



**POPEYES**

**4Q20 EARNINGS RELEASE**  
**February 25, 2021**



## REOPENING OF A 100% OF RESTAURANTS, COMBINED WITH THE STRONG GROWTH OF THE DIGITAL CHANNELS, ACCELERATES THE RECOVERY OF SALES IN THE FOURTH QUARTER.

Barueri, February 25, 2021 – BK Brasil Operação e Assessoria a Restaurantes S.A. (B3: BKBR3), master franchisee of Burger King Corporation and Popeyes Louisiana Kitchen for Brazil, announces today its results for the fourth quarter of 2020. The consolidated quarterly information of the Company is presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil. Non-financial and non-accounting data were not audited by the independent auditors.

### HIGHLIGHTS:

#### PERFORMANCE 4Q20 x 4Q19:

- **Net operating revenue** of R\$ 774.0 million, down 3.7%;
- **Comparable sales in the same restaurants** of -8.6% for BKB (Free Standing +8.6% in the quarter) and -6.2% for Popeyes;
- **Revenue of digital channels (Delivery, Totem and App)** increases from R\$ 68.2 million to R\$ 164.9 million, +142%, reaching 21% of revenue. When compared to 3Q20, growth was 26%;
- **Adjusted EBITDA** of R\$ 72.1 million; **EBITDA Margin** of 9.3%;
- Conclusion of the **Subsequent Offer of Shares 100% primary**, which resulted in a Company's net debt of R\$ 10 million;
- **Total 861 Burger King restaurants and 44 Popeyes restaurants** at the end of 4Q20, with the net opening of 5 stores (13 openings and 8 closures);
- **MFAs renegotiation** strengthening our long-term agreement with RBI.

#### PERFORMANCE 12M20 x 12M19:

- **Net operating revenue** of R\$ 2,238.1 million, down 22.0%;
- **Comparable sales in same restaurants** of -12.9%;
- **Revenue of digital channels** increases from R\$ 165.5 million to R\$ 476.2 million, +188%, reaching 21% of revenue;
- **Adjusted EBITDA** of R\$ -17.5 million; **EBITDA Margin** of -0.8%;
- **Net loss** of R\$ 445.6 million.

<b>FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)</b>	<b>4Q20</b>	<b>4Q19</b>	<b>VAR.</b>	<b>2020</b>	<b>2019</b>	<b>VAR.</b>
NET OPERATING REVENUE	774.0	803.4	-3.7%	2,238.1	2,868.0	-22.0%
ADJUSTED EBITDA	72.1	171.2	-57.9%	(17.5)	465.4	-103.8%
% OF NET OPERATING REVENUE	9.3%	21.3%	-1200bps	-0.8%	16.2%	-1700bps
NET INCOME (LOSS)	(97.3)	41.3	-335.6%	(445.6)	48.5	-1018.8%
GROSS DEBT	830.8	519.9	59.8%	830.8	519.9	59.8%
NET DEBT (NET CASH)	10.0	(85.6)	-111.7%	10.0	(85.6)	-111.7%
SHAREHOLDERS' EQUITY	1,838.5	1,786.6	2.9%	1,838.5	1,786.6	2.9%
<b>OPERATIONAL HIGHLIGHTS</b>	<b>4Q20</b>	<b>4Q19</b>	<b>VAR.</b>	<b>2020</b>	<b>2019</b>	<b>VAR.</b>
# OF RESTAURANTS	905	912	-7	905	912	-7
<b>OWNED RESTAURANTS</b>						
# OWNED RESTAURANTS BEGINNING OF PERIOD	702	671	31	714	639	75
BURGER KING® RESTAURANT OPENINGS	10	36	(26)	17	61	(44)
BURGER KING® RESTAURANT CLOSINGS	(8)	-	(8)	(30)	(8)	(22)
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	(2)	(11)	9	(1)	(11)	10
POPEYES® RESTAURANT OPENINGS	1	18	(17)	3	33	(30)
# OWNED RESTAURANTS END OF PERIOD	703	714	-11	703	714	-11
<b>FRANCHISEES RESTAURANTS</b>						
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	198	169	29	198	162	36
BURGER KING® RESTAURANT OPENINGS	2	18	(16)	7	27	(20)
BURGER KING® RESTAURANT CLOSINGS	-	-	-	(4)	(2)	(2)
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	2	11	(9)	1	11	(10)
# FRANCHISEES RESTAURANTS END OF PERIOD	202	198	4	202	198	4
COMPARABLE SALES GROWTH IN SAME RESTAURANTS BKB	-8.6%	-2.2%	-640bps	-12.9%	4.9%	-1780bps

## MESSAGE FROM MANAGEMENT

---

2020 was, undoubtedly, the most difficult year in our recent history. The challenging global scenario brought by Covid-19, which arrived in Brazil in mid-March, directly affected our society and our business throughout the year. From the start, we were forced to **adapt** quickly. This word became part of every decision of our team, every day. We had to question processes, routines and habits that have worked very well for years, but we found that there are alternative ways to reach the same end, often surprisingly with more quality and efficiency. It was with this spirit and alignment that we led the Company in this turbulent sea, always focusing on protecting our employees, our customers, the society and our business.

The resilience of our model once again proved its strength. After having almost 70% of our restaurants closed at the end of March, which meant a significant sales loss, we had a strong and fast recovery, reaching, already in October, levels close to those of the previous year. In our opinion, this strong recovery was due to three main reasons: **acceleration of consumption trends, market dynamics and the Company's ability to adapt**. As regards behavioral changes, the digitalization trend, which we had already been monitoring and preparing for, was accelerated. We observed customers more interested in experiences with less friction and more convenience. Digital channels represent a share in our business that we estimated would take about 4 to 5 years to happen. Delivery, for example, a service mostly performed by delivery aggregators, saw its market double in size according to Google trends data, from 35 million users pre-crisis to approximately 70 million already in August 2020. With regard to market dynamics, we are starting to see signs of consolidation in a highly fragmented market. According to data of the Food Service Brasil Institute (IFB), the QSR business, as expected, has significantly increased its share within food service as a whole. And when we compare only with the performance of large chains, Burger King reached the end of the fourth quarter with its best market share<sup>1</sup> performance in history. Still, even in such a difficult year for our industry, with a great need to protect liquidity and postpone investments, we had the courage to go forward with the main technology projects, for we are certain that they will be very important so that we can adapt and be well-positioned when on-premises consumption starts to go back to normal.

In the midst of intense transformations, as mentioned above, we, as one of the leading food retailers in Brazil, concentrated our efforts so that we could significantly advance in key points for the development of our business in the future. We believe in three pillars that will lead us to the leadership of the QSR market in Brazil.

### **Product/brand**

Considering a 10-year horizon, exactly our age as a Company in Brazil, we are very proud of what we have built so far. This was only possible for two essential reasons: the quality of our products and the strength of the brands that we operate.

With our active, bold and irreverent communication, we have been able, over the years, to build brand love – which has led us to levels of preference for the Burger King brand never seen in other global markets. 2020 was not different. We continued with the same approach as a brand that embraces diversity and which main goal is to “Welcome everyone”. So, we have launched unprecedented campaigns like “Vassoura Thru” (Broom-

---

<sup>1</sup> Survey released by Crest for 4Q20 (from Oct/01 to Dec/31).

