



BK

BRASIL

**EARNINGS
RELEASE**

3Q20

POPEYES



REOPENING OF RESTAURANTS, COMBINED WITH THE STRONG GROWTH OF THE DIGITAL CHANNELS ACCELERATES RESUMPTION OF SALES AND PROFITABILITY

Barueri, November 8, 2018 – BB 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 third 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 3Q20 x 3Q19:

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

PERFORMANCE 9M20 x 9M19:

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

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

MESSAGE FROM MANAGEMENT

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

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

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

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

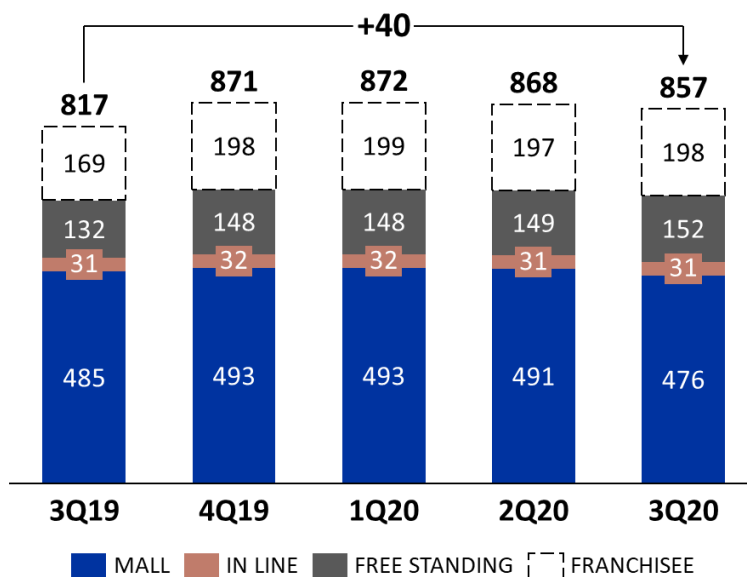
OPERATING PERFORMANCE

Expansion of the restaurant chain

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

BURGER KING® system

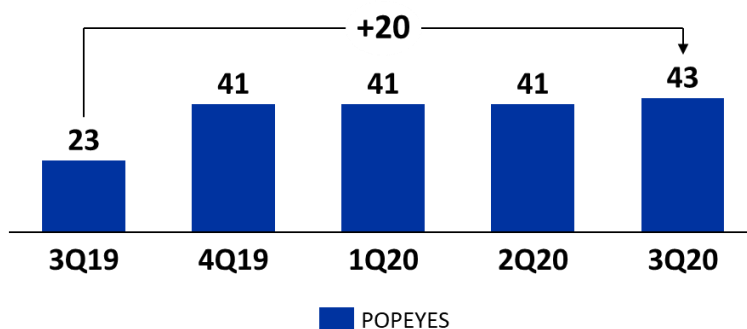
9 Burger King stores were opened (6 owned units and 3 franchises), 5 being in the *free standing* format and 4 in *shopping malls*. During the third quarter, in line with our strategy of optimizing the profitability of our portfolio of restaurants and accelerated by the pandemic, we chose not to reopen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



