
2.01.05.02.04	Other Payables	7,909	13,045
2.01.05.02.05	Deferred revenue, net	9,113	9,091
2.01.05.02.07	Corporate Payables	10,373	17,950
2.01.05.02.08	Lease liabilities	79,622	-
2.02	Non-Current Liabilities	680,815	185,360
2.02.01	Loans and Financing	106,390	117,532
2.02.02	Other Payables	559,054	40,576
2.02.02.02	Others	559,054	40,576
2.02.02.03	Taxes Payable	22,016	-
2.02.02.02.05	Other Payables	17,549	14,180
2.02.02.02.06	Deferred revenue, net	22,271	26,396
2.02.02.02.07	Lease liabilities	497,218	-
2.02.03	Deferred Taxes	2,596	17,713
2.02.03.01	Deferred income tax and social contribution	2,596	17,713
2.02.04	Provisions	12,775	9,539
2.02.04.01	Provisions for tax, social security, labor and civil claims	12,775	9,539
2.03	Equity	1,764,909	1,716,960
2.03.01	Capital	943,346	898,233
2.03.02	Capital reserves	722,424	721,102
2.03.04	Profit reserves	97,627	97,627
2.03.04.01	Legal reserve	6,401	6,401
2.03.04.02	Profit retention reserve	91,226	91,226
2.03.05	Retained earnings	1,784	-
2.03.08	Other comprehensive income	(272)	(2)

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

Account Code	Account Description	Current Quarter 4/1/2019 to 6/30/2019	Current Year 1/1/2019 to 6/30/2019	Prior Quarter 4/1/2018 to 6/30/2018	Prior Year 1/1/2018 to 6/30/2018
3.01	Revenue from Sale of Goods and/or Services	675,911	1,341,236	467,281	949,810
3.02	Cost of Sales and/or Services	(247,705)	(501,542)	(180,706)	(365,941)
3.03	Gross Profit	428,206	839,694	286,575	583,869
3.04	Operating Expenses/Income	(413,760)	(817,592)	(277,106)	(571,339)
3.04.01	Selling Expenses	(377,392)	(741,304)	(259,331)	(524,920)
3.04.02	General and Administrative Expenses	(33,769)	(70,161)	(23,834)	(52,222)
3.04.06	Equity Pickup	(2,599)	(6,127)	6,059	5,803
3.05	Profit Before Financial Income (Expenses) and Taxes	14,446	22,102	9,469	12,530
3.06	Financial Income (Expenses), Net	(14,203)	(30,742)	(806)	6,993
3.06.01	Financial Income	5,770	12,195	10,551	29,918
3.06.02	Financial Expenses	(19,973)	(42,937)	(11,357)	(22,925)
3.07	Profit (Loss) Before Income Tax and Social Contribution	243	(8,640)	8,663	19,523
3.08	Income Tax and Social Contribution	(794)	10,424	(91)	(2,141)
3.08.01	Current	-	-	651	(761)
3.08.02	Deferred	(794)	10,424	(742)	(1,380)
3.09	Profit from Continuing Operations	(551)	1,784	8,572	17,382
3.11	Profit for the Period	(551)	1,784	8,572	17,382
3.99	Earnings per Share - (Reais /Share)				
3.99.01	Basic Earnings per Share	(0.00250)	0.00789	0.03856	0.07820
3.99.01.01	Registered Common (ON)				
3.99.02	Diluted Earnings per Share				
3.99.02.01	Registered Common (ON)	(0.00250)	0.00786	0.03808	0.07722

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

Account Code	Account Description	Current Quarter 4/1/2019 to 6/30/2019	Current Year 1/1/2019 to 6/30/2019	Prior Quarter 4/1/2018 to 6/30/2018	Prior Year 1/1/2018 to 6/30/2018
4.01	Profit for the Period	(551)	1,784	8,572	17,382
4.02	Other comprehensive income	(442)	(270)	-	-
4.03	Total Comprehensive Income for the Period	(993)	1,514	8,572	17,382

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

Account Code	Account Description	Current Quarter 1/1/2019 to 6/30/2019	Prior Quarter 1/1/2018 to 6/30/2018
6.01	Net Cash from Operating Activities	32,882	(8,545)
6.01.01	Cash Provided from Operating Activities	189,014	100,884
6.01.01.01	Loss (Profit) Before Income Tax and Social Contribution	(8,640)	19,523
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	89,337	60,689
6.01.01.03	Provision for Bonuses	9,362	11,026
6.01.01.04	Equity Pickup	6,127	(5,803)
6.01.01.05	Interest, charges, exchange variation, monetary variation and APV on leases liabilities	30,466	6,542
6.01.01.07	Provision for Legal Claims	6,792	3,927
6.01.01.09	Disposal of Property and Equipment and Intangible Assets	2,239	3,462
6.01.01.10	Stock Options Cost	(117)	(725)
6.01.01.11	Reversal (Provision) for Impairment	1,322	2,243
6.01.01.12	Amortization of lease	52,126	-
6.01.02	Changes in Assets and Liabilities	(156,132)	(109,429)
6.01.02.01	Trade Receivables, Net	(20,721)	1,512
6.01.02.02	Inventories	(576)	(17,135)
6.01.02.03	Taxes Recoverable	(25,710)	(13,929)
6.01.02.04	Advances Paid	(21,000)	(4,478)
6.01.02.05	Receivables from Related Parties	1,591	(233)
6.01.02.06	Other Receivables	9,390	(6,034)
6.01.02.07	Trade and Rental Payables	(47,103)	(15,685)
6.01.02.08	Payroll and Social Charges	(10,325)	(13,145)
6.01.02.09	Corporate Payables	(7,588)	(5,879)
6.01.02.10	Taxes Payable	(18,493)	(7,116)
6.01.02.11	Deferred Revenue, Net	(4,103)	-
6.01.02.12	Payables to Related Parties	48	159
6.01.02.13	Derivative Financial Instruments	(180)	(36)
6.01.02.14	Other Payables	(4,379)	(5,407)
6.01.02.15	Interest Expense on Loans and Financing	(2,503)	(19,267)
6.01.02.16	Income Tax and Social Contribution Paid	-	(761)
6.01.02.17	Legal Claims	(4,480)	(1,995)
6.02	Net Cash from Investing Activities	128,128	25,364
6.02.01	Amount paid on the acquisition of investments	-	389,707
6.02.02	Advance for Future Capital Increase in Subsidiary	(428)	(17,003)
6.02.03	Purchases of Property and Equipment	(162,461)	(90,091)
6.02.04	Purchases of Intangible Assets	(23,827)	(12,195)
6.02.05	Reimbursable expenses with stock offer	(4,359)	-
6.02.06	Investment in Marketable Securities	(176,693)	(141,683)
6.02.07	Redemption of Marketable Securities	495,896	676,043
6.03	Net Cash from Financing Activities	(182,466)	(64,019)
6.03.01	Investments Payable	45,113	-
6.03.04	Payment of Loans and Financing (Principal)	(136,296)	(59,522)
6.03.05	Share issue costs	-	(4,497)
6.03.06	Interest on capital paid	(26,726)	-
6.03.07	Payments of lease liabilities	(64,557)	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	(21,456)	(47,200)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	166,962	102,235
6.05.02	Cash and Cash Equivalents at the End of the Period	145,506	55,035

Individual financial statements – Statement of changes in Equity 1/1/2019 to 6/30/2019

(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
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	45,113	1,322	-	-	-	46,435	
5.04.01	Capital increases	45,113	-	-	-	-	45,113	
5.04.03	Options Granted Recognized	-	1,322	-	-	-	1,322	
5.05	Total Comprehensive Income	-	-	-	1,784	(270)	1,514	
5.05.01	Profit for the Period	-	-	-	1,784	-	1,784	
5.05.02	Other comprehensive income	-	-	-	-	(270)	(270)	
5.05.02.01	Adjustments of financial instruments	-	-	-	-	(270)	(270)	
5.07	Closing Balances	943,346	722,424	97,627	1,784	(272)	1,764,909	

Individual financial statements – Statement of changes in Equity 1/1/2018 to 6/30/2018
(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	895,836	915,722	-	(194,364)	-	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	-	(194,364)	-	1,617,194
5.04	Capital Transactions with Shareholders	-	(196,618)	-	194,364	-	(2,254)
5.04.02	Share Issue Cost	-	(4,497)	-	-	-	(4,497)
5.04.03	Options Grated Recognized	-	2,243	-	-	-	2,243
5.04.08	Absorption of accumulated losses by capital reserve	-	(194,364)	-	194,364	-	-
5.05	Comprehensive income	-	-	-	17,382	-	17,382
5.05.01	Profit for the Period	-	-	-	17,382	-	17,382
5.07	Closing Balances	895,836	719,104	-	17,382	-	1,632,322

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

Account Code	Account Description	Current Quarter 1/1/2019 to 6/30/2019	Prior Quarter 1/1/2018 to 6/30/2018
7.01	Revenues	1,460,448	1,046,274
7.01.01	Gross Sales of Goods and Services	1,445,832	1,036,549
7.01.02	Other Revenues	14,616	9,725
7.02	Inputs Purchased from Third Parties	(785,249)	(608,178)
7.02.01	Cost of Sales and Services	(501,542)	(365,941)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(281,444)	(239,467)
7.02.03	Impairment of Assets	(2,122)	(2,737)
7.02.04	Others	(141)	(33)
7.03	Gross Value Added	675,199	438,096
7.04	Retentions	(141,464)	(60,689)
7.04.01	Depreciation, Amortization and Depletion	(141,464)	(60,689)
7.05	Wealth Created by the Company	533,735	377,407
7.06	Wealth Received in Transfer	6,664	37,159
7.06.01	Equity Pickup	(6,127)	5,803
7.06.02	Financial Income	12,791	31,356
7.07	Total Wealth for Distribution	540,399	414,566
7.08	Wealth Distributed	540,399	414,566
7.08.01	Personnel	252,561	178,040
7.08.01.01	Direct Compensation	238,094	167,995
7.08.01.03	Unemployment Compensation Fund (FGTS)	14,467	10,045
7.08.02	Taxes, Fees and Contributions	145,500	123,832
7.08.02.01	Federal	105,422	95,138
7.08.02.02	State	33,068	24,461
7.08.02.03	Municipal	7,010	4,233
7.08.03	Lenders and Lessors	140,554	95,312
7.08.03.01	Interest	42,598	22,672
7.08.03.02	Rentals	97,956	72,640
7.08.04	Shareholders	1,784	17,382
7.08.04.03	Retained Earnings / Profit for the Period	1,784	17,382

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

Account Code	Account Description	Current Quarter 6/30/2019	Prior Year 12/31/2018
1	Total Assets	2,898,268	2,525,632
1.01	Current Assets	517,904	819,715
1.01.01	Cash and Cash Equivalents	145,532	174,963
1.01.02	Short-Term Investments	106,920	415,622
1.01.02.01	Short-Term Investments at Fair Value	106,920	415,622
1.01.02.01.03	Marketable Securities	104,442	413,136
1.01.02.01.04	Restricted Marketable Securities	2,478	2,486
1.01.03	Accounts Receivable	80,249	59,603
1.01.04	Inventories	81,852	81,276
1.01.06	Taxes Recoverable	39,399	40,393
1.01.08	Other Current Assets	63,952	47,858
1.01.08.03	Others	63,952	47,858
1.01.08.03.01	Derivative Financial Instruments	-	90
1.01.08.03.02	Advances Paid	47,618	26,622
1.01.08.03.04	Other Receivables	11,975	21,146
1.01.08.03.05	Related Parties	4,359	-
1.02	Non-Current Assets	2,380,364	1,705,917
1.02.01	Long-Term Receivables	89,990	63,376
1.02.01.01	Non-Current Investments at Fair Value	11,766	12,361
1.02.01.01.01	Restricted Marketable Securities	11,766	12,361
1.02.01.10	Other Non-Current Assets	78,224	51,015
1.02.01.10.03	Judicial Deposits	31,485	30,903
1.02.01.10.04	Other Receivables	4,476	4,561
1.02.01.10.05	Taxes Recoverable	42,263	15,551
1.02.03	Property and Equipment	1,009,401	928,225
1.02.04	Intangible Assets	1,280,973	714,316

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

Account Code	Account Description	Current Quarter 6/30/2019	Prior Year 12/31/2018
2	Total Liabilities	2,898,268	2,525,632
2.01	Current Liabilities	451,479	599,675
2.01.01	Social and Labor Liabilities	93,657	95,163
2.01.02	Trade Payables	193,357	241,243
2.01.03	Taxes Payable	13,564	33,781
2.01.04	Loans and Financing	43,855	161,581
2.01.05	Other Current Liabilities	107,046	67,907
2.01.05.02	Others	107,046	67,907
2.01.05.02.01	Dividends and interest on capital (IOC) payables	-	26,726
2.01.05.02.04	Other Payables	7,938	14,129
2.01.05.02.05	Deferred revenue, net	9,113	9,091
2.01.05.02.06	Corporate Payables	10,373	17,961
2.01.05.02.08	Lease liabilities	79,622	-
2.02	Non-Current Liabilities	681,880	208,997
2.02.01	Loans and Financing	106,390	117,532
2.02.02	Other Payables	560,119	68,243
2.02.02.02	Others	560,119	68,243
2.02.02.02.03	Taxes Payables	23,081	21,753
2.02.02.02.04	Other Payables	17,549	20,094
2.02.02.02.05	Deferred revenue, net	22,271	26,396
2.02.02.02.06	Lease liabilities	497,218	-
2.02.03	Deferred Taxes	2,596	12,492
2.02.03.01	Deferred income tax and social contribution	2,596	12,492
2.02.04	Provisions	12,775	10,730
2.02.04.01	Provisions for tax, social security, labor and civil claims	12,775	10,730
2.03	Equity	1,764,909	1,716,960
2.03.01	Capital	943,346	898,233
2.03.02	Capital reserves	722,424	721,102
2.03.04	Profit reserves	97,627	97,627
2.03.04.01	Legal reserve	6,401	6,401
2.03.04.05	Profit retention reserve	91,226	91,226
2.03.05	Retained earnings	1,784	-
2.03.08	Other comprehensive income	(272)	(2)