Thru), “Fica em casa” (Stay home) and “Natal Antecipado” (Early Christmas). Accordingly, we continue to build a brand that is remembered, loved and respected by our most diverse customers throughout Brazil.

Popeyes, in turn, has surprised us very positively. Still concentrated in São Paulo, we started to see very positive levels of knowledge and acceptance, which encourage us to expand our national reach and accelerate this brand. In February, we opened our first restaurant of the Popeyes brand in the state of Rio de Janeiro.

Following and analyzing global / local trends, we had important portfolio developments. In addition to the launch of the Rebel Whopper - we were the first chain to launch a plant-based product in Brazil, at the end of 2019 - we continued to innovate in 2020 through the iconic “The Sandwich” and we made the important move to eliminate any artificial ingredient, such as preservatives and dyes, of our products. Starting with our “flagship”, Whopper. This is a desire of our consumers when we evaluate the FGAF factor (Feel good about the food), which will certainly help us break paradigms and increase frequency in our business. For this reason, we intend to expand this movement to our entire portfolio by the end of 2021.

### **Technology/experience**

“Digital transformation” in fundamentally “physical” business has become the most common expression over the past year, but only those who are actually going through one know how complex this process can be. As opposed to an intuitive process, this transformation is slow and demands significant investments in structure, data architecture, talents, software and products. Here at BK and PLK, we started this journey about 3 years ago and now our development program has started to work. In 2020, we made essential advances that will certainly provide us the ability to generate excellent experiences to our customers and employees, in the best way possible.

In an industry in which heavy users (customers who attend fast food restaurants more than 25x a year) play a key role, we believe that if we can gain the loyalty of these customers through customized interactions, we will obtain an important share in the consumption habits of this population. With this in mind, our restaurants play a key role in acquiring customers because it is through these experiences in restaurants that we will be able to acquire data and build a lasting relationship with them in all fronts. The so called “omnichannel” approach.

To this end, we expanded the digitalization of our customers' experience in a number of ways in 2020. In addition to doubling the availability of self-service totems in our restaurants, generating less friction and more efficiency, we increased the penetration of sales made through mobile, we launched partnerships with new delivery aggregators, including creating our own delivery. We have adopted new means of payment, launched the “Zap do BK” (BK's WhatsApp) and started to use artificial intelligence to improve customer orders and reduce restaurant disruptions. It is through initiatives like these that we believe we will manage, both at the restaurant and BackOffice levels, to improve our customers' experience and achieve our goals.

Finally, possibly the longest and most important of our projects, we performed the roll out of our CRM and recently launched the BK Club – our loyalty program. After nearly 3 years building systems and a data lake with the assistance of the best consulting firms, we launched this important driver of growth. Our learning, with global benchmarks, points to encouraging results as we have an increasingly data-rich model, with our more than 25 million downloads, about 4 million active users per month in December, and more than 8 million users registered in our database, with whom we started to communicate more frequently.

Among all our initiatives, technology was the only one in which we have never stopped investing. We know that challenging moments are also opportunities for acceleration, and it is with that mindset that we move forward.

### **Solid balance sheet**

One of the characteristics that has certainly differentiated us over the last 10 years was the prudence with which we make investment decisions and seek a financial leverage level that we consider appropriate to our business – which, due to its nature, already has a high operating leverage. 2020 was especially challenging in this respect. During the year, we made several decisions to protect the Company's liquidity, efficiently managing our investments and seeking capital when we deemed necessary. As our story says by itself, we strongly believe in the size of the opportunity we have in front of us, and the speed with which we have grown shows our willingness to build a truly huge business. With this in mind and aware of the many opportunities originated by this difficult moment, we have strengthened our capital structure so that, in a year when most entities will still be recovering, we can accelerate our investments and grow again. In addition, we have already renegotiated all our debt commitments with short-term maturities so that we could have the tranquility to navigate through a still challenging time due to the “second wave” impacts, and the expectation over vaccine effectiveness.

And that is how we enter 2021. With the certainty that we will still have a challenging year, but with the conviction that we are well prepared to capture the growth opportunities focused on developing our restaurants and technology.

We would like to end this message with special thanks to our entire team and our shareholders. To our team because they were true heroes, working every day to serve our millions of customers, whether in our restaurants, or from a home office or even a remote office. Our people remain our primary difference and allow us to continue to dream. To our shareholders because, even in such a difficult year, they continued to believe in our ability to operate and in our desire to build a genuine and lasting business.

Thank you and welcome 2021!

## OPERATING PERFORMANCE

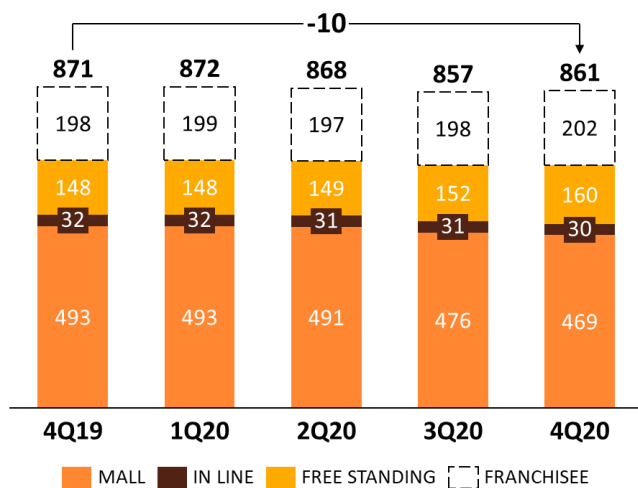
### Restaurant chain

Throughout 4Q20, the Company's net openings totaled 5 stores, with 13 openings (10 BK owned restaurants, 2 BK franchised restaurants and 1 Popeyes) and 8 closures (all owned restaurants).

### BURGER KING® system

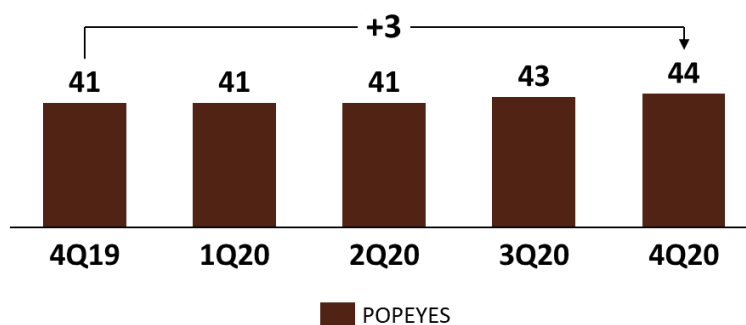
12 Burger King stores were opened (10 owned units and 2 franchises), 10 being in the free standing format, 1 in a shopping mall and 1 in the In line format. On the other hand, there were 8 closures, 5 in shopping malls, 2 in the In-line format and 1 in the free standing format. In addition, 2 transfers of Burger King stores (from own to franchised restaurant) occurred.

With this, BURGER KING® ended the quarter with a total of 861 restaurants operating across the country, a net closure of 10 restaurants in the last 12 months.