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

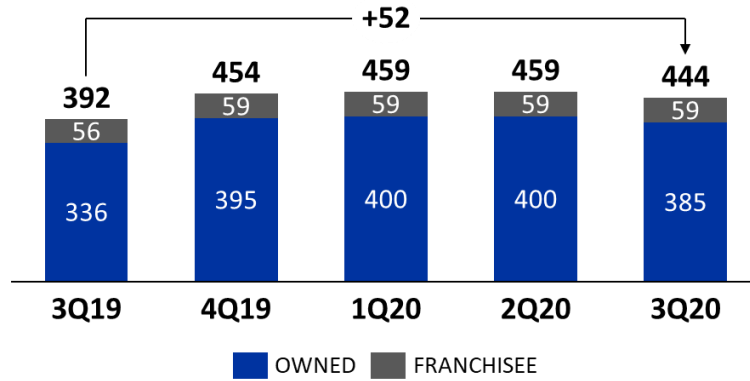
POPEYES®

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



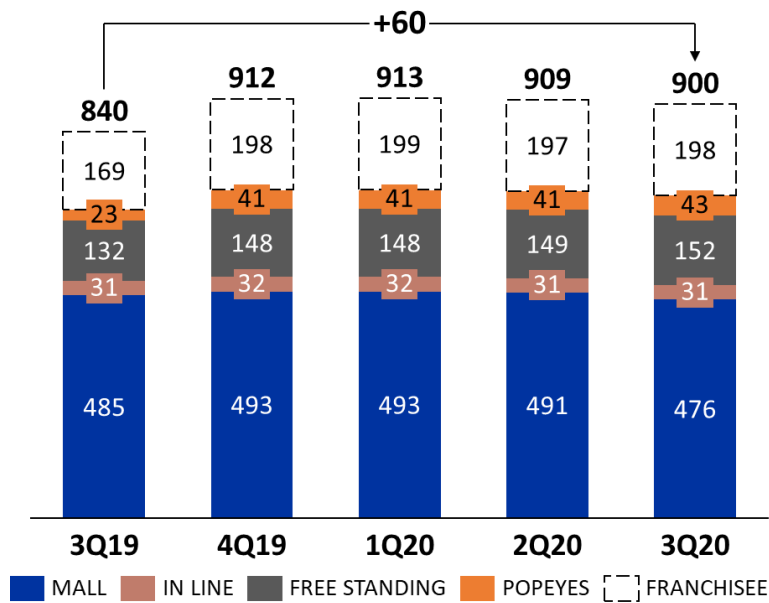
BURGER KING® desert centers expansion

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



Total restaurant expansion

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



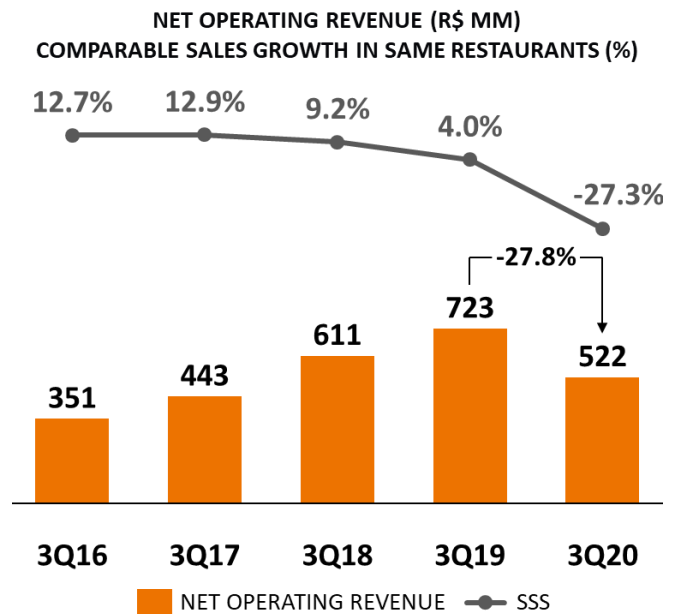
FINANCIAL PERFORMANCE

Net operating revenue

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

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

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



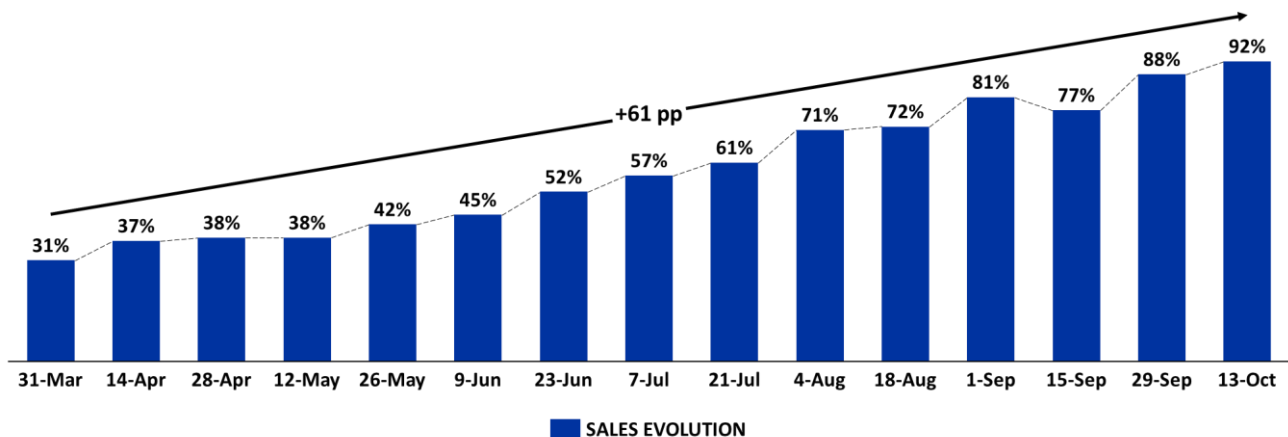
At the beginning of the quarter, we were limited to just one consumption opportunity (lunch or dinner), on a 6 consecutive hours-day, and from the end of July we started capturing the two opportunities in 4-hour shifts each. With that, we noticed a consistent improvement in sales, going from around -45%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

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

In this quarter, we also did the *roll out of contactless for all Free Standing stores*, a modality that allows the customer to send their order to the kitchen in a 100% digital manner, thus improving their shopping experience. Part of these stores also started to accept the *car payment* modality, through a partnership with ConectCar, another convenience for our customers.

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

EVOLUTION OF SALES DURING PANDEMIA VS THE PRE PERIOD



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

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

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