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

Account Code	Account Description	Current Quarter 4/1/2019 to 6/30/2019	Current Year 1/1/2019 to 6/30/2019	Prior Quarter 4/1/2018 to 6/30/2018	Prior Year 1/1/2018 to 6/30/2018
3.01	Revenue from Sale of Goods and/or Services	675,911	1,341,236	536,875	1,019,404
3.02	Cost of Sales and/or Services	(247,764)	(502,271)	(205,240)	(390,475)
3.03	Gross Profit	428,147	838,965	331,635	628,929
3.04	Operating Expenses/Income	(412,356)	(815,615)	(319,768)	(614,194)
3.04.01	Selling Expenses	(379,542)	(745,896)	(292,664)	(558,491)
3.04.02	General and Administrative Expenses	(32,814)	(69,719)	(27,104)	(55,703)
3.05	Profit Before Financial Income (Expenses) and Taxes	15,791	23,350	11,867	14,735
3.06	Financial Income (Expenses), Net	(15,019)	(31,461)	(2,465)	5,527
3.06.01	Financial Income	5,899	12,455	10,692	30,267
3.06.02	Financial Expenses	(20,918)	(43,916)	(13,157)	(24,740)
3.07	Profit (Loss) Before Income Tax and Social Contribution	772	(8,111)	9,402	20,262
3.08	Income Tax and Social Contribution	(1,323)	9,895	(830)	(2,880)
3.08.01	Current	-	-	(63)	(1,474)
3.08.02	Deferred	(1,323)	9,895	(767)	(1,406)
3.09	Profit from Continuing Operations	(551)	1,784	8,572	17,382
3.11	Profit for the Period	(551)	1,784	8,572	17,382
3.99	Earnings per Share - (Reais /Share)	(551)	1,784	8,572	17,382
3.99.01	Basic Earnings per Share				
3.99.01.01	Registered Common (ON)	(0.00568)	0.00789	0.03856	0.07820
3.99.02	Diluted Earnings per Share				
3.99.02.01	Registered Common (ON)	(0.00568)	0.00786	0.03808	0.07722

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

Account Code	Account Description	Current Quarter 4/1/2019 to 6/30/2019	Current Year 1/1/2019 to 6/30/2019	Prior Quarter 4/1/2018 to 6/30/2018	Prior Year 1/1/2018 to 6/30/2018
4.01	Profit for the Period	(551)	1,784	8,572	17,382
4.02	Other comprehensive income	(442)	(270)	-	-
4.03	Total Comprehensive Income for the Period	(993)	1,514	8,572	17,382
4.03.01	Attributable to Parent Company Shareholders	(993)	1,514	8,572	17,382

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

Account Code	Account Description	Current Year 1/1/2019 to 6/30/2019	Prior Year 1/1/2018 to 6/30/2018
6.01	Net Cash from Operating Activities	25,847	(6,099)
6.01.01	Cash Provided from Operating Activities	187,868	110,244
6.01.01.01	Loss (Profit) Before Income Tax and Social Contribution	(8,111)	20,262
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	93,789	63,321
6.01.01.03	Provision for Bonuses	9,362	11,026
6.01.01.04	Interest, charges, exchange variation, monetary variation and APV on leases liabilities	30,466	6,542
6.01.01.05	Provision for Legal Claims	6,792	3,927
6.01.01.06	Disposal of Property and Equipment and Intangible Assets	2,239	3,648
6.07.01.07	Provision for impairment	(117)	(725)
6.01.01.08	Stock Options Cost	1,322	2,243
6.01.01.09	Amortization of lease	52,126	-
6.01.02	Changes in Assets and Liabilities	(162,021)	(116,343)
6.01.02.01	Trade Receivables, Net	(20,646)	1,449
6.01.02.02	Inventories	(576)	(17,629)
6.01.02.03	Taxes Recoverable	(25,718)	(18,773)
6.01.02.04	Advances Paid	(20,996)	(4,426)
6.01.02.05	Other Receivables	8,674	(6,084)
6.01.02.06	Trade and Rental Payables	(47,886)	(15,467)
6.01.02.07	Payroll and Social Charges	(10,868)	(11,957)
6.01.02.08	Corporate Payables	(7,588)	(5,917)
6.01.02.09	Taxes Payable	(18,889)	(5,027)
6.01.02.10	Income Tax and Social Contribution Paid	-	(1,474)
6.01.02.11	Deferred Revenue, Net	(4,103)	-
6.01.02.12	Derivative Financial Instruments	(180)	(36)
6.01.02.13	Other Payables	(5,995)	(2,522)
6.01.02.14	Interest Expense on Loans and Financing	(2,503)	(21,208)
6.01.02.15	Legal Claims	(4,747)	(7,272)
6.02	Net Cash from Investing Activities	127,188	69,928
6.02.01	Amount paid on the acquisition of investments	-	(360,886)
6.02.02	Purchases of Property and Equipment	(162,563)	(91,054)
6.02.03	Purchases of Intangible Assets	(23,827)	(12,457)
6.02.04	Reimbursable expenses with stock offer	(4,359)	-
6.02.05	Investment in Marketable Securities	(177,959)	(141,718)
6.02.06	Redemption of Marketable Securities	495,896	676,043
6.03	Net Cash from Financing Activities	(182,466)	(85,400)
6.03.01	Investments Payable	45,113	-
6.03.04	Payment of Loans and Financing (Principal)	(136,296)	(80,903)
6.03.05	Share issue costs	-	(4,497)
6.03.06	Interest on capital paid	(26,726)	-
6.03.07	Payments of lease liabilities	(64,557)	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	(29,431)	(21,571)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	174,963	102,345
6.05.02	Cash and Cash Equivalents at the End of the Period	145,532	80,774



Consolidated financial statements – Statement of changes in Equity 1/1/2019 to 6/30/2019
(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	Non-controlling interest	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	45,113	1,322	-	-	-	46,435	-	46,435
5.04.01	Capital increases	45,113	-	-	-	-	45,113	-	45,113
5.04.03	Options Granted Recognized	-	1,322	-	-	-	1,322	-	1,322
5.05	Total Comprehensive Income	-	-	-	2,983	(270)	2,713	-	2,713
5.05.01	Profit for the Period	-	-	-	2,983	-	2,983	-	2,983
5.05.02	Other comprehensive income	-	-	-	-	(270)	(270)	-	(270)
5.05.02.01	Adjustments of financial instruments	-	-	-	-	(270)	(270)	-	(270)
5.07	Closing Balances	943,346	722,424	97,627	2,983	(272)	1,766,108	-	1,766,108

Consolidated financial statements – Statement of changes in Equity 1/1/2018 to 6/30/2018
(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	Non-controlling interest	Consolidated Equity
5.01	Opening Balances	895,836	915,722	-	(194,364)	-	1,617,194	-	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	-	(194,364)	-	1,617,194	-	1,617,194
5.04	Capital Transactions with Shareholders	-	(196,618)	-	194,364	-	(2,254)	-	(2,254)
5.04.02	Share Issue Cost	-	(4,497)	-	-	-	(4,497)	-	(4,497)
5.04.03	Options Grated Recognized	-	2,243	-	-	-	2,243	-	2,243
5.04.08	Absorption of accumulated losses by capital reserve	-	(194,364)	-	194,364	-	-	-	-
5.05	Comprehensive income	-	-	-	17,382	-	17,382	-	17,382
5.05.01	Profit for the Period	-	-	-	17,382	-	17,382	-	17,382
5.07	Closing Balances	895,836	719,104	-	17,382	-	1,632,322	-	1,632,322

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

Account Code	Account Description	Current Quarter 1/1/2019 to 6/30/2019	Prior Quarter 1/1/2018 to 6/30/2018
7.01	Revenues	1,460,448	1,118,569
7.01.01	Gross Sales of Goods and Services	1,445,832	1,108,804
7.01.02	Other Revenues	14,616	9,765
7.02	Inputs Purchased from Third Parties	(785,624)	(650,221)
7.02.01	Cost of Sales and Services	(502,271)	(390,475)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(280,902)	(256,545)
7.02.03	Impairment of Assets	(2,122)	(2,923)
7.02.04	Others	(329)	(278)
7.03	Gross Value Added	674,824	468,348
7.04	Retentions	(145,916)	(63,321)
7.04.01	Depreciation, Amortization and Depletion	(145,916)	(63,321)
7.05	Wealth Created by the Company	528,908	405,027
7.06	Wealth Received in Transfer	13,058	31,709
7.06.02	Financial Income	13,058	31,709
7.07	Total Wealth for Distribution	541,966	436,736
7.08	Wealth Distributed	541,966	436,736
7.08.01	Personnel	252,561	192,310
7.08.01.01	Direct Compensation	238,094	181,516
7.08.01.03	Unemployment Compensation Fund (FGTS)	14,467	10,794
7.08.02	Taxes, Fees and Contributions	146,051	127,272
7.08.02.01	Federal	105,973	95,449
7.08.02.02	State	33,068	27,590
7.08.02.03	Municipal	7,010	4,233
7.08.03	Lenders and Lessors	141,570	99,772
7.08.03.01	Interest	43,565	24,455
7.08.03.02	Rentals	98,005	75,317
7.08.04	Shareholders	1,784	17,382
7.08.04.03	Retained Earnings / Profit for the Period	1,784	17,382

MANAGEMENT REPORT

HIGHLIGHTS

2Q19x2Q18 Performance:

- **Net operating revenue** of R\$676 million in 2Q19, up 25.9% from 2Q18;
- **Total of 16 restaurants opened** in 2Q19, of which 10 are BURGER KING® restaurants and 6 are POPEYES® restaurants, leading to net opening of 100 restaurants in the last 12 months;
- **Total of 800 restaurants of the BURGER KING® brand** at the end of 2Q19;
- **Total of 17 restaurants of the POPEYES® brand** at the end of 2Q19;
- **Comparable sales in same restaurants** grew 10.9% in 2Q19;
- **Adjusted EBITDA¹** of R\$95 million in 2Q19. Excluding the effects of the new accounting standard (IFRS 16), Adjusted EBITDA would have been R\$65 million, an increase of 31.1% compared to 2Q18;
- **Adjusted EBITDA margin** of 14.1%. Excluding the effect of IFRS 16, the margin would have been 9.6%, representing an increase of 40 bps versus 2Q18;
- **Net loss** of R\$0.6 million in 2Q19. Excluding the effects of IFRS 16, net income would have totaled R\$6 million;
- **Marketing campaign “Burn That Ad”** was the most awarded Brazilian campaign at the Cannes Creativity Festival with 9 Lions.

1H19x1H18 Performance:

- **Net operating revenue** of R\$1,341 million in 1H19, up 31.6% from 1H18;
- **Comparable sales in same restaurants** grew 8.4% in 1H19;
- **Adjusted EBITDA¹** of R\$179 million in 1H19. Excluding the effects of the new accounting standard (IFRS 16), Adjusted EBITDA would have been R\$115 million, an increase of 33.5% compared to 1H18;
- **Adjusted EBITDA margin** of 13.4% in 1H19. Excluding the effects of IFRS 16, the margin would have been 8.5% in 1H19;
- **Net income** of R\$2 million in 1H19. Excluding the effects of IFRS 16, net income would have totaled R\$13 million.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	2Q19	2Q18	VAR.	1H19	1H18	VAR.
NET OPERATING REVENUE	675.9	536.9	25.9%	1,341.2	1,019.4	31.6%
ADJUSTED EBITDA ⁽¹⁾	95.1	49.5	92.2%	179.2	85.9	108.7%
% OF NET OPERATING REVENUE	14.1%	9.2%	490bps	13.4%	8.4%	500bps
ADJUSTED EBITDA ⁽¹⁾ EX-IFRS16 EFFECTS	64.9	49.5	31.1%	114.7	85.9	33.5%
% OF NET OPERATING REVENUE	9.6%	9.2%	40bps	8.5%	8.4%	10bps
NET INCOME (LOSS)	(0.6)	8.6	-	1.8	17.4	-89.7%
NET INCOME (LOSS) EX-IFRS16 EFFECTS	6.1	8.6	-29.3%	12.8	17.4	-26.2%
GROSS DEBT	150.2	427.2	-64.8%	150.2	427.2	-64.8%
NET DEBT (NET CASH)	(114.0)	(222.7)	-48.8%	(114.0)	(222.7)	-48.8%
SHAREHOLDERS' EQUITY	1,764.9	1,632.3	8.1%	1,764.9	1,632.3	8.1%
OPERATIONAL HIGHLIGHTS	2Q19	2Q18	VAR.⁽²⁾	1H19	1H18	VAR.⁽²⁾
# OF RESTAURANTS	817	717	100	817	717	100
OWNED RESTAURANTS						
# OWNED RESTAURANTS BEGINNING OF PERIOD	642	528	114	639	526	113
BURGER KING® RESTAURANT OPENINGS	6	8	(2)	10	13	(3)
BURGER KING® RESTAURANT CLOSINGS	(2)	(4)	2	(6)	(5)	(1)
ACQUISITION / SALE ⁽³⁾ OF BURGER KING® RESTAURANT BUSINESSES	-	51	(51)	-	49	(49)
POPEYES® RESTAURANT OPENINGS	6	-	6	9	-	9
# OWNED RESTAURANTS END OF PERIOD	652	583	69	652	583	69
FRANCHISEES RESTAURANTS						
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	161	181	(20)	162	171	(9)
BURGER KING® RESTAURANT OPENINGS	4	4	-	5	12	(7)
BURGER KING® RESTAURANT CLOSINGS	-	-	-	(2)	-	(2)
ACQUISITION / SALE ⁽³⁾ OF BURGER KING® RESTAURANT BUSINESSES	-	(51)	51	-	(49)	49
# FRANCHISEES RESTAURANTS END OF PERIOD	165	134	31	165	134	31
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS)	10.9%	0.0%	1090bps	8.4%	4.8%	360bps

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

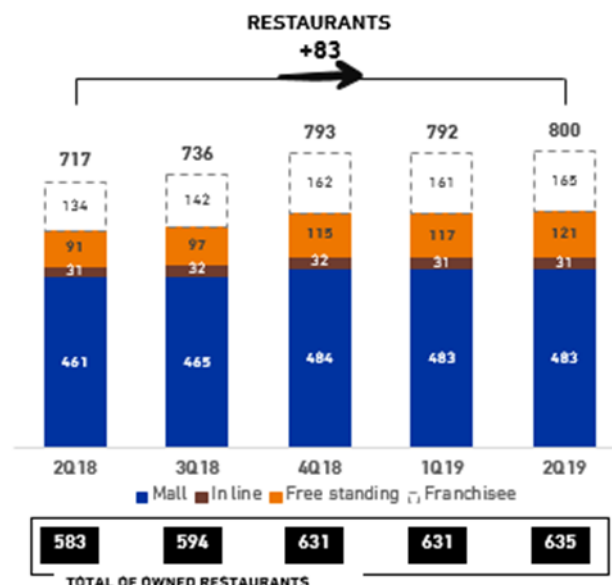
² Net variation.