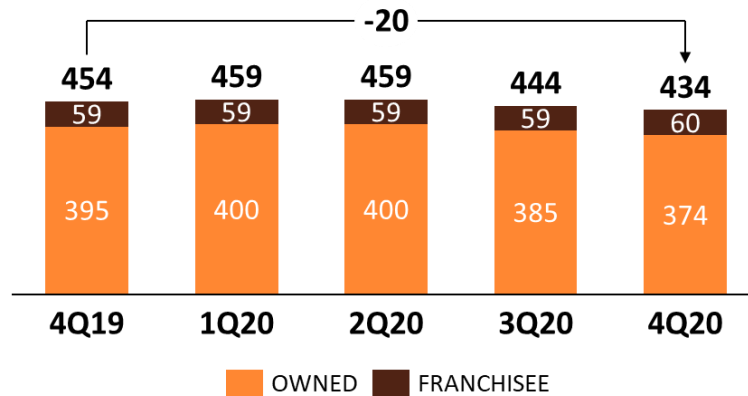
### POPEYES® system

1 POPEYES® restaurant in the food court format was opened, ending the quarter with 44 units, all of which are owned and located in the state of São Paulo.



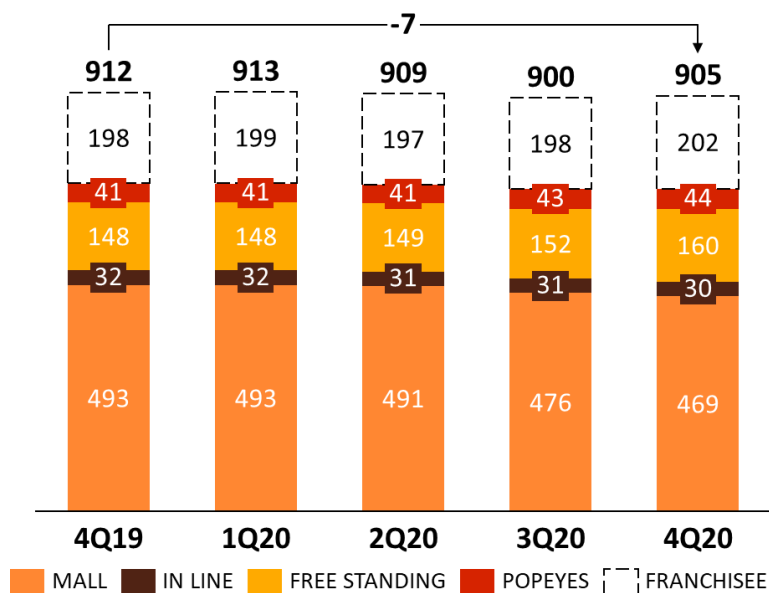
### BURGER KING® dessert centers

In addition to the 861 restaurants, BURGER KING® ended the quarter with 434 dessert centers, a decrease of 20 units when compared to 4Q19.



### Total restaurant chain

Therefore, the Company ended 4Q20 with a total of 905 restaurants, of which 703 are company-owned BURGER KING® and POPEYES® restaurants and 202 are BURGER KING® franchised restaurants. It is important to stress that once again we maintained a close and aligned management with our franchisees in order to continue building a lasting relationship in a good business.

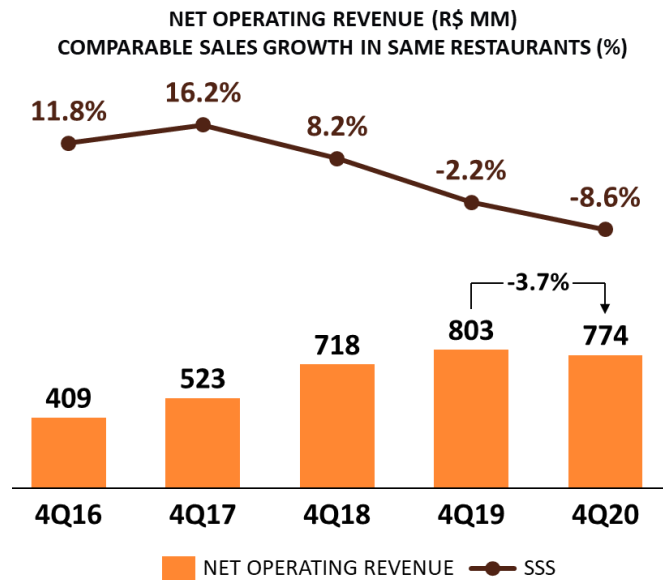


## FINANCIAL PERFORMANCE

### Net operating revenue

In 4Q20, the Company's net operating revenue reached R\$ 774 million, a 3.7% decrease when compared to the same period of the previous year, and a growth of 48.2% when compared to 3Q20.

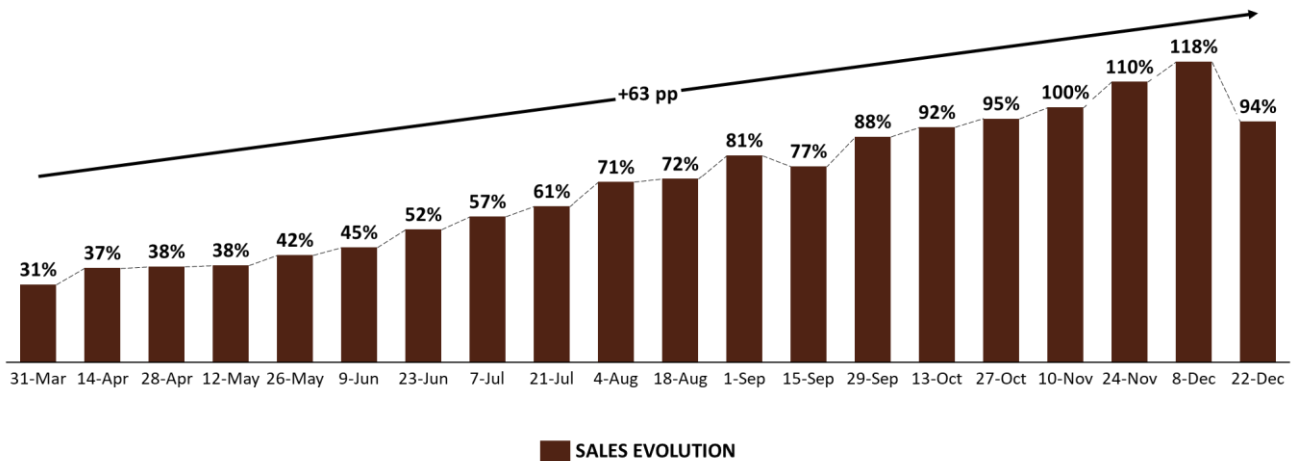
The strong recovery of sales during the quarter was the result of the combination of the reopening of 100% of operations, still in October, and the continuous growth of digital sales in our business. In October, we almost achieved total sales equal to those of the previous year, and in November and December, despite the historical seasonal growth, we managed to maintain a similar level.