Moreover, over the past few years, we have made significant changes to our menu to meet the changing consumption habits and offer increasingly natural foods. Among the initiatives addressed, is the launch, in September, of the free of preservatives and artificial flavorings Whopper. Guided by a strategic and pioneering vision, the adequacy of the sandwich went through more than 2 years of intense research and the novelty has

the potential to change the fast food market in Brazil forever. The process to make this initiative real includes major changes in the production chain, logistics and product shelf life. In this first moment, the sandwich will be present in part of the stores in the city of São Paulo and from 2021, the product will be present in all of our stores. This initiative to bring a product free of artificial ingredients shows our pioneering spirit and concern to promote a relevant transformation for the whole society, more and more aligned to our **ESG - Environmental, Social and Governance** initiatives.

Digitalization of Sales

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

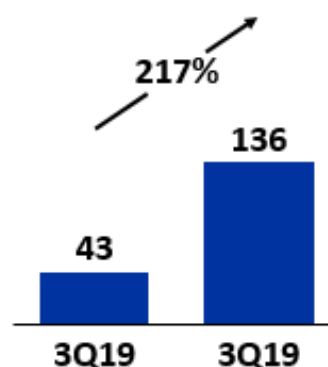
Even with the reopening of malls, **delivery** posted record sales in the third quarter, reaching R\$ 120.1 million, an increase of 210.1% in relation to the same period of the previous year.

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

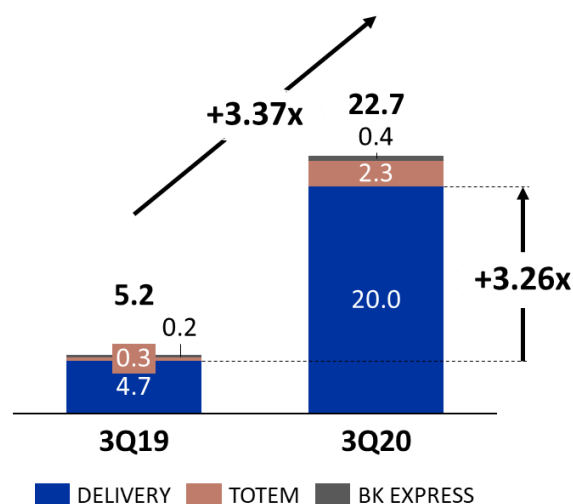
Still on the *delivery* channel, in this quarter we had the launch of The Sandwich by the Popeyes brand, as previously mentioned. The classic chicken sandwich exceeded all sales expectations of the chain, and in the *delivery* channel, sales increased by 900% *versus* 3Q19, from R\$ 1.1 million to R\$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