³ Sale of company-owned restaurants to franchisees.

OPERATING AND FINANCIAL PERFORMANCE

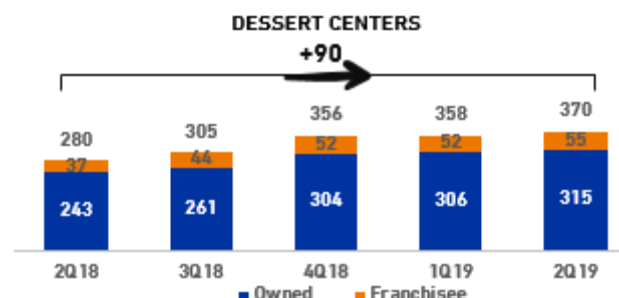
BURGER KING® restaurant expansion⁴

During 2Q19, BURGER KING® system opened 10 new restaurants, of which 6 were company-owned restaurants and 4 were franchisees. Considering only restaurants owned by BK Brasil, net of closures (2 restaurants), acquisitions (1 restaurant) and sales of restaurant businesses (1 restaurant), the Company ended the quarter with a total of 635 owned restaurants, an increase of 52 restaurants from 2Q18. As for franchised restaurants, BURGER KING® system ended 2Q19 with 165 restaurants. As such, the BURGER KING® system ended the second quarter with a total of 800 restaurants operating in Brazil, a net increase of 83 restaurants in the last 12 months.



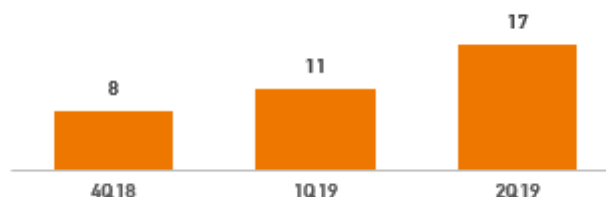
BURGER KING® dessert centers expansion

In addition to the 800 restaurants, the BURGER KING® system ended 2Q19 with 370 dessert centers, an increase of 90 units when compared to 2Q18.



POPEYES® restaurant expansion

Throughout 2Q19, the POPEYES® system opened 6 new restaurants and ended the quarter with 17 restaurants, in line with the expansion plan for the brand in Brazil.



With this, 2Q19 ended with a total of 817 restaurants managed by the Company, of which 652 are company-owned restaurants of BURGER KING® and POPEYES® brands, and 165 franchised restaurants of BURGER KING® brand.

⁴ Mall: Shopping malls, hypermarkets and air | road terminals; In line: Stores with direct access to the public thoroughfare, which have internal lounges with tables and seats; Free standings: Street stores with drive-thru.

Impact of the IFRS 16 adoption

On January 1, 2019, the Company adopted the accounting standard IFRS 16 – Leases. According to the new standard, the Company, as the lessee, recognizes a right-of-use asset related to the leased asset and a lease liability representing its obligation to make future payments. As the Company’s main lease agreement refers to rent of company-operated restaurants, the fixed portion of lease expenses is now recognized as amortization and financial expense, while the variable portion of lease expenses continues recognized as occupancy expense.

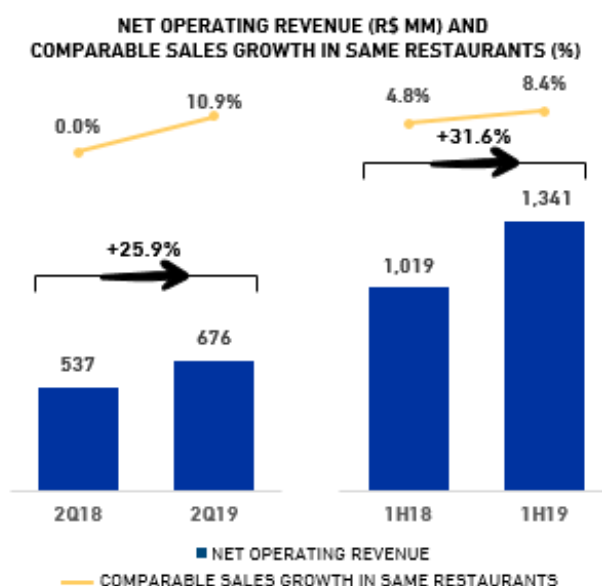
For better understanding, throughout this report, information on the effects from adoption of the new accounting standard on the main accounts impacted in 2Q19 and 1H19 was included, both in tables and graphs.

Consolidated Income Statement (R\$ million)	2Q19	IFRS16	2Q19	2Q18	Var. %	1H19	IFRS16	1H19	1H18	Var. %
	Reported	Effects	Ex-IFRS16	Reported		Reported	Effects	Ex-IFRS16	Reported	
NET OPERATING REVENUE	675.9	-	675.9	536.9	25.9%	1,341.2	-	1,341.2	1,019.4	31.6%
COST OF GOOD SOLD	(247.8)	-	(247.8)	(205.2)	20.7%	(502.3)	-	(502.3)	(390.5)	28.6%
GROSS PROFIT	428.1	-	428.1	331.6	29.1%	839.0	-	839.0	628.9	33.4%
TOTAL SELLING EXPENSES	(379.5)	(4.6)	(384.2)	(292.7)	31.3%	(745.9)	(12.9)	(758.8)	(558.5)	35.9%
PERSONNEL EXPENSES	(128.0)	-	(128.0)	(100.4)	27.5%	(255.8)	-	(255.8)	(190.1)	34.6%
ROYALTIES AND MARKETING FUND	(62.1)	-	(62.1)	(47.5)	30.7%	(123.7)	-	(123.7)	(92.8)	33.3%
EXPENSES ON OCCUPANCY AND UTILITIES	(54.2)	(30.2)	(84.4)	(64.3)	31.3%	(109.6)	(64.4)	(174.0)	(128.3)	35.6%
PRE-OPERATING EXPENSES	(2.8)	-	(2.8)	(0.7)	274.9%	(4.7)	-	(4.7)	(1.6)	184.4%
DEPRECIATION AND AMORTIZATION	(69.5)	25.6	(44.0)	(31.6)	39.1%	(135.0)	51.5	(83.5)	(59.4)	40.7%
OTHER SELLING EXPENSES	(62.8)	-	(62.8)	(48.1)	30.7%	(117.2)	-	(117.2)	(86.3)	35.8%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(32.8)	0.3	(32.6)	(27.1)	20.1%	(69.7)	0.5	(69.2)	(55.7)	24.3%
GENERAL AND ADMINISTRATIVE EXPENSES	(25.8)	(0.1)	(25.9)	(21.8)	18.5%	(53.5)	(0.2)	(53.7)	(45.6)	17.8%
DEPRECIATION AND AMORTIZATION	(4.4)	0.3	(4.1)	(2.1)	94.8%	(11.0)	0.7	(10.3)	(4.0)	159.3%
EXPENSES WITH MERGER AND ACQUISITIONS	(1.8)	-	(1.8)	(1.6)	11.7%	(2.5)	-	(2.5)	(2.4)	2.4%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(0.1)	-	(0.1)	(0.5)	-69.6%	(1.4)	-	(1.4)	(1.5)	-4.7%
COST OF STOCK OPTION PLAN	(0.7)	-	(0.7)	(1.1)	-41.0%	(1.3)	-	(1.3)	(2.2)	-41.1%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	15.8	(4.4)	11.4	11.9	-3.7%	23.4	(12.4)	10.9	14.7	-25.9%
FINANCIAL RESULTS	(15.0)	14.4	(0.6)	(2.5)	-74.2%	(31.5)	29.2	(2.3)	5.5	-
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	0.8	10.0	10.8	9.4	14.8%	(8.1)	16.7	8.6	20.3	-57.4%
INCOME TAX AND SOCIAL CONTRIBUTION	(1.3)	(3.4)	(4.7)	(0.8)	470.3%	9.9	(5.7)	4.2	(2.9)	-
NET INCOME (LOSS) FOR THE PERIOD	(0.6)	6.6	6.1	8.6	-29.3%	1.8	11.1	12.8	17.4	-26.2%

Net operating revenue

In 2Q19, BK Brasil posted net operating revenue of R\$676 million, an increase of 25.9% compared to 2Q18. This increase is related to the performance of restaurants and dessert centers opened in the last 12 months, and the growth in comparable sales of 10.9% in the period. The growth in comparable sales reflects the evolution of the Company’s digital sales, such as delivery and mobile order-and-pay app, as well as the weak 2Q18 comparison base, which was impacted by the World Cup and Truckers’ Strike. Among the highlights of this quarter were the launch of Chicken Crisp in the premium segment, Choco Triple in the desserts segment, in addition to the Uno® and Pokémon® campaigns in the kids segment.

In the half-year comparison, net operating revenue grew 31.6% versus the same period last year, driven by the 8.4% growth in comparable sales and the performance of new stores opened.



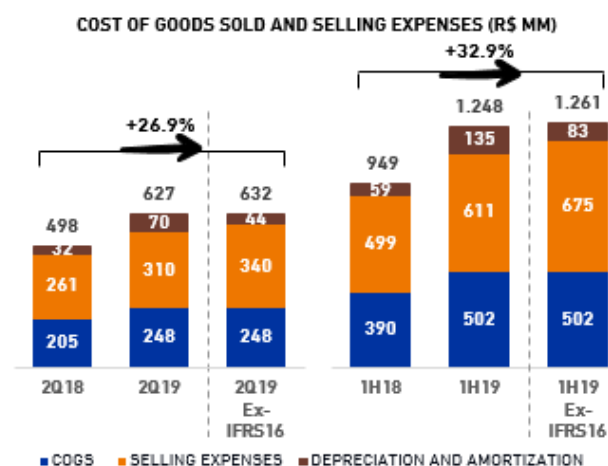
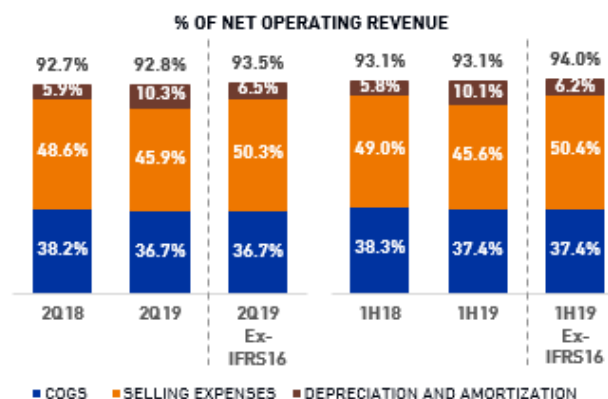
Cost of goods sold and selling expenses

Total restaurant expenses, excluding the effects of IFRS 16, were R\$632 million in 2Q19, representing 93.5% of net operating revenue.

The cost of goods sold reached 36.7% of net operating revenue, reflecting the benefits of new sales channels, such as delivery, lower operating losses and tax credit benefits of prior periods.

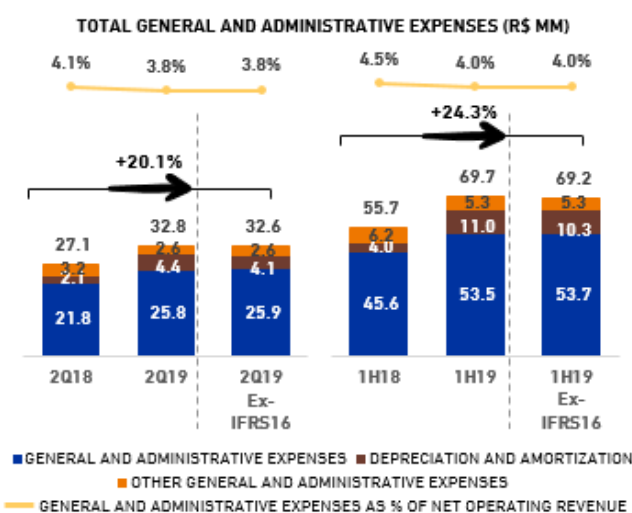
Selling expenses at restaurants (excluding depreciation and amortization) represented 50.3% of net operating revenue, an increase of 170 bps in comparison with 2Q18, due to higher utilities expenses and expenses with third-party services due to new sales channels.

In the half-year comparison, total restaurant expenses were R\$1,261 million, representing 94.0% of net operating revenue, an increase of 90 bps compared to the same period of the previous year. Cost of goods sold represented 37.4%, an improvement of 90 bps compared to 1H18, reflecting the effects of 2Q19. Lastly, selling expenses at restaurants (excluding depreciation and amortization) represented 50.4%, an increase of 140 bps in comparison to 1H18, reflecting higher expenses with third-party services due to new sales channels, personnel expenses and higher utilities expenses.