We highlight the performance of the Free Standing stores that showed the resilience of their model, managing to maintain growth trajectory. The versatility of this format, which allows us to deliver a more complete digital experience, provides us flexibility to manage different channels and allows us to adapt the layout for drive thru and delivery growth, was crucial for the Company to adapt quickly and navigate during the pandemic. If, on the one hand, we observed an excellent performance of the Free Standing stores, which achieved SSS of +8.6% in the quarter, on the other, our Food Court restaurants, still subject to traffic reduction, presented negative SSS levels even with the strong recovery during the second quarter. The combination of these two main formats led us to an SSS result of -8,6% for BKB. Still, even with a 100% exposure to shopping malls, Popeyes' result was -6.2% in the quarter. Despite the challenging scenario, this result is encouraging in terms of what we are building with this brand.

The graph below shows our performance from the start of the pandemic to the end of the year. The evolution is based on a pre-pandemic period and shows that, after reaching a sales drop of almost 70%, the recovery of the "V" format curve resulted in the achievement of 118% of the reference period in the second week of December. Implicitly, there is a significant seasonality impact on November and December, but they clearly show the business recovery trend. With the return of the restrictive measures, especially in São Paulo after Christmas, we had a deceleration in sales due to the closing of operations in the last week of the year.

### EVOLUTION OF SALES DURING PANDEMIA VS THE PRE PERIOD



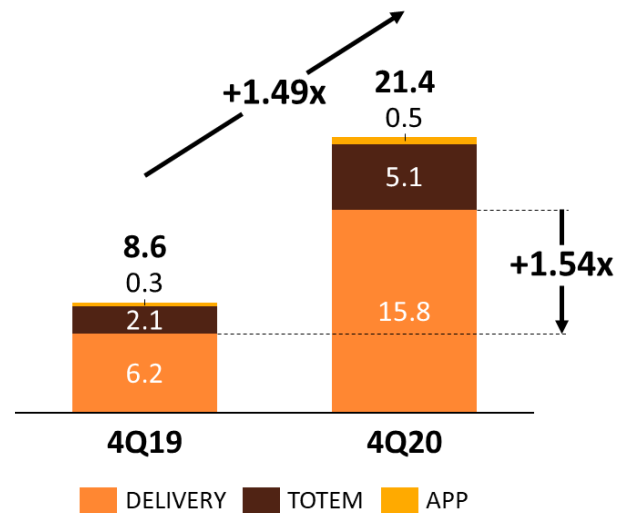
### Digitalization of Sales

Digital sales, represented by delivery, totem and App (mobile), continued to grow, with a high increase of 142% when compared to 4Q19, reaching record sales of R\$ 164.9 million in the quarter, representing 21% of the Company's revenue (versus 9% in 4Q19). When compared to 3Q20, sales maintained a consistent growth rate, up 26%, even after the opening of 100% of operations in October.

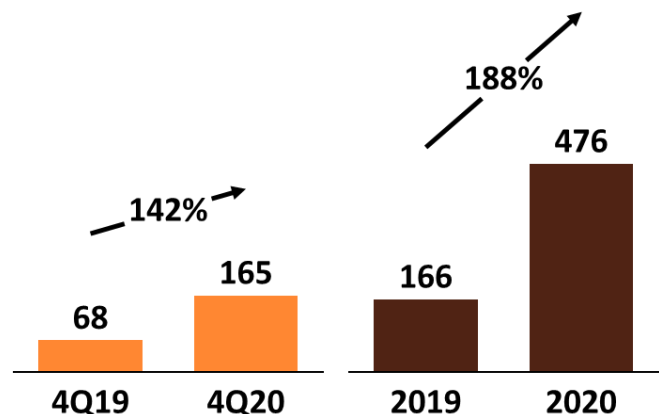
Highlight of the quarter, delivery showed growth of 148% in relation to 4Q19, a gain of more than 9.5 p.p. We continued to invest in operational improvements and the increase of our reach with Uber Eats, Ifood, Rappi, 99Food and James Delivery aggregators, and ended 2020 with a coverage of more than 540 stores, ensuring fast delivery throughout the Brazilian territory.

Our own delivery continues to expand and continuously improve after the launch of its pilot in the second quarter, with a platform that currently covers 100 stores. We continue to operate only with orders made through our website, and as we complete the operational integrations, we will gain scale. For this, our app, which currently has more than 25 million downloads and more than 8 million

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



### DIGITAL CHANNEL SALES (R\$)



complete registrations, has a fundamental role, since it will support our fast gain of scale and feed our data lake with transaction data. Among the functionalities and the new User Experience of our app, we now accept meal vouchers for MO&P (Mobile Order & Pay). All the improvements in our application contributed to the record transactions volume in our history in the fourth quarter. Even though its share is small, we strongly believe in this functionality, as it increases our efficiency, improving our experience and reducing friction with our customers.

During the fourth quarter, we performed the roll out of our CRM. This was an important milestone because, after years of investments, we started to interact with our customers in a customized manner and monitor the conversion of these interactions in our restaurants. In the last two months, our sales volume has tripled, which is critical for the enrichment of our database and to increase the efficiency of our interactions. As announced by the Company on February 1, 2021, **the BK Club**, our loyalty program, was launched throughout Brazil, being available to the more than 25 million customers who have already downloaded our application. The program, the first launched among Brazil's major fast food chains, will allow consumers to accumulate 1 point for every R\$ 1 spent and then exchange points for sandwiches and desserts. The launch is part of the Company's strategy, initiated more than 2 years ago, to create an ecosystem capable of unifying both the physical and digital aspects of the business. Given the relevance of heavy users in our global industry and learning, this program will be an important strategic pillar.

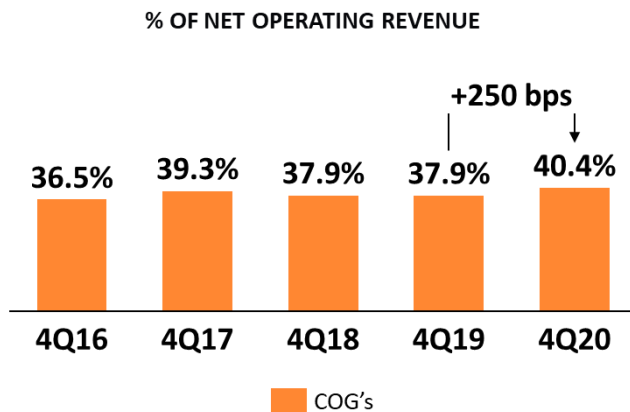
Our Ghost Kitchen, which opened in 3Q20, continues with sales levels above planned and we already see improvements in delivery operational indicators. In the short term, we will continue to test and learn with the impacts of this new model on our business.

Self-service totems showed sales growth of 131% in relation to 4Q19, with a 3 p.p. share gain on total sales, reaching a revenue of R\$ 39 million. We ended 2020 with approximately 50% of the BKB stores base with totems installed and, considering Popeyes, we ended the year with approximately 400 restaurants and over 800 equipment available, increasing the efficiency of our operation and reducing friction in our customers' journey.

Also, WhatsApp as a service channel, launched in 3Q20, is still undergoing tests. The new channel already accepts Mercado Pago and Pix as means of payment, increasing convenience at the time of purchase. Additionally, our stores with Wi-Fi already add up to over 230 units, making our customers' experience even more complete.

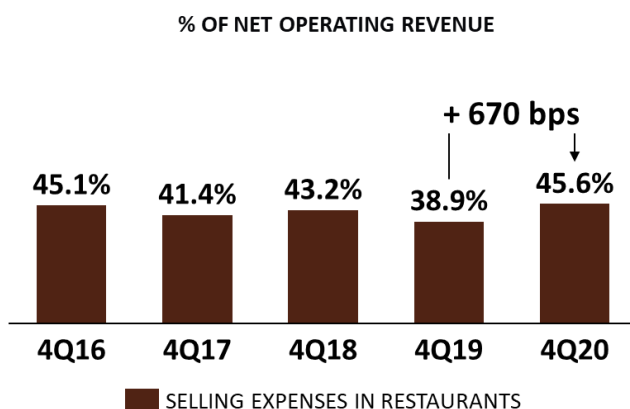
## Cost of goods sold and selling expenses

The cost of goods sold reached 40.4% of revenue in 4Q20, an increase of 250 bps versus 4Q19 and an increase of 160 bps when compared to 3Q20.



The challenging commodity scenario, especially as regards protein, contributed to a pressure on our cost structure. As we consistently advance in sales recovery, we have adjusted prices so that we could soften the impact for our consumers, and thus maintain the upward trajectory of sales. We reassessed the sensitivity of each product and category to find the best sales and cost equation, so that we could maximize gross profit. The rapid recovery of sales showed us that consumers have

absorbed well the adjustments made in 2020: in our iconic Mix and Match platform, for example, we have made two important changes throughout the year. In addition, as the CRM front evolves in the Company, we will reduce exposure to massive customer discounts, favoring the gain of margin.



Restaurant sales expenses, excluding depreciation and amortization, reached 45.6% of revenue in 4Q20, an increase of 670 bps compared to 4Q19 and, when compared to 3Q20, a decrease of 1270 bps.

This increase is mainly explained by the growth of delivery sales (take rate), reduction of rental discounts and increase in cleaning expenses in restaurants. Moreover, personnel expenses, representing approximately 30% of SG&A - were affected by the

extinguishment of Provisional Executive Act No. 936, when compared to 3Q20 expenses.

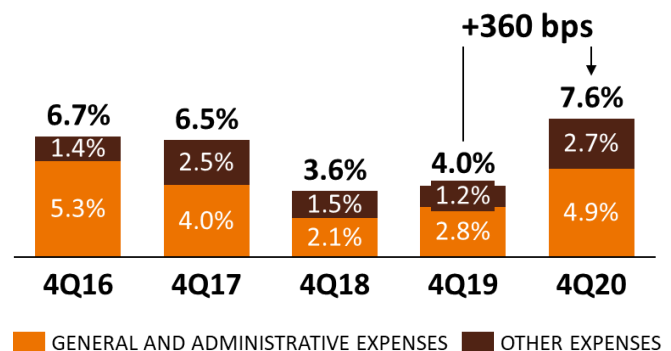
## Total general and administrative expenses

General and administrative expenses, excluding depreciation and amortization, reached 7.6% of revenue in 4Q20, an increase of 360 bps compared to 4Q19 and an increase of 150 bps versus 3Q20.

With the recovery of operational indicators in 4Q20 and the proximity of 2021, the Company chose to anticipate some important changes in relation to its technology structure, including consultancy and software development services that will help us during the next year. In addition, as an effect of the insourcing of maintenance and service desk services, the Company's G&A was affected but generated even greater benefit as regards restaurant expenses. There were also one-off impacts in the amount of R\$6 million in the quarter.

Additionally, there was the non-recurring effect of the write-off of assets related to the closure of restaurants, which totaled approximately R\$ 12 million in the quarter.

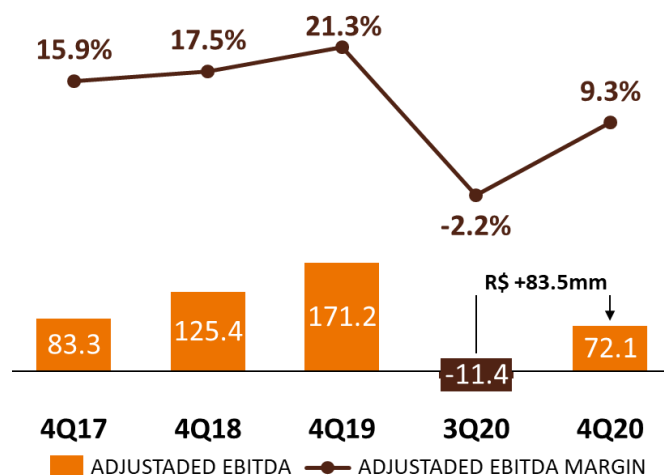
% OF NET OPERATING REVENUE



## Adjusted EBITDA

In 4Q20, adjusted EBITDA was R\$ 72.1 million, a drop of 57.9% when compared to 4Q19. This result is explained by the operational deleveraging generated by the negative SSS for the quarter, combined with the growth of sales via delivery, which resulted in significant margin compression when compared to 4Q19. In the comparison with 3Q20, we had an increase of R\$ 83.5 million, due to the strong improvement in the operating result, which allowed us to resume the positive EBITDA level. Year-to-date, adjusted EBITDA reached R\$ -17.5 million, down 103.8%, with an adjusted EBITDA margin of -0.8% against 16.2% in 12M19.

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



<b>EBITDA - R\$ MILLION</b>	<b>4Q20</b>	<b>4Q19</b>	<b>VAR %</b>	<b>2020</b>	<b>2019</b>	<b>VAR %</b>
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(97.3)</b>	<b>41.3</b>	<b>-335.6%</b>	<b>(445.6)</b>	<b>48.5</b>	<b>-1018.8%</b>
(+) FINANCIAL INCOME (LOSS)	10.1	21.7	-53.5%	44.3	70.7	-37.3%
(+) DEPRECIATION AND AMORTIZATION	90.6	80.8	12.1%	332.1	303.2	9.5%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	46.0	11.0	318.2%	14.2	5.2	173.1%
<b>EBITDA</b>	<b>49.5</b>	<b>154.8</b>	<b>-68.0%</b>	<b>(55.1)</b>	<b>427.6</b>	<b>-112.9%</b>
<i>EBITDA MARGIN</i>	<i>6.4%</i>	<i>19.3%</i>	<i>-1290bps</i>	<i>-2.5%</i>	<i>14.9%</i>	<i>-1740bps</i>
(+) OTHERS EXPENSES	19.0	7.2	163.9%	21.7	12.3	76.4%
(+) COST OF STOCK OPTION PLAN	2.2	2.0	10.0%	9.8	4.3	127.9%
(+) MERGE AND ACQUISITION EXPENSES	0.0	0.1	-100.0%	0.2	3.1	-93.5%
(+) PRE-OPERATING EXPENSES	1.5	7.1	-78.9%	5.9	18.1	-67.4%
<b>ADJUSTED EBITDA</b>	<b>72.1</b>	<b>171.2</b>	<b>-57.9%</b>	<b>(17.5)</b>	<b>465.4</b>	<b>-103.8%</b>
<i>ADJUSTED EBITDA MARGIN</i>	<i>9.3%</i>	<i>21.3%</i>	<i>-1200bps</i>	<i>-0.8%</i>	<i>16.2%</i>	<i>-1700bps</i>

## Net income (loss)

Net loss was R\$ 97.3 million in 4Q20, compared to a net profit of R\$ 41.3 million in 4Q19. In 2020, net loss was R\$ 445.6 million, compared to a net profit of R\$ 48.5 million in 2019.

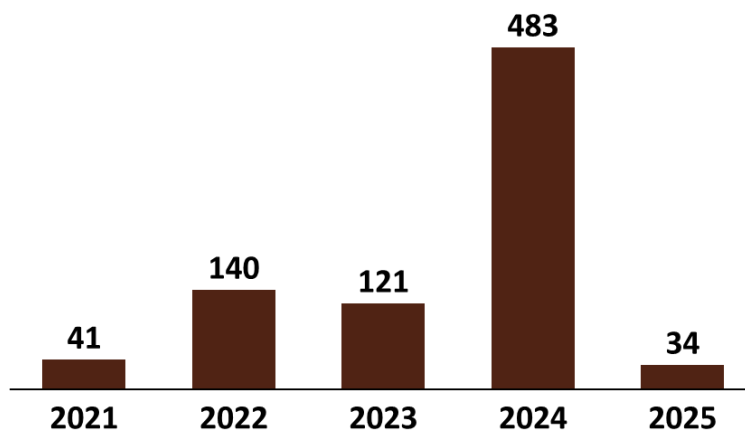
Considering the market uncertainties, mainly those resulting from the problems generated by the pandemic, and its reflexes in the future projections of taxable profits of the Company, the Management chose not to recognize the deferred taxes on the tax loss and negative basis of CSLL, until there is a more probable scenario of realization of these tax credits, in light of accounting pronouncements - CPC 32 / IAS 12

## Total debt

In December 2020, the Company's total gross debt amounted to R\$ 830.8 million, which, combined with a total cash available of R\$ 820.8 million, resulted in a net debt of R\$ 10.0 million.

During the quarter, we conducted renegotiations with creditors and extended the maturities of short-term debts that were made at the start of the pandemic, so that we could postpone commitments close to maturity, as follows:

**DEBT AMORTIZATION SCHEDULE (R\$ MM)**



\* Graph expresses only amounts of the principal.

In relation to the Company's debentures, we obtained waivers from creditors. Covenants are controlled annually by the financial institutions, and they are also measured annually by the Company. Considering the impacts on profit or loss during the year, the cash consumption in the current scenario and the worsening of the effects of the pandemic on our operational activities, the Company was limited to the compliance with covenants in respect of its annual obligation and obtained a waiver for the measurement of these indexes for 2020, on November 25, 2020, at the General Meeting of Debenture Holders for the 8th Issue of Debentures, on December 4, 2020, for Bradesco and, finally, on December 16, 2020, Santander granted its agreement.

Lastly, in November 2020, the Company concluded its subsequent offer of shares, obtaining R\$ 510 million through the issue of 47,250,000 shares. The amount will be allocated to the technology and expansion fronts, and the renovation of stores for 2021.

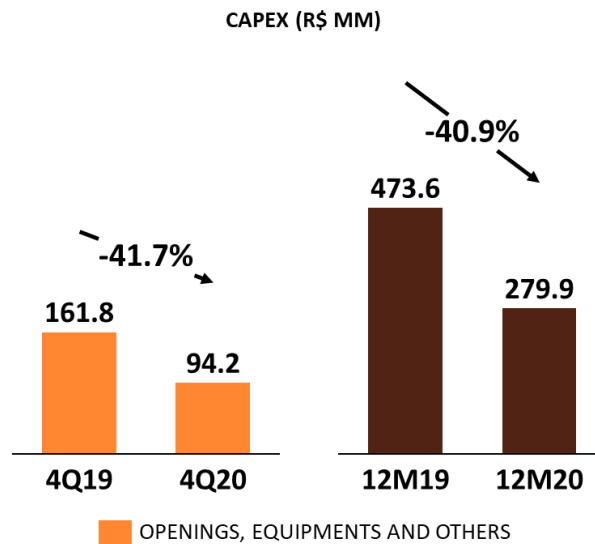
<b>NET DEBT - R\$ MILLION</b>	<b>DEC/20</b>	<b>DEC/19</b>	<b>VAR %</b>
<b>LOANS AND FINANCINGS</b>	<b>830.8</b>	<b>519.9</b>	<b>59.8%</b>
CURRENT	53.6	116.6	-54.0%
NON-CURRENT	777.2	403.3	92.7%
<b>CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES</b>	<b>820.8</b>	<b>605.5</b>	<b>35.6%</b>
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES (CURRENT)	820.8	604.1	35.9%
MARKETABLE SECURITIES (NON-CURRENT)	0.0	1.4	-100.0%
<b>NET DEBT</b>	<b>10.0</b>	<b>(85.6)</b>	<b>-111.7%</b>
ADJUSTED EBITDA (12M)	(133.9)	328.3	-140.8%
<i>NET DEBT / TOTAL ADJUSTED EBITDA (12M)</i>	<i>N/A</i>	<i>(0.3x)</i>	<i>N/A</i>

## CAPEX

The Company's total investments reached R\$ 94.2 million in 4Q20, a decrease of 41.7% when compared to 4Q19. This drop is linked to the decrease, in 2020, in the rhythm of the Company's expansion due to the liquidity protection measures to protect the business from the uncertainties caused by COVID-19.

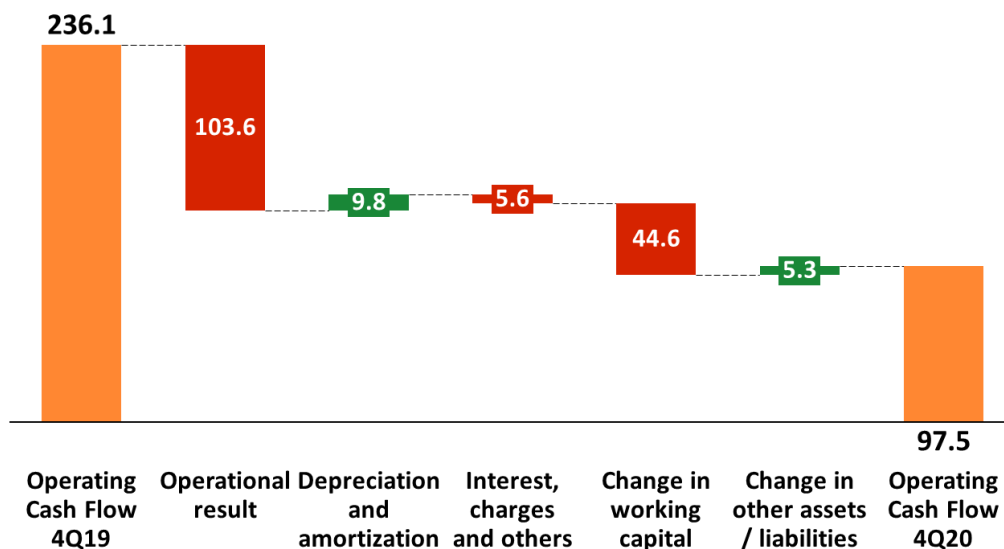
Despite the reduction in investments in relation to the previous year, we resumed expansion activities in 4Q20, with a net opening of 5 restaurants, and increased our investments in technology. These investments, which began more than two years ago, were accelerated in 2020 to support increased sales in digital channels; accordingly, we are well positioned to capture market opportunities when consumption is back to normal. Only in 4Q20, the Company invested approximately R\$ 20 million in technology projects.

In the 12-month period, CAPEX decreased by 40.9% compared to 12M19, reaching R\$ 279.9 million.



## Operating cash flow

In 4Q20, the Company resumed the operating cash generation, which totaled R\$ 97.5 million, due to the strong recovery of the operating result. When compared to 4Q19, the reduction of the operating result and impacts derived from the pandemic on working capital, the Company presented a drop of R\$ 138.6 million in the operating cash generation.



## DEFINITIONS

---

- **App:** Functionality that considers orders previously made by the app for pick-up in store.
- **CRM:** Customer Relationship Management - tool for managing the flow of information captured from customers.
- **Delivery:** Delivery of orders to a destination predefined by customers.
- **Drive-thru:** Modality that allows customers to place orders without leaving their cars.
- **Dessert Centers:** Dessert points of sale.
- **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-offs of property and equipment (damages, obsolescence, gain (loss) from asset divestment and provisions for impairment); and (ii) costs with stock option plan.
- **MAU:** Monthly active users - number of monthly active users;
- **Store models:** (i) Free standing: Street stores with a drive-through track; (ii) Mall: Stores located in shopping malls, hypermarkets and airport/road terminals; (iii) In line: Stores with direct access to public roads, which have internal rooms with tables and seats.
- **NRG:** Net Restaurants Growth.
- **Comparable sales in the same restaurants or Same Store Sales (SSS):** Following the RBI calculation methodology, it considers sales of Burger King restaurants operated by BK Brasil that have been open for more than 13 months and Popeyes restaurants open for more than 17 months compared to the same period of the prior year. Additionally, restaurants entirely closed for more than 7 consecutive days within a month are excluded from the comparable base.
- **Transfers:** Sale of BK Brasil owned restaurants to franchisees.
- **Self ordering kiosks:** Self-service totem;

All results refer to BK Brasil owned restaurants except Net Restaurants Growth (NRG).

## CONSOLIDATED INCOME STATEMENT 4Q20 AND 2020 (R\$ MILLION)

	4Q20	4Q19	VAR %	12M20	12M19	VAR %
<b>NET OPERATING REVENUE</b>	<b>774.0</b>	<b>803.4</b>	<b>-3.7%</b>	<b>2,238.1</b>	<b>2,868.0</b>	<b>-22.0%</b>
GROSS REVENUE FROM SALES	842.8	859.7	-2.0%	2,433.2	3,069.8	-20.7%
GROSS REVENUE FROM SALES DEDUCTIONS	(76.2)	(69.3)	10.0%	(221.1)	(228.1)	-3.1%
GROSS REVENUE FROM SERVICES	8.3	14.7	-43.5%	29.2	29.5	-1.0%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(0.9)	(1.6)	-43.8%	(3.2)	(3.2)	0.0%
<b>COST OF GOOD SOLD</b>	<b>(312.7)</b>	<b>(304.1)</b>	<b>2.8%</b>	<b>(914.0)</b>	<b>(1,082.9)</b>	<b>-15.6%</b>
<b>GROSS PROFIT</b>	<b>461.3</b>	<b>499.3</b>	<b>-7.6%</b>	<b>1,324.1</b>	<b>1,785.1</b>	<b>-25.8%</b>
<b>TOTAL SELLING EXPENSES</b>	<b>(438.8)</b>	<b>(388.4)</b>	<b>13.0%</b>	<b>(1,531.9)</b>	<b>(1,518.3)</b>	<b>0.9%</b>
PERSONNEL EXPENSES	(133.8)	(121.8)	9.9%	(481.6)	(498.9)	-3.5%
ROYALTIES AND MARKETING FUND	(77.3)	(71.1)	8.7%	(232.3)	(262.7)	-11.6%
EXPENSES ON OCCUPANCY AND UTILITIES	(52.9)	(55.3)	-4.3%	(197.8)	(223.9)	-11.7%
PRE-OPERATING EXPENSES	(1.5)	(7.1)	-78.9%	(5.9)	(18.1)	-67.4%
DEPRECIATION AND AMORTIZATION	(85.8)	(75.5)	13.6%	(310.5)	(282.4)	10.0%
OTHER SELLING EXPENSES	(87.4)	(57.5)	52.0%	(303.8)	(232.3)	30.8%
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>(63.7)</b>	<b>(36.9)</b>	<b>72.6%</b>	<b>(179.5)</b>	<b>(142.4)</b>	<b>26.1%</b>
GENERAL AND ADMINISTRATIVE EXPENSES	(37.7)	(22.4)	68.3%	(126.2)	(101.9)	23.8%
DEPRECIATION AND AMORTIZATION	(4.8)	(5.3)	-9.4%	(21.5)	(20.8)	3.4%
EXPENSES WITH MERGER AND ACQUISITIONS	-	(0.1)	-100.0%	(0.2)	(3.1)	-93.5%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(19.0)	(7.1)	167.6%	(21.8)	(12.2)	78.7%
COST OF STOCK OPTION PLAN	(2.2)	(2.0)	10.0%	(9.8)	(4.3)	127.9%
<b>PROFIT (LOSS) BEFORE FINANCIAL INCOME</b>	<b>(41.2)</b>	<b>74.0</b>	<b>-155.7%</b>	<b>(387.3)</b>	<b>124.4</b>	<b>-411.3%</b>
<b>FINANCIAL RESULTS</b>	<b>(10.2)</b>	<b>(21.7)</b>	<b>-53.0%</b>	<b>(44.3)</b>	<b>(70.7)</b>	<b>-37.3%</b>
FINANCIAL EXPENSES	(31.2)	(27.6)	13.0%	(114.7)	(93.3)	22.9%
FINANCIAL INCOME	21.0	5.9	255.9%	70.4	22.6	211.5%
<b>PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>(51.3)</b>	<b>52.3</b>	<b>-198.1%</b>	<b>(431.4)</b>	<b>53.8</b>	<b>-901.9%</b>
<b>INCOME TAX AND SOCIAL CONTRIBUTION</b>	<b>(46.0)</b>	<b>(11.0)</b>	<b>318.2%</b>	<b>(14.2)</b>	<b>(5.2)</b>	<b>173.1%</b>
CURRENT	-	(9.3)	0.0%	-	(9.3)	0.0%
DEFERRED	(46.0)	(1.8)	2506.3%	(14.2)	4.0	-451.3%
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>(97.3)</b>	<b>41.3</b>	<b>-335.6%</b>	<b>(445.6)</b>	<b>48.5</b>	<b>-1018.8%</b>

## CONSOLIDATED BALANCE SHEET 2020 (R\$ MILLION)

	12/31/2020	12/31/2019
<b>ASSETS</b>	<b>3,932.8</b>	<b>3,528.1</b>
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	219.7	325.3
MARKETABLE SECURITIES	601.1	278.8
TRADE RECEIVABLES	107.2	60.4
INVENTORIES	125.6	99.0
RECOVERABLE TAXES	37.1	27.6
ADVANCES PAID	3.7	46.1
OTHER RECEIVABLES	24.7	25.2
<b>TOTAL CURRENT ASSETS</b>	<b>1,119.1</b>	<b>862.4</b>
<b>NON-CURRENT ASSETS</b>		
NON-CURRENT INVESTMENTS AT FAIR VALUE	-	1.4
RECOVERABLE TAXES	97.2	73.1
JUDICIAL DEPOSITS	38.0	33.4
LONG-TERM RECEIVABLES	9.5	4.5
PROPERTY AND EQUIPMENT	1,195.7	1,163.6
INTANGIBLE ASSETS	1,473.2	1,389.7
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2,813.7</b>	<b>2,665.7</b>
<b>TOTAL ASSETS</b>	<b>3,932.8</b>	<b>3,528.1</b>
<b>LIABILITIES</b>	<b>2,094.3</b>	<b>1,741.4</b>
<b>CURRENT LIABILITIES</b>		
LOANS AND FINANCING	53.6	116.6
TRADE PAYABLES	217.6	286.4
LEASING LIABILITIES	126.9	99.2
PAYROLL AND SOCIAL CHARGES	86.1	96.6
CORPORATE PAYABLES	15.8	23.8
TAXES PAYABLE	31.6	25.2
DEFERRED REVENUE, NET	11.9	9.1
DIVIDENDS AND INTEREST ON CAPITAL	-	10.1
OTHER PAYABLES	21.0	4.7
<b>TOTAL CURRENT LIABILITIES</b>	<b>564.5</b>	<b>671.6</b>
<b>NON-CURRENT LIABILITIES</b>		
LOANS AND FINANCING	777.2	403.3
PROVISION FOR LEGAL CLAIMS	23.2	16.3
TAXES PAYABLE	10.8	12.6
DEFERRED REVENUE, NET	14.8	17.9
LEASING LIABILITIES	664.4	594.1
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	22.6	8.5
OTHER PAYABLES	16.9	17.2
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>1,529.8</b>	<b>1,069.9</b>
<b>EQUITY</b>		
CAPITAL	1,461.1	950.8
EARNINGS RESERVE	-	134.6
CAPITAL RESERVES AND STOCK OPTIONS PLAN	712.3	725.4
TREASURY SHARES	(24.2)	(24.2)
OTHER COMPREHENSIVE INCOME	0.3	0.0
RETAINED EARNINGS (ACCUMULATED LOSSES)	(311.0)	-
<b>TOTAL EQUITY</b>	<b>1,838.5</b>	<b>1,786.6</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,932.8</b>	<b>3,528.1</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS 4Q20 AND 2020 (R\$ MILLION)

	4Q20	4Q19	2020	2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>97.5</b>	<b>236.1</b>	<b>(172.3)</b>	<b>370.7</b>
<b>CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>90.3</b>	<b>189.7</b>	<b>33.1</b>	<b>496.3</b>
EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(51.3)	52.3	(431.4)	53.8
DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	58.4	52.6	210.1	195.9
LEASING AMORTIZATION	32.2	28.2	122.0	107.3
INTEREST, CHARGES, EXCHANGE DIFFERENCES AND MONETARY VARIATIONS	11.0	23.1	52.2	69.7
OTHERS	40.0	33.5	80.2	69.7
<b>CHANGES IN ASSETS AND LIABILITIES</b>	<b>7.2</b>	<b>46.4</b>	<b>(205.4)</b>	<b>(125.6)</b>
TRADE RECEIVABLES, NET	(23.0)	(0.1)	(46.8)	(0.8)
INVENTORIES	(11.1)	(12.4)	(26.6)	(17.8)
CORPORATE PAYABLES	4.8	10.6	(7.9)	5.8
ADVANCES PAID	23.8	3.2	42.4	(19.5)
TRADE AND RENTAL PAYABLES	52.2	86.8	(68.8)	45.2
PAYROLL AND SOCIAL CHARGES	(21.4)	(18.2)	(29.9)	(23.7)
OTHERS CHANGES IN ASSETS AND LIABILITIES	(18.2)	(23.5)	(67.8)	(114.9)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(269.1)</b>	<b>(332.7)</b>	<b>(589.8)</b>	<b>(313.1)</b>
PURCHASES OF PROPERTY AND EQUIPMENT	(86.9)	(144.8)	(237.6)	(426.0)
PURCHASES OF INTANGIBLE ASSETS	(7.3)	(16.9)	(42.2)	(47.6)
REIMBURSABLE EXPENSES WITH SHARES OFFERING	-	2.7	-	-
INVESTMENT IN MARKETABLE SECURITIES	(210.2)	(350.6)	(1,130.8)	(569.8)
REDEMPTION OF MARKETABLE SECURITIES	35.4	177.0	820.8	730.2
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>344.0</b>	<b>345.4</b>	<b>656.5</b>	<b>92.7</b>
CAPITAL CONTRIBUTED IN THE PERIOD	510.3	-	510.3	52.5
SHARES ISSUANCE COSTS	(23.0)	-	(23)	-
NEW LOANS AND FINANCINGS	-	400.0	420	400
LOANS AND FINANCINGS COSTS	-	(2.2)	(1)	(2)
ACQUISITION OF TREASURY SHARES	-	-	-	(24.2)
PAYMENT OF LOANS AND FINANCINGS (PRINCIPAL)	(102.9)	(13.2)	(123.2)	(169.5)
INTEREST ON CAPITAL PAYABLE	-	-	(10.1)	(26.7)
LEASING LIABILITIES PAYMENT	(40.5)	(39.1)	(116.4)	(137.2)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>172.4</b>	<b>248.9</b>	<b>(105.6)</b>	<b>150.3</b>
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	47.2	76.4	325.3	175.0
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	219.7	325.3	219.7	325.3

# BK

# BRASIL

**Iuri Miranda**  
CEO

**Clayton Malheiros**  
CFO and IRO

**Gabriel Guimarães**  
Financial and IR Officer

**Caroline Luccarini**  
IR

**Jaqueline Furrier**  
IR

**IR Contact:**  
[www.burgerking.com.br/ir](http://www.burgerking.com.br/ir)

## 4Q20 Earnings Release

Conference Call and Webcast

**February 26, 2021 - Friday**  
*In Portuguese, simultaneously  
translated into English*

**Time:** 11:00 am (BRT) / 9:00 am (US ET)

**Dial-in:** (Toll Free)  
+55 11 4210-1803 / +55 11 3181-8565  
+1 412 717 9627 / +1 844 204 8942  
Code: BK Brasil

---

**December 30, 2020:**

**Total shares:**  
275,355,447

**Market value:**  
R\$ 3.0 billion

**Share price:**  
R\$ 10.90

**BK BRASIL ON**  
B3: BKBR3