As part of investments in technology fronts, our **own delivery** continues to expand and continuously improve after the launch of its pilot in the second quarter. Our platform currently covers 100 stores, distributed in 25 municipalities

DIGITAL CHANNEL SALES (R\$)



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



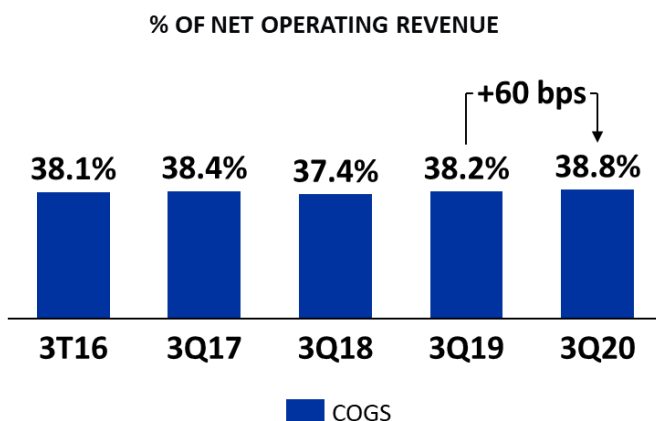
across the country, with an expectation of increased coverage in the coming months. For this, our app, which currently has more than 25 million *downloads* and more than 7 million complete registrations, have a fundamental role in improving our own platform. Our app also features the BK Express functionality, promotional coupons and other *features* that increasingly allow us to get closer to our customers and segment our campaigns according to the profile and different consumption habits. With this, we continue to intensify our investments in the knowledge of our customers, through the improvement of our CRM. We strongly believe in the engagement that our customers have with our brands and the important role of omnichannel in this context.

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

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

Cost of goods sold and selling expenses

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

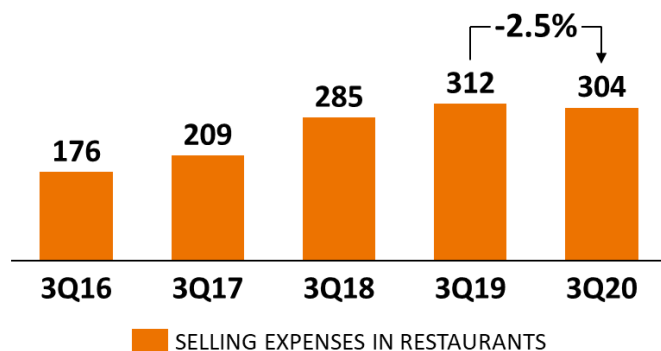


The gradual recovery in sales, supported by the opening of stores and the resumption of shopping malls, helped us to balance our cost structure and discount platform, both in aggregators and in the *drive thru* and coupon app.

Of the initiatives in the quarter, we highlight the adjustments made to our *mix and match* platform, in which we changed the price from R\$ 15.90 to R\$

16.90, price transfers made in coupon offers and better *revenue management* balance at the *delivery*. Thus, the recovery in sales also accompanied an improvement in margin, even in a more challenging economic environment. Additionally, as the channels return to normal, we saw a balance in our *portfolio* with higher incidence of drinks and desserts in sales.

SALES EXPENSES (R\$ MM)

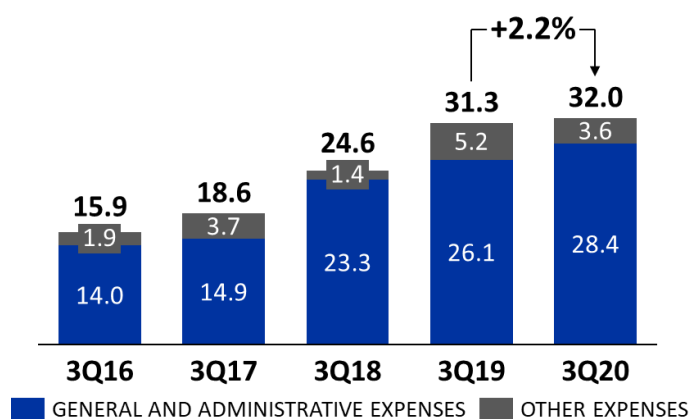


Restaurant sales expenses, excluding depreciation and amortization, totaled R\$ 304 million in 3Q20, a decrease of 2.5% compared to 3Q19. Even with an increase of more than 30 restaurants, the measures implemented during the pandemic allowed us to keep administrative expenses at stable levels compared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

Total general and administrative expenses

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

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES (R\$ MM)

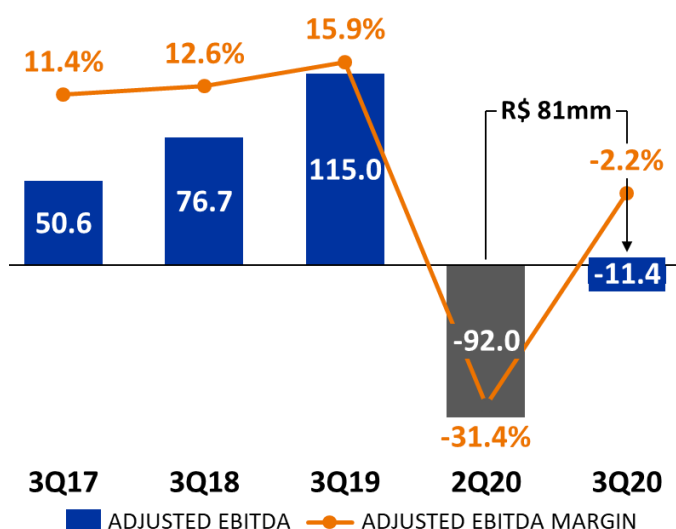


Adjusted EBITDA

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

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

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



EBITDA - R\$ MILLION

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

Net income (loss):

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

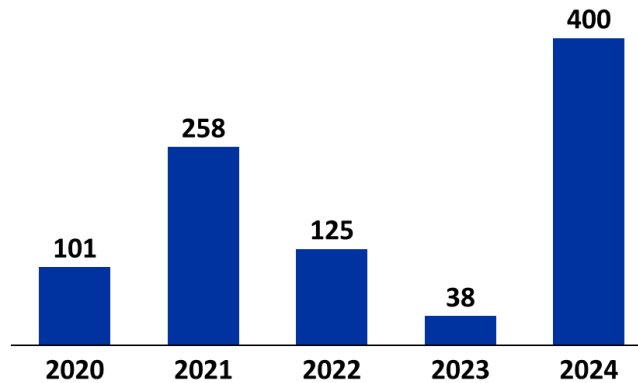
Total debt

In September 2020, the Company's total gross debt amounted to R\$ 937.8 million and the total cash available was R\$ 471.3 million at the end of 3Q20. Consequently, in December 2019 the Company had net cash position of R\$86 million, compared to a net cash position of R\$324 million in the same period of 2019.

Even in a challenging scenario in terms of operating results, our AA rating was maintained by Fitch Ratings, which reinforces the Company's strong work in maintaining the business at adequate risk levels.

NET DEBT - R\$ MILLION	SET/20	SET/19	VAR %
LOANS AND FINANCINGS	937.8	132.8	606.2%
CURRENT	339.4	26.2	1195.4%
NON-CURRENT	598.4	106.5	461.9%
CASH AND CASH QUIVALENTS AND MARKETABLE SECURITIES	471.3	180.6	161.0%
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES (CURRENT)	471.3	179.2	163.0%
MARKETABLE SECURITIES (NON-CURRENT)	0.0	1.4	-100.0%
NET DEBT	466.6	(47.8)	-1076.2%
ADJUSTED EBITDA (12M)	(33.5)	321.5	-110.4%
NET DEBT / TOTAL ADJUSTED EBITDA (12M)	N/A	(0.1x)	N/A

DEBT AMORTIZATION SCHEDULE (R\$ mm)

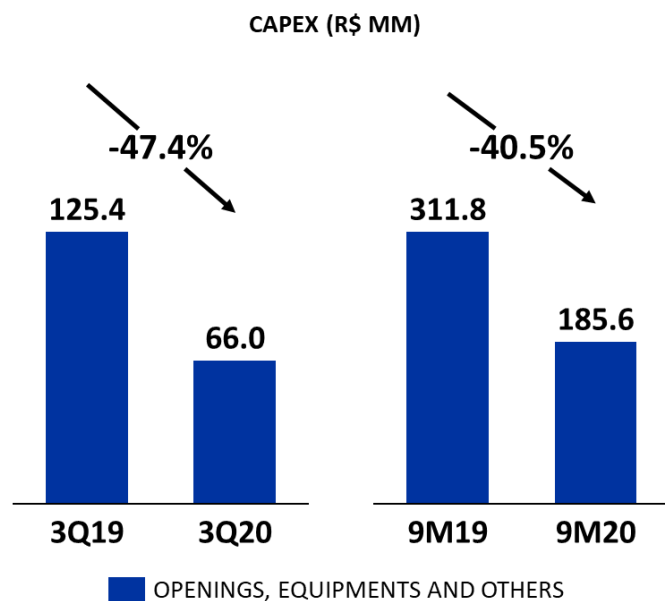


Graph expresses only the amounts of the principal

CAPEX

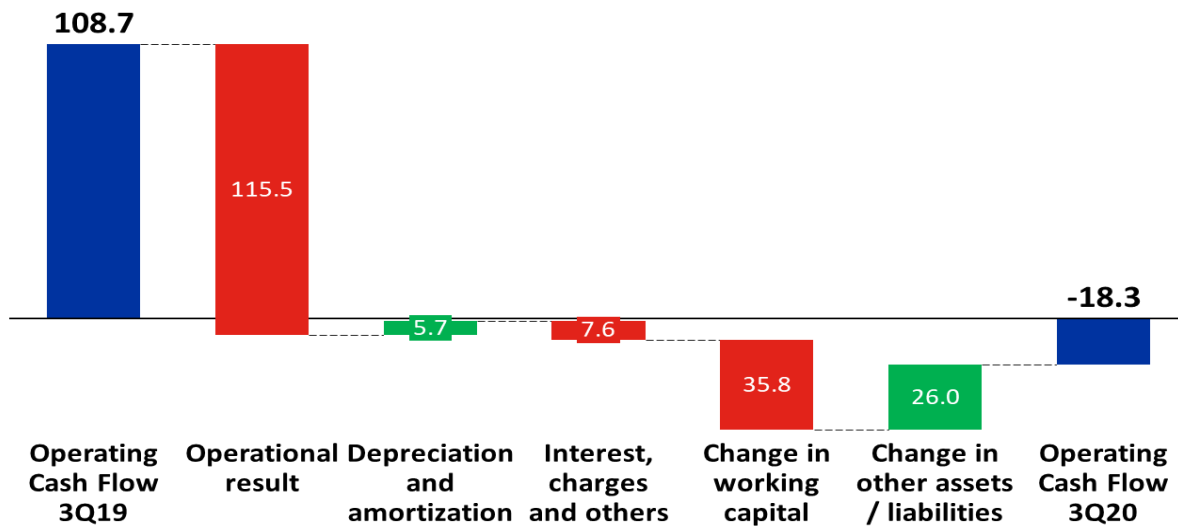
The Company's total investments reached R\$ 66.0 million in 3Q20, a decrease of 47.4% when compared to 3Q19. This reduction is linked to the temporary suspension of the Company's expansion plan scheduled for 2020, due to the liquidity protection measures implemented to protect the business from the uncertainties caused by COVID-19. Despite the reduction in investments year over year, we resumed expansion activities in 3Q20 with the opening of 11 restaurants, as previously mentioned.

In the 9-month period, CAPEX decreased by 40.5% compared to 9M19, reaching R\$ 185.6 million.



Operating cash flow

In 3Q20, cash used in the Company's operating activities was R\$ 18.3 million, R\$ 127.0 million higher than the same period last year, notably due to the decline in operating income, impacted by the decrease in sales due to the closing of stores as a consequence of COVID-19. Despite the negative variation versus the previous year, 3Q20 has already shown a significant improvement in operating cash generation, confirming the strong recovery trend.



DEFINITIONS

- **BK Express:** 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-off of property and equipment (claims, obsolescence, gain (loss) from asset divestments and provisions for impairment); and (ii) costs with stock 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 - Net growth of restaurants;
 - **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).

3Q20 CONSOLIDATED INCOME STATEMENT (R\$ MILLION)

	3Q20	3Q19	VAR %
NET OPERATING REVENUE	522.3	723.4	-27.8%
GROSS REVENUE FROM SALES	569.4	773.7	-26.4%
GROSS REVENUE FROM SALES DEDUCTIONS	(52.3)	(55.2)	-5.3%
GROSS REVENUE FROM SERVICES	5.8	5.3	9.4%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(0.6)	(0.5)	20.0%
COST OF GOOD SOLD	(202.7)	(276.5)	-26.7%
GROSS PROFIT	319.6	446.9	-28.5%
TOTAL SELLING EXPENSES	(381.7)	(384.0)	-0.6%
PERSONNEL EXPENSES	(117.5)	(121.3)	-3.1%
ROYALTIES AND MARKETING FUND	(56.7)	(67.8)	-16.4%
EXPENSES ON OCCUPANCY AND UTILITIES	(45.9)	(59.0)	-22.2%
PRE-OPERATING EXPENSES	(1.9)	(6.3)	-69.8%
DEPRECIATION AND AMORTIZATION	(77.3)	(71.9)	7.5%
OTHER SELLING EXPENSES	(82.4)	(57.7)	42.8%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(37.0)	(35.8)	3.4%
GENERAL AND ADMINISTRATIVE EXPENSES	(28.4)	(26.0)	9.2%
DEPRECIATION AND AMORTIZATION	(5.0)	(4.6)	8.7%
EXPENSES WITH MERGER AND ACQUISITIONS	(0.1)	(0.5)	-80.0%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(1.3)	(3.7)	-64.9%
COST OF STOCK OPTION PLAN	(2.2)	(1.0)	120.0%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	(99.1)	27.1	-466.2%
FINANCIAL RESULTS	(6.8)	(17.5)	-61.1%
FINANCIAL EXPENSES	(31.6)	(21.8)	45.0%
FINANCIAL INCOME	24.8	4.3	476.7%
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(105.9)	9.5	-1214.7%
INCOME TAX AND SOCIAL CONTRIBUTION	-	(4.1)	-100.0%
CURRENT	-	-	0.0%
DEFERRED	-	(4.1)	-100.0%
NET INCOME (LOSS) FOR THE PERIOD	(105.9)	5.4	-2068.4%

3Q20 CONSOLIDATED BALANCE SHEET (R\$ MILLION)

	09/30/2020	12/31/2019
ASSETS	3,490.0	3,528.1
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	47.2	325.3
MARKETABLE SECURITIES	424.0	278.8
TRADE RECEIVABLES	84.2	60.4
INVENTORIES	114.5	99.0
RECOVERABLE TAXES	38.4	27.6
ADVANCES PAID	27.5	46.1
OTHER RECEIVABLES	17.3	25.2
TOTAL CURRENT ASSETS	753.2	862.4
NON-CURRENT ASSETS		
NON-CURRENT INVESTMENTS AT FAIR VALUE	-	1.4
RECOVERABLE TAXES	90.3	73.1
JUDICIAL DEPOSITS	33.1	33.4
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	23.4	-
LONG-TERM RECEIVABLES	13.6	4.5
PROPERTY AND EQUIPMENT	1,180.6	1,163.6
INTANGIBLE ASSETS	1,395.9	1,389.7
TOTAL NON-CURRENT ASSETS	2,736.8	2,665.7
TOTAL ASSETS	3,490.0	3,528.1
LIABILITIES	2,042.0	1,741.4
CURRENT LIABILITIES		
LOANS AND FINANCING	339.4	116.6
TRADE PAYABLES	165.4	286.4
LEASING LIABILITIES	112.6	99.2
PAYROLL AND SOCIAL CHARGES	96.6	96.6
CORPORATE PAYABLES	11.0	23.8
TAXES PAYABLE	20.2	25.2
DEFERRED REVENUE, NET	9.9	9.1
DIVIDENDS AND INTEREST ON CAPITAL	-	10.1
OTHER PAYABLES	20.8	4.7
TOTAL CURRENT LIABILITIES	775.9	671.6
NON-CURRENT LIABILITIES		
LOANS AND FINANCING	598.4	403.3
PROVISION FOR LEGAL CLAIMS	22.4	16.3
TAXES PAYABLE	11.6	12.6
DEFERRED REVENUE, NET	13.0	17.9
LEASING LIABILITIES	603.5	594.1
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	-	8.5
OTHER PAYABLES	17.2	17.2
TOTAL NON-CURRENT LIABILITIES	1,266.1	1,069.9
EQUITY		
CAPITAL	950.8	950.8
EARNINGS RESERVE	134.6	134.6
CAPITAL RESERVES AND STOCK OPTIONS PLAN	733.1	725.4
TREASURY SHARES	(24.2)	(24.2)
OTHER COMPREHENSIVE INCOME	2.2	0.0
RETAINED EARNINGS (ACCUMULATED LOSSES)	(348.4)	-
TOTAL EQUITY	1,448.1	1,786.6
TOTAL LIABILITIES AND EQUITY	3,490.0	3,528.1

3Q20 CONSOLIDATED STATEMENT OF CASH FLOWS (R\$ MILLION)

	3Q20	3Q19
CASH FLOW FROM OPERATING ACTIVITIES	(18.3)	108.7
CASH GENERATED BY OPERATING ACTIVITIES	1.5	118.8
EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(105.9)	9.5
DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	51.5	49.5
LEASING AMORTIZATION	30.7	27.0
INTEREST, CHARGES, EXCHANGE DIFFERENCES AND MONETARY VARIATIONS	7.5	16.2
OTHERS	17.6	16.6
CHANGES IN ASSETS AND LIABILITIES	(19.8)	(10.0)
TRADE RECEIVABLES, NET	(18.0)	20.0
INVENTORIES	(21.2)	(4.8)
CORPORATE PAYABLES	4.5	2.8
ADVANCES PAID	4.5	(1.7)
TRADE AND RENTAL PAYABLES	19.2	6.2
PAYROLL AND SOCIAL CHARGES	3.1	5.4
OTHERS CHANGES IN ASSETS AND LIABILITIES	(11.9)	(38.0)
NET CASH USED IN INVESTING ACTIVITIES	56.3	(107.6)
PURCHASES OF PROPERTY AND EQUIPMENT	(62.1)	(118.6)
PURCHASES OF INTANGIBLE ASSETS	(3.9)	(6.8)
REIMBURSABLE EXPENSES WITH SHARES OFFERING	-	1.6
INVESTMENT IN MARKETABLE SECURITIES	(50.3)	(41.2)
REDEMPTION OF MARKETABLE SECURITIES	172.7	57.4
CONSIDERATION PAID ON THE ACQUISITION OF BUSINESSES NET OF CASH ACQUIRED IN THE ACQ	-	-
NET CASH USED IN FINANCING ACTIVITIES	(26.4)	(70.2)
CAPITAL CONTRIBUTED IN THE PERIOD	-	7.4
ACQUISITION OF TREASURY SHARES	-	(24.2)
PAYMENT OF LOANS AND FINANCINGS (PRINCIPAL)	(7.4)	(20.0)
LEASING LIABILITIES PAYMENT	(19.0)	(33.5)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	11.6	(69.1)
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	35.7	145.5
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	47.2	76.4

BK

BRASIL

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CFO and IRO

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Caroline Luccarini
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September 30, 2020:

Total shares: 228,105,447

Market value:
R\$ 2.4 billion

Share price:
R\$ 10.71



BK BRASIL ON
B3: BKBR3

3Q20 Earnings Release

Conference Call and Webcast

November 06, 2020 - Friday
*In Portuguese, simultaneously
translated into English*

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

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