Total general and administrative expenses

Corporate general and administrative expenses, excluding the effects of IFRS 16, represented 3.8% of net operating revenue in 2Q19, an improvement of 30 bps in comparison to 2Q18, reflecting the strong focus on controlling the Company's expenses, operating leverage and synergies related to the acquisition of franchised restaurants. In the quarter, corporate general and administrative expenses reached R\$26 million. In the half-year comparison, corporate general and administrative expenses represented 4.0% of net revenue, an improvement of 50 bps compared to 1H18, reflecting the same impacts mentioned above. IFRS 16



adoption did not have material effects on the Company's general and administrative expenses.

Adjusted EBITDA

In 2Q19, adjusted EBITDA reached R\$95 million, reflecting the adoption of the new accounting standard IFRS 16. Excluding this impact, adjusted EBITDA would have increased by 31.1%, from R\$49 million in 2Q18 to R\$65 million. Adjusted EBITDA growth, excluding the effects of IFRS 16, was due to the strong increase in net operating revenues, reflecting the growth of comparable sales at same restaurants, higher gross profit and strong control of corporate general and administrative expenses, partially offset by higher selling expenses. As a result, the adjusted EBITDA margin (excluding the effects of IFRS 16) improved by 40 bps, reaching 9.6%.

In the first half of 2019, adjusted EBITDA, excluding the effects of IFRS 16, reached R\$115 million, an increase of 33.5% compared to the same period last year, reflecting solid growth in net operating revenues and cost control. As a result, the adjusted EBITDA margin was 8.5% in 1H19.

EBITDA - R\$ MILLION	2Q19	2Q18	VAR %	1H19	1H18	VAR %
NET INCOME (LOSS) FOR THE PERIOD	(0.6)	8.6	-	1.8	17.4	-89.7%
(+) FINANCIAL INCOME (LOSS)	15.0	2.5	509.3%	31.5	(5.5)	-
(+) DEPRECIATION AND AMORTIZATION	74.0	33.7	119.3%	145.9	63.3	130.4%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	1.3	0.8	59.5%	(9.9)	2.9	-
EBITDA	89.8	45.6	96.9%	169.3	78.1	116.9%
EBITDA MARGIN	13.3%	8.5%	480bps	12.6%	7.7%	490bps
(+) OTHERS EXPENSES*	0.1	0.4	-69.3%	1.4	1.5	-4.5%
(+) COST OF STOCK OPTION PLAN	0.7	1.1	-41.0%	1.3	2.2	-41.1%
(+) MERGE AND ACQUISITION EXPENSES	1.8	1.6	11.7%	2.5	2.4	2.4%
(+) PRE-OPERATING EXPENSES	2.8	0.7	274.9%	4.7	1.6	184.4%
ADJUSTED EBITDA⁽¹⁾	95.1	49.5	92.2%	179.2	85.9	108.7%
ADJUSTED EBITDA MARGIN	14.1%	9.2%	490bps	13.4%	8.4%	500bps
IFRS16 EFFECTS	(30.3)	-	-	(64.6)	-	-
ADJUSTED EBITDA EX-IFRS16 EFFECTS	64.9	49.5	31.1%	114.7	85.9	33.5%
ADJUSTED EBITDA MARGIN EX-IFRS16 effects	9.6%	9.2%	40bps	8.5%	8.4%	10bps

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

Net income

The Company posted a net loss of R\$0.6 million in 2Q19. Excluding the effects from the adoption of IFRS 16, net income would have been R\$6 million, compared to net income of R\$9 million in 2Q18, reflecting a higher effective income tax rate due to the effects of the consolidation of subsidiaries, especially those acquired in April 2018 and that will be merged as from 3Q19.

In the half-year comparison, net income, excluding the effects of IFRS16, was R\$13 million, compared to R\$17 million in 1H18.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that during the first half of 2019, the independent auditors (ERNST & YOUNG Auditores Independentes S.S. (EY)), in addition to the external audit services, also provided additional services related to the secondary public offering of shares (Follow on) held on March, 2019, which totaled R\$1.7 million or approximately 150% of the total amount contracted for external audit services.

The Company and its joint ventures adopt as a formal procedure to consult the independent auditors, to ensure that the performance of other services will not affect the independence and objectivity required to perform independent audit services. The Company's policy in the hiring of independent auditors' services ensures that there is no conflict of interests, loss of independence or objectivity.

In the hiring of such services, the policies adopted by the Company are based on principles that preserve the auditor's independence. These principles, according to internationally accepted standards, are: (a) the auditor cannot audit his own work; (b) the auditor cannot function as a part of management in his client, and (c) the auditor cannot serve in an advocacy role for his clients.

EY stated that the provision of services was performed in strict compliance with the accounting standards that deal with the independent auditors' independence in audit work and did not represent a situation that could affect the independence and objectivity in the performance of their external audit services.

Barueri, August 08, 2019.

Board of Executive Officers

Notes to the interim financial information
Period ended June 30, 2019
(Amounts in thousands of reais)

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) development and operation of “Burger King” restaurants in Brazil; (ii) provision of advisory and support services to “Burger King” and “Popeyes” restaurants in Brazil; (iii) sale, import and export of products related to the aforementioned activities; and (iv) holding of equity interests in other companies that develop the activities above in Brazil, as partner or shareholder.

a) Burger King Operation

The right to operate the “Burger King” restaurants was obtained through a Master Franchise agreement entered into with Burger King Corporation (“BKC”) on July 9, 2011. The restaurant operation rights have a term of twenty years, renewable for additional twenty years, if the parties intend to (Note 21).

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

Franchise fee:

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

Notes to the interim financial information--Continued
 Period ended June 30, 2019
 (Amounts in thousands of reais)

1. Operations--Continued

a) Burger King Operation--Continued

As of June 30, 2019 and December 31, 2018, the Company had 635 and 631 company-owned stores, respectively, of which:

	<u>6/30/2019</u>	<u>12/31/2018</u>
State of Alagoas	4	4
State of Bahia	12	11
State of Ceará	15	15
Federal District	16	16
State of Espírito Santo	11	12
State of Goiás	20	20
State of Maranhão	5	5
State of Mato Grosso	5	5
State of Mato Grosso do Sul	1	1
State of Minas Gerais	50	49
State of Pará	7	6
State of Paraíba	5	5
State of Pernambuco	15	14
State of Piauí	2	2
State of Paraná	37	36
State of Rio de Janeiro	88	89
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	36	36
State of Sergipe	5	5
State of São Paulo	298	297
Total Stores	<u>635</u>	<u>631</u>

Business combination

During 2018, the Company completed the acquisition of control of the following group of legal entities (called "Centro Sul") in order to increase the number of restaurants and maximize its results through the synergy of operations, in addition to centralizing its management and its capital management.

<u>Company</u>	<u>Acquisition date</u>	<u>% acquired</u>
King Food Comércio de Alimentos S.A.	4/2/2018	100%
Good Food Comércio de Alimentos S.A.	4/2/2018	100%
Fast Burger Comércio de Alimentos S.A.	4/2/2018	100%

In this transaction, 51 restaurants and 20 dessert kiosks were acquired (Note 3).

On June 28, 2019, King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A. were merged into the Company.

Notes to the interim financial information--Continued
 Period ended June 30, 2019
 (Amounts in thousands of reais)

1. Operations--Continued

a) Burger King Operation--Continued

Business combination--Continued

The mergers were carried out based on technical reports from experts, considering their accounting net assets, eliminating intragroup balances on the respective merger dates, summarized below, thus not causing impacts on the Company's profit for the period and equity.

	King Food	Good Food	Fast Burger	Fair value adjustment (Note 3)	Total
Assets					
Total current assets	2,641	16,106	6,414	-	25,161
Other non-current assets	1,621	926	3,520	-	6,068
Property and equipment, net (Note 11)	13,313	9,959	14,375	-	37,648
Intangible assets (Note 12)	1,027	1,073	2,159	390,483	394,743
Total assets	18,603	28,064	26,469	390,483	463,619
Liabilities					
Total current liabilities	375	1,066	2,904	-	4,345
Total non-current liabilities	5,492	10,948	9,720	-	26,160
Total merged net assets (Note 10)	12,735	16,051	13,845	390,483	433,115

b) Popeyes Operation

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

By signing these agreements, BKB acquired the exclusive right of developing and operating restaurants in Brazil through its own operation or franchisees 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 franchisees, 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 of June 30, 2019, the Company had opened seventeen (17) stores in the state of São Paulo

In the period ended June 30, 2019, the total expenses capitalized at the Company related to implementation of the POPEYES® brand in Brazil were R\$5,583.

Notes to the interim financial information--Continued
Period ended June 30, 2019
(Amounts in thousands of reais)

1. Operations--Continued

The other matters related to this note were not materially changed in relation to the disclosures in Note 1 to the individual and consolidated financial statements as of December 31, 2018.

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, 2018, and remains valid, except for the adoption on January 1, 2019 of CPC 06 (R2) – Leases (Note 2.1), and the effects are already reflected in this individual and consolidated interim financial information for the period ended June 30, 2019.

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 Official Circular 03/2011 issued by the Brazilian Securities and Exchange Commission (CVM).

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended June 30, 2019, was prepared in accordance with CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented consistently with CVM rules, applicable to the preparation of Quarterly Information (ITR).

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

The consolidated interim financial information consists of the interim information of BKB and its subsidiaries as mentioned in Notes 10. In addition, the Company prepared its consolidated interim financial information using the parent company accounting policies.

Notes to the interim financial information--Continued
Period ended June 30, 2019
(Amounts in thousands of reais)

2. Accounting policies--Continued

The Company's individual and consolidated interim financial information for the period ended June 30, 2019 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 August 8, 2019.

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 (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.

2.1. Effects of the adoption of CPC 06 (R2) / IFRS 16

In January 2016, IFRS 16 – Leases was issued and in December 2017 CPC 06 (R2) – Lease Operations was issued, effective from January 1st, 2019. The Company will adopt CPC 06 (R2) / IFRS 16 – Leases as from January 1st, 2019 since early adoption is not permitted in Brazil.

IFRS 16/CPC 06 (R2) introduces a single model to account for leases in the balance sheet of lessee. The lessee recognizes a right-of-use asset that represents its right to use the leased asset and a lease liability that represents its obligation to make lease payments. Exemptions are available for short-term leases and leases of low-value assets.

IFRS 16/CPC 06 (R2) replaces the existing lease standards, including CPC 06/IAS 17 Lease Operations and ICPC 03/IFRIC 4, SIC 15 and SIC 27 Complementary Aspects of Lease Transactions.

Leases in which Company is a lessee

The Company will recognize as an assets ("right of use asset") (Note 12) for its lease agreements related to lease of administrative and operational properties (stores), among others. What was previously treated as rental expense is now recorded as amortization of "usage rights" and interest on rental obligations, disclosed as "Rental Liabilities". Consequently, EBITDA and operating income were affected.

Transition

The Company applied CPC 06 (R2) / IFRS 16, using the modified retrospective approach, which does not require the presentation of information from prior comparative periods.

On transition, lease liabilities were measured at the present value of the remaining payments, discounted at the incremental borrowing rate of the lessee.

Notes to the interim financial information--Continued
 Period ended June 30, 2019
 (Amounts in thousands of reais)

2. Accounting policies--Continued

2.1. Effects of the adoption of CPC 06 (R2) / IFRS 16--Continued

Transition--Continued

The lease agreements have an average term of ten years and the Company used hindsight, as in determining the term of the lease, if the agreement contains options to extend or terminate, among others. The Company's policy is to make the late payment at least one year before the lease expires. The payment flows were estimated net of PIS and COFINS and rights of use assets will be measured at the amount equal to the lease liability at present value.

The Company plans to apply the practical file regarding the definition of a lease agreement in the transition. This means that it will apply CPC 06 (R2) / IFRS 16 to all contracts entered into prior to January 1, 2019 that were identified as leases in accordance with CPC 06 (R1) / IAS 17 and ICPC 03 / IFRIC 4.

The incremental credit rate (discount) used to measure the present value of the data was calculated on the projected CDI + spread (nominal rate).

Based on the information, we present below the movement of the Company's right-of-use assets and lease liabilities:

Right-of-use assets	Amount
At December 31, 2018	-
Leases recognized in the transition to CPC 06 (R2) / IFRS 16	612,223
Amortization of right of use (lease) (Note 26 and 27)	(52,127)
At June 30, 2019 (Note 12)	560,096
Lease liabilities	Amount
At December 31, 2018	-
Leases recognized in the transition to CPC 06 (R2) / IFRS 16	859,815
Payment of lease liabilities	(64,558)
Adjustment to present value recognized in the transition to IFRS 16	(247,592)
Write-off of accrued interest APV (Note 28)	29,175
At June 30, 2019 (Note 15)	576,840
Current	79,622
Non-current	497,218
Income from lease	Amount
At December 31, 2018	-
Expenses on stores - variable rental	(10,004)
Amortization of right of use (lease) (Note 26 and 27)	(52,127)
Finance costs – Accrued interest (APV) (Note 28)	(29,175)
At June 30, 2019	(91,306)

Notes to the interim financial information--Continued
Period ended June 30, 2019
(Amounts in thousands of reais)

2. Accounting policies--Continued

2.2. ICPC 22 / IFRIC 23 uncertainty about tax treatment on profit

Interpretation ICPC 22 clarifies how to apply the recognition and measurement requirements of CPC 32 when there is uncertainty about profit tax treatments. Company management must recognize and measure its current or deferred tax assets or liabilities, applying the requirements of CPC 32 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and certain tax rates, applying this Interpretation. The interpretation was approved on December 21, 2018 and became effective on January 1, 2019.

The Company did not identify significant impacts on the analysis of the ICPC interpretation 22.

3. Business combination

On October 17, 2017, the Company entered into a Share Purchase and Sale Agreement for the acquisition King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A., which in the aggregate have 51 restaurants and 20 desert kiosks of the BURGER KING® brand (Note 1) and consist of one group at Company.

The aggregate transaction price was R\$404 million (Note 10), contingent to the compliance with various suspensive conditions, among them the approval of the transaction by the Brazilian Antitrust Agency ("CADE") which occurred on 01/31/2018 according published in the Federal Official Gazette ("DOU"), the conducting of the initial public offering of Company shares occurred on December 18, 2017, and the satisfactory conclusion of the legal, accounting, financial and operational due diligence of the companies.

On April 2, 2018, the Company announced the conclusion of the acquisition of control and of the total shares issued by these legal entities under common control (Note 1).

On June 28, 2019, King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A. were merged into the Company (Note 1).

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

Notes to the interim financial information--Continued
 Period ended June 30, 2019
 (Amounts in thousands of reais)

3. Business combination--Continued

	King Food	Good Food	Fast Burger (i)	Total
Consideration paid on acquisition	95,174	155,672	138,861	389,707
Consideration payable	3,710	4,887	5,583	14,181
Subtotal consideration (Notes 10 and 12)	98,884	160,559	144,444	403,887
Adjustment to present value (Note 10)	(717)	(945)	(1,080)	(2,742)
Total consideration	98,167	159,614	143,364	401,145

	Carrying amount				Fair value adjustment (PPA) (Notes 1 and 13)				Fair value			
	King Food	Good Food	Fast Burger	Total	King Food	Good Food	Fast Burger	Total	King Food	Good Food	Fast Burger	Total
Current assets, net of cash acquired	6,821	22,877	14,572	44,270	-	-	-	-	6,821	22,877	14,572	44,270
Other non-current assets	2,401	1,604	3,607	7,612	-	-	-	-	2,401	1,604	3,607	7,612
Property and equipment (Note 11)	13,564	10,847	14,052	38,463	-	-	-	-	13,564	10,847	14,052	38,463
Intangible assets (Note 12)												
Goodwill	-	-	-	-	88,469	137,713	143,934	370,116	88,469	137,713	143,934	370,116
Franchise fee - brand	522	598	1,509	2,629	1,226	1,265	802	3,293	1,748	1,864	2,311	5,923
Commercial rights	434	346	1,072	1,852	3,927	5,905	7,242	17,074	4,361	6,251	8,314	18,926
Software	221	205	89	515	-	-	-	-	221	205	89	515
	23,963	36,477	34,901	95,341	93,622	144,884	151,978	390,483	117,585	181,361	186,879	485,825
Current liabilities	13,088	13,372	28,295	54,755	-	-	-	-	13,088	13,372	28,295	54,755
Non-current liabilities (ii)	6,330	8,374	15,220	29,924	-	-	-	-	6,330	8,374	15,220	29,923
Net assets acquired at fair value	4,545	14,731	(8,614)	10,662	93,622	144,884	151,978	390,483	98,167	159,614	143,364	401,145

- (i) The consideration amount may change since one of the acquired stores of this subsidiary did not have 12 operating months at the acquisition date, so after the closing of 2018, the calculation of the store was reperformed. The Company is aware that the amount of its consideration may change and does not expect a significant amount.
- (ii) As from 2015, there were no longer differences between the accounting and tax books related to Business combinations, and deferred taxes were no longer computed.

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

4. Cash and cash equivalents

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Cash	20,793	28,663	20,793	28,663
Banks	6,960	1,487	6,961	1,567
Financial investments	117,753	136,812	117,778	144,733
Total cash and cash equivalents	145,506	166,962	145,532	174,963

Type of Investment	Annual yield	Parent Company		Consolidated	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018
CDB	95% to 101.4% of CDI	-	34,092	-	34,117
Repurchase agreement	50% to 85.5% of CDI	92,022	-	92,022	-
Invest plus	10% to 60% of CDI	25,731	102,720	25,756	110,616
Total financial investments		117,753	136,812	117,778	144,733

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	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018
Exclusive investment fund - XPA BK (i)	100% to 126% of CDI or IPCA	85,621	227,492	-	-
Federal Treasury Bills (LFT)	100% to 126% of CDI or IPCA	-	-	41,636	113,352
Investment Funds	IPCA	-	-	8,250	15,299
Lease bills (LAM)	102% to 102.1% of CDI	-	58,955	-	58,955
CDB	100% to 109% of CDI	18,802	113,502	20,385	133,010
Investments and debentures	100% to 112% of CDI	-	-	30,803	34,152
Financial bills (LF)	103% to 115% of CDI	-	-	3,140	58,527
National Treasury Bills (NTN-B)	IPCA	-	-	228	-
Investment Fund and CDB (ii)	99% of CDI	1,340	2,327	1,340	2,327
Repurchase agreement (iii)	100% of CDI	12,904	12,361	12,904	12,361
Total marketable securities		118,667	414,637	118,686	427,983
Current		106,901	402,276	106,920	415,622
Marketable securities		104,423	399,790	104,442	413,136
Restricted marketable securities		2,478	2,486	2,478	2,486
Non-current		11,766	12,361	11,766	12,361

- (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, and is comprised of financial treasury bills and investment funds.
- (ii) Financial investments pledged as collateral of loans and financings mentioned in Note 13 and their redemption is linked to the maturity of those loans.
- (iii) Repurchase agreements (restricted account) pledged as collateral of the 6th issue of debentures mentioned in Note 13.2.

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

6. Trade receivables, net

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Sales transactions	67,290	49,506	67,290	49,581
Service rendered with franchisees	3,347	3,032	3,347	3,032
Services rendered with related parties (Note 21)	321	655	321	655
Other receivables	9,291	6,335	9,291	6,335
Total trade receivables	80,249	59,528	80,249	59,603

As mentioned in Note 13, part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financing (debentures).

7. Inventories

	Parent company and Consolidated	
	6/30/2019	12/31/2018
Goods for resale	43,643	46,179
Distribution center - BKB	28,802	26,006
Souvenirs	9,407	9,091
Total inventories	81,852	81,276

8. Taxes recoverable

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
IRPJ (Income Tax)	4,533	2,368	4,533	3,468
CSLL (Social Contribution on Profit)	1,647	1,116	1,647	1,493
PIS and COFINS (indirect taxes) on property and equipment	68	69	68	69
IRRF (Withholding Income Tax)	1,191	1,976	1,191	1,976
ICMS (State VAT)	20,711	9,676	20,711	10,037
Non-cumulative PIS	8,891	5,007	8,891	5,528
Non-cumulative COFINS	39,173	22,809	39,173	25,297
INSS (Social Security Contribution)	5,160	7,787	5,160	7,787
Other	288	289	288	289
Total taxes recoverable	81,662	51,097	81,662	55,944
Current	39,399	35,546	39,399	40,393
Non-current (i)	42,263	15,551	42,263	15,551

(i) The Company expects to realize the tax credits until 2021.

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

9. Advances paid

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Advances to suppliers of services and materials	11,642	12,755	11,642	12,759
Expenses to be reimbursed - Marketing Fund	35,976	13,863	35,976	13,863
Total prepaid expenses	47,618	26,618	47,618	26,622

10. Investments

A movements in investments as of June 30, 2019 and December 31, 2018 are as follows:

	Parent Company	
	6/30/2019	12/31/2018
Opening balance	462,653	17,965
Net assets acquired (Note 3)	-	403,887
Advance for future capital increase - in cash	428	18,572
Advance for future capital increase - PERT (i)	-	6,737
APV accounts payable for the acquisition of investment (Note 3)	(2,742)	-
Merger of subsidiaries (Note 1)	(433,115)	-
Equity pickup	(6,127)	15,492
Closing balance	21,097	462,653

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

The carrying amounts (without the effect of fair value) as of June 30, 2019 and December 31, 2018 are as follows:

	6/30/2019					Total
	BGMXX BA	BGMXX AL	KING FOOD (i)	FAST BURGER (i)	GOOD FOOD (i)	
Assets						
Current assets	2,055	29	-	-	-	2,084
Non-current assets	2,825	79	-	-	-	2,904
Total assets	4,880	108	-	-	-	4,988
Liabilities						
Current liabilities	2,641	1,740	-	-	-	4,381
Non-current liabilities	791	274	-	-	-	1,065
Total liabilities	3,432	2,014	-	-	-	5,446
Equity	1,448	(1,906)	-	-	-	(458)
Total liabilities and equity	4,880	108	-	-	-	4,988
% interest in subsidiary	100%	100%	100%	100%	100%	
Net operating revenue	-	-	-	-	-	-
Equity pickup	(1,096)	(252)	(1,441)	(1,636)	(1,702)	(6,127)

(i) On June 28, 2019, King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A. were merged into the Company (Note 1).

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

10. Investments--Continued

	12/31/2018					
	BGMXX BA	BGMXX AL	KING FOOD	FAST BURGER	GOOD FOOD	Total
Assets						
Current assets	1,662	29	5,041	9,422	17,595	33,749
Non-current assets	3,158	98	16,518	21,606	13,497	54,877
Total assets	4,820	127	21,559	31,028	31,092	88,626
Liabilities						
Current liabilities	2,702	1,524	907	5,228	1,532	11,893
Non-current liabilities	-	257	6,475	10,319	11,807	28,858
Total liabilities	2,702	1,781	7,382	15,547	13,339	40,751
Equity	2,118	(1,654)	14,177	15,481	17,753	47,875
Total liabilities and equity	4,820	127	21,559	31,028	31,092	88,626
% interest in subsidiary	100%	100%	100%	100%	100%	
Net operating revenue	-	-	41,216	71,591	54,922	167,729
Equity pickup (i)	34	292	4,103	9,171	1,892	15,492

(ii) The subsidiaries' operating revenues were partially recognized at the Parent Company.

The Company holds a 100% interest in these subsidiaries and for consolidation purposes the net asset is eliminated against the investment balance, remaining the surplus value balance, which was reclassified to intangible assets (Note 12).

11. Property and equipment, net

	Annual range depreciation rate	Parent Company		Consolidated	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018
Facilities, improvement and projects	(i)	471,004	405,632	471,934	427,375
Machinery and equipment	5% to 25%	198,696	156,394	199,291	170,758
Furniture and fixtures	6% to 20%	52,968	38,776	53,386	43,457
Computers and hardware	2% to 5%	53,949	41,438	53,770	43,897
Other assets	-	238,294	250,129	238,436	250,271
(-) Provision for impairment	-	(7,416)	(7,533)	(7,416)	(7,533)
Total property and equipment		1,007,495	884,836	1,009,401	928,225

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

The movements in property and equipment in the period ended June 30, 2019 and year ended December 31, 2018 are as follows:

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

11. Property and equipment, net--Continued

	Parent Company					(-) Provision for impairment	Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (iii)		
Cost							
Balance as at 12/31/2017	570,640	183,765	50,774	90,659	129,167	(3,328)	1,021,677
Additions (ii)	41,098	-	-	5	271,708	-	312,811
Transfers	61,528	55,887	13,112	16,028	(146,555)	-	-
Write-offs	(5,490)	(1,557)	(1,390)	(2,822)	(3,162)	-	(14,421)
Sale of stores	(3,951)	(1,474)	(328)	(703)	(1,029)	-	(7,485)
Impairment	-	-	-	-	-	(4,205)	(4,205)
Balance as at 12/31/2018	663,825	236,621	62,168	103,167	250,129	(7,533)	1,308,377
Additions (ii)	18,136	-	-	-	144,325	-	162,461
Mergers (Note 1)	18,881	12,352	3,956	2,459	-	-	37,648
Transfers	78,768	43,203	13,920	19,981	(155,872)	-	-
Write-offs	(4,246)	-	-	-	(288)	-	(4,534)
Sale of stores (i)	(733)	(245)	(82)	(127)	-	-	(1,187)
Impairment (Note 27)	-	-	-	-	-	117	117
Balance as at 6/30/2019	774,631	291,931	79,962	125,480	238,294	(7,416)	1,502,882
Depreciation							
Balance as at 12/31/2017	(199,604)	(59,971)	(18,315)	(48,140)	-	-	(326,030)
Additions	(64,951)	(22,061)	(6,001)	(16,716)	-	-	(109,729)
Write-offs	4,320	1,140	762	2,555	-	-	8,777
Sale of stores	2,042	665	162	572	-	-	3,441
Balance as at 12/31/2018	(258,193)	(80,227)	(23,392)	(61,729)	-	-	(423,541)
Additions	(48,858)	(13,128)	(3,639)	(9,920)	-	-	(75,545)
Write-offs	3,030	-	-	-	-	-	3,030
Sale of stores (i)	394	120	37	118	-	-	669
Balance as at 6/30/2019	(303,627)	(93,235)	(26,994)	(71,531)	-	-	(495,387)
Total property and equipment at 12/31/2018	405,632	156,394	38,776	41,438	250,129	(7,533)	884,836
Total property and equipment at 6/30/2019	471,004	198,696	52,968	53,949	238,294	(7,416)	1,007,495

- (i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$81 in 2019 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").
- (ii) Expenses related to the implementation and development of the POPEYES® brand of R\$5,583 for the period ended June 30, 2019 (R\$9,364 in 2018) - (Note 1) were capitalized in the projects heading.
- (iii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$65,053 (R\$147,901 at December 31, 2018), works referring to stores under construction R\$54,324 (R\$14,344 at December 31, 2018), new equipment in stock R\$59,911 (R\$46,824 at December 31, 2018), maintenance equipment R\$1,625 (R\$1,585 at December 31, 2018), and other assets in progress R\$60,381 (R\$39,475 at December 31, 2018).

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

11. Property and equipment, net--Continued

	Consolidated					(-)	
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (iii)	Provision for impairment	Total
Cost							
Balance as at 12/31/2017	576,965	190,546	55,829	91,646	129,286	(3,328)	1,040,944
Additions (ii)	43,019	1,415	121	268	276,620	-	321,443
Acquisition	19,525	12,736	4,413	1,738	50	-	38,462
Transfers	63,625	57,182	13,417	17,243	(151,467)	-	-
Write-offs	(5,511)	(1,793)	(1,802)	(2,983)	(3,162)	-	(15,251)
Sale of stores	(4,092)	(1,666)	(345)	(703)	(1,029)	-	(7,835)
Impairment	-	-	-	-	-	(4,205)	(4,205)
Balance as at 12/31/2018	693,531	258,420	71,633	107,209	250,298	(7,533)	1,373,558
Additions (ii)	18,136	-	102	-	144,325	-	162,563
Transfers	78,768	43,203	13,920	19,981	(155,872)	-	-
Write-offs	(4,246)	-	-	-	(288)	-	(4,534)
Sale of stores (i)	(733)	(245)	(82)	(127)	-	-	(1,187)
Impairment (Note 27)	-	-	-	-	-	117	117
Balance as at 6/30/2019	785,456	301,378	85,573	127,063	238,463	(7,416)	1,530,517
Depreciation							
Balance as at 12/31/2017	(204,492)	(65,223)	(22,434)	(49,153)	-	-	(341,302)
Additions	(68,026)	(24,244)	(6,690)	(17,447)	(27)	-	(116,434)
Write-offs	4,320	1,140	786	2,716	-	-	8,962
Sale of stores	2,042	665	162	572	-	-	3,441
Balance as at 12/31/2018	(266,156)	(87,662)	(28,176)	(63,312)	(27)	-	(445,333)
Additions	(50,790)	(14,545)	(4,048)	(10,099)	-	-	(79,482)
Write-offs	3,030	-	-	-	-	-	3,030
Sale of stores (i)	394	120	37	118	-	-	669
Balance as at 6/30/2019	(313,522)	(102,087)	(32,187)	(73,293)	(27)	-	(521,116)
Total property and equipment at 12/31/2018	427,375	170,758	43,457	43,897	250,271	(7,533)	928,225
Total property and equipment at 6/30/2019	471,934	199,291	53,386	53,770	238,436	(7,416)	1,009,401

- (i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$81 in 2019 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").
- (ii) Expenses related to the implementation and development of the POPEYES® brand of R\$5,583 for the period ended June 30, 2019 (R\$9,364 in 2018) - (Note 1) were capitalized in the projects heading.
- (iii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$65,053 (R\$147,901 at December 31, 2018), works referring to stores under construction R\$54,324 (R\$14,344 at December 31, 2018), new equipment in stock R\$59,911 (R\$46,824 at December 31, 2018), maintenance equipment R\$1,625 (R\$1,585 at December 31, 2018), and other assets in progress R\$60,523 (R\$39,617 at December 31, 2018).

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, 2018.

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

12. Intangible assets, net

	Annual average amortization rate	Parent Company		Consolidated	
		6/30/2019	12/31/2018	6/30/2019	12/31/2018
Commercial rights	(i)	65,019	46,423	68,253	68,204
Franchise fee	5%	67,851	55,657	69,970	63,414
Software licenses	20%	10,451	6,795	10,455	7,757
Right of use asset (Note 2.1)	(ii)	560,096	-	560,096	-
Goodwill	(iii)	555,032	184,917	572,199	574,941
Total intangible assets		1,258,449	293,792	1,280,973	714,316

- (i) According to the rental agreement terms, 10 years on average.
 (ii) Adoption and application of CPC 06 (R2) / IFRS 16 (Note 2.1).
 (iii) Annual analysis of impairment.

The movements in Intangible assets in the period ended June 30, 2019 and year ended December 31, 2018 are as follows:

	Parent Company					Total
	Commercial rights	Franchise fee (Note 20)	Software licenses	Goodwill	Right of use asset (Note 2.1)	
Cost						
Balance as at 12/31/2017	96,780	60,812	18,450	184,917	-	360,959
Additions	6,068	10,010	766	-	-	16,844
Write-offs	(1,031)	(401)	(37)	-	-	(1,469)
Sale of stores (i)	(60)	(260)	(47)	-	-	(367)
Balance as at 12/31/2018	101,757	70,161	19,132	184,917	-	375,967
Additions	10,158	9,232	4,437	-	612,223	636,050
Mergers (Note 1)	18,382	5,341	905	370,115	-	394,743
Write-offs	(230)	-	(12)	-	-	(242)
Sale of stores (i)	-	(109)	(12)	-	-	(121)
Balance as at 6/30/2019	130,067	84,625	24,450	555,032	612,223	1,406,397
Amortization						
Balance as at 12/31/2017	(46,803)	(11,042)	(9,591)	-	-	(67,436)
Additions	(9,298)	(3,679)	(2,774)	-	-	(15,751)
Write-offs	740	164	18	-	-	922
Sale of stores (i)	27	53	10	-	-	90
Balance as at 12/31/2018	(55,334)	(14,504)	(12,337)	-	-	(82,175)
Additions	(9,823)	(2,298)	(1,671)	-	(52,127)	(65,919)
Write-offs	109	-	4	-	-	113
Sale of stores (i)	-	28	5	-	-	33
Balance as at 6/30/2019	(65,048)	(16,774)	(13,999)	-	(52,127)	(147,948)
Total intangible assets as at 12/31/2018	46,423	55,657	6,795	184,917	-	293,792
Total intangible assets as at 6/30/2019	65,019	67,851	10,451	555,032	560,096	1,258,449

- (i) Sale of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$81 in 2019 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

12. Intangible assets, net--Continued

	Consolidated					Total
	Commercial rights	Franchise fee	Software licenses	Goodwill	Right of use asset (Note 2.1)	
Cost						
Balance as at 12/31/2017	101,947	63,014	18,623	202,083	-	385,667
Additions	6,067	10,062	1,383	-	-	17,512
Acquisition	18,925	5,922	515	372,858	-	398,220
Write-offs	(1,031)	(401)	(37)	-	-	(1,469)
Sale of stores (i)	(60)	(260)	(47)	-	-	(367)
Balance as at 12/31/2018	125,848	78,337	20,437	574,941	-	799,563
Additions	10,158	9,232	4,437	-	612,223	636,050
Merger	-	-	-	-	-	-
Acquisition (Note 3)	-	-	-	(2,742)	-	(2,742)
Write-offs	(230)	-	(12)	-	-	(242)
Sale of stores (i)	-	(109)	(12)	-	-	(121)
Balance as at 6/30/2019	135,776	87,460	24,850	572,199	612,223	1,432,508
Amortization						
Balance as at 12/31/2017	(48,697)	(11,090)	(9,766)	-	-	(69,553)
Additions	(9,714)	(4,050)	(2,946)	-	-	(16,710)
Write-offs	740	164	22	-	-	926
Sale of stores (i)	27	53	10	-	-	90
Balance as at 12/31/2018	(57,644)	(14,923)	(12,680)	-	-	(85,247)
Additions	(9,988)	(2,595)	(1,724)	-	(52,127)	(66,434)
Write-offs	109	-	4	-	-	113
Sale of stores (i)	-	28	5	-	-	33
Balance as at 6/30/2019	(67,523)	(17,490)	(14,395)	-	(52,127)	(151,535)
Total intangible assets as at 12/31/2018	68,204	63,414	7,757	574,941	-	714,316
Total intangible assets as at 6/30/2019	68,253	69,970	10,455	572,199	560,096	1,280,973

(i) Sale of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$81 in 2019 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").

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, 2018.

13. Loans and financings

	Parent company and Consolidated	
	6/30/2019	12/31/2018
Loans and financings (Note 13.1)	8,902	9,674
Debentures and CRA (Agribusiness Receivables Certificate) (Notes 13.2)	141,343	269,439
Total loans and financings	150,245	279,113
Current	43,855	161,581
Non-current	106,390	117,532

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

13. Loans and financings--Continued

13.1. Loans and financings

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			6/30/2019	12/31/2018
Investments	0.89%	January 2026	8,899	9,668
Others	0.86% to 100% of CDI + 0.80%	September 2019	3	6
Total loans and financings (Note 13)			8,902	9,674
			<hr/>	
Current			1,764	1,654
Non-current			7,138	8,020

Foreign currency

As of June 30, 2019 and December 31, 2018, the Company had no loans in foreign currency.

13.2. Debentures and Agribusiness Receivables Certificate (CRA)

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			6/30/2019	12/31/2018
Debentures 2nd issue	100% of CDI + 0.20%	March 2019	-	6,689
Debentures 3rd issue	100% of CDI + 0.20%	December 2019	20,428	26,666
Debentures (CRA) - 4th and 5th issue	100% of CDI + 0.09%	February 2019	-	105,145
Debentures 6th issue	100% of CDI + 0.24%	May 2020	24,776	37,164
7th issue debentures (CRA)	100% of CDI + 0.07%	October 2020	102,666	102,638
Financial charges to be incurred (i)			(6,527)	(8,863)
Total debentures (Note 13)			141,343	269,439
			<hr/>	
Current			42,091	159,927
Non-current			99,252	109,512

(i) Costs of issue of debentures and CRA

The amounts of non-current debentures and CRAs, not deducting financial charges to be incurred, have the following original maturities as of June 30, 2019 and December 31, 2018:

Year	Parent company and Consolidated	
	6/30/2019	12/31/2018
2020	101,250	113,558
	101,250	113,558

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

13. Loans and financings--Continued

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

Covenants

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

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

Collaterals

In the period ended June 30, 2019, the Company has a letter of guarantee as collateral for the rental of stores with banks amounting to R\$6,454 (R\$7,980 in the year ended December 31, 2018).

The 6th issue debentures are collateralized by the financial flow from transactions carried out with Ticket, Sodexo and Alelo food vouchers, with a minimum 20% of the outstanding balance with over 10% of Restricted account (Note 5). If the guarantee is not sufficient, the Company must guarantee the outstanding balance with financial investments.

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, 2018.

14. Trade and rental payables

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Suppliers of materials and services	165,046	186,372	165,095	188,145
Agreement suppliers (i)	21,527	43,619	21,527	43,619
Others	6,735	9,479	6,735	9,479
Total trade and rental payables	193,308	239,470	193,357	241,243

(i) The Company has financial liabilities with suppliers, through financial institutions, whose maturities were postponed, or suppliers received in advance in the period ended June 30, 2019.

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

15. Lease liabilities

	Parent company and Consolidated
	<u>6/30/2019</u>
Lease payables (i)	795,257
Adjustment to present value – APV (i)	(218,417)
Total lease liabilities (Note 2.1)	576,840
Current	79,622
Non-current	497,218

(i) Adoption and application of CPC 06 (R2) / IFRS 16 (Note 2.1).

The non-current lease liabilities have original maturities on June 30, 2019.

	Parent company and Consolidated		
	<u>6/30/2019</u>		
Aging list (i)	Lease liabilities	(-) Lease payables	Total
Over one year and less than three years	252,940	(81,948)	170,992
Over three years and less than five years	193,845	(50,257)	143,588
Over 5 years	215,853	(33,215)	182,638
Total	662,638	(165,420)	497,218

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

16. Corporate payables

	Parent Company		Consolidated	
	<u>6/30/2019</u>	<u>12/31/2018</u>	<u>6/30/2019</u>	<u>12/31/2018</u>
Royalties/Franchise Fee (Note 21.1)	10,373	17,950	10,373	17,961
Total corporate payables	10,373	17,950	10,373	17,961

17. Taxes payable

	Parent Company		Consolidated	
	<u>6/30/2019</u>	<u>12/31/2018</u>	<u>6/30/2019</u>	<u>12/31/2018</u>
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	814	2,176	814	2,176
Corporate Income Tax (IRPJ)	706	8,085	706	8,823
Social Contribution on Profit (CSLL)	254	2,930	254	3,064
Social Integration Program (PIS)	20	282	20	282
Withholding Income Tax (IRRF)	449	4,109	449	4,111
State VAT (ICMS)	2,586	5,738	2,586	5,802
Contribution For Intervention in the Economic Domain (CIDE)	1,079	1,739	1,079	1,740
Taxes in installments (i)	11,411	-	12,680	12,144
Service Tax (ISS) withheld	5,151	4,665	5,151	4,665
Social Security Contribution (INSS) withheld payable (ii)	11,855	-	11,855	11,855
Other	782	603	1,051	872
Total taxes payable	35,107	30,327	36,645	55,534
Current	13,091	30,327	13,564	33,781
Non-current	22,016	-	23,081	21,753

(i) Refers to the installment payment of taxes and enrollment in the PERT made by the investees, merged during the period ended June 30, 2019.

(ii) Refers to the spontaneous installment of INSS of funds made by the investees, merged during the period ended June 30, 2019.

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

18. Deferred revenue, net

	Parent company and Consolidated	
	6/30/2019	12/31/2018
Deferred revenue, net - franchise fee (i)	2,125	1,727
Deferred revenue, net (ii)	29,259	33,760
Total deferred revenue, net	31,384	35,487
Current	9,113	9,091
Non-current	22,271	26,396

- (i) Recognition of revenue of sub-franchisee related to the franchise fee due to the adoption of CPC 47 - Revenue from Contracts with Customers (see Note 2.5 to the individual and consolidated financial statements at December 31, 2018).
- (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.

19. Other payables

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Provision for sundry expenses	6,346	10,200	6,346	16,114
Investments payable – BGMAXX	500	500	500	500
Investments payable (Note 3)	15,244	14,180	15,244	14,181
(-) APV of investments payable	(2,314)	-	(2,314)	-
Advances from customers	3,563	1,960	3,563	1,960
Others	2,119	384	2,148	1,468
Total other payables	25,458	27,225	25,487	34,223
Current	7,909	13,045	7,938	14,129
Non-current	17,549	14,180	17,549	20,094

20. 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 adequate by Management 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, as of June 30, 2019, the Company and its investees are involved in other tax, civil and labor lawsuits. Based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$48,847 (R\$41,383 as of December 31, 2018), as follows:

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

20. Provision for legal claims--Continued

	Parent Company			
	6/30/2019		12/31/2018	
	Probable	Possible (i)	Probable	Possible (i)
Labor lawsuits	12,116	27,676	8,834	23,223
Civil lawsuits	631	8,268	699	5,928
Tax lawsuits	28	12,903	6	11,583
Total provision for legal claims	12,775	48,847	9,539	40,734

	Consolidated			
	6/30/2019		12/31/2018	
	Probable	Possible (i)	Probable	Possible (i)
Labor lawsuits	12,116	27,676	9,951	23,870
Civil lawsuits	631	8,268	781	5,930
Tax lawsuits	28	12,903	(2)	11,583
Total provision for legal claims	12,775	48,847	10,730	41,383

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

Probable labor claims

The Company and its investees are parties to labor lawsuits, mainly regarding employee terminations in the normal course of business. As of June 30, 2019, the Company had a provision of R\$12,116 (R\$8,834 as of December 31, 2018) in the Parent company and R\$12,116 (R\$9,951 as of December 31, 2018) in the 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 year, excluding lawsuits considered as specific and non-routine, for which specific provisions are set up adopting criteria similar to those applied for tax and civil assessments.

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

	Parent Company				
	12/31/2018	Additions	Effects of merger	Payments	6/30/2019
Labor lawsuits	8,834	6,770	842	(4,330)	12,116
Civil lawsuits	699	-	82	(150)	631
Tax lawsuits	6	22	-	-	28
Total	9,539	6,792	924	(4,480)	12,775

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

20. Provision for legal claims--Continued

Probable labor claims--Continued

	Consolidated			6/30/2019
	12/31/2018	Additions	Payments	
Labor lawsuits	9,951	6,770	(4,605)	12,116
Civil lawsuits	781	-	(150)	631
Tax lawsuits	(2)	22	8	28
Total	10,730	6,792	(4,747)	12,775

Judicial deposits

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Labor lawsuits	23,465	24,053	23,494	24,574
Civil lawsuits	578	834	578	834
Tax lawsuits	7,413	5,495	7,413	5,495
Total judicial deposits	31,456	30,382	31,485	30,903

The increase in the volume of judicial deposits is mainly related to the increase in the number of tax, labor and civil lawsuits.

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, 2018.

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21. Related parties

21.1 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.

The Company has recorded in its payables and receivables in the period ended June 30, 2019 and year ended December 31, 2018 the following amounts:

	<u>Burger King Corporation (BKC)</u>		<u>BG MAXX BA</u>		<u>Shareholders (ii)</u>	
	<u>6/30/2019</u>	<u>12/31/2018</u>	<u>6/30/2019</u>	<u>12/31/2018</u>	<u>6/30/2019</u>	<u>12/31/2018</u>
Assets						
Trade receivables (Note 6)	321	655	-	-	-	-
Additions to Franchise Fee (Note 12)	9,232	10,010	-	-	-	-
Other receivables (i)	-	-	2,162	2,162	4,359	-
Liabilities						
Corporate payables (Note 16)	(10,373)	(17,950)	-	-	-	-
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Results						
Royalties expenses	(65,055)	(46,501)	-	-	-	-

(i) Refund of marketing fund and services provided;

(ii) Costs from Follow-On occurred in the period ended June 30, 2019, which will be reimbursed by the Company's shareholders.

	<u>King Food</u>		<u>Fast Burger</u>		<u>Good Food</u>	
	<u>6/30/2019</u>	<u>12/31/2018</u>	<u>6/30/2019</u>	<u>12/31/2018</u>	<u>6/30/2019</u>	<u>12/31/2018</u>
Assets						
Additions to Franchise Fee (Note 12)	-	-	-	-	-	52
Other receivables (BKB) (i)	-	530	-	740	-	321
Liabilities						
Other payables (BKB) (ii)	-	(949)	-	(2,939)	-	(1,776)

(i) Sale of equipment;

(ii) Purchase of inputs.

21.2 Management compensation

	<u>6/30/2019</u>	<u>6/30/2018</u>
Management fees	2,396	2,220
Direct and indirect benefits	1,082	486
Variable compensation	9,056	9,246
	<u>12,534</u>	<u>11,952</u>

The Company's officers are also included in the Stock Option Plan, which is described in Note 34.

Notes to the interim financial information
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21. Related parties--Continued

21.2 Management compensation--Continued

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, 2018.

22. Equity

Capital

On March 12, 2019, there was a secondary public offering of 33,373,621 common shares, registered, book-entry and with no par value, all free and clear of any liens or encumbrances, issued by the Company and owned by Vinci Capital Partners II B Equity Investment Fund - Multistrategy ("VCP II B FIP") of Sommerville Investments B.V. ("Sommerville Investments"), of Montjuic Fundo de Investimento em Participações Multiestratégia ("Montjuic") and of certain individual selling shareholders ("Selling Shareholders") and, together with VCP II B FIP, Sommerville Investments and Montjuic, Sellers", pursuant to CVM Instruction 476 ("Offering"), with the price per Share of R\$21.41, resulting in a total amount of R\$714,529. Because it is a public offer of secondary distribution, as mentioned, it did not affect the Company's capital stock.

As of June 30, 2019, the Company's capital is R\$943,346 and is represented by 227,381,070 registered common shares (R\$898,233 and represented by 222,525,821 shares as of December 31, 2018), book-entry and without par value, held as follows:

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

Increase of the capital stock

At a meeting held on January 8, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws. The amount of the approved increase was R\$17,180 as a result of the exercise of stock options, with the Company's capital increasing from R\$898,233 to R\$915,412.

As a result of the increase in the Company's capital, 1,751,459 new registered common shares with no par value of the Company were issued, of which: (i) under the First Stock Options Plan, 1,720,815 new common shares at the issue price of R\$9.80 per share; (ii) under the Second Stock Options Plan, 1,607 new common shares at the issue price of R\$7.01 per share; and (iii) under the Third Stock Options Plan, 29,037 new common shares at the issue price of R\$10.49 per share.

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22. Equity--Continued

Increase of the capital stock--Continued

At a meeting held on March 11, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws, as a result of the exercise of stock options. The amount of the approved increase was R\$24,884, bringing the Company's capital from R\$915,412 to R\$940,297.

As a result of the increase in the Company's capital, 2,797,690 new registered common shares with no par value of the Company were issued, of which: (i) under the First Stock Options Plan, 401,635 new common shares at the issue price of R\$9.84 per share; (ii) under the Second Stock Options Plan, 1,173,260 new common shares at the issue price of R\$6.95 per share; and (iii) under the Third Stock Options Plan, 1,222,795 new common shares at the issue price of R\$10.45 per share.

At a meeting held on April 16, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws. The amount of the approved increase was R\$3,049, bringing the Company's capital from R\$940,297 to R\$943,346.

As a result of the increase in the Company's capital, 306,100 new registered common shares with no par value of the Company were issued, at the issue price of R\$9.96 per share.

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, 2018.

23. Earnings per share

	Parent company and Consolidated	
	6/30/2019	6/30/2018
<u>Basic numerator</u>		
Profit for the period	1,784	17,382
<u>Basic denominator</u>		
Weighted average number of shares - in thousand	226,042	222,278
<u>Basic earnings per share</u>	0.007892	0.078199
<u>Diluted numerator</u>		
Profit for the period	1,784	17,382
<u>Diluted denominator</u>		
Weighted average number of shares - in thousand	226,042	222,278
Stock options (Note 34) - in thousand	901	2,831
Diluted weighted average number of shares	226,943	225,109
<u>Diluted earnings per share</u>	0.007861	0.077216

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24. Net operating revenue

	Parent Company				Consolidated			
	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018
Gross sales revenue	723,426	1,436,328	506,457	1,029,775	723,426	1,436,328	578,712	1,102,030
Sales revenue deductions	(51,760)	(103,565)	(42,294)	(86,008)	(51,760)	(103,565)	(44,955)	(88,669)
Net sales revenue	671,666	1,332,763	464,163	943,767	671,666	1,332,763	533,757	1,013,361
Gross revenue from services rendered	4,738	9,504	3,470	6,774	4,738	9,504	3,470	6,774
Service revenue deductions	(493)	(1,031)	(352)	(731)	(493)	(1,031)	(352)	(731)
Net service revenue	4,245	8,473	3,118	6,043	4,245	8,473	3,118	6,043
Net operating revenue	675,911	1,341,236	467,281	949,810	675,911	1,341,236	536,875	1,019,404

25. Cost of goods and products sold

	Parent Company				Consolidated			
	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018
Costs of food, beverages and packaging	(227,610)	(450,867)	(172,725)	(334,731)	(227,669)	(451,596)	(196,877)	(358,883)
Cost of services rendered and others	(20,095)	(50,675)	(7,981)	(31,210)	(20,095)	(50,675)	(8,363)	(31,592)
	(247,705)	(501,542)	(180,706)	(365,941)	(247,764)	(502,271)	(205,240)	(390,475)

26. Expenses with stores

	Parent Company				Consolidated			
	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018
Personnel expenses	(128,006)	(255,820)	(86,139)	(175,838)	(128,006)	(255,820)	(100,394)	(190,093)
Royalties and marketing fund	(62,128)	(123,712)	(41,174)	(86,449)	(62,128)	(123,712)	(47,549)	(92,824)
Occupancy and utilities expenses (i)	(54,228)	(109,505)	(57,303)	(121,322)	(54,228)	(109,554)	(64,268)	(128,287)
Depreciation and amortization (Notes 11 and 12)	(41,841)	(79,043)	(29,291)	(56,785)	(43,977)	(83,495)	(31,619)	(59,351)
Amortization right of use (Note 2.1 and 12)	(25,560)	(51,460)	-	-	(25,560)	(51,460)	-	-
Preoperating expenses (ii)	(2,808)	(4,690)	(749)	(1,649)	(2,808)	(4,690)	(749)	(1,649)
Sundry services	(20,446)	(38,764)	(12,915)	(24,337)	(20,446)	(38,764)	(13,173)	(24,595)
Repairs and maintenances	(15,709)	(29,585)	(12,636)	(21,806)	(15,709)	(29,640)	(13,415)	(22,585)
Others	(26,666)	(48,725)	(19,124)	(36,734)	(26,680)	(48,761)	(21,497)	(39,107)
	(377,392)	(741,304)	(259,331)	(524,920)	(379,542)	(745,896)	(292,664)	(558,491)

- (i) Balance of expenses with variable leases for the period of 2019 according to CPC 06 (R2) - Leasing operations, and lease expenses for the period of 2018 classified as operating leases in accordance with IAS17.
- (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.

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27. General and administrative expenses

	Parent Company				Consolidated			
	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2019 to 6/30/2019
Administrative personnel expenses	(29,041)	(56,703)	(20,469)	(44,186)	(29,041)	(56,703)	(20,484)	(44,201)
Occupancy and utilities expenses (i)	(419)	(580)	(603)	(1,044)	(419)	(593)	(643)	(1,084)
Depreciation and amortization (Notes 11 and 12)	(4,110)	(10,294)	(2,043)	(3,904)	(4,110)	(10,294)	(2,109)	(3,970)
Amortization right of use (Note 2.1 and 12)	(333)	(667)	-	-	(333)	(667)	-	-
Expenses on acquisitions and mergers (ii)	(1,769)	(2,497)	(1,019)	(1,874)	(1,769)	(2,497)	(1,583)	(2,438)
Disposal of property and equipment and intangible assets (Notes 11 and 12)	(218)	(1,631)	(989)	(2,078)	(218)	(1,631)	(1,175)	(2,264)
Income from stores sold	689	689	-	1,419	689	689	-	1,419
Write-off of assets of stores sold	(608)	(608)	-	(1,384)	(608)	(608)	-	(1,384)
Gains on claims	-	-	4	4	-	-	4	4
Provision for impairment (Note 11)	-	117	725	725	-	117	725	725
Stock options cost (Note 34)	(661)	(1,322)	(1,121)	(2,243)	(661)	(1,322)	(1,121)	(2,243)
Other income (expenses), net (iii)	2,701	3,335	1,681	2,343	3,656	3,790	(718)	(267)
	(33,769)	(70,161)	(23,834)	(52,222)	(32,814)	(69,719)	(27,104)	(55,703)

- (i) Balance of expenses with variable leases for the period of 2019 according to CPC 06 (R2) - Leasing operations, and lease expenses for the period of 2018 classified as operating leases in accordance with IAS17.
- (ii) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the year.
- (iii) Refer to the income from the premium on the initial supply agreement and reversal of costs on the construction of stores, expenses with provision for legal claims, services taken and travel expenses and services rendered in the subsidiaries.

28. Financial expenses

	Parent Company				Consolidated			
	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018
Interest on loans and financing	(2,978)	(7,679)	(8,536)	(17,797)	(2,978)	(7,679)	(8,546)	(17,807)
Banking expenses and sundry interest	(1,549)	(2,478)	(1,027)	(2,271)	(1,569)	(2,522)	(2,580)	(3,831)
Foreign exchange losses	(199)	(756)	(815)	(984)	(199)	(756)	(988)	(1,157)
Lease APV expense payable (2.1)	(14,384)	(29,175)	-	-	(14,384)	(29,175)	-	-
Investment APV expense payable - BKCS	(100)	(427)	-	-	(100)	(427)	-	-
Inflation adjustment	(235)	(1,064)	-	-	(1,141)	(1,970)	-	-
Other finance costs	(528)	(1,358)	(979)	(1,873)	(547)	(1,387)	(1,043)	(1,945)
	(19,973)	(42,937)	(11,357)	(22,925)	(20,918)	(43,916)	(13,157)	(24,740)

29. Financial income

	Parent Company				Consolidated			
	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018
Short-term investments interest and yield	5,441	11,623	10,150	29,160	5,575	11,890	10,287	29,505
Foreign exchange gains	239	744	97	558	239	744	97	558
Taxes on finance income	(282)	(596)	(514)	(1,438)	(287)	(603)	(518)	(1,442)
Other finance income	372	424	818	1,638	372	424	826	1,646
	5,770	12,195	10,551	29,918	5,899	12,455	10,692	30,267

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30. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended June 30, 2019 and 2018 is as follows:

	Parent Company				Consolidated			
	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2018 to 6/30/2018	1/1/2018 to 6/30/2018
Current	-	-	651	(761)	-	-	(64)	(1,474)
Deferred	(794)	10,424	(742)	(1,381)	(1,323)	9,895	(767)	(1,406)
	(794)	10,424	(91)	(2,141)	(1,323)	9,895	(830)	(2,880)

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 operations for the periods ended June 30, 2019 and 2018 is shown below:

	Parent Company		Consolidated	
	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018	1/1/2019 to 6/30/2019	1/1/2018 to 6/30/2018
Profit (loss) before income tax and social contribution	(8,640)	19,523	(8,111)	20,262
Income tax and social contribution expense at the combined statutory rate of 34%	2,938	(6,638)	2,758	(6,889)
Adjustments to reconcile the effective rate:				
Equity pick up	(2,083)	1,973	-	-
Deferred taxes on temporary differences	6,738	6,410	6,738	6,410
Payment of non-deductible bonus	(3,079)	(3,577)	(3,079)	(3,577)
Cash shortage	(151)	(173)	(151)	(173)
Tax and labor fines and infractions	(245)	(48)	(245)	(48)
Stock options costs	(449)	(763)	(449)	(763)
Share issue costs	-	1,529	-	1,529
Interest on capital (IOC)	6,753	-	6,753	-
Other permanent differences	4	(855)	(2,429)	631
Income tax and social contribution	10,424	(2,141)	9,895	(2,880)

Deferred

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

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Deferred income tax and social contribution - assets	61,945	23,459	61,945	28,680
Deferred income tax and social contribution - liabilities	(64,541)	(41,172)	(64,541)	(41,172)
	(2,596)	(17,713)	(2,596)	(12,492)

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30. Income tax and social contribution--Continued

Deferred--Continued

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

	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Tax loss carryforwards	145,865	130,765	145,865	130,765
<u>Temporary differences</u>				
Provision for legal claims (Note 20)	17,395	9,539	17,395	10,730
Provision for bonuses (PLR)	9,362	27,014	9,362	27,014
Provision for purchases	2,523	7,180	2,523	7,180
Provision for impairment (Note 11)	7,416	7,533	7,416	7,533
Pre-operating	21,525	20,559	21,525	20,559
Accrued expenses	16,125	14,967	16,125	29,135
Amortization of leases and APV on lease liabilities	81,302	-	81,302	-
Others	11,440	2,020	11,440	2,017
Tax base	312,953	219,577	312,953	234,934
Statutory rate	34%	34%	34%	34%
	106,404	74,656	106,404	79,877
(-) Unrecognized deferred taxes	(44,459)	(51,197)	(44,459)	(51,197)
Deferred income tax and social contribution - assets	61,945	23,459	61,945	28,680
Transitional Tax System (RTT)	(1,557)	(1,583)	(1,557)	(1,583)
Financial charges to be incurred	(6,527)	(8,863)	(6,527)	(8,863)
Tax amortization of goodwill	(117,187)	(110,559)	(117,187)	(110,559)
Gain (loss) on derivative transactions	-	(90)	-	(90)
Payments of lease liabilities	(64,557)	-	(64,557)	-
Tax base	(189,827)	(121,095)	(189,827)	(121,095)
Combined rate	34%	34%	34%	34%
Deferred income tax and social contribution – liabilities	(64,541)	(41,172)	(64,541)	(41,172)
Deferred income tax and social contribution, net	(2,596)	(17,713)	(2,596)	(12,492)

The 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, 2018.

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31. 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.

Market risk

The sensitivity analyses in the following sections relate to the position as of June 30, 2019.

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	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
Financial assets				
Short-term investments (Note 4)	117,753	136,812	117,778	144,733
Marketable securities (Note 5)	118,667	414,637	118,686	427,983
Financial liabilities				
Loans and financings (Note 13)	(150,245)	(279,113)	(150,245)	(279,113)

The following table demonstrates the possible impacts on profit or loss in the event of the respective scenarios presented, and for the probable scenario we used the CDI of 6.34%.

Asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	(25%)	(50%)
Short-term investments (Notes 4 and 5)	236,464	DI variation	11,890	5,945	2,973	(2,973)	(5,945)
Loans and financings (Note 13) (i)	(141,346)	DI variation	(7,679)	(3,840)	(1,920)	1,920	3,840

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

Foreign currency risk

Foreign currency sensitivity

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

Asset exposure	Exposure	Risk	Exchange rate as of 6/30/2019	Parent company and Consolidated				
				I	II	III	IV	V
				Increase		Decrease		
				Probable	50%	25%	(25%)	(50%)
Royalties/Franchise Fee (Note 16)	10,373	US dollar variation	3.8410	10,373	(5,187)	(2,593)	2,593	5,187

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31. Financial risk management objectives and policies--Continued

Foreign currency sensitivity--Continued

Credit risk

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

Rating	Parent Company		Consolidated	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
AAA	234,826	436,160	179,302	319,984
AA+	-	1,370	22,931	77,689
AA	1,420	-	25,811	31,231
AA-	-	113,919	3,213	143,812
A	174	-	174	-
BB-	-	-	5,033	-
	236,420	551,449	236,464	572,716

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of June 30, 2019:

	Parent Company					Total
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	from 1 to 5 years	
Assets						
Cash and cash equivalents (Note 4)	145,506	145,506	145,506	-	-	145,506
Marketable securities (Note 5)	118,667	118,667	-	106,901	11,766	118,667
Trade receivables (Note 6)	80,249	80,249	80,249	-	-	80,249
Liabilities						
Loans and financings (Note 13)	150,245	165,944	21,344	31,539	113,061	165,944
Trade and rental payables (Note 14)	193,308	193,308	193,308	-	-	193,308
Corporate payables (Note 16)	10,373	10,373	10,373	-	-	10,373
Taxes payable (Note 17)	35,107	35,107	7,496	5,595	22,016	35,107

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

31. Financial risk management objectives and policies--Continued

Credit risk--Continued

	Carrying amount	Financial flow	Consolidated			Total
			Less than 3 months	from 3 months to 1 year	from 1 to 5 years	
Assets						
Cash and cash equivalents (Note 4)	145,532	145,532	145,532	-	-	145,532
Marketable securities (Note 5)	118,686	118,686	-	106,920	11,766	118,686
Trade receivables (Note 6)	80,249	80,249	80,249	-	-	80,249
Liabilities						
Loans and financings (Note 13)	150,245	165,944	21,344	31,539	113,061	165,944
Trade and rental payables (Note 14)	193,655	193,655	193,655	-	-	193,655
Corporate payables (Note 16)	10,373	10,373	10,373	-	-	10,373
Taxes payable (Note 17)	36,645	36,645	7,496	6,069	23,081	36,645

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	
	6/30/2019	12/31/2018
Equity	1,764,909	1,716,960
Cash and cash equivalents (Note 4)	(145,532)	(174,963)
Marketable securities (Note 5) (i)	(118,686)	(427,983)
Loans and financings (Note 13) (i)	150,245	279,113
Net debt	(113,973)	(323,833)
Total capital	1,650,936	1,393,127

(i) Includes current and non-current

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 relations used by the Company as of June 30, 2019 are described below:

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

31. Financial risk management objectives and policies--Continued

Hedge accounting--Continued

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.

iii. Sensibility 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		Current Scenario	Scenario I 25% Appreciation	Scenario II 50% Appreciation	Scenario III 25% Depreciation	Scenario IV 50% Appreciation
Operation/Instrument	Risk					
Designated as hedge accounting						
NDF	R\$ depreciation	(272)	8,761	17,794	(9,305)	(18,338)
Import (item)	R\$ appreciation	272	(8,761)	(17,794)	9,305	18,338
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, 2018.

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

32. Derivative financial instruments

Parent company and Consolidated	
6/30/2019	12/31/2018
-	90
-	90

NDF - Non deliverable Forward
Total NDF

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

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			6/30/2019		12/31/2018	
			Notional	Fair value	Notional	Fair value
<u>(Not designated as cash flow hedge)</u>						
NDF	1/15/2019	USD	-	-	483	15
NDF	1/15/2019	USD	-	-	1,932	75
NDF	1/30/2019	EURO	-	-	432	-
NDF	1/9/2019	EURO	-	-	433	-
NDF	1/16/2019	EURO	-	-	432	-
NDF	1/23/2019	EURO	-	-	432	-
			-	-	4,144	90

Losses and gains on derivative transactions, not designated as cash flow hedge, are recognized monthly in the result of the year, considering the fair value of these instruments.

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			6/30/2019		12/31/2018	
			Notional	Fair value	Notional	Fair value
<u>(Designated as cash flow hedge)</u>						
NDF	01/2019	EURO	-	-	392	(2)
NDF	07/2019	EURO	1,040	(148)	-	-
NDF	08/2019	EURO	1,144	(164)	-	-
NDF	09/2019	EURO	624	40	-	-
			2,808	(272)	392	(2)

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.

33. 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:

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

33. Fair value--Continued

Methodology for calculation of fair value of financial instruments--Continued

	Consolidated		Fair value hierarchy level
	Carrying amount	Fair value	
Assets			
Cash and cash equivalents (Note 4)	145,532	145,532	2
Marketable securities (Note 5)	118,686	118,686	2
Trade receivables, net (Note 6)	80,249	80,249	2
Liabilities			
Loans and financings (Note 13)	150,245	158,451	2
Trade and rental payables (Note 14)	193,655	193,655	2
Corporate payables (Note 15)	10,373	10,373	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, 2018.

34. Share-based compensation plan

Second Plan

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

	Second Plan	Total
Grant date	6/22/2017	N/A
Plan amendment date		N/A
Strike price	6.95	6.95
Strike price (estimated) at the end of the reporting period	22.11	22.11
Risk-free interest rate%	9.20%	N/A
Contractual period by tranche	1 year	N/A
Expected return of dividend	0%	N/A
Volatility of shares in the market %	14.91%	N/A
Total number of options outstanding	-	-
Number of options vested	81,982	81,982
Number of options lost/expired	-	-
Number of options exercised	2,442,418	2,442,418
Number of options to be exercised	81,982	81,982
Estimated fair value (R\$/share)	3.5470	N/A

Notes to the interim financial information
 Period ended June 30, 2019
 (Amounts in thousands of reais)

34. Share-based compensation plan--Continued

Third Plan

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

	Third Plan (i)		
	First tranche	Second tranche	Total
Grant date	6/22/2017	6/22/2017	N/A
Vesting date	7/14/2020	7/14/2021	N/A
Strike price	10.45	10.45	10.45
Strike price (estimated) at the reporting period	22.11	22.11	22.11
Risk-free interest rate%	9.20%	9.87%	N/A
Contractual period by tranche	1 year	2 years	N/A
Expected return of dividend	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	N/A
Total number of options outstanding	1,467,064	1,532,800	2,999,864
Number of options vested	819,153	-	819,153
Number of options lost/expired	-	-	-
Number of options exercised	1,299,883	-	1,299,883
Number of options to be exercised	2,286,217	1,532,800	3,819,017
Estimated fair value (R\$/share)	1.0764	1.5304	N/A

- (i) 175,500 options were granted on 08/28/2018 considering the same assumptions as shown on the table above, with an estimated fair value equivalent to the price of BKBR3 on the grant date.

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

	First Plan	Second Plan	Third Plan	Total
Outstanding as of December 31, 2017	2,662,000	1,262,100	4,943,400	8,867,500
Granted	-	-	175,500	175,500
Canceled	(39,100)	-	-	(39,100)
Exercised	(194,350)	(5,251)	(48,051)	(247,652)
Outstanding as of December 31, 2018	2,428,550	1,256,849	5,070,849	8,756,248
Exercised	-	(1,174,867)	(1,251,832)	(4,855,249)
Outstanding as of June 30, 2019	-	81,982	3,819,017	3,900,999
Exercisable as of June 30, 2019 (vested) (Note 23)	2,428,550	81,982	819,153	901,135

In the period ended June 30, 2019, the Company recognized the amount of R\$1,322 (R\$2,243 in 2018) of expenses arising from the stock options plans, recorded in line item Stock options cost (Note 27).

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, 2018.

Notes to the interim financial information
Period ended June 30, 2019
(Amounts in thousands of reais)

35. Insurance

As of June 30, 2019, 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	10,200
Professional Civil Liability (E&O)	15,000
Public Offering Insurance (POSI)	70,000

36. Subsequent event

31.6 Capital increase

At a meeting held on July 1, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws. The amount of the capital increase approved was R\$7,422, bringing the Company's capital from R\$943,346 to R\$950,768.

As a result of the increase in the Company's capital, (i) 81,892 new registered common shares with no par value of the Company were issued, at the issue price of R\$7.09 per share; (ii) 642,395 new registered common shares with no par value of the Company were issued, at the issue price of R\$10.65 per share.



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

Review report on Interim Financial Information

To the
Shareholders, Board of Directors and Officers of
BK Brasil Operação e Assessoria a Restaurantes S.A.
Barueri - SP

Introduction

We have reviewed the individual and consolidated interim financial information of BK Brasil Operação e Assessoria a Restaurantes S.A. ("Company"), included in the Quarterly Information Form – ITR for the quarter ended June 30, 2019, which comprises the balance sheet as of June 30, 2019 and the respective statements of income, of comprehensive income, for the three and six-month period then ended, and the statements of changes in equity and of cash flows for the three and six-month period then ended, including explanatory notes.

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

Scope of the review

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



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Conclusion on the individual and the consolidated interim financial information

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

Other matters

Statement of value added

The interim financial information aforementioned include the individual and consolidated statements of value added (SVA) for the six month period ended June 30, 2019, prepared under the responsibility of the Company's management and presented as supplementary information for IAS 34 purposes. These statements were submitted to the review procedures performed in conjunction with the quarterly review, with the purpose to conclude if they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Technical Pronouncement *CPC 09 – Demonstração do Valor Adicionado (DVA)*. Based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth in this Technical Pronouncement and are consistent with the overall individual and consolidated interim financial information, taken as a whole.

São Paulo, August 8, 2019.

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

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

Opinions and Representations/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 andar, 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 June 30, 2019.

Barueri, August 8, 2019.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

Opinions and Representations/Officer's Statement on the Independent Auditor's Report

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S,A,, a publicly-held corporation headquartered in the city of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, n° 350, 11º andar, registered under the Corporate Taxpayer's ID (CNPJ) nº, 13,574,594/0001-96 ("Company"), that, in compliance with the provisions of item V, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the opinion in the independent auditor's report of Ernst & Young Auditores Independentes S.A., related to the Company's Interim Financial Information for the year ended June 30, 2019.

Barueri, August 8, 2019.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer