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ZAMP S.A.

***(formerly BK Brasil Operação e
Assessoria a Restaurantes S.A.)
Parent company and consolidated
financial statements
at December 31, 2022
and independent auditor's report***





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Independent auditor's report

To the Board of Directors and Shareholders
ZAMP S.A.

Opinion

We have audited the accompanying parent company financial statements of ZAMP S.A. ("Company" or "Parent company"), which comprise the statement of financial position as at December 31, 2022 and the statements of profit or loss, comprehensive income (loss), changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of ZAMP S.A. and its subsidiary ("Consolidated"), which comprise the consolidated statement of financial position as at December 31, 2022 and the consolidated statements of profit or loss, comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies and other explanatory information.

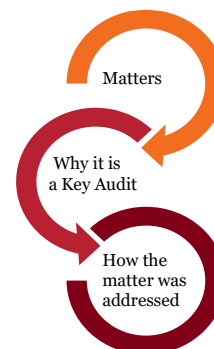
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ZAMP S.A. and of ZAMP S.A. and its subsidiary as at December 31, 2022, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiary in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





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Why it is a Key Audit Matter

How the matter was addressed in the audit

**Recoverable amount of non-financial assets
(Notes 2.13, 2.21, 9 and 10)**

Intangible assets with indefinite useful lives (goodwill) are tested for impairment at least annually. Other non-financial assets with finite useful lives are tested at the balance sheet date. If any indicators of impairment are present, the management determines the recoverable amount of the assets or Cash-Generating Units (CGUs) to which the assets are allocated. An impairment loss is recognized when the book value of an asset or CGU exceeds its recoverable amount.

Management determines the estimated recoverable amount based on projections that include assumptions and by using data that relies on significant judgment, including selecting the discount and growth rates. The value in use is determined by management using the discounted cash flow method.

The use of different estimates and assumptions in determining the recoverable amount could affect the decision to record losses or reverse impairment losses. For this reason, we treated this as a key audit matter.

Our audit procedures included, among others, understanding management's internal controls to assess the indicators of impairment, as well as to determine and measure the recoverable amount, including the choice of the valuation methodology and assumptions and data used in the calculation.

With the support of our business valuation specialists, we analyzed the discounted cash flow model used, including its logical and arithmetical consistency, as well as the reasonableness of the main assumptions including the discount and growth rates, comparing them, when available, with market data.

We compared the main cash projection assumptions with the budgets approved by the Company's management.

We performed a sensitivity analysis of the main assumptions to determine to what extent a different set of variables would result in the need to recognize or reverse impairments.

We read the related disclosures in the notes to the financial statements.

Based on our audit procedures, we considered that the judgments and assumptions adopted for the assessment of the recoverable amount, as well as the disclosures to be reasonable and consistent with the data and information obtained.

**Realization of deferred income tax
and social contribution assets
(Notes 2.21 and 27)**

The Company recognized deferred income tax and social contribution assets arising from deductible temporary differences, which management believes are recoverable based on its projections of taxable profits that will generate taxes payable to be offset by the assets.

We treated this area as a key audit matter, considering that management's assessment

Our audit procedures included, among others, understanding management's internal controls to calculate deferred taxes.

With the support of our tax experts, we tested the calculation bases of temporary differences and tax losses, analyzing the reasonableness of their historical composition and comparing them with the corresponding tax records.



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Why it is a Key Audit Matter

depends on significant and subjective judgment to determine an estimate of future tax profits.

Any changes in these estimates and assumptions could materially affect the projections of taxable profits and, consequently, the recoverability of deferred income tax and social contribution assets recorded for tax temporary differences and non-recorded deferred taxes for carryforward losses.

How the matter was addressed in the audit

We analyzed the reasonableness (i) of management's main assumptions used in the study of projections of future taxable profits; and (ii) the terms for realization of the deferred tax assets. We also analyzed the projections which indicate that sufficient taxable profits will be available in the future to offset taxes payable against the deferred tax assets and assessed the sufficiency of disclosures made in the notes to the financial statements.

Our audit procedures indicated the judgments and assumptions used by management to be reasonable and the disclosures were consistent with the data and information obtained.

Provisions and tax contingent liabilities (Notes 2.18 and 17)

The Company is a defendant in lawsuits arising from the ordinary course of its operations, especially of a tax nature involving differing legal interpretations and assessment notices, among others. Generally, obtaining definitive rulings for such lawsuits can take a considerable length of time and involve not only discussions of the merits, but also complex procedural aspects, in accordance with applicable legislation.

Management, under the advice of its internal and external legal counsel, estimates the likely outcomes for these lawsuits, to then record provisions for those considered to present a probable risk of loss and disclosing details of those considered to present a possible risk of loss.

Due to the materiality of the amounts and uncertainties involved in the calculation and recording of the provisions and required disclosures of provisions and contingent liabilities, we considered this as a key audit matter.

Our audit procedures included, among others, understanding management's internal controls to identify, measure, record and disclose provisions and tax contingent liabilities, as well as to monitor the progress of these lawsuits.

We requested from the legal advisors' confirmations of the details of the lawsuits, the amounts and a prognosis of the likelihood of loss.

Together with our tax experts, we analyzed the main ongoing lawsuits, examined the documentation supporting management's assessment and discussed the reasonableness of management's conclusions.

We consider that the criteria and assumptions used by management for the calculation and recording of the provisions and the disclosures in the notes to the financial statements to be consistent with the assessments provided by the legal advisors.

Other matters

Statements of Value Added

The parent company and consolidated statements of value added for the year ended December 31, 2022, prepared under the responsibility of the Company's management and presented as supplementary



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information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these statements of value added have been properly prepared, in all material respects, in accordance with the criteria established in the Technical Pronouncement and are consistent with the parent company and consolidated financial statements taken as a whole.

Prior-year information

The financial statements for the year ended December 31, 2021 were audited by another firm of independent auditors whose report, dated February 24, 2022, expressed an unqualified opinion on those statements.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Company and its subsidiary.



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Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiary.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 2, 2023

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

DocuSigned by:
Geovani da Silveira Fagunde
Assinado por: GEOVANI DA SILVEIRA FAGUNDE:71535438649
CPF: 71535438649
Hora de assinatura: 02 March 2023 | 20:56 BRT

ICP Brasil logo with a green checkmark icon.
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Geovani da Silveira Fagunde
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Individual and consolidated financial statements

Zamp S.A. (Formerly BK Brasil Operação e Assessoria a Restaurantes S.A.)

December 31, 2022

MESSAGE FROM THE MANAGEMENT

Since the first quarter of 2020, when the global pandemic hit and changed the dynamics of society and, momentarily, of our business, we have always believed that we would come out of this crisis stronger than when we went in. And, to do so, we would have to make the right decisions, in complex scenarios, so that we could create sustainable competitive advantages that would set us apart in a weakened market, once the crisis were behind us.

The year began with still some operating restrictions. However, throughout the last quarters, we have been able to deliver a consistent recovery. In the fourth quarter of 2022, we end the year with the clarity that we are indeed coming out of this pandemic stronger than we went in and that the fundamentals that brought us here once again feature in our results. We delivered a quarter marked by strong sales growth; significant operating leverage with structural efficiency gains; and the resumption of our strong expansion plan for both our brands, Burger King and Popeyes.

We closed 2022 with a new all-time high revenue and operating cash generation, despite a traffic scenario still below pre-pandemic levels. Through our successful timing, product, revenue management, sourcing and digitalization strategies, we achieved the best gross margin in the Company's history, **coupled with our all-time best annual market share**, according to Kantar research institute. This balance between revenue growth and gross margin increase has enabled us, already in 4Q22, to record nominal gross margin levels per asset above 2019 figures, in real terms.

We have continued to invest in innovations in both brands, which has contributed to boost sales and ensure greater operating leverage of our assets. For the Burger King brand, we launched the SpongeBob and *Taca Fogo* (Set It on Fire) campaigns, as well as the *Whopper Churras* (BBQ Whopper) and three new chicken sandwich options, while, for Popeyes, we carried out a Children's Day and a Black Friday campaign, offering more tastings and gaining customer loyalty.

Our technology fronts, which we have put so much energy into over the last four years, continue to bring important results. In the quarter, our loyalty program reached 10.7 million users — this is Latin America's largest restaurant loyalty program. Our CRM has already reached the milestone of 15.9 million registered users and more than 40% of registered sales, which provides us with information to increasingly implement more assertive pricing and hyper-customization strategies. Our app has continued to make progress in number of downloads, offering new features, relevance and recurrence. Hence, we currently have the best rated app in the restaurant industry in Brazil, for both Android and iOS. Lastly, we were able to shift most of our delivery volume to an operating model that gives us a larger scale, greater access to data, better profitability and, this last quarter, an important revenue growth.

Through sales recovery and operating efficiency projects, we ended 2022 with the same margin per asset as the one we had in 2019 for the Burger King brand. This underlines our brand's strength and our ability to adapt initiatives that generate profitability, given a complex inflationary scenario and still repressed demand. As for the Popeyes brand, we closed the year with average sales that place us among Brazil's main QSR players and already take the operation, still in its early stages of maturation, into positive profitability territory.



In 4Q22, we accelerated our restaurant opening pace compared to the previous quarter, recording 35 gross openings, of which 12 were Company-owned Free-Standing Burger King stores, in line with this brand's expansion plan, 2 Company-owned restaurants Ghost Kitchen cobranded, 1 Company-owned restaurant Food Court and 11 franchises; and 9 Company-owned Food Court Popeyes' restaurants, expanding our presence to other important Brazilian capital cities.

In 2022, our operating cash generation was able to subsidize our investment plan to open 49 restaurants in Brazil; investments in maintenance and remodeling of our assets; and significant technology projects that are beginning to have an important effect on our operating results. Thus, we are heading into the next year with an excellent capital structure that will allow us to pursue our Company's strong expansion plan in the growing and full of opportunities Brazilian QSR market.

Coupled with the results we delivered, we closed 4Q22 with the excellent news that our Company was certified by the Great Place to Work institute, which gives us confidence that we are in the right direction on all fronts. We remain focused on picking up sales, expanding our restaurants and being diligent in capital allocation. We believe our current result supports our growth plans for the future, and we are confident we will deliver our strategic plans for the coming years.

We would like to once again thank all our shareholders, suppliers, customers and employees, who worked hard during this year.

ZAMP Team

2022 x 2021 PERFORMANCE:

- **Net operating revenue** of **R\$3.64 billion**, **the best year in the Company's history**, up by **R\$891.4 million (+32.4%)** versus 2021;
- **Gross Margin** of **64.4%** in 2022, the **Company's best annual historical performance**;
- **Digital channel** sales (Delivery, Totem and App) were **up by 38%**, accounting for **33.5% of the Company's sales**;
- **41% of registered sales** by the end of 2022;
- **Clube BK**, the **Company's loyalty program**, reached **10.7 million users** in 2022, accounting for more than 30% of the Company's revenue;
- **Adjusted EBITDA** of **R\$573.1 million**, up by **+137.3%** versus 2021 and **Adjusted EBITDA Margin** of **15.7%**;
- **Adjusted EBITDA (ex-IFRS)** of **R\$337.3 million**, up by **R\$ 287.6 million** and **Adjusted EBITDA Margin (ex-IFRS)** of **9.3%**;
- **Net opening** of **45 restaurants** during the year, totaling **990 restaurants**, of which **927 are BURGER KING® stores** and **63 are POPEYES® stores**; and
- **Operating cash** generation of **R\$458.9 million**, up by R\$340.3 million.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)

	2022	2021	VAR%
NET OPERATING REVENUE	3,644.7	2,753.3	32.4%
ADJUSTED EBITDA	573.1	241.5	137.3%
% OF NET OPERATING REVENUE	15.7%	8.8%	690bps
ADJUSTED EBITDA EX-IFRS 16	337.3	49.7	578.5%
% OF NET OPERATING REVENUE	9.3%	1.8%	750bps
LOSS	(55.8)	(273.8)	-79.6%
LOSS EX-IFRS 16	(41.4)	(258.6)	-84.0%
GROSS DEBT	1,013.6	790.3	28.3%
NET DEBT	494.4	339.5	45.6%
SHAREHOLDERS' EQUITY	1,485.2	1,572.7	-5.6%
NET SALES REVENUE	3,440.3	2,611.7	31.7%
GROSS PROFIT	2,203.6	1,623.3	35.7%
GROSS MARGIN	64.1%	62.2%	190bps
SSS	21.0%	6.0%	1500bps
NET SALES REVENUE	162.6	110.1	47.6%
GROSS PROFIT	101.5	63.9	58.8%
GROSS MARGIN	62.4%	58.0%	440bps
SSS	32.8%	15.3%	1750bps
OPERATIONAL HIGHLIGHTS	2022	2021	VAR.
# OF RESTAURANTS	990	945	45
OWNED RESTAURANTS			
#OWNED RESTAURANTS AT THE BEGINNING OF THE PERIOD BK®	736	703	33
BURGER KING® RESTAURANT OPENINGS	22	26	(4)
BURGER KING® RESTAURANT CLOSINGS	(4)	-	(4)
#OWNED RESTAURANTS AT THE BEGINNING OF THE PERIOD POPEYES®	52	45	7
POPEYES® RESTAURANT OPENINGS	11	7	4
#OWNED RESTAURANTS AT THE END OF THE PERIOD	765	736	29
FRANCHISE RESTAURANTS			
#FRANCHISE RESTAURANTS AT THE BEGINNING OF THE PERIOD	209	202	7
BURGER KING® RESTAURANT OPENINGS	16	9	7
BURGER KING® RESTAURANT CLOSINGS	-	(3)	3
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	-	1	(1)
#FRANCHISE RESTAURANTS AT THE END OF THE PERIOD	225	209	16

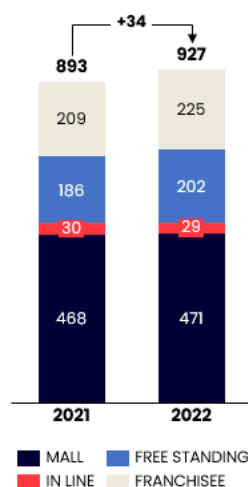
OPERATIONAL PERFORMANCE

Restaurant chain

In 2022, the Company's **net openings totaled 45 restaurants**, 33 openings and 4 closings of company-owned restaurants and 16 openings of franchise restaurants.

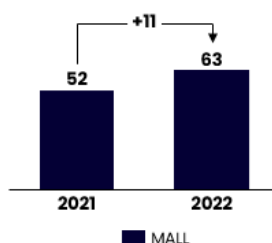
BURGER KING® System

In the year, the system **opened 16 company-owned Free-Standing** BURGER KING® restaurants, 4 company-owned **co-branded Ghost Kitchen*** restaurants, 2 openings and 4 closings of company-owned *Food Court* restaurants. Additionally, **16 franchise restaurants** were opened. Therefore, the BURGER KING® system ended the year with 927 restaurants.



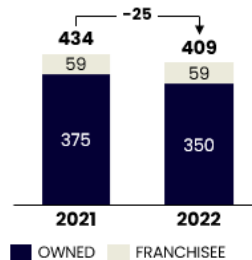
POPEYES® System

The POPEYES® restaurant system ended 2022 with a total of 63 restaurants and opened 11 units throughout the year. During 2022, the brand opened 4 **co-branded Ghost Kitchens** and **7 Mall stores**. In the quarter, POPEYES® opened the first restaurants in the states of Minas Gerais, Bahia, Paraná, Goiás and the Federal District, expanding the brand's presence across Brazil.



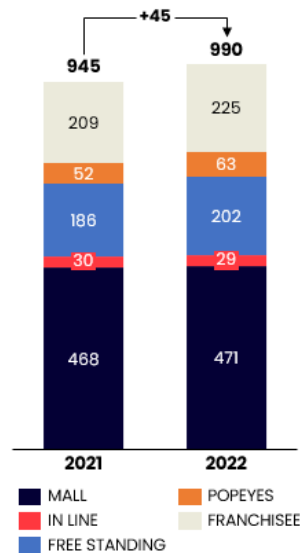
BURGER KING® dessert centers

As part of the Company's portfolio management and profitability strategy, in addition to the 927 restaurants, the BURGER KING® system ended the year with **409 dessert centers** and closed **25 units in 2022**.



Total restaurant chain

Therefore, ZAMP ended 2022 with a total of **990 restaurants**, of which **765 are company-owned** BURGER KING® and POPEYES® restaurants and **225** are BURGER KING® **franchises**.

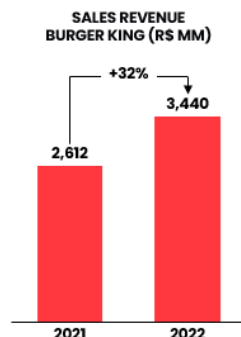
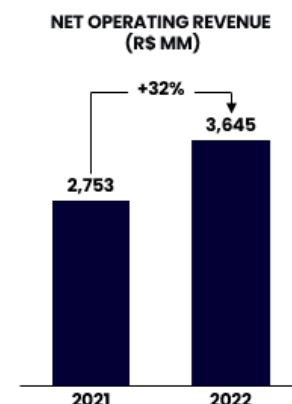


FINANCIAL PERFORMANCE

Net operating revenue

In 2022, net operating revenue totaled almost **R\$3.64 billion, the highest revenue in the Company's history**, recording growth of 32 p.p. compared to the same exercise in the previous year. Moreover, this result was 27% higher than pre-pandemic figures recorded in 2019, showing the Company's recovery capacity through its iconic and strong brands.

Among the operating highlights, it must be emphasized the dynamic in which traffic has already surpassed pre-pandemic levels on weekends. However, on weekdays, specifically Monday through Thursday, we continue to record a partially lower traffic.

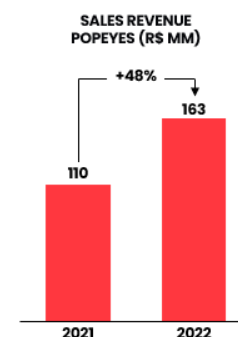


As it can be seen in the chart on the left, net revenue from BURGER KING sales amounted to **R\$3.44 billion** in 2022, **32%** higher than in 2021. Furthermore, this result was also the brand's best year in Brazil, recording growth of 24.4 p.p. versus 2019.

In 2022, **SSS were 21.0%**, reinforcing the recovery in traffic and the brand's progress in the Brazilian QSR scenario.

Celebrating **Popeyes'** 4th anniversary of operations in Brazil, the brand continues to have a robust expansion pipeline, reaching new consumer markets through the opening of stores in states where it was not present before. Through trials, digitalization strategy and product quality, we have been able to win consumer loyalty and reach increasingly significant figures, quarter after quarter.

Moreover, it is known that poultry is the most consumed protein in Brazil and, as the addressable market for this product has been growing significantly in Brazil, ZAMP has positioned itself and is ready to capture the opportunities that may come.



Therefore, POPEYES recorded **sales revenue of R\$163 million** in 2022, the brand's best historical year, **up by 48% compared to 2021**, and **SSS of 32.8%**.

Sales Digitalization

In 2022, **digital sales**, represented by delivery, totem and app (mobile) for both ZAMP brands, reached a new annual record of **R\$1.2 billion**, up by 38% over the previous year. As it can be seen in the charts below, digital channel sales already account for more than 33% of the Company's total revenue. This increase is mainly due to totem and app (mobile) sales.

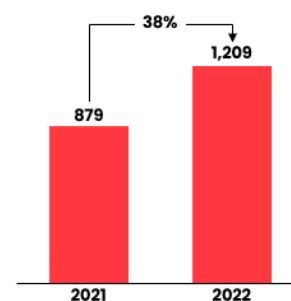
Delivery sales accounted for **13.7% of total sales** for 2022. These figures reinforce the Company's strategy to accelerate this more profitable and efficient growth avenue, in addition to having higher customer experience levels.

We reached almost **70% of company-owned Burger King and Popeyes restaurant operation from self-service totems**. This channel increased by 3.6 p.p. versus the previous year, accounting for 16.7% of the Company's sales in 2022. This evolution shows the **increase in its share of both our operations and sales results**, while it also works focused on individual strategies, as it brings the identification feature at the moment the customer accesses the channel, in addition to reaching a higher NPS. By the end of 2022, we also made progress in the **100% digital restaurants, reaching 23 restaurants in such format**.

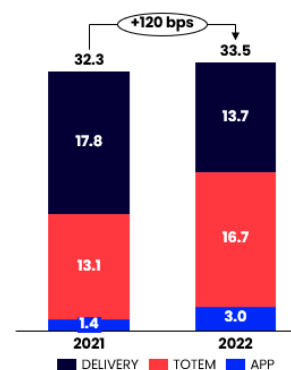
Lastly, we recorded 41.2% of registered sales and our CRM ended the year with 15.9 million registered users, strengthening our process of knowing our customers better and more precisely executing individual and customized initiatives.

By the end of 2022, **Clube BK**, BURGER KING's loyalty program, the main driver of the Company's CRM strategy, totaled **10.7 million registered users**, a figure 3x higher than at the end of 2021. At year-end, the program had issued **1.4 billion points**, 10x more than in the previous year. This program directly contributes to the increase in the Company's average sales, winning customer loyalty through **customized individual consumption offers**.

DIGITAL CHANNELS SALES (R\$ MM)

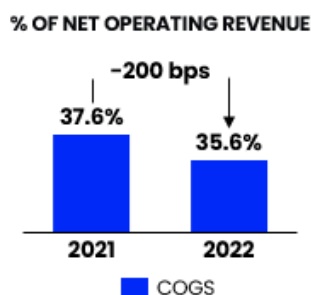


GROWTH AND REPRESENTATIVITY (%) OF DIGITAL SALES OVER TOTAL REVENUE



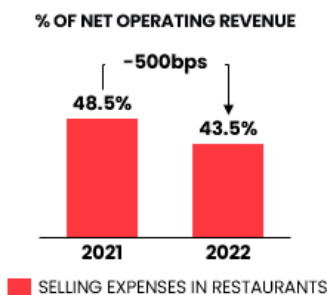
Cost of goods sold

COGS, cost of goods sold, was 35.6% in 2022, **down by 200 bps**. As we have been informing over the past years and throughout the quarters in 2022, the Company has managed to maintain the **balance between sales recovery, and gross margin gains**. We have been able to reach these gross margin levels due to the combination of three pillars: i) **revenue management**; ii) **strategic sourcing**, by renegotiating existing contracts, setting up new long-term partnerships and, thus, achieving relevant price reductions to keep our **costs under control**, even under an inflationary scenario that, despite the recent cooling, remains challenging; and iii) **data** — with more and more knowledge about our users, we were able to reduce our exposure to massive discounts and therefore be more assertive in our commercial strategy.



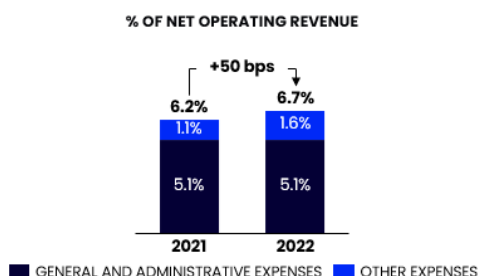
Selling expenses

Selling expenses at the restaurants, excluding depreciation and amortization and pre-operational expenses, represented **43.5% of 2022 revenue**, a **500-bps drop** compared to the previous year. As presented before, the Company continues to rely on the digital strategy to be increasingly efficient in the personnel line, combining cost reduction and positive experiences to our customers. Throughout the year, we made important progress in negotiating occupancy contracts — in order to mitigate the impact from the increase in the IGPM and other correction rates over the last few quarters. Furthermore, we continue to invest in utilities, which has enabled us to reduce this account, and, mainly focused on strengthening the 1P and hybrid delivery channels, we remain reducing expenses, such as platforms' take rates. This result shows ZAMP's discipline in controlling discretionary expenses.



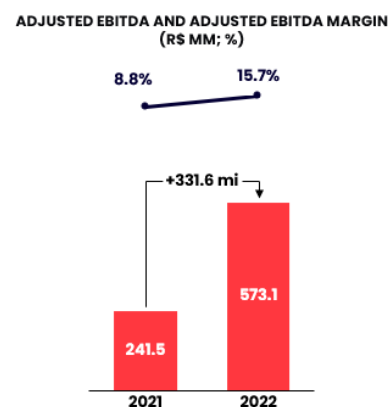
Total general and administrative expenses

General and administrative expenses, excluding depreciation and amortization, represented **6.7% of net revenue for 2022, up by 50 bps** vs. 2021. During the year, the Company made several investments to optimize numerous departments and processes, the main one being on the technology front, with the creation of a new Vice-Presidency structure, reinforcing our commitment to Digital Transformation, and invested in our team to be prepared to support our growth throughout this new cycle. As our traffic comes closer to pre-pandemic levels, there is an operating leverage trend in this line.



Adjusted EBITDA

In 2022, **ZAMP recorded the highest Adjusted EBITDA in its history**, totaling **R\$573.1 million**, up by **137%** versus 2021 and by **23%** over 2019, an increase compared to pre-pandemic results. **EBITDA margin came to 15.7% in 2022, 690 bps higher** than in 2021. The results previously presented arise from the acceleration in the Company's sales pace and several operating efficiency initiatives currently in progress, such as digital transformation, strategic sourcing and revenue management, leading to an improvement in gross margin and a decrease in operating costs and expenses.

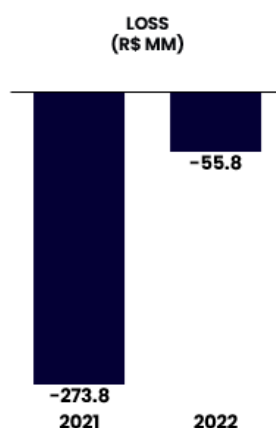


EBITDA – R\$ MILLION	2022	2021	VAR %	2022 (ex-IFRS 16)	2021 (ex-IFRS 16)	VAR %
LOSS FOR THE EXERCISE	(55.8)	(273.8)	79.6%	(41.3)	(258.6)	-
(+) FINANCIAL INCOME (LOSS)	143.9	98.0	46.8%	56.7	33.7	68.2%
(+) DEPRECIATION AND AMORTIZATION	405.7	376.5	7.8%	235.2	225.8	4.2%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	8.6	3.2	-168.8%	16.0	11.1	45.0%
EBITDA	502.4	203.9	146.4%	266.6	12.0	2122.5%
EBITDA MARGIN	13.8%	7.4%	640bps	25.4%	1.3%	2410bps
(+) OTHER EXPENSES	21.8	13.8	58.0%	21.8	13.8	58.0%
(+) STOCK OPTION PLAN COSTS	34.8	8.3	319.3%	34.8	8.3	319.3%
(+) MERGER AND ACQUISITION EXPENSES	0.0	7.4	-100.0%	0.0	7.4	-
(+) PRE-OPERATING EXPENSES	14.1	8.2	72.0%	14.1	8.2	72.0%
ADJUSTED EBITDA	573.1	241.5	137.3%	337.3	49.7	578.7%
ADJUSTED EBITDA MARGIN	15.7%	8.8%	690bps	9.3%	1.8%	750bps

Our ex-IFRS16 Adjusted EBITDA, amounted to **R\$337.3 million** by the end of 2022, a **578.5% increase** year-on-year and margin stood at 9.3%.

Loss

In 2022, the Company recorded a **loss of R\$55.8 million**, a **R\$218 million upturn** versus 2021, which was mainly due to the Company's profitability strategies and operating leverage, in addition to the partial recovery in traffic in 2022.



RELATIONSHIP WITH INDEPENDENT AUDITORS:

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that until December 31, 2022, the independent auditor (PricewaterhouseCoopers Auditores Independentes Ltda. (PwC)), in addition to auditing services, it was contracted for the service of assuring the Company's 2021 Sustainability Report in the amount equivalent to 16.3% of the audit fees of financial finance companies.

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

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

Board of Executive Officers ZAMP S.A.



Contents

Individual and consolidated financial statements	
Statements of financial position	2
Statements of profit or loss	3
Statement of comprehensive income (loss)	4
Statements of changes in equity	5
Statements of cash flows	6
Statements of value added	7
Notes to the individual and consolidated financial statements	8
Officers' Statement on the Financial Statements	55
Officers' Statement on the Independent Auditor's Report	56
Summary of the Audit Committee Report	57
Summary of the Supervisory Board Report	59

ZAMP S.A.

On December 31, 2022 and 2021

(In thousands of reais)

Statements of financial position

	Notes	Parent company		Consolidated	
		2022	2021	2022	2021
Assets					
Current Assets					
Cash and cash equivalents	3	45,452	111,589	45,453	111,590
Marketable securities	4	473,648	339,192	473,680	339,218
Trade receivables	5	222,550	139,267	222,550	139,267
Inventories	6	175,581	142,767	175,581	142,767
Taxes recoverable	7	50,797	44,053	50,797	44,053
Other receivables and advances paid		33,946	36,804	33,946	36,804
Total current assets		1,001,974	813,672	1,002,007	813,699
Non-current assets					
Taxes recoverable	7	149,534	135,289	149,534	135,289
Judicial deposits	17	45,912	41,171	45,912	41,171
Other receivables		18,604	19,992	18,604	19,992
Right-of-use assets	8	843,690	836,407	843,690	836,407
Property and equipment	9	1,332,335	1,225,502	1,332,335	1,225,502
Intangible assets	10	738,871	741,348	738,871	741,348
Total non-current assets		3,128,946	2,999,709	3,128,946	2,999,709
Total assets		4,130,920	3,813,381	4,130,953	3,813,408
Liabilities					
Current liabilities					
Trade payables	12	346,046	239,474	346,046	239,474
Agreement with suppliers	12	18,527	8,443	18,527	8,443
Payroll and social charges	13	139,234	106,648	139,234	106,648
Loans and financing	11	149,477	153,535	149,477	153,535
Lease liabilities	8	171,876	160,105	171,876	160,105
Corporate payables	18	24,144	22,122	24,144	22,122
Taxes payable	14	33,598	30,743	33,598	30,743
Deferred revenue	15	19,908	13,805	19,908	13,805
Other payables	16	34,258	26,448	34,291	26,475
Total current liabilities		937,068	761,323	937,101	761,350
Non-current liabilities					
Loans and financing	11	864,082	636,735	864,082	636,735
Provision for legal claims	17	21,818	25,422	21,818	25,422
Taxes payable	14	4,543	6,445	4,543	6,445
Deferred revenue	15	4,730	5,874	4,730	5,874
Lease liabilities	8	775,737	758,362	775,737	758,362
Deferred income tax and social contribution	27	37,754	29,112	37,754	29,112
Other payables	16	-	17,388	-	17,388
Total non-current liabilities		1,708,664	1,479,338	1,708,664	1,479,338
Total liabilities		2,645,732	2,240,661	2,645,765	2,240,688
Equity					
Capital	19	1,461,068	1,461,068	1,461,068	1,461,068
Capital reserve and stock option plan		728,404	720,526	728,404	720,526
Shares in treasury		(63,691)	(24,214)	(63,691)	(24,214)
Other comprehensive income	29	-	147	-	147
Accumulated losses		(640,593)	(584,807)	(640,593)	(584,807)
Total equity		1,485,188	1,572,720	1,485,188	1,572,720
Total liabilities and equity		4,130,920	3,813,381	4,130,953	3,813,408

Management's explanatory notes are an integral part of individual and consolidated financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais)

**Statements of profit or loss**

	Notes	Parent company		Consolidated	
		2022	2021	2022	2021
Net operating revenue	21	3,644,674	2,753,287	3,644,674	2,753,287
Cost of goods and products sold and services taken	22	(1,297,785)	(1,034,605)	(1,297,785)	(1,034,605)
Gross profit		2,346,889	1,718,682	2,346,889	1,718,682
Operating expenses					
Selling expenses	23	(1,987,373)	(1,693,769)	(1,987,373)	(1,693,769)
General and administrative expenses	24	(262,541)	(197,330)	(262,772)	(197,549)
Profit (loss) before financial income (expenses) and taxes		96,975	(172,417)	96,744	(172,636)
Financial expenses	25	(209,957)	(141,561)	(209,957)	(141,561)
Financial income	26	65,838	43,380	66,069	43,599
Financial income (expenses), net		(144,119)	(98,181)	(143,888)	(97,962)
Loss before income tax and social contribution		(47,144)	(270,598)	(47,144)	(270,598)
Income tax and social contribution	27	(8,642)	(3,243)	(8,642)	(3,243)
Loss for the year		(55,786)	(273,841)	(55,786)	(273,841)
Loss per share	20	(0.20377)	(0.99893)	(0.20377)	(0.99893)
Loss per share	20	(0.20377)	(0.99893)	(0.20377)	(0.99893)

Management's explanatory notes are an integral part of individual and consolidated financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais)

**Statements of Comprehensive Income (Loss)**

	Parent company and Consolidated	
	2022	2021
Loss for the year	(55,786)	(273,841)
Derivative financial instruments – Hedge	(147)	(153)
Comprehensive income for the year	(55,933)	(273,994)

Management's explanatory notes are an integral part of individual and consolidated financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais)

**Statements of changes in equity**

Description	Notes	Capital reserves					Shares in treasury	Other comprehensive income	Retained earnings (accumulated losses)	Total equity
		Capital	Capital reserve (share premium)	Cost of issuing shares	Stock option plan					
As at December 31, 2020		1,461,068	786,459	(98,635)	24,447	(24,214)		300	(310,966)	1,838,459
Cost of issuing shares		-	-	(29)	-	-	-	-	-	(29)
Options granted recognized	31	-	-	-	8,284	-	-	-	-	8,284
Other comprehensive income	29	-	-	-	-	-	(153)	-	-	(153)
Loss for the year		-	-	-	-	-	-	-	(273,841)	(273,841)
As at December 31, 2021		1,461,068	786,459	(98,664)	32,731	(24,214)		147	(584,807)	1,572,720
Options granted recognized	31	-	-	-	22,315	-	-	-	-	22,315
Treasury shares acquired		-	-	-	-	(53,914)	-	-	-	(53,914)
Granted options exercised		-	-	-	(14,437)	14,437	-	-	-	-
Other comprehensive income	29	-	-	-	-	-	(147)	-	-	(147)
Loss for the year		-	-	-	-	-	-	-	(55,786)	(55,786)
As at December 31, 2022		1,461,068	786,459	(98,664)	40,609	(63,691)		-	(640,593)	1,485,188

Management's explanatory notes are an integral part of individual and consolidated financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais)

**Statements of cash flows**

	Parent company		Consolidated	
	2022	2021	2022	2021
Cash flows from operating activities				
Loss before income tax and social contribution	(47,144)	(270,598)	(47,144)	(270,598)
Depreciation and amortization of property and equipment and intangible assets (Notes 9, 10, 23 and 24)	235,261	225,836	235,261	225,836
Provision for bonuses	35,017	26,142	35,017	26,142
Interest, charges, exchange variation and monetary variation	174,295	109,571	174,295	109,571
Provision for legal claims (Note 18)	36,255	22,872	36,255	22,872
Result on disposal of fixed and intangible assets (Notes 9 and 10)	16,790	9,251	16,790	9,251
Provision for impairment (Notes 9 and 24)	7,037	4,861	7,037	4,861
Stock options cost (Notes 24 and 31)	34,799	8,284	34,799	8,284
Provision for impairment and write-off of non-financial assets (Note 5)	2,571	5,538	2,571	5,538
Provision (reversal) for inventory loss (Note 23)	(1,387)	1,701	(1,387)	1,701
Amortization of right-of-use (Note 8)	170,439	150,644	170,439	150,644
	663,933	294,102	663,933	294,102
Changes in assets and liabilities				
Trade receivables, net	(85,854)	(37,617)	(85,854)	(37,617)
Inventories	(31,427)	(18,856)	(31,427)	(18,856)
Taxes recoverable	(20,989)	(44,993)	(20,989)	(44,993)
Other receivables and advances paid	(495)	(22,055)	(495)	(22,055)
Trade and rentals payable	98,860	61,503	98,860	61,503
Agreement with suppliers	10,084	(31,202)	10,084	(31,202)
Payroll and social charges	(14,915)	(5,641)	(14,915)	(5,641)
Corporate payables	2,022	6,298	2,022	6,298
Taxes payable	2,390	(1,927)	2,390	(1,927)
Income tax and social contribution paid	(1,437)	-	(1,437)	-
Deferred revenue	4,959	(6,942)	4,959	(6,942)
Other payables	(9,524)	31	(9,518)	32
Interest expense on loans and financing (Note 11)	(118,815)	(53,515)	(118,815)	(53,515)
Payment of legal claims (Note 18)	(39,859)	(20,613)	(39,859)	(20,613)
Net cash from operating activities	458,933	118,573	458,939	118,574
Cash flows from investing activities				
Purchases of property and equipment	(328,407)	(238,840)	(328,407)	(238,840)
Purchases of intangible assets	(27,325)	(31,391)	(27,325)	(31,391)
(Investment in) redemption of marketable securities	(85,233)	276,772	(85,239)	276,771
Net cash from (used in) investing activities	(440,965)	6,541	(440,971)	6,540
Cash flows from financing activities				
Cost of issuing shares	-	(29)	-	(29)
Raising of loans and financing (Note 11)	350,000	-	350,000	-
Payment of loans and financing (principal) (Note 11)	(140,385)	(41,346)	(140,385)	(41,346)
Costs on raising loan (Note 11)	(4,002)	-	(4,002)	-
Payments of lease liabilities (Note 8)	(235,804)	(191,819)	(235,804)	(191,819)
Acquisition of treasury shares	(53,914)	-	(53,914)	-
Net cash used in financing activities	(84,105)	(233,194)	(84,105)	(233,194)
Net decrease in cash and cash equivalents	(66,137)	(108,080)	(66,137)	(108,080)
Cash and cash equivalents:				
Cash and cash equivalents at the end of the year (Note 3)	45,452	111,589	45,453	111,590
Cash and cash equivalents at the beginning of the year (Note 3)	111,589	219,669	111,590	219,670
Net decrease in cash and cash equivalents	(66,137)	(108,080)	(66,137)	(108,080)

Management's explanatory notes are an integral part of individual and consolidated financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais)

Statements of value added

	Parent company		Consolidated	
	2022	2021	2022	2021
Revenues	4,011,571	3,017,874	4,011,571	3,017,874
Gross sales of goods and services	3,991,764	3,008,347	3,991,764	3,008,347
Discounts and cancellations	(4,188)	(4,260)	(4,188)	(4,260)
Other revenues	23,995	13,787	23,995	13,787
Inputs purchased from third parties	(2,323,085)	(1,880,853)	(2,323,316)	(1,881,072)
Cost of sales and services	(1,297,785)	(1,034,605)	(1,297,785)	(1,034,605)
Materials, electric power, outside services and other expenses	(999,980)	(831,357)	(999,980)	(831,357)
Impairment of assets	(23,827)	(14,112)	(23,827)	(14,112)
Other costs	(1,493)	(779)	(1,724)	(998)
Gross value added	1,688,486	1,137,021	1,688,255	1,136,802
Retentions	(405,700)	(376,480)	(405,700)	(376,480)
Depreciation and amortization	(405,700)	(376,480)	(405,700)	(376,480)
Wealth created by the Company	1,282,786	760,541	1,282,555	760,322
Wealth received in transfer	68,826	44,821	69,057	45,040
Financial income	68,826	44,821	69,057	45,040
Total wealth for distribution	1,351,612	805,362	1,351,612	805,362
Wealth distributed	1,351,612	805,362	1,351,612	805,362
Personnel expenses	648,367	525,638	648,367	525,638
Salaries and wages and benefits	612,537	492,607	612,537	492,607
Unemployment Compensation Fund (FGTS)	35,830	33,031	35,830	33,031
Taxes, fees and contributions	468,917	345,123	468,917	345,123
Federal	343,652	256,093	343,652	256,093
State	106,652	74,923	106,652	74,923
Municipal	18,613	14,107	18,613	14,107
Lenders and lessors	290,114	208,442	290,114	208,442
Financial expenses	208,801	140,811	208,801	140,811
Rentals	81,313	67,631	81,313	67,631
Shareholders	(55,786)	(273,841)	(55,786)	(273,841)
Loss for the year	(55,786)	(273,841)	(55,876)	(273,841)

Management's explanatory notes are an integral part of individual and consolidated financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**1. Operations**

ZAMP S.A. ("ZAMP" or the "Company") is a publicly-held corporation established in Brazil, with its head office at Alameda Tocantins, 350 – Alphaville – Barueri – SP. It is listed on B3 S.A. – Brasil, Bolsa, Balcão ("B3") under ticker "ZAMP3", engaged in: (i) the development and the operation of "Burger King" and "Popeyes" restaurants in Brazil; (ii) the provision of advisory and support services to "Burger King" restaurants in Brazil; (iii) sale, import and export of products related to the aforementioned activities; and (iv) the holding of equity interests in other companies that develop the activities above in Brazil, as a partner or shareholder.

In May 2022, upon amendment to the by-laws approved in Extraordinary General Meeting, the Company name was changed from BK Brasil Operação e Assessoria a Restaurantes S.A. to ZAMP S.A.

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 another twenty years if the parties agree to do so (Note 18).

The Company obtained from Restaurant Brands International (RBI), owner of the Burger King brand, a franchise for 20 years counted from each store's opening date. At the time each store is opened, an amount ranging from US\$ 5 thousand to US\$ 45 thousand is paid in a single installment as a Franchise Fee, depending on the store model. Royalties of 5% are also paid on the net monthly revenue of the stores, as well as a contribution to a marketing fund at the rate of 5% of net sales.

As at December 31, 2022 and 2021, the Company had 702 and 684 company-owned stores, distributed as follows:

	2022	2021
State of Alagoas	4	4
State of Bahia	15	14
State of Ceará	14	14
Federal District	10	10
State of Espírito Santo	13	13
State of Goiás	22	22
State of Maranhão	5	5
State of Mato Grosso	5	5
State of Mato Grosso do Sul	4	4
State of Minas Gerais	53	51
State of Pará	8	7
State of Paraíba	5	5
State of Pernambuco	17	17
State of Piauí	2	2
State of Paraná	47	43
State of Rio de Janeiro	102	99
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	39	39
State of Santa Catarina	4	4
State of Sergipe	6	6
State of São Paulo	324	317
Total Stores	702	684

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**1. Operations****b) Popeyes Operation**

The right to operate restaurants under the “Popeyes” brand was obtained through a “Master Franchise” agreement entered into with Popeyes Louisiana Kitchen (PLK) on March 20, 2018. By signing these agreements, ZAMP 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, which may be renewed for an equal term, in the event the parties are interested (Note 18).

The Company obtained from RBI, owner of the Popeyes brand, a franchise for a 20-year term counting from each store’s opening date. For the opening of each store, the amount of US\$ 40 thousand is paid in a single installment as a Franchise Fee. In addition, royalties and the contribution to the marketing fund have rates similar to those applicable to the BURGER KING® brand in Brazil.

As at December 31, 2022 and 2021, the Company had 63 and 52 company-owned stores, distributed as follows:

	2022	2021
State of Bahia	2	-
Federal District	1	-
State of Goiás	1	-
State of Minas Gerais	2	-
State of Paraná	1	-
State of Rio de Janeiro	8	7
State of São Paulo	48	45
Total Stores	63	52

Voluntary Public Offer (OPA) for Acquisition of Control of Zamp S.A.

As reported in a Material Fact notice on August 1, 2022, MC Brazil F&B Participações S.A. made a voluntary public offer for acquisition of control of ZAMP S.A. (OPA). Following an analysis of business plans and future prospects, MC Brazil F&B Participações S.A. offered to purchase 45.15% of the Company’s shares increasing its interest to 50.10% of its capital.

The Company’s Board of Directors, in accordance with the Novo Mercado regulation, Bylaws and CVM Resolution 85, assessed, together with its independent financial and legal advisors, the terms of the Proposal and the impacts of the OPA on the Company and its investors. On August 17, 2022, a Material Fact notice was issued advising that the Board of Directors had declined the Offer. The Material Fact notice of August 22, 2022 advised that the shareholders representing 20.44% of the Company’s capital had not expressed an interest in proceeding with the OPA.

On August 31 and September 12, 2022, the Company published the letter from Restaurant Brands International Inc. (RBI), advising of the potential early termination of the Master Franchise agreement with ZAMP S.A. covering the BK and PLK brands should the OPA be successfully completed.

On September 22, 2022, the Company disclosed the letter from RBI, owner of the BK and PLK brands, which mentions the request for additional information from the Offeror and noting that some of the Offeror’s affiliates are engaged in competing activities. Therefore, pursuant to the Master Franchise agreements, it was not possible to grant the waiver requested by the Offeror.

On September 23, 2022, the Company notified the market that it had rejected the OPA, in view of effects on its existing business, in particularly the potentially adverse impact caused by the termination of the franchise agreements.

As a result of the OPA, the Company’s general and administrative expenses (Note 24) increased mainly as a result of the early vesting of the Share-based Compensation Plan, and additional expenses contracted for specialized financial advisory services.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**1. Operations****Sustainability Report**

In November 2022, the Company published the Sustainability Report for 2021 on its usual disclosure channels. The published document states ZAMP's commitments related to environmental, economic and social information in order to optimize the impacts and sustainable behavior with the global economy. Also, the report was assured by PricewaterhouseCoopers Auditores Independentes Ltda. (PWC) considering the criteria and guidelines of the Global Reporting Initiative (GRI).

The Company's commitments were divided into 3 pillars, namely: (i) Our Food, (ii) Our People and (iii) Our Footprint. The 3 pillars include 16 commitments and are related to the United Nations (UN) Sustainable Development Goals (SDGs). Among the main commitments assumed, we can highlight:

- Sale of oil after using the stores to companies specialized in recycling of this input – this revenue recognition operation is recorded in the line items of Note 21;
- Actions that minimize the use of electricity purchased through the free market and distributors, such as the development of partnerships with clean and renewable energy generation plants (solar, wind and hydroelectric) for the stores – the benefits arising from this action were recorded in the line items of Note 23; and
- Implementation of a water reuse system to minimize waste in restaurants. The captured water was reused, for example, in gardening – the benefits arising from this action were also recorded in the line items of Note 23.

COVID-19 pandemic effects

As instructed by CVM in February 2022, the guidance from prior years was not repeated, but the validity of certain documents previously issued was reinforced. Therefore, the instruction issued by CVM in March 2020 remains valid and discusses the potential effects that the pandemic caused by the New Coronavirus (COVID-19) may have on the Companies business and their effects on the financial/ statements.

The effects stated in this disclosure distort the Company's historical seasonality and impair the comparability of the information, since in 2021 part of the year was significantly impacted by the pandemic when compared to 2022. Considering the current information and the data available for this disclosure, as from the second quarter of 2022, the scenario of our activities has been normalized when compared to 2021, except for the flow of people in the shopping malls, which is still below the period prior to the pandemic.

Based on the resumption and generation of operating cash, in addition to other analyses carried out by the Management of ZAMP, no material adverse effects on the Company's operations were identified which cast doubt on its ability to continue as a going concern and which may significantly impact the accounting estimates applied in the preparation of the individual and consolidated financial statements.

2. Significant accounting policies**Basis of preparation**

The Company's individual and consolidated financial statements ("Financial Statements") have been prepared in accordance with the accounting practices adopted in Brazil ("BR GAAP") and also the International Financial Reporting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), used in the preparation of these financial statements as at December 31, 2022 and applicable to the comparative information as of December 31, 2021.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies**

In conformity with OCPC 07/CTG 07 - Disclosure of General Purpose Financial Statements, these financial statements disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The accounting practices adopted in Brazil comprise those set out in the Brazilian Corporate Law and the pronouncements, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee ("CPC") and approved by the Securities and Exchange Commission of Brazil ("CVM") and the Brazilian Federal Accounting Council ("CFC").

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

The Company has adopted all standards, revisions of standards and interpretations issued by IASB and CPC, that were effective at December 31, 2022 (Note 2.24).

The financial statements were prepared in the ordinary course of business. Management reviews periodically the Company's ability to continue as a going concern.

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities as those arising from financial instruments, which are measured at fair value (Note 30).

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

CPC 22/NBC TG 22 (R2)/IFRS 8 - Operating Segments requires operating segments to be identified based on internal reports, regularly reviewed by key decision makers for the purpose of allocating resources to segments and assess their performance. 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.

The Company's individual and consolidated financial statements for the year ended December 31, 2022 were concluded and approved by the Company's officers and authorized for issue according to a resolution by the members of the Board of Directors on March 2, 2023.

Estimates

CVM in its instructions brings sensitive matters for the years 2022 and 2021, which require professional judgment and recommends the resolution of problems, the goals to be achieved, consideration and assessment of alternatives and choices available in order to reach a conclusion. Notwithstanding, it discusses the validity of the guidance from CVM's technical areas included in circular letters related to prior years and the Company believes that what is due and required related to these matters is reflected in this document.

The Company's financial statements have been prepared in accordance with several measurement bases used in the accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, taking into consideration Management's judgment to determine the appropriate amount to be recognized in the financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies**

Significant items subject to these estimates and assumptions include the selection of the useful lives of property and equipment items and their recoverability in operations, the assessment of recoverability of intangible assets, the measurement of financial assets at fair value and under the present value adjustment method, the analysis of credit risk to determine the provision for impairment of receivables, as well as the analysis of other risks to determine other provisions, including for legal claims.

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimate process. The Company reviews its estimates and assumptions periodically.

2.1. Basis of consolidation

The consolidated financial statements include the financial statements of ZAMP and the private equity fund XPA-BK (Note 4). The investment fund is fully consolidated since the date of its establishment. The financial statements of the investment fund have been prepared for the same year of the Company, using consistent accounting policies. All intragroup balances, revenues and expenses as well as unrealized gains and losses arising from intragroup transactions are fully eliminated.

2.2. Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Company acquires a business, it determines the fair value of the assets acquired and liabilities assumed in order to allocate them according to the contractual terms, economic circumstances and applicable conditions on the acquisition date, which includes the segregation, by the acquiree, of embedded derivatives existing in host contracts in the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition-date fair value, and any resulting gain or loss is recognized in the statement of profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or a liability shall be recognized in accordance with CPC 48/NBC TG 48/IFRS 9 - Financial Instruments in the statement of profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it is not re-measured, and subsequent settlement is accounted for within equity.

Initially goodwill is measured as the excess of the consideration transferred in relation to the net assets acquired. If the consideration is lower than the fair value of the net assets acquired, the difference is recognized as a gain in the statement of profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree being assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation shall be included in the transaction cost when calculating the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed of operation and the portion of the cash-generating unit retained.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****2.3. Functional and presentation currency**

The Company's functional and presentation currency is the Real.

2.4. Transactions in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) at the spot rates of exchange rate at the reporting date. Gains and losses resulting from exchange differences arising on the translation of these assets and liabilities at the end of the reporting period are recognized as financial income or expenses in the statement of profit or loss.

2.5. Revenue recognition

Revenue is recognized to the extent it is probable that economic benefits will be transferred to the Company and when it can be reliably measured. Revenue is measured at the fair value of the consideration received, less any discounts, rebates and taxes or charges on sales.

The Company assesses revenue transactions in accordance with specific criteria to determine whether it is operating as agent or principal, and, in the end, concluded that it is operating as principal in all its revenue arrangements. The specific criteria below shall also be satisfied before the revenue recognition:

Sale of products

The revenue from sale of products is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, which generally occurs at the product's delivery.

Rendering of services

The revenue from management and advisory services rendered to franchisees is only recognized when the services are rendered and when the rewards are transferred to the franchisees, by applying percentages on the monthly revenues.

Investment income

Investment income and cash equivalents are calculated based on the effective interest rate applied to the principal amount of the investment. Interest income is included in line item "Financial income", in the statement of profit or loss.

2.6. Taxes**Income tax and social contribution - current**

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****Deferred taxes**

Deferred taxes are provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax losses).

Deferred tax assets are recognized for all deductible temporary differences, including the carry-forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recovered. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period (as of December 31, 2022 and 2021 the rate used was 34%).

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Due to the historical results in the last years, the Company did not recognize deferred taxes on tax losses (Note 27).

Indirect taxes (PIS, COFINS, ICMS)

Taxes on sales of goods consist of ICMS at rates between 2% and 20% levied on taxed products not subject to the tax substitution regime, contributions related to Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) at rates of 1.65% and 7.6%, respectively, for goods not subject to the single-phase taxation regime or goods with a zero rate. In addition, ISS is levied on revenues from services provided.

2.7. Financial instruments - Initial recognition and subsequent measurement

The Company's accounting policies are described below, as well as their impacts on the financial statements:

Classification of financial assets

The CPC 48 / NBC TG 48 / IFRS 9 have a new classification and measurement approach for financial assets that contains three main classification categories: measured at amortized cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVTPL"). The standard eliminates existing CPC38 (IAS 39) categories, held to maturity, held for trading, loans and receivables, and available for sale.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****Hedge accounting**

The Company opted to apply the new requirements of CPC 48/NBC TG 48/IFRS 9 in relation to hedge accounting. These requirements demand that hedge accounting relationships are aligned with the Company's risk management, objectives and strategies, make the effectiveness assessment more qualitative and prospective, and prohibit voluntary discontinuation of the hedge accounting.

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

Impairment of financial assets

The Company adopts CPC 48/NBC TG 48/IFRS 9, which replaces the "losses incurred" model of CPC 38 (IAS 39) with a prospective "expected credit loss" model. This new model applies to financial assets measured at amortized cost or FVOCI, with the exception of investments in equity instruments and contractual assets.

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

Impairment of financial assets

The receivable database is submitted to impairment test in accordance with the standard and in conformity with the internal policy, which is based on the probability of realization, actual loss and predicts the provision for expected credit losses. This analysis for the year ended December 31, 2022 resulted in the identification of outstanding amounts in trade receivables, which were recorded in the Company's profit or loss due to their low expectation of collection (Note 5).

2.8. Derivative financial instruments

As at December 31, 2022 and 2021, the Company used derivative financial instruments and Non-Deliverable Forward (NDF) to hedge against the risk of fluctuations in exchange rates.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses resulting from changes in the fair value of derivatives during the year are recognized directly in the statement of profit or loss, in line item financial income or expenses.

2.9. Property and equipment

Items of property and equipment are stated at cost of acquisition or construction, less accumulated depreciation and/or accumulated impairment losses, when applicable. When significant parts of a property and equipment item are replaced, the Company recognizes these parts as individual assets with specific useful lives and depreciation. All other maintenance and repairs costs are expensed as incurred. The Company capitalizes borrowing costs directly related to the construction of assets eligible for use.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies**

In addition, the Company capitalizes the internal costs related to professionals fully dedicated to restaurant construction projects, which are allocated to each new restaurant opened. These costs are capitalized from the moment the restaurant construction project is probable, considering the identification of the location and its feasibility.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year when the asset is derecognized.

The asset's residual values, useful lives and depreciation methods are reviewed at each reporting period and adjusted prospectively, if appropriate. Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets, as mentioned in Note 9.

2.10. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in these assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Use of the brands Burger King (Franchise fee) and Popeyes (Franchise fee)

Brands comprise the rights to use the brands paid to Burger King Corporation and to Popeyes Louisiana Kitchen, Inc. for the opening of each store and each brand. The amortization period is twenty years from the restaurant opening date.

Software licenses (Software use rights)

Software refer to the licenses acquired by the Company for the use of the software. Amortization is calculated on a straight-line basis over an average period of five years and maintenance costs are recognized directly in profit or loss.

2.11. Lease assets and liabilities – Effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16**Right-of-use assets and lease liabilities**

IFRS 16/CPC 06 (R2)/NBC TG 06 (R3) uses the 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.

The Company recognizes an asset ("right of use asset") (Note 8) for its lease agreements related to lease of administrative and operational properties (stores). The lease agreements have an average term of 10 years and the Company has a policy of renegotiating if applicable at least one year before the expiration of the lease.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****Real property rights (Commercial rights)**

Real property rights refer to the locations where the point of sales or stores are established and upfront payments are paid to the lessors of such spaces. Amortization is calculated using the straight-line method in accordance with the term of the lease agreement signed between the lessee, the Company, and the lessor, owner of the property.

2.12. Inventories

Inventories are stated at the lower of cost and net realizable value.

2.13. Impairment of non-financial assets

The recoverable amount of an asset or a certain cash-generating unit is the higher of an asset's fair value less costs to sell or its value in use.

In estimating the value in use of the asset, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. The net disposal proceeds are determined, whenever possible, based on a firm sale agreement in an arm's length transaction, adjusted by expenses attributable to the sale of the asset or, when there is no firm sale contract, based on the market price of an active market, or in the price of the most recent transaction with similar assets.

The following criteria are also applied to assess the impairment of specific assets:

Goodwill

The impairment testing of goodwill is made annually (at December 31) or when circumstances indicate an impairment may exist.

Intangible assets

The amortization period and method for an intangible asset with finite useful life are reviewed at the end of each reporting period, whenever there is indication of impairment, changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are recognized through changes in the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets (Note 10). Intangible assets with indefinite useful lives are not subject to amortization, but are tested annually for impairment, individually or at the level of the cash-generating unit.

The assessment of indefinite useful life is reviewed annually to determine if such assessment continues to be justifiable. Otherwise, the change in useful life from indefinite to finite is made on a prospective basis. As of December 31, 2022, there was no decrease in the indicators, however in the year ended December 31, 2021, there were decreases in indicators of impairment, but there was no change in the useful life from indefinite to finite and after analyses, projections and judgments made by Management, no need for provision for impairment was identified.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****2.14. Cash and cash equivalents**

Cash equivalents are held to meet short-term cash commitments and not for investment or other purposes. The Company considers as cash equivalents a financial investment that can be immediately converted into a known amount of cash and subject to an insignificant risk of change in value.

Therefore, an investment usually qualifies as a cash equivalent only when it has a short maturity of, for example, three months or less from the date of contracting and/or has a repurchase commitment.

2.15. Marketable securities

Marketable securities are measured based on their yield and are recognized in the statement of profit or loss when incurred, not presenting material differences in relation to their fair values. Therefore, there was no fair value adjustment in equity account as of December 31, 2022 and 2021.

The Company's share in the exclusive investment fund was consolidated based on the segregation of investments comprising the fund's equity (Notes 2.1 and 4).

2.16. Deferred revenue

The Company has three types of recognition of deferred revenue in its statement of financial position, as follows:

(i) transactions with suppliers, which pay for the exclusive sales of products, brand exposure in stores and purchase volume, which are recognized as deferred revenue, in current and non-current liabilities, and are recognized in the statement of profit or loss in line item "Other operating income (expenses)" over the period of the agreement with the supplier.

(ii) Revenue from franchise fees: in accordance with CPC 47/ NBC TG 47/ IFRS 15 - Revenue from Contracts with Customers, the Company recognizes these benefits in accordance with the term defined for the franchisee holding the brand, usually 20 years; and

(iii) Loyalty Program - BK Club: aims to retain the Company's customers by granting points for each purchase made, so that customers may accumulate points and exchange for rewards available in the program. The obligation arising from the issue of points is measured based on the customer's compliance with the program and the consumption of branded products and is only fulfilled if the customer actually redeems the award in the store or after it has expired (6 months from the date of issue). Only after the performance obligation is exceeded the revenue is recognized in the statement of profit or loss for the period. Accordingly, revenue is presented net of the respective direct variable costs, related to the provision of rewards to the participant, in accordance with CPC 47 / NBC TG 47 / IFRS15 - Revenue from Contracts with Customers.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****2.17. Agreement with suppliers**

The Company offers its suppliers the option of receiving their payment through a forfaiting by a financial institution. This option is offered to facilitate the administrative procedures so that its suppliers may receive in advance the amounts related to routine purchases made by the Company's entities. In this operation, the financial institution pays the Company's suppliers in advance, in exchange for a discount, and when contracted between the bank and the supplier (the decision to adhere to this transaction is solely of the supplier), the Company pays to the financial institution at the original payment date the total nominal amount of the original obligation. Therefore, this operation does not change the amounts, nature and due date of the liability (including terms, prices and conditions previously agreed) and does not affect the Company with the financial charges applied by the financial institution, when performing a detailed analysis of suppliers by category. No guarantee is provided by the Company.

In addition, the payments made by the Company represent purchases of goods and services, are directly related to the supplier invoices and do not change their cash flows. Accordingly, the Company continues to recognize the operating suppliers in the statements of cash flows. (Note 12).

2.18. Provisions**General**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

Provision for legal claims

The Company is a party to lawsuits and administrative proceedings. Provisions are recognized for all contingencies related to lawsuits for which it is probable that an outflow of resources will be made to settle the obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes the assessment of available evidence, hierarchy of laws, available case laws, recent court decisions and their relevance in the legal system, as well as the assessment made by outside attorneys. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, completion of tax audits or additional exposures identified based on new matters or court decisions.

2.19. Statements of cash flows and value added

The statements of cash flows were prepared under the indirect method and are presented in accordance with CPC 03 (R2)/NBC TG 03 (R3)/IAS 7 - Statement of Cash Flows. The statement of value added was prepared in accordance with CPC 09/NBC TG 09 - Statement of Value Added and is presented as supplementary information for IFRS purposes.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****2.20. Earnings (loss) per share**

The Company calculates earnings (loss) per share using the weighted average number of total shares corresponding to the result for the period, as set forth in technical pronouncement CPC 41/NBC TG 41 (R2)/IAS 33 - Earnings per Share.

The comparative figures of basic and diluted earnings/loss per share are based on the weighted average number of shares outstanding in the year, and all shares with potential dilutive effect outstanding for each presented year, respectively.

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

2.21. Significant accounting estimates and assumptions

The main assumptions related to sources of uncertainty in future estimates and other important sources of uncertainty in estimates at the end of the reporting period, involving a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next fiscal year, are discussed below:

Impairment of non-financial assets

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. The calculation of fair value less costs to sell is based on available information on sales of similar assets or market prices less incremental costs to dispose of the asset.

The value in use calculation is based on the discounted cash flow model. Cash flows derive from the budget for the next five years and do not include reorganization activities to which the Company has not yet committed and significant future investments that will improve the asset base of the cash-generating unit subject to testing. The recoverable amount is sensitive to the discount rate used in the discounted cash flow method, as well as to expected future cash receipts and the growth rate used for extrapolation purposes.

Realization of deferred income tax and social contribution

Deferred tax assets are recognized for the carry-forward of unused tax losses to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses can be utilized. Significant judgment by Management is required to determine the amount of the deferred tax asset that may be recognized, based on the probable level of future taxable profits, together with future tax planning strategies. The Company did not recognize deferred taxes on tax losses in 2022 and 2021.

The utilization of accumulated tax losses is restricted to the limit of 30% of the taxable profit generated in a certain fiscal year, however the unused tax losses do not expire.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****Fair value of financial instruments**

When the fair value of financial assets and liabilities presented in the statement of financial position cannot be obtained from active markets, it is determined by using valuation techniques, including the discounted cash flow method. Data for these methods are based on market data, when possible; however, when this is not feasible, a certain level of judgment is required to establish the fair value.

Judgment includes considerations on the data used, such as liquidity risk, credit risk and volatility. Changes in assumptions on these factors could affect the reported fair value of the financial instruments.

Provision for tax, civil and labor risks - claims

The Company recognizes a provision for tax, civil and labor claims. The assessment of the likelihood of loss includes the assessment of available evidence, hierarchy of laws, available case laws, recent court decisions and their relevance in the legal system, as well as the assessment made by outside attorneys. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, completion of tax audits or additional exposures identified based on new matters or court decisions.

2.22. Employee benefits

The Company grants benefits to its employees, such as meal vouchers for Management employees, meals for restaurant employees, medical and dental care, transportation voucher and variable compensation.

Profit sharing

The profit sharing program is approved annually and is based on individual goals and goals of the Company as a whole. In 2022, these goals were achieved by the Company and its employees, therefore the profit sharing program that was accrued for the year 2022 will be paid in the subsequent year. The amount related to the provision for profit sharing is recorded in line item Payroll and social charges, in the statement of financial position (Note 13).

2.23. Uncertainty over Income Tax Treatments - ICPC 22/ITG 22/IFRIC 23

The interpretation on Uncertainty over Income Tax Treatments - ICPC 22/ITG 22/IFRIC 23, addresses the accounting of taxes on income in cases in which the tax treatments involve an uncertainty that affects the application of IAS 12 (CPC 32/NBC TG 32 (R4) - Income Taxes) and is not applicable to taxes outside the scope of IAS 12, nor specifically includes requirements regarding interest and fines associated to uncertain tax treatments.

The Company assessed the uncertain tax treatments separately and the assumptions regarding the review of tax treatments by tax authorities on the determination of taxable income (tax loss), tax bases, unused tax losses, untimely tax credits and tax rates.

The Company determined, based on its tax compliance study, that it is probable that its tax treatments (including those applicable to subsidiaries) will be accepted by tax authorities. This interpretation did not generate impact on the Company's individual and consolidated financial statements.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies****2.24 – New standards, amendments to and interpretations of standards effective in 2022 and new standards, amendments to and interpretations of standards not yet effective****2.24.1 New standards, amendments to and interpretations of accounting standards effective in 2022**

The Company has applied certain standards and amendments, which are effective for annual reporting periods beginning on January 1, 2022. The following amendments to standards were adopted:

- Amendments to IAS 16 (standard equivalent to CPC 27 – Property, Plant and Equipment): the amendment prohibits an entity from deducing from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. These proceeds and related costs should be recognized in profit or loss for the year.
- Amendments to IAS 37 (standard equivalent to CPC 25 – Provisions, Contingent Liabilities and Contingent Assets): the amendment clarifies that, for the purposes of assessing whether a contract is onerous, the cost of fulfilling the contract includes the incremental costs of fulfilling the contract and an allocation of other costs directly related to its fulfillment.
- Amendments to IFRS 3 (standard equivalent to CPC 15 – Business Combinations): replaced the references of the old version of the conceptual framework with the most recent one issued in 2018.
- Annual Improvements – 2018-2020 Cycle:
 - (i) IFRS 9 (standard equivalent to CPC 48 – Financial Instruments): clarifies which fees should be included in the 10% test for derecognition of financial liabilities;
 - (ii) IFRS 16 (standard equivalent to CPC 06 (R2) – Leases): amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements;
 - (iii) IFRS 1 (standard equivalent to CPC 37 – First-time Adoption of the International Financial Reporting Standards): simplifies the application of that standard by a subsidiary that adopts IFRS for the first time after its parent company in relation to the measurement of the accumulated amount of foreign exchange variation;
 - (iv) IAS 41 (standard equivalent to CPC 29 – Agriculture): removal of the requirement of excluding taxes (IR/CS) from cash flow estimates when measuring the fair value of biological assets and agricultural produce, aligning the fair value measurement requirements in IAS 41 with those of other IFRS standards.

The aforementioned amendments did not have significant impacts on the Company.

2.24.2 New standards, amendments to and interpretations of standards not yet effective and which were not early adopted

The IASB works with the issuance of new standards and revision of existing standards, which will become effective on January 1, 2023, with early application permitted, namely:

- IAS 1 (standard equivalent to CPC 26 (R1) – disclosure of accounting policies): the amendments are useful when replacing the requirement for disclosure of significant accounting policies and adding guidance on how entities should apply the concept of materiality to make decisions about the disclosure of accounting policies;

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**2. Significant accounting policies**

- **IAS 8 (standard equivalent to CPC 23 – definition of accounting estimates):** the amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and correction of errors. They also clarify how entities use the measurement techniques and inputs to develop accounting estimates;
- **IAS 1/ (standard equivalent to CPC 26 (R1) – classification of liabilities as current or non-current):** to specify the requirements for classifying liabilities as current or non-current, which are: (i) what is meant by a right to defer settlement; (ii) that a right to defer must exist at the end of the reporting period; (iii) that classification is unaffected by the likelihood that an entity will exercise its deferral right; (iv) that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification; and
- **IFRS 17 replaces IFRS 4 (standard equivalent to CPC 50 replacing CPC 11):** The objective is to appropriately reflect the impact of insurance contracts on the financial position over time. The standard establishes the principles related to recognition, measurement, presentation and disclosure of contracts.

In assessing the new pronouncements and standards not yet effective and which were not early adopted, the Company conducted the appropriate studies and believes that there will not be significant effects on its operations or financial statements.

3. Cash and cash equivalents

	Parent company		Consolidated	
	2022	2021	2022	2021
Cash	17,380	16,613	17,380	16,613
Banks	1,244	5,206	1,245	5,207
Financial investments	26,828	89,770	26,828	89,770
Total cash and cash equivalents	45,452	111,589	45,453	111,590

Type of investment	Annual yield	Parent company and Consolidated	
		2022	2021
CDB	102.5% of the CDI	-	65,511
Automatic investment	10% of the CDI	26,828	24,259
Total financial investments		26,828	89,770

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.

4. Marketable securities

Type of investment	Annual yield	Parent company		Consolidated	
		2022	2021	2022	2021
Exclusive investment fund – XPA BK (i)	100% to 120% of the CDI or IPCA	141,677	127,698	-	-
Federal Treasury Bills (LFT)	100% Fixed	-	-	49,935	45,484
Investment Funds	IPCA	-	-	26,814	5,893
CDB	98% to 104% of the CDI	322,923	179,745	322,923	179,745
National Treasury Bills (LTN)	100% to 115% of the CDI or IPCA	-	-	11,889	13,923
Investments in debentures	100% to 112% of the CDI	-	-	11,029	12,750
Financial bills (LF)	100% to 120% of the CDI or IPCA	-	-	42,042	49,674
Repurchase agreements	75% to 102.5% of the CDI	9,048	31,749	9,048	31,749
Total marketable securities		473,648	339,192	473,680	339,218

- (i) XPA BK Fundo de Investimento Multimercado Investimento no exterior – Exclusive investment fund, 100% held by the Company, created on 12/29/2017 (Note 2.1). The portfolio of this fund, by type of investment, is shown in the consolidated balances.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**5. Trade receivables**

	Parent company and Consolidated	
	2022	2021
Sales transactions - Stores	152,499	99,082
Sales transactions - Delivery	66,205	38,356
Service rendered with franchisees	6,075	3,975
Services rendered with related parties	1,373	66
Other receivables	5,029	3,848
Provision for expected credit losses (i)	(8,631)	(6,060)
Total trade receivables	222,550	139,267

(i) Provision for estimated losses on realization of credits (Note 23)

Part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financing – working capital (Note 11).

Based on CPC 48/NBC TG 48/IFRS 9 - Financial Instruments and in accordance with the Company's internal policy, which is based on the probability of realization, actual loss and predicts the provision for expected credit losses for notes overdue for more than 365 days, the Company recognized in its income the amount of R\$8,631 for the year ended December 31, 2022 (R\$6,060 for the year 2021).

The provision for expected credit losses in the years ended December 31, 2022 and 2021 is shown below:

Aging list	Parent company and Consolidated	
	2022	2021
Overdue		
From 31 to 120 days	(198)	(330)
From 121 to 240 days	(177)	(59)
From 241 to 365 days	(423)	(455)
Over 365 days	(7,833)	(5,216)
Total provision for expected credit losses	(8,631)	(6,060)

Movements in expected credit losses	Parent company and Consolidated	
	2022	2021
Opening balance	(6,060)	(522)
Additions of expected losses	(13,276)	(19,190)
Reversals of expected losses	2,292	-
Definitive write-offs	8,413	13,652
Total provision for expected credit losses	(8,631)	(6,060)

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**6. Inventories**

	Parent company and Consolidated	
	2022	2021
Goods for resale	57,666	61,057
Distribution center	92,338	60,984
Toys	4,314	11,894
Consumables	21,577	10,533
Allowance for inventory losses (i)	(314)	(1,701)
Total inventories	175,581	142,767

- (i) Provision for write-off of inputs not expected to be realized, referring to perishable products near their expiry dates and toys whose licenses expired and so far are not expected to be renewed.

Movements in the allowance for inventory losses	Parent company and Consolidated	
	2022	2021
Opening balance	(1,701)	-
Additions	(7,902)	(2,947)
Definitive inventory losses	9,289	1,246
Total allowance for inventory losses	(314)	(1,701)

7. Taxes recoverable

	Parent company and Consolidated	
	2022	2021
IRPJ (Income Tax)	2,350	1,623
CSLL (Social Contribution on Profit)	1,245	899
IRRF (Withholding Income Tax)	7,805	4,588
ICMS (State VAT) (i)	83,232	82,340
Non-cumulative PIS (i) and (ii)	22,412	18,821
Non-cumulative COFINS (i) and (ii)	78,729	63,843
INSS (Social Security Contribution)	4,558	6,940
Other	-	288
Total taxes recoverable	200,331	179,342
Current	50,797	44,053
Non-current	149,534	135,289

- (i) The increase in the balances of taxes recoverable also includes the recognition of untimely tax credits of R\$ 57,871, recorded in line items of Cost of goods and products sold (Note 22), Selling Expenses (Note 23) and General and Administrative Expenses (Note 24).

- (ii) CIRCULAR LETTER/CVM/SNC/SEP/01/2021 issued in January 2021 establishes that in the case of exclusion of ICMS from the calculation base of PIS and COFINS and as there is potential conflict regarding the definition of the interpretation to be given to the decision of the Superior Court of Justice (STJ), the technical areas of CVM understand that credits for which there is certainty and that do not depend on acts of third parties for the entity to control the economic benefits to be originated by it should be recognized as tax credit assets.

In May 2021, the Federal Supreme Court (STF) ended the discussion on the credit right of the companies, defining based on the motions for clarification that the exclusion of ICMS from the calculation base of PIS and COFINS is valid as from March 15, 2017, date on which the thesis of general repercussion was set in the judgment of the Extraordinary Appeal 574706.

Considering that the justices ratified that the ICMS that is not included in the calculation base of PIS/COFINS is that specified in the invoice and not the amount paid, the procedures adopted by the Company to determine the credits correspond to such decision, and therefore, are adequate for the recognition.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**7. Taxes recoverable**

In the year ended December 31, 2021, the Company had R\$8,473 related to the period from January 2015 to February 2017, of which R\$6,139 refers to principal, recognized in June 2021 supported by its tax consultants, and R\$2,298 to monetary adjustment. The principal amount was recognized against Deductions from gross revenue (Note 21) and the amount related to monetary adjustment against Monetary adjustment (Note 26).

As at December 31, 2022 and 2021 the amounts of taxes recoverable are expected to be realized as follows:

Expected realization	Parent company and Consolidated	
	2022	2021
Up to 1 year	50,797	44,053
Over 1 year and less than 3 years	92,592	82,943
Over 3 years and less than 5 years	56,942	52,346
Total taxes recoverable	200,331	179,342

8. Lease assets and liabilities - Effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16

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.

The Company recognized an asset ("right-of-use asset") for its lease agreements related to lease of administrative and operational properties (stores). What the standard previously treated as rental expense is now recorded as amortization of "rights of use" and interest on rental obligations, disclosed as "Lease Liabilities". Consequently, EBITDA and operating profit were affected.

When determining a lease term, the Company analyzes the facts and circumstances that create an economic incentive for the exercise of an extension option or non-exercise of a termination option. Current operating lease agreements have an average term of 10 years and renewals are considered as new agreements and are recognized when there is reasonable certainty that they will be extended. The Company has a policy of renegotiating if applicable at least one year before the expiration of the lease agreement.

Actual flows excluding inflation estimated for the next years were estimated gross of taxes and right-of-use assets were measured at the value equal to the lease liability at present value. The incremental borrowing rate (discount) used to calculate the present value of the contracts was based on the projected CDI + spread (nominal rate).

In accordance with the aforementioned accounting standard, in measuring and remeasuring its lease liabilities and right of use, it used the discounted cash flow technique without considering projected future inflation in the flows to be discounted.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**8. Lease assets and liabilities – Effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16**

	Parent company and Consolidated	
	2022	2021
Leased assets		
Right-of-use assets	843,690	836,407
Total leased assets	843,690	836,407
Lease liabilities		
Lease liabilities– Current	171,876	160,105
Lease liabilities - Non-current	775,737	758,362
Total lease liabilities (Notes 28 and 30)	947,613	918,467
	Parent company and Consolidated	
	2022	2021
Movements in right-of-use assets		
Opening balance	836,407	732,308
Additions and updates of leases recognized in the year (i) and (ii)	193,828	265,980
Amortization of right of use (rental) (ii)	(170,439)	(150,644)
Tax levied on amortization of leases (ii)	(16,106)	(11,237)
Closing balance	843,690	836,407
	Parent company and Consolidated	
	2022	2021
Movements in lease liabilities		
Opening balance	918,467	791,331
Additions and updates of leases recognized in the year (i) and (ii)	193,828	265,980
Payment of lease liabilities (Notes 23 and 24) (ii) and (iii)	(235,804)	(191,819)
Discounts obtained on lease payments (Note 26) (iv)	-	(15,943)
Taxes levied on lease payments (ii)	(22,184)	(16,580)
Lease interest expense incurred (Note 25) (ii)	87,228	80,156
Tax levied on interest on leases (ii)	6,078	5,342
Closing balance (Notes 28 and 30)	947,613	918,467
	Parent company and Consolidated	
	2022	2021
Income from lease		
Expenses on stores – variable rental (iii)	(16,236)	(12,161)
Amortization of right of use (rental) (Notes 23 and 24) (ii)	(170,439)	(150,644)
Financial expenses – Accrued interest (Note 25) (ii)	(87,228)	(80,156)
Discounts obtained on lease payments COVID-19 (Note 26)	-	15,943
Closing balance	(273,903)	(227,018)

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**8. Lease assets and liabilities – Effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16**

The amounts of lease liabilities have the following maturities at December 31, 2022 and 2021:

Expiration period	Parent company and Consolidated					
	2022			2021		
	Lease liabilities	(-) Interest on lease liabilities	Total	Lease liabilities	(-) Interest on lease liabilities	Total
Up to 1 year	260,858	(88,982)	171,876	246,128	(86,023)	160,105
Over 1 year and less than 3 years	431,865	(129,423)	302,442	404,988	(127,588)	277,400
Over 3 years and less than 5 years	323,465	(72,159)	251,306	311,648	(74,777)	236,871
Over 5 years	268,083	(46,094)	221,989	288,718	(44,627)	244,091
Total	1,284,271	(336,658)	947,613	1,251,482	(333,015)	918,467

- (i) The adjustments of financial indexes for Lease Liabilities are recorded according to each agreement, causing impacts in line items of Interest on Lease liabilities and Right-of-use assets. These adjustments, when recorded, do not impact the profit or loss for the year, but only the amounts in the statement of financial position.
- (ii) In compliance with CVM Circular Letter 02/2019, the balances in the statement of financial position accounts are gross of taxes (Pis and Cofins) while the balances in the statement of profit or loss accounts are net of taxes (Pis and Cofins).
- (iii) The effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS16 positively impacted the line items of occupancy expenses by R\$235,804 as at December 31, 2022 (R\$191,819 as at December 31, 2021), net of Pis and Cofins, as the operating lease (fixed rent) is no longer recognized under this line item (Notes 23 and 24).
- (iv) Based on the practical expedient of Revision of Technical Pronouncements No. 16 issued by CVM on July 7, 2020 and Revision of Technical Pronouncements No. 18 issued by CVM on July 21, 2021 for the year 2021, the Company recognized the discounts granted to lessees in operating lease agreements (and extension) once the benefits were considered to be related to COVID-19. For the year ended December 31, 2022, the Company continued negotiating the operating leases, however, as success in the negotiations is not a benefit considered to be directly related to COVID-19, the operating leases benefited were remeasured, causing impacts only in the line items of the statement of financial position (Note 26).

Below we present the potential effect of PIS and COFINS recoverable embedded in future lease payments as at December 31, 2022 and 2021:

Expiration period	Parent company and Consolidated					
	2022			2021		
	Lease liabilities	Potential PIS/COFINS	Total	Lease liabilities	Potential PIS/COFINS	Total
Up to 1 year	260,858	(22,587)	238,271	246,128	(21,500)	224,628
Over 1 year and less than 3 years	431,865	(37,338)	394,527	404,988	(35,182)	369,806
Over 3 years and less than 5 years	323,465	(27,570)	295,895	311,648	(26,617)	285,031
Over 5 years	268,083	(22,775)	245,308	288,718	(24,339)	264,379
Total	1,284,271	(110,270)	1,174,001	1,251,482	(107,638)	1,143,844

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**9. Property and equipment**

	Average annual depreciation rate	Parent company and Consolidated	
		2022	2021
Facilities, improvements and projects (i)		658,496	626,608
Machinery and equipment	6% to 15%	275,943	281,205
Furniture and fixtures	6% to 15%	45,334	46,755
Computers and hardware	20% to 25%	78,835	78,620
Other assets	-	293,719	205,269
(-) Provision for impairment	-	(19,992)	(12,955)
Total property and equipment		1,332,335	1,225,502

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

In 2022, financial charges totaling R\$34,034 were capitalized (R\$20,184 in the year ended December 31, 2021).

The movements in property and equipment in the years ended December 31, 2022 and 2021 were as follows:

	Parent company and Consolidated						
	Facilities, improvements and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (i)	(-) Provision for impairment (Note 27)	Total
Cost							
Balance as at 12/31/2020	1,034,836	442,398	85,360	183,342	173,421	(8,094)	1,911,263
Additions	38,425	-	-	16	200,399	-	238,840
Transfers	91,957	35,041	8,143	31,216	(166,357)	-	-
Write-offs (Note 24)	(1,681)	(5,033)	(1,194)	(15,111)	(1,539)	-	(24,558)
Sales of assets	-	(286)	-	-	(655)	-	(941)
Impairment (Note 24)	-	-	-	-	-	(4,861)	(4,861)
Balance as at 12/31/2021	1,163,537	472,120	92,309	199,463	205,269	(12,955)	2,119,743
Additions	50,126	-	-	564	285,429	-	336,119
Transfers	104,708	44,901	7,363	31,014	(187,986)	-	-
Write-offs (Note 24)	(9,351)	(4,048)	(631)	(3,462)	(7,709)	-	(25,201)
Sales of assets (Note 24)	(2,824)	(850)	(108)	(272)	(1,284)	-	(5,338)
Impairment (Note 24)	-	-	-	-	-	(7,037)	(7,037)
Balance as at 12/31/2022	1,306,196	512,123	98,933	227,307	293,719	(19,992)	2,418,286
Depreciation							
Balance as at 12/31/2020	(426,286)	(148,785)	(37,767)	(102,761)	-	-	(715,599)
Additions	(110,987)	(46,237)	(8,450)	(29,216)	-	-	(194,890)
Write-offs (Note 24)	344	3,890	663	11,134	-	-	16,031
Sales of assets (Note 24)	-	217	-	-	-	-	217
Balance as at 12/31/2021	(536,929)	(190,915)	(45,554)	(120,843)	-	-	(894,241)
Additions	(119,194)	(48,320)	(8,675)	(30,601)	-	-	(206,790)
Write-offs (Note 24)	5,731	2,583	537	2,772	-	-	11,623
Sales of assets	2,692	472	93	200	-	-	3,457
Balance as at 12/31/2022	(647,700)	(236,180)	(53,599)	(148,472)	-	-	(1,085,951)
Total property and equipment at 12/31/2021	626,608	281,205	46,755	78,620	205,269	(12,955)	1,225,502
Total property and equipment at 12/31/2022	658,496	275,943	45,334	78,835	293,719	(19,992)	1,332,335

(i) Constructed and/or remodeled stores that will be reallocated to property and equipment groups in accordance with the Company's policy, totaling R\$62,705 (R\$45,881 as at December 31, 2021); stores under construction totaling R\$36,364 (R\$24,983 as at December 31, 2021); new equipment held in inventory totaling R\$62,121 (R\$49,886 as at December 31, 2021); equipment undergoing maintenance totaling R\$12,596 (R\$3,892 as at December 31, 2021), and other assets in progress totaling R\$119,933 (R\$80,627 as at December 31, 2021).

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**9. Property and equipment****Impairment test**

The Company considers each store as its smallest cash generating unit (“CGU”) and tests them for impairment at least annually. In the impairment test the Company considers the maturity period (beginning 24 months for Food Court and Express stores and 36 months for Free Standing and In Line stores, considering 561 stores of a total of 765), the value in use of the assets, including intangible assets allocated in each store and their future cash flows discounted to present value, at the pre-tax rate of 13.06% (WACC), the equivalent pre-tax rate being 18.64% and limited to the contractual period of that store plus a renewal of the lease agreement. Once the stores with indication of impairment were identified, the Company’s Management assessed the perspectives of resumption of cash generation or their discontinuance.

In addition to considering the recoverable amount of its stores, when there is an indication that some other asset will not generate cash, such as obsolete equipment, the Company also recognizes a provision up to its recoverable amount.

The Company accrued the carrying amount of its impaired assets of stores and other assets, comprising: facilities, improvements, projects, assignment of right and obsolete assets. As at December 31, 2022, the provision balance was R\$19,992 (R\$12,955 in 2021).

In the year ended December 31, 2021, the Company had 21 stores with provisions for impairment. In 2022, a provision was set up for the impairment of additional 30 stores, with addition of R\$ 11,208, 10 stores had their provisions reversed, generating an impact of R\$3,372, and 11 stores with provisions set up in 2020 had their provision updated, generating a reversal of R\$799. Consequently, in the year ended December 31, 2022, the Company had 41 stores with provisions and the result of these movements was the increase of the provision for impairment by R\$7,037 in 2022 (increase of provision of R\$4,861 in 2020) (Note 23).

10. Intangible assets

	Average annual amortization rate	Parent company and Consolidated	
		2022	2021
Commercial rights	(i)	48,192	56,682
Franchise fee	5%	79,829	83,472
Software licenses	20%	38,651	28,995
Goodwill	(ii)	572,199	572,199
Total intangible assets		738,871	741,348

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

(ii) Annual impairment analysis.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**10. Intangible assets**

The movements in intangible assets during the years ended December 31, 2022 and 2021 were as follows:

	Parent company and Consolidated				
	Commercial rights	Franchise fee (Note 18)	Software licenses	Goodwill	Total
Cost					
Balance as at 12/31/2020	155,930	108,827	37,070	572,199	874,026
Additions	4,276	5,133	21,982	-	31,391
Balance as at 12/31/2021	160,206	113,960	59,052	572,199	905,417
Additions	1,696	2,896	22,733	-	27,325
Write-offs (Note 24)	(2,868)	(162)	(307)	-	(3,337)
Sales of assets (Note 24)	(273)	(91)	(25)	-	(389)
Balance as at 12/31/2022	158,761	116,603	81,453	572,199	929,016
Amortization					
Balance as at 12/31/2020	(88,243)	(24,305)	(20,575)	-	(133,123)
Additions	(15,281)	(6,183)	(9,482)	-	(30,946)
Balance as at 12/31/2021	(103,524)	(30,488)	(30,057)	-	(164,069)
Additions	(9,171)	(6,433)	(12,867)	-	(28,471)
Write-offs (Note 24)	1,874	103	97	-	2,074
Sales of assets (Note 24)	252	44	25	-	321
Balance as at 12/31/2022	(110,569)	(36,774)	(42,802)	-	(190,145)
Total intangible assets as at 12/31/2021	56,682	83,472	28,995	572,199	741,348
Total intangible assets as at 12/31/2022	48,192	79,829	38,651	572,199	738,871

Goodwill

The goodwill was constituted due to bigger payments of the assets net from franchise's bought in previous fiscal year.

The goodwill arising from acquisitions is supported by future profitability deriving from the synergy of businesses, dilution of fixed costs, expected growth of brand, improvement in commercial conditions of existing contracts in stores acquired due to the higher purchasing power and capital management.

Impairment test

Intangible assets with an indefinite useful life (goodwill) were submitted to impairment tests, and the business model was taken into account as a single CGU, due to the unified cash management model and the synergies existing in the conducting operational activities. In the training sessions ended on December 31, 2022 and 2021, no intangible assets were identified that were recorded at a value greater than their recoverable value in use.

The projections are in line with the Business Plan prepared by the Company's Management for the next five years and the cash flows that exceed the five-year period are increased according to the growth expected for the economic group to consider perpetuity aspects. The Company took into consideration for the cash flow projections the consistency of the assumptions adopted with the historical growth data, as well as the expected economic growth for the country in which the Company has operations, and considered also the maturation of the investments made and to be made, among them technological enhancements and new stores.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**11. Loans and financing**

The loans and financing in local currency are represented by financing for the purchase of assets for new stores opened and for working capital purposes, and non-current amounts had the following original maturities as at December 31, 2022 and 2021:

Year	Parent company and Consolidated	
	2022	2021
2023	-	120,885
2024	483,384	483,384
2025	34,000	34,000
2026	175,000	-
2027	175,000	-
Financial charges to be incurred	(3,302)	(1,534)
Total debentures, loans and financing (noncurrent)	864,082	636,735

Covenants

The Company has covenants in loans, financing and debentures, which limit its ability to take certain actions, and may require the accelerated maturity or the refinancing of debts if the Company does not comply with these covenants. Covenants are controlled annually by the financial institutions, however the Company monitors them on a monthly basis.

The ratios and minimum and maximum amounts required by these covenants as at December 31, 2022 and 2021 are presented below:

Debentures 8th issue and 9th issue, loans and financing

The ratio between net debt (Note 28) and adjusted EBITDA (covenants), excluding the effects of IFRS 16, of the Company must be less than or equal to 3.0.

To calculate the adjusted EBITDA for covenants, the depreciation and amortization expenses, income from sale of assets, gains on claims, provision for impairment, cost of stock option plan, expenses on acquisitions and mergers and pre-operating expenses are not considered, excluding the effects of IFRS 16 (Notes 23 and 24).

In 2022, the Company complied with its contractual obligations under the covenants, but for 2021 it did not comply with its annual obligation and obtained prior consent (waiver) for non-measurement. For 2023, the Company expects to comply with its contractual obligations.

The Company's non-compliance with covenants in 2021 was due to the worsening of the effects of the pandemic on its operating activities (Note 2). The prior authorization for non-measurement of the financial ratio was obtained for the year ended December 31, 2021, under certain resolute terms, which we highlight: (i) the payment of a premium, only for debentures, of R\$3,633, recognized in financial expenses and; (ii) maintenance of a minimum cash as at December 31, 2021 amounting to R\$250,000. As at December 31, 2021, the Company was in compliance with these conditions.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**11. Loans and financing****Collaterals**

As at December 31, 2022, the Company has a letter of guarantee with banks amounting to R\$11,743 (R\$7,116 as at December 31, 2021) as collateral for the rental of stores.

The loans and financing in local currency are represented by financing for the purchase of assets for new stores opened and for use in the Company. For working capital loans, 20% of the financial flow of funds processed with specific card flags were pledged as collateral, and if this amount is not sufficient, the debt balance must be guaranteed by financial investments.

12. Trade payables, agreement with supplies and rental payables

	Parent company and Consolidated	
	2022	2021
Suppliers of materials and services (i)	300,969	204,332
Agreement with suppliers (ii)	18,527	8,443
Fixed asset suppliers	14,420	6,528
Others	30,837	28,614
Total trade, agreement with supplies and rental payables	364,573	247,917

- (i) The increase in the balance of suppliers of materials and services in the year ended December 31, 2022 is due to the mainly combined with increase in sales, opening of stores and the resumption of foot traffic in our restaurants in 2022. In 2021, the Company's operating activities were limited due to the worsening of the pandemic at the time.
- (ii) The Company has agreements with financial institutions to benefit suppliers through advance payments. Suppliers that opt to receive advance payments transfer their rights to the Company's receivables to the financial institutions. Accordingly, the supplier receives the payment before the maturity date, net of a fee charged by the financial institution. The Company makes the payment on the original maturity date, without any changes to the agreed-upon amount, recording the obligation with the financial institutions, and the liability with the initial supplier ceases to exist. As a potential financial value embedded in the operations, we inform that the average rate used in advances is 2.0% p.m., combined with the average term of 25 days in advance (as at December 31, 2021, the average rate used was 2.0% p.m., combined with the average term of 31 days in advance)(Note 2.17).

13. Payroll and social charges

	Parent company and Consolidated	
	2022	2021
Salaries payable and benefits	18,989	12,147
Profit sharing (i)	35,017	26,142
Accrual for vacation pay and related charges	59,795	44,534
Social charges	16,316	15,071
Others	9,117	8,754
Total payroll and social charges	139,234	106,648

- (i) The profit sharing program is approved annually and is based on individual goals and goals of the Company as a whole. In 2022, these goals were achieved by the Company and its employees, therefore the profit sharing program that was accrued for the year 2022 will be paid in the subsequent year. In 2021, the Company's goals were achieved and the payment related to the profit sharing program was made in 2022.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**14. Taxes payable**

	Parent company and Consolidated	
	2022	2021
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	4,728	354
Social Integration Program (PIS)	950	68
Withholding Income Tax (IRRF)	705	560
State VAT (ICMS)	21,244	16,791
Contribution For Intervention in the Economic Domain (CIDE)	2,360	1,997
Taxes in installments (i)	4,891	5,295
Service Tax (ISS)	1,197	8,367
Social Security Contribution (INSS) withheld	1,184	452
Others	882	3,304
Total taxes payable	38,141	37,188
Current	33,598	30,743
Non-current	4,543	6,445

(i) Relates to a voluntary installment payment of taxes and enrollment in the tax debt refinancing program (PERT).

15. Deferred revenue

	Parent company and Consolidated	
	2022	2021
Deferred revenue - franchise fee (i)	5,023	4,270
Deferred revenue - trade payables (ii)	5,007	13,499
Deferred revenue - CLUB BK (i)	14,608	1,910
Total deferred revenue	24,638	19,679
Current	19,908	13,805
Non-current	4,730	5,874

(i) Recognition of deferred revenue over time, in compliance with CPC 47/NBC TG 47/IFRS 15 - Revenue from Contracts with Customers (Note 2.16).

(ii) Amounts received in advance from specific suppliers, which include the exclusive sale of products of these suppliers in Burger King restaurants, exposure of suppliers' brands, investment in marketing campaigns to increase the sales of Burger King products and consequently the sales of the suppliers' products, in addition to partnerships with financial institutions and agents (Note 2.16).

16. Other payables

	Parent company		Consolidated	
	2022	2021	2022	2021
Provision for sundry expenses (i)	16,340	26,061	16,340	26,061
Investments payable - King Food/Good Food/Fast Burger (ii)	17,775	16,052	17,775	16,052
(-) Adjustment to present value of investments payable - King Food/Good Food and Fast Burger	(535)	(313)	(535)	(313)
Advances from customers	559	1,016	559	1,016
Others	119	1,020	152	1,047
Total other payables	34,258	43,836	34,291	43,863
Current	34,258	26,448	34,291	26,475
Non-current	-	17,388	-	17,388

(i) Refers mainly to the service fee of delivery platforms, materials and services.

(ii) Refers to the remaining installment for the acquisition of the companies King Food, Good Food and Fast Burger, with maturity in 2023.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**17. Provision for legal claims**

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

The provision for legal claims was considered based on various factors, including 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 proceedings are shown in the table below.

In addition, the Company is aware, as at December 31, 2022, of other tax, civil and labor lawsuits, and based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$350,564 (R\$102,334 as at December 31, 2021) in the Parent company and Consolidated, as follows:

	Parent company and Consolidated			
	2022		2021	
	Probable	Possible (i)	Probable	Possible (i)
Labor lawsuits	21,355	56,307	24,641	47,330
Civil lawsuits	463	10,455	781	10,539
Tax lawsuits (ii)	-	283,802	-	44,465
Total provision for legal claims	21,818	350,564	25,422	102,334

- (i) For lawsuits with a possible likelihood of loss, there is no provision to cover losses on these lawsuits.
- (ii) In October 2022, the Brazilian federal tax authorities (RFB) issued two tax assessment notices against the Company for the collection of PIS, COFINS, IRPJ and CSLL debts. The notices totaling R\$ 221,740 are for: (i) divergence in the rate applicable to certain revenues (PIS and COFINS); (ii) use of credits considered as undue, despite the fact that they are related to typical expenses of the segment and that meet the criteria of essentiality and relevance (PIS and COFINS); (iii) alleged errors in the completion of record-keeping and reporting obligations, especially arising from contested credits (PIS and COFINS); and (iv) alleged non-deductibility of royalties for purposes of IRPJ and CSLL calculation at a level above the legal limit (IRPJ and CSLL). Based on management's assessment, supported by its legal advisors, no payments are expected to be made.

Probable labor claims

The Company is a party to labor lawsuits, mainly regarding employee terminations in the normal course of business. As at December 31, 2022, the Company had a provision of R\$21,355 (R\$24,641 as at December 31, 2021) in the Parent company and Consolidated, for the contingencies related to lawsuits. These contingencies are evaluated based on the average historical loss rate over 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.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**17. Provision for legal claims**

Movements in the provision for legal claims for the years ended December 31, 2022 and 2021 were as follows:

	Parent company and Consolidated				2022
	2021	Additions	Write-offs/ Reversals	Payments	
Labor lawsuits	24,641	40,560	(4,555)	(39,291)	21,355
Civil lawsuits	781	364	(151)	(531)	463
Tax lawsuits	-	37	-	(37)	-
TOTAL	25,422	40,961	(4,706)	(39,859)	21,818

	Parent company and Consolidated				2021
	2020	Additions	Write-offs/ Reversals	Payments	
Labor lawsuits	21,896	23,412	(474)	(20,193)	24,641
Civil lawsuits	1,265	398	(462)	(420)	781
Tax lawsuits	2	-	(2)	-	-
TOTAL	23,163	23,810	(938)	(20,613)	25,422

Judicial deposits

	Parent company and Consolidated	
	2022	2021
Labor lawsuits	29,503	27,603
Civil lawsuits	1,199	915
Tax lawsuits	15,210	12,653
Total judicial deposits	45,912	41,171

18. Related parties**18.1 Franchise Fees, Royalties and Service Fee**

RBI is the Company's franchiser and, therefore, a related party. As discussed in Note 1, the Company has entered into a Master Franchise agreement, and it has the obligation to pay a franchise fee and royalties to RBI.

As mentioned in note 1, the transactions of Franchise Fees and Royalties are carried out under exclusive conditions provided in the agreements with BKC and PLK, since ZAMP is the representative of the brands in Brazil, and there are no comparable conditions in the market.

In view of the agreements described above, the Company recorded the following amounts in its payables and receivables in the years ended December 31, 2022 and 2021:

	Burger King Corporation (BKC)		Popeyes Louisiana Kitchen (PLK)	
	2022	2021	2022	2021
Assets				
Receivables (Note 5)	1,373	66	-	-
Additions of Franchise Fee (Note 10)	2,896	2,751	-	2,382
Liabilities				
Corporate payables	(23,333)	(21,358)	(811)	(764)
Results				
Service fee revenue	1,019	787	-	-
Royalties expenses (Note 23)	(183,907)	(140,309)	(7,061)	(5,390)

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**18. Related parties****18.2 Corporate payables**

As at December 31, 2022, the Company (Parent company and Consolidated) had a balance of R\$24,144 related to royalties and franchise fee due to BKC and PLK (R\$22,122 as at December 31, 2021).

18.3 Management compensation

	2022		2021	
	Officers	Counselors	Officers	Counselors
Management fees	5,993	-	5,373	-
Direct and indirect benefits	523	-	443	-
Variable compensation	5,907	-	4,125	-
Share-based compensation	13,856	-	6,122	-
Fees	-	3,235	-	2,632
Others (INSS)	1,678	647	1,504	526
	27,957	3,882	17,567	3,158

The Annual General Meeting held in April 2022 approved the Company's global management compensation for 2022, in the amount of up to R\$ R\$32,063, of which R\$28,354 related to the compensation of the Company's Statutory Officers including the share-based compensation plan and R\$3,708 to the compensation of the Board of Directors. The calculated amounts are recorded in general and administrative expenses.

In addition to the amounts reported in the table above, the Company was impacted by the anticipation of part of the vestings of the share-based compensation plans due to the OPA (Notes 1 and 24), totaling R\$14,691 in fiscal year 2022.

19. Equity**Capital**

As at December 31, 2022 and 2021, the Company's capital is R\$1,461,068, represented by 275,355,447 common shares, all of which are registered, book-entry and without par value.

Pursuant to the Bylaws and upon resolution of the Company's Board of Directors, the capital may be increased, irrespective of amendments to the Bylaws, up to the limit of 282,690,560 common shares, including for purposes of shares to be issued as a result of exercise of subscription rights included in stock warrants issued by the Company.

Allocation of losses

The proposal for the allocation of the Company's loss for the year ended December 31, 2022, in the amount of R\$55,786, is to maintain it as accumulated losses, amounting to R\$640,593, for offset against profits in future years.

As at December 31, 2021, the Company chose to maintain the loss for the year in the amount of R\$273,841 as accumulated losses, totaling R\$584,807.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**19. Equity****Capital reserve**

The capital reserve was formed by goodwill on the subscription of shares of the shareholders and the stock option plan, and are partially offset by the costs for issuing the shares. The reserve may be used to increase capital or to absorb accumulated losses. As at December 31, 2022, the capital reserve amounts to R\$728,404 (R\$720,526 as at December 31, 2021).

Repurchase of shares and treasury shares

On January 6, 2022, through a material fact notice, the Company informed the approval of a share buyback program, aiming to maximize the generation of value for its shareholders.

The shares acquired will be held in treasury to be subsequently canceled, sold and/or used to guarantee the exercise of stock options under the long-term incentive plans approved by the Company.

The maximum number of shares to be acquired by the Company under the share buyback program is 16,000,000 common shares, representing approximately 6.00% of the shares outstanding in the market.

In line with the approval of the aforementioned program, by December 31, 2022 the Company had repurchased a total of 8,891,000 common shares, at an average price of R\$6.06, amounting to R\$53,914, in addition to having used 1,252,196 common shares to pay for the share-based compensation plan expected for this period and anticipation of the vesting of the plans due to the OPA (Note 1). Thus, ZAMP holds 8,861,523 treasury shares at December 31, 2022 (1,222,719 at December 31, 2021).

Movements in treasury shares for the years ended December 31, 2022 and 2021 were as follows:

Treasury shares			
	Number of Shares - unit	Amount - thousands of Reais	Average price - Reais
As at December 31, 2020	1,222,719	24,214	19.80
Shares acquired	-	-	-
Exercise of stock options	-	-	-
As at December 31, 2021	1,222,719	24,214	19.80
Shares acquired	8,891,000	53,914	6.06
Exercise of stock options	(1,252,196)	(14,437)	11.53
As at December 31, 2022	8,861,523	63,691	7.19

20. Earnings (loss) per share

Based on CPC 41/NBC TG 41 (R2)/IAS 33 - Earnings per Share, the Company must disclose the basic and diluted earnings (loss) per share. The comparative figures of basic and diluted earnings/loss per share are based on the weighted average number of shares outstanding in the year, and all shares with potential dilutive effect outstanding for each presented year, respectively.

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

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**20. Earnings (loss) per share**

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

	Parent company and Consolidated	
	2022	2021
Basic numerator		
Loss for the year	(55,786)	(273,841)
Basic denominator		
Basic weighted average number of shares (net treasury) - in thousands	273,763	274,133
Basic loss per share	(0.20377)	(0.9989)
Diluted numerator		
Loss for the year	(55,786)	(273,841)
Diluted denominator		
Weighted average number of shares (net treasury) - in thousands	273,763	274,133
Stock options (Note 31) - in thousands	1,940	2,254
Anti-dilution effect - in thousands	(1,940)	(2,254)
Diluted weighted average number of shares	273,763	274,133
Diluted loss per share	(0.20377)	(0.9989)

21. Net operating revenue

	Parent company and Consolidated	
	2022	2021
Gross sales revenue	3,944,890	2,973,094
Sales revenue deductions	(342,005)	(251,264)
Net sales revenue	3,602,885	2,721,830
Gross revenue from services rendered	46,874	35,253
Service revenue deductions	(5,085)	(3,796)
Net service revenue	41,789	31,457
Total net operating revenue	3,644,674	2,753,287

22. Cost of goods and products sold and services taken

	Parent company and Consolidated	
	2022	2021
Costs of food, beverages and packaging	(1,185,261)	(974,549)
Costs of services taken and others (i) and (ii)	(112,524)	(60,056)
Total cost of sales and services	(1,297,785)	(1,034,605)

- (i) Costs of services taken and others are mainly composed of logistics services, freight, crowns and toys.
- (ii) Provision for write-off of inputs not expected to be realized, that is, perishable foods near their expiry dates and toys whose license expired and are not expected to be renewed.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**23. Selling expenses**

	Parent company and Consolidated	
	2022	2021
Personnel expenses	(603,762)	(507,064)
Royalties and marketing (i)	(363,534)	(272,071)
Occupancy and utilities expenses (ii)	(288,505)	(242,549)
Depreciation and amortization (Notes 9 and 10)	(218,215)	(200,636)
Amortization of right-of-use assets (rental) (Note 8) (iii)	(168,482)	(149,080)
Preoperating expenses (iv)	(14,118)	(8,210)
Services taken from third parties (v)	(195,475)	(182,859)
Repairs and maintenance	(38,222)	(36,996)
Others (vi)	(97,060)	(94,304)
Total selling expenses	(1,987,373)	(1,693,769)

- (i) Given the significance of the Company's marketing expenses originally classified as Others, the Company chose to reclassify these expenses to Royalties and Marketing. Amounts from prior periods were also reallocated for comparability purposes.
- (ii) The effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16 positively impacted the line items of occupancy and utilities expenses (Notes 23 and 24) by R\$235,804 as at December 31, 2022 (R\$191,819 as at December 31, 2021), net of Pis and Cofins, as the operating lease (fixed rent) is no longer recognized under this line item (Note 8).
- (iii) In compliance with CVM Circular Letter 02/2019, the balance presented under "Amortization of right-of-use assets" (Note 8) in the statement of financial position is gross of taxes (Pis and Cofins) and totaled R\$186,545 as at December 31, 2022 (R\$161,881 as at December 31, 2021), while the balances presented under "Amortization of right-of-use assets" (Notes 23 and 24) in the statement of profit or loss are net of taxes (Pis and Cofins) and totaled R\$170,439 (R\$150,644 as at December 31, 2021).
- (iv) 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.
- (v) Expenses with services taken from third parties comprise mainly delivery services (take rate), IT services and services provided by third parties to the stores.
- (vi) The other expenses consist mainly of provision for expected credit losses on realization of credits (Note 5), write-offs due to the non-realization of credits, fees, uniforms, cleaning materials, and kitchen supplies.

24. General and administrative expenses

	Parent company		Consolidated	
	2022	2021	2022	2021
Administrative personnel expenses	(158,321)	(125,637)	(158,321)	(125,637)
Occupancy and utilities expenses (i)	(1,266)	(767)	(1,266)	(767)
Depreciation and amortization (Notes 9 and 10)	(17,046)	(25,200)	(17,046)	(25,200)
Amortization of right-of-use assets (rental) (Note 8) (ii)	(1,957)	(1,564)	(1,957)	(1,564)
Expenses on acquisitions and mergers	-	(7,358)	-	(7,358)
Disposal of property and equipment (Notes 9 and 10)	(14,841)	(8,527)	(14,841)	(8,527)
Income from sale of assets	2,056	288	2,056	288
Write-off of assets sold	(1,949)	(724)	(1,949)	(724)
Gains on claims	-	(16)	-	(16)
Provision for impairment (Note 9)	(7,037)	(4,861)	(7,037)	(4,861)
Stock options cost (Note 31) (iii)	(34,799)	(8,284)	(34,799)	(8,284)
Services taken from third parties (iii and iv)	(58,293)	(43,030)	(58,293)	(43,030)
Other operating income (expenses), net (v)	30,912	28,350	30,681	28,131
Total general and administrative expenses	(262,541)	(197,330)	(262,772)	(197,549)

- (i) The effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16 positively impacted the line items of occupancy and utilities expenses (Notes 23 and 24) by R\$235,804 as at December 31, 2022 (R\$191,819 as at December 31, 2021), net of Pis and Cofins, as the operating lease (fixed rent) is no longer recognized under this line item (Note 8).

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**24. General and administrative expenses**

- (ii) In compliance with CVM Circular Letter 02/2019, the balance presented under "Amortization of right-of-use assets" (Note 8) in the statement of financial position is gross of taxes (Pis and Cofins) and totaled R\$186,545 as at December 31, 2022 (R\$161,881 as at December 31, 2021), while the balances presented under "Amortization of right-of-use assets" (Notes 23 and 24) in the statement of profit or loss are net of taxes (Pis and Cofins) and totaled R\$170,439 (R\$150,644 as at December 31, 2021).
- (iii) The increase mainly reflects the early vesting of part of the Plans, due to the OPA (Note 1), where 84% of Management opted not to vest early, resulting in an impact of R\$16,212, of which R\$12,596 in shares and R\$3,616 in charges. The Company's Stock Option Plan (Note 31) that was granted in July 2022 incurred additional expenses related to specialized financial and legal advisory services for the OPA process, of R\$3,846.
- (iv) Due to the materiality of the expenses with services taken in Other operating income (expenses), net, which are mainly composed of legal fees, IT services and third-party services, the Company reclassified these expenses to Services taken from third parties. The amounts of the prior periods were also reallocated for comparability purposes.
- (v) Refer to the income from the premium on the initial supply agreement, reversal of costs related to the construction of stores, expenses with provisions for legal claims, services taken, travel expenses and services rendered.

25. Financial expenses

	Parent company and Consolidated	
	2022	2021
Interest on loans and financing	(102,457)	(34,171)
Foreign exchange losses	(4,391)	(1,929)
Lease interest expense payable (Note 8)	(87,228)	(80,156)
Derivatives expenses	(4,138)	(3,885)
Monetary adjustment	(2,743)	(788)
Other financial expenses	(9,000)	(20,632)
Financial expenses	(209,957)	(141,561)

26. Financial income

	Parent company		Consolidated	
	2022	2021	2022	2021
Financial investment interest and yield	56,741	20,322	56,972	20,541
Foreign exchange gains	2,553	1,522	2,553	1,522
Derivatives income	2,938	1,762	2,938	1,762
Lease discounts (Note 8) COVID-19 (i)	-	15,943	-	15,943
Taxes on financial income	(2,988)	(1,441)	(2,988)	(1,441)
Monetary adjustment	5,982	3,257	5,982	3,257
Others	612	2,015	612	2,015
Financial income	65,838	43,380	66,069	43,599

- (i) Based on the practical expedient of Revision of Technical Pronouncements No. 16 issued by CVM on July 7, 2020 and Revision of Technical Pronouncements No. 18 issued by CVM on July 21, 2021 for the year 2021, the Company recognized the discounts granted to lessees in operating lease agreements (and extension) once the benefits were considered to be related to COVID-19. For the year ended December 31, 2022, the Company continued negotiating the operating leases, however, as success in the negotiations is not a benefit considered to be directly related to COVID-19, the operating leases benefited were remeasured, causing impacts only in the line items of the statement of financial position (Note 8).

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**27. Income tax and social contribution****Breakdown of expenses**

The breakdown of income tax and social contribution expenses for the years ended December 31, 2022 and 2021 is as follows:

	Parent company and Consolidated	
	2022	2021
Deferred	(8,642)	(3,243)
	(8,642)	(3,243)

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates, with amounts recorded in profit or loss for the years ended December 31, 2022 and 2021, is shown below:

	Parent company and Consolidated	
	2022	2021
Loss before income tax and social contribution	(47,144)	(270,598)
Income tax and social contribution benefit (expense) at the combined statutory rate of 34%	16,029	92,003
Adjustments to reconcile the effective rate:		
Deferred taxes not recognized on tax losses	(3,705)	(83,564)
Payment of non-deductible bonus	(1,573)	(1,236)
Cash shortage	(492)	(447)
Write-off of non-financial assets	(2,860)	(4,642)
Tax and labor fines and infractions	(364)	(767)
Stock option costs	(11,832)	(2,817)
Inventory losses	(3,158)	(424)
Other permanent differences	(687)	(1,349)
Income tax and social contribution	(8,642)	(3,243)

Deferred

The Company has tax credits arising from tax loss carryforwards and temporary differences. As the tax credits can be carried forward indefinitely, there is no limit date for the utilization of these tax credits. The offsetting of tax losses, limited by law to 30% of the taxable profit for the year, entails a considerable increase in the recovery period of tax credits.

The recoverability of these deferred taxes is reviewed at least annually, or when it is probable that future taxable profit will not be available.

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

	Parent company and Consolidated	
	2022	2021
Deferred income tax and social contribution - assets	353,154	256,271
Deferred income tax and social contribution - liabilities	(390,908)	(285,383)
	(37,754)	(29,112)

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**27. Income tax and social contribution**

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

	Parent company and Consolidated	
	2022	2021
Tax loss carryforwards	856,766	845,869
<u>Temporary differences</u>		
Provision for legal claims (Note 17)	21,818	25,422
Provision for bonuses	35,017	26,142
Provision for purchases	23,303	15,991
Provision for impairment (Note 9)	19,992	12,955
Pre-operating	29,998	25,673
Accrued expenses	17,787	25,701
Amortization of right of use and interest on lease liabilities	848,061	590,397
Deferred revenue	17,720	4,270
Others	24,993	27,186
Tax base	1,895,455	1,599,606
Statutory rate	34%	34%
	644,454	543,866
(-) Unrecognized deferred taxes on tax loss carryforwards	(291,300)	(287,595)
Deferred income tax and social contribution - assets	353,154	256,271
Difference between the useful life for corporate purposes and the useful life for tax purposes	(700)	(5,171)
Financial charges to be incurred	(4,871)	(2,272)
Tax amortization of goodwill	(398,138)	(323,585)
Payment of lease liabilities	(744,139)	(508,334)
Others	(1,881)	-
Tax base	(1,149,729)	(839,362)
Combined rate	34%	34%
Deferred income tax and social contribution - liabilities	(390,908)	(285,383)
Deferred income tax and social contribution, net	(37,754)	(29,112)

The expected realization of deferred tax assets on December 31, 2022 is shown below:

Year	Parent company and Consolidated	
	2022	
2023	110,058	
2024	61,251	
2025	60,239	
2026	58,097	
2027 onwards	63,510	
Total deferred income tax	353,154	

In accordance with CPC 32 - Income Taxes, the Company recognized deferred taxes on temporary differences based on their expected future realization. As regards the balances of income tax and social contribution losses, the Company had not recognized deferred taxes on these amounts.

On September 24, 2021, the Federal Supreme Court ("STF") ruled on the merits of Appeal 1.063.187, which established the subject matter of Topic 962, stating that the levy of Corporate Income Tax (IRPJ) and Social Contribution on Net Income (CSLL) on amounts relating to indexation based on the SELIC rate received as a result of the tax refund claim is unconstitutional. Although the judgment of the Appeal to the STF published on December 16, 2021, has not been rendered

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**27. Income tax and social contribution**

res judicata, and the General Counsel to the National Treasury (PGFN) may file motions for clarification and seek for the enforcement of the effects of the STF decision, the decision on the merits has already been favorable to all taxpayers, and there are no significant uncertainties regarding the merits of the matter that are not under the control of the entities. With regard to the possible enforcement of the effects of said decision, other decisions on tax matters by the STF indicate that it is likely that taxpayers that filed their lawsuits, on an individual basis, by September 24, 2021, will be entitled to the refund of IRPJ and CSLL for the period of 5 years prior to the filing date of the related lawsuits, even if such lawsuits have not been rendered res judicata. This decision did not affect the calculation of the Company's current IRPJ and CSLL, since it presented Tax Losses in the years 2022 and 2021. Additionally, it also had no impact on deferred taxes due to the Company not recognizing deferred taxes on income tax and social contribution losses.

Uncertainty over Income Tax Treatments

The Company has a tax assessment notice issued by the Brazilian Federal Revenue (RFB) for the alleged non-deductibility of royalties for purposes of calculating IRPJ and CSLL in excess of the legal limit (IRPJ and CSLL), referring to fiscal year 2017 in the amount of R\$15,951. The cases are awaiting judgment at the administrative level. Management, based on the position of its legal advisors, informs that the cases have a possible chance of winning and, for this reason, has not recorded any PIS, COFINS, IRPJ and CSLL liabilities in relation to these lawsuits.

28. Financial risk management objectives and policies

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

Management reviews and establishes policies for managing each of these risks that are presented below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial investment will fluctuate because of changes in market prices. Market risks comprise three types of risks: interest rate risk, foreign exchange rate risk and price risk, which can be of commodities, stocks, or others.

For the sensitivity analysis of fluctuations in risks analyzed, Management adopted for the probable scenario the projected interest rates for 2022. Scenarios II and III were estimated based on an additional appreciation of 50% and 25%, respectively, while scenarios IV and V estimate an additional depreciation of 25% and 50%, respectively, of the rates in the probable scenario.

The sensitivity analyses in the following sections relate to the position as at December 31, 2022.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest cost using a mix of fixed and variable rate debt.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**28. Financial risk management objectives and policies***Interest rate sensitivity*

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

Variable rate instruments	Parent company		Consolidated	
	2022	2021	2022	2021
Financial assets				
Short-term investments (Note 3)	26,828	89,770	26,828	89,770
Marketable securities (Note 4)	473,648	339,192	473,680	339,218
Financial liabilities				
Loans and financing (Note 11)	(1,013,559)	(790,270)	(1,013,559)	(790,270)

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 a year-to-date CDI of 12.53%.

Asset exposure	Exposure	Risk	Consolidated				
			I	II	III.	IV	V
			Probable	50%	25%	-25%	-50%
Short-term investments (Notes 3 and 4)	500,508	DI variation	56,972	28,486	14,243	(14,243)	(28,486)
Loans and financing (Note 11)	(1,013,559)	DI variation	(102,457)	(51,229)	(25,614)	25,614	51,229

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 at 12/31/2022	Parent company and Consolidated				
				I	II	III.	IV	V
				Probable	50%	25%	-25%	-50%
Royalties/Franchise Fee (Note 18.2)	24,144	US dollar variation	5.2177	24,144	(12,072)	(6,036)	6,036	12,072

Credit risk

The following table demonstrates the rating of the amounts invested (Notes 3 and 4) according to the rating agency Fitch.

Rating	Parent company		Consolidated	
	2022	2021	2022	2021
AAA	446,330	339,953	420,746	319,694
AA	54,146	88,926	79,762	105,384
AA-	-	-	-	3,827
A	-	83	-	83
	500,476	428,962	500,508	428,988

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**28. Financial risk management objectives and policies****Liquidity risk**

The following table presents the liquidity risks of the main financial instruments by maturity and reflects the Company's undiscounted cash flows as at December 31, 2022:

Asset exposure	Consolidated					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 3)	45,453	45,453	45,453	-	-	45,453
Marketable securities (Note 4)	473,680	473,680	-	473,680	-	473,680
Trade receivables (Note 5)	222,550	222,550	222,550	-	-	222,550
Liabilities						
Lease liabilities (Note 8)	947,613	1,284,271	66,477	194,381	1,023,413	1,284,271
Loans and financing (Note 11)	1,013,559	1,345,751	52,409	210,517	1,082,825	1,345,751
Trade payables (Note 12)	364,573	364,573	364,573	-	-	364,573
Corporate payables (Note 18.2)	24,144	24,144	24,144	-	-	24,144
Taxes payable (Note 14)	38,141	38,141	25,199	8,399	4,543	38,141

Capital management

Assets can be financed by cost of equity or cost of debt. If the option for cost of equity is chosen, it can use resources from capital contributions made by the shareholders.

The use of financing resources will always be an option to be considered, mainly when the Company believes that this cost will be lower than the return generated by the asset acquired. It is important to assure the maintenance of an efficient capital structure, which enables financial soundness and at the same time makes the business plan feasible.

The capital is managed through leverage ratios, which are defined as net debt divided by the sum of adjusted EBITDA excluding the effects of IFRS 16/CPC 06 (R2)/NBC TG 06 (R3) for the last 12 months, and net debt divided by the sum of the net debt and total equity. Management seeks to maintain this ratio at levels equal to or lower than industry levels. Management includes in net debt the loans and financing (including debentures), swaps, cash and cash equivalents, current and non-current financial investments, and current and non-current restricted marketable securities.

The capital structure is comprised of net debt, defined as total loans and financing (including debentures), net of cash and cash equivalents, marketable securities and other short-term financial assets and capital, defined as total equity and net debt, all based on the considered data.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**28. Financial risk management objectives and policies**

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

	Consolidated	
	2022	2021
Cash and cash equivalents (Note 3)	(45,453)	(111,590)
Marketable securities (Note 4) (i)	(473,680)	(339,218)
Loans and financing (i)	1,013,559	790,270
Net debt (Note 11)	494,426	339,462
Equity	1,485,188	1,572,720
Lease liabilities (Note 8) (i)	947,613	918,467
Total capital	2,927,227	2,830,649

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

Hedge accounting

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

The Company makes the formal designation of its hedge accounting relationship, as provided for in CVM Resolution 763/16/IFRS 9 and with its Risk Policy.

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.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**29. Derivative financial instruments**

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

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			2022		2021	
			Notional	Fair value	Notional	Fair value
<i>(Designated as cash flow hedge)</i>						
NDF	01/2022	EURO	-	-	300	43
NDF	02/2022	EURO	-	-	300	38
NDF	03/2022	EURO	-	-	300	63
NDF	07/2022	EURO	-	-	53	3
			-	-	953	147

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 statement of profit or loss.

30. Fair value**Methodology for calculation of fair value of financial instruments**

Fair value is defined as the amount by which an asset could be exchanged or a liability settled between knowledgeable, willing parties, in an arm's length transaction.

Hierarchy in 3 levels for the fair value measurement, and the fair value measurement is based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's market assumptions.

These two types of inputs create the fair value hierarchy presented below:

Level 1 - Quoted prices in active markets for identical instruments;

Level 2 - Quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in inactive markets and valuation models for which the inputs are observable; and

Level 3 - Instruments for which significant inputs are not observable.

The breakdown below shows the Company's financial assets classified into the valuation hierarchy. As at December 31, 2022, the fair value of the derivative financial instruments equals the carrying amounts in accordance with the criteria set in the fair value hierarchy Level 2.

The NDF contracts are measured at present value, at the market rate at the end of the reporting period, based on the future cash flow calculated by applying the contractual rates through maturity, considering the Euro projections in futures contracts registered with B3 S.A.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**30. Fair value**

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:

	Consolidated					
	2022			2021		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Assets						
Amortized cost						
Cash and cash equivalents (Note 3)	18,625	18,625	2	21,820	21,820	2
Trade receivables (Note 5)	222,550	222,550	2	139,267	139,267	2
Fair value through profit or loss						
Cash and cash equivalents (Note 3)	26,828	26,828	2	89,770	89,770	2
Marketable securities (Note 4)	473,680	473,680	2	339,218	339,218	2
Liabilities						
Amortized cost (with fair value disclosed)						
Loans and financing (Note 11)	1,013,559	1,054,380	2	790,270	820,920	2
Trade payables (Note 12)	364,573	364,573	2	247,917	247,917	2
Corporate payables (Note 18.2)	24,144	24,144	2	22,122	22,122	2
Lease liabilities (Note 8)	947,613	947,613	2	918,467	918,467	2

31. Share-based compensation plan

In the year ended December 31, 2022, the Company recognized the amount of R\$34,799 (R\$8,284 as at December 31, 2021) relating to expenses arising from the stock option plans, under "General and administrative expenses" (Note 24). The increase in this item mainly reflects the anticipation of part of the vesting of the Plan due to the OPA (Note 1) by the lower part of Management, combined with expenses related to the new Company's Stock Option Plan (Sixth Plan).

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

Third Plan

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

	Third Plan								
	Tranches Prior	First tranche	Second tranche	Third tranche	Fourth tranche	Fifth tranche	Sixth tranche	Seventh tranche	Total
Date of issue	06/22/2017	06/22/2017	06/22/2017	10/30/2019	10/30/2019	10/30/2019	10/30/2019	10/30/2019	N/A
Vesting date	-	07/14/2020	07/14/2021	07/14/2019	07/14/2020	07/14/2021	07/14/2022	07/14/2023	N/A
Strike price	-	10.82	10.82	10.82	11.37	12.14	12.95	13.82	N/A
Strike price (estimated) at the reporting date	-	5.45	5.45	5.45	5.45	5.45	5.45	5.45	5.45
Risk-free interest rate %	-	9.87%	10.24%	5.40%	4.42%	4.70%	5.19%	5.64%	N/A
Contractual period by tranche	-	1 year	2 years	N/A	1 year	2 years	3 years	4 years	N/A
Expected return of dividend	-	0%	0%	0.40%	0.40%	0.40%	0.40%	0.40%	N/A
Volatility of shares in the market %	-	14.91%	14.91%	23.47%	23.47%	23.47%	23.47%	23.47%	N/A
Total number of options granted	2,119,036	1,467,064	1,532,800	112,990	112,990	112,990	112,990	112,989	5,683,849
Number of options vested	2,119,036	1,467,064	2,500	112,990	112,990	112,990	112,990	-	4,040,560
Number of options lost/expired	148,700	671,429	713,700	38,800	38,800	38,800	38,800	38,800	1,727,829
Number of options exercised	1,871,542	68,236	2,500	-	-	-	-	-	1,942,278
Number of options to be vested	98,794	727,399	816,600	74,190	74,190	74,190	74,190	74,189	2,013,742
Estimated fair value (R\$/share)	-	1.08	1.53	7.88	7.62	7.45	7.49	7.64	N/A

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**31. Share-based compensation plan****Fourth Plan**

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

	Fourth Plan				Total
	First Program	First Program	Second Program	Second Program	
Date of issue	03/22/2019	03/22/2019	03/22/2019	03/22/2019	N/A
Vesting date	01/01/2022	01/01/2023	01/01/2023	01/01/2024	N/A
Price on grant date	18.70	18.70	18.70	18.70	18.70
Total number of restricted shares	-	-	-	-	1,839,905
Total number of restricted shares granted	547,390	547,382	272,094	272,092	1,638,958
Number of restricted shares vested	373,428	155,991	66,001	66,001	661,420
Number of restricted shares lost/expired	173,962	231,858	115,843	115,842	637,505
Number of restricted shares exercised	373,428	155,991	66,001	66,001	661,421
Number of restricted shares to be exercised	-	159,533	90,251	90,250	340,033

Fifth Plan

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

	Fifth Plan				Total
	First Program	First Program	Second Program	Second Program	
Date of issue	07/31/2020	07/31/2020	07/31/2020	07/31/2020	N/A
Vesting date	01/01/2024	01/01/2025	01/01/2025	01/01/2026	N/A
Price on grant date	11.18	11.18	7.03	7.03	N/A
Total number of restricted shares	-	-	-	-	1,857,170
Total number of restricted shares granted	272,698	272,705	622,460	622,464	1,790,327
Number of restricted shares vested	96,404	96,404	164,508	164,508	521,824
Number of restricted shares lost/expired	35,403	35,404	65,987	65,988	202,782
Number of restricted shares exercised	96,404	96,404	164,508	164,508	521,824
Number of restricted shares to be exercised	140,892	140,898	391,966	391,969	1,065,723

Sixth Plan

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

	Sixth Plan									Total
	First Program	First Program	First Program	Second Program	Second Program	Second Program	Third Program	Third Program	Third Program	
Date of issue	04/29/2022	04/29/2022	04/29/2022	04/29/2022	04/29/2022	04/29/2022	04/29/2022	04/29/2022	04/29/2022	N/A
Vesting date	01/01/2023	01/01/2024	01/01/2025	01/01/2024	01/01/2025	01/01/2026	01/01/2025	01/01/2026	01/01/2027	N/A
Price on grant date	5.49	5.49	5.49	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total number of restricted shares net	-	-	-	-	-	-	-	-	-	4,130,332
Total number of restricted shares granted	137,391	137,391	1,099,127	-	-	-	-	-	-	1,373,909
Number of restricted shares vested	39,434	39,434	315,473	-	-	-	-	-	-	394,341
Number of restricted shares to be exercised	97,957	97,957	783,655	-	-	-	-	-	-	979,568

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**31. Share-based compensation plan**

The April 29, 2022 Extraordinary General Meeting approved the Company's Performance Shares Plan. The Sixth Plan grants participants selected by the Company's Board of Directors' People and Compensation Committee, from time to time, the opportunity to receive common shares issued by the Company in order to: (a) encourage the expansion, success and achievement of the Company's corporate purposes, corporate goals and the interests of its shareholders, encouraging the alignment of the Participants with the Company; (b) increase the medium and long-term alignment of participants' interests with shareholders' interests, enhancing participants' sense of "ownership" and commitment through the concept of investment and risk; (c) strengthen the incentives for long-term permanence and stability of the Company's participants; and (d) attract new talents to the Company.

For the purposes of this Plan, Virtual Shares comprise: (a) Virtual Restricted Shares, not subject to the Performance Goals; and (b) Virtual Performance Shares, subject to the Performance Goals. Participants will be entitled to the Virtual Performance Shares, depending on the partial or totally meeting two goals: (i) operating cash flow target, calculated as of December 31 of the last year of the grace period of each Program; (ii) target of return on invested capital, calculated as of December 31 of the last year of the grace period of each Program. Performance goals are defined annually by the Board of Directors, upon approval of each Program, and may, if necessary, be revised by the Board of Directors.

The maximum number of Virtual Shares is 4,130,332 which may be granted to participants should all Performance Goals be met (the "Quantitative Limit"). Any change in the Quantitative Limit will depend on the approval of the General Meeting.

The Sixth Plan can be divided into up to three programs:

First Program

- (i) The grace period will end on January 1, 2023 for 20% of the Virtual Restricted Shares to be granted under said Program;
- (ii) The grace period will end on January 1, 2024 for the remaining 20% of the Virtual Restricted Shares to be granted under the same Program;
- (iii) The grace period will end on January 1, 2025 for the remaining 60% of the Virtual Restricted Shares to be granted under the same Program;
- (iv) The grace period for the Virtual Performance Shares will end on January 1, 2025 for 100% of the shares.

Second Program

- (i) The grace period will end on January 1, 2024 for 20% of the Virtual Restricted Shares to be granted under said Program;
- (ii) The grace period will end on January 1, 2025 for the remaining 20% of the Virtual Restricted Shares to be granted under the same Program;
- (iii) The grace period will end on January 1, 2026 for the remaining 60% of the Virtual Restricted Shares to be granted under the same Program;
- (iv) The grace period for the Virtual Performance Shares will end on January 1, 2026 for 100% of the shares.

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**31. Share-based compensation plan****Third Program**

- (i) The grace period will end on January 1, 2022 for 20% of the Virtual Restricted Shares to be granted under said Program;
- (ii) The grace period will end on January 1, 2026 for the remaining 20% of the Virtual Restricted Shares to be granted under the same Program;
- (iii) The grace period will end on January 1, 2027 for the remaining 60% of the Virtual Restricted Shares to be granted under the same Program;
- (iv) The grace period for the Virtual Performance Virtual will end on January 1, 2027 for 100% of the shares.

The grace period for the Virtual Shares will be accelerated at the Participant's request upon (a) public offering of shares (an "OPA") for deregistration; (b) OPA increasing the controlling shareholder's interest; (c) OPA for sale of control of a publicly-held company (including any competing OPA), pursuant to the Stock Option Plan agreement.

Below we present the movements in share options of the third, fourth and fifth plans during the years ended December 31, 2022 and 2021:

	Third Plan	Fourth Plan	Fifth Plan	Sixth Plan	Total
Outstanding as at December 31, 2021	2,422,742	1,132,847	1,741,744	-	5,297,333
Granted	-	-	-	1,373,909	1,373,909
Forfeited/expired	(409,000)	(131,394)	(154,199)	-	(694,593)
Exercised	-	(661,420)	(521,822)	(394,341)	(1,577,583)
Outstanding as at December 31, 2022	<u>2,013,742</u>	<u>340,033</u>	<u>1,065,723</u>	<u>979,568</u>	<u>4,399,066</u>
Exercisable as at December 31, 2022 (vested) (Note 20)	<u>1,939,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,939,553</u>

	Third Plan	Fourth Plan	Fifth Plan	Total
Outstanding as at December 31, 2020	3,265,867	1,638,958	545,403	5,450,228
Granted	-	-	1,244,924	1,244,924
Forfeited/expired	(843,125)	(506,111)	(48,583)	(1,397,819)
Outstanding as at December 31, 2021	<u>2,422,742</u>	<u>1,132,847</u>	<u>1,741,744</u>	<u>5,297,333</u>
Exercisable as at December 31, 2021 (vested) (Note 20)	<u>2,254,363</u>	<u>-</u>	<u>-</u>	<u>2,254,363</u>

ZAMP S.A.

Years ended December 31, 2022 and 2021

(In thousands of reais unless otherwise stated)

**32. Insurance**

As at December 31, 2022, the Company had the following insurance policies in effect:

Insured location	Maximum indemnity limit
Civil Liability of Directors and Officers (D&O)	50,000
General Civil Liability (POSI)	40,000
Property (RO) – Average	11,104
Professional Civil Liability (E&O)	15,000

33. Events after the reporting period**33.1 Federal Supreme Court (STF) decision – effects of tax res judicata**

On February 08, 2023, the Federal Supreme Court (STF) judged the issues 881 and 885 and declared the constitutionality of a tax previously considered unconstitutional, by way of incidental control, by final and unappealable decision, that is, it judged the loss of effects of individual final and unappealable decisions, as from a subsequent change in the STF understanding for tax issues. The Company's Management, together with its legal advisors, evaluated the decision handed down, and no relevant change was identified, and does not foresee any impact on ZAMP.



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 Zamp S.A., a publicly-held corporation headquartered in the City of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, 350, 11th floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's financial statements for the year ended December 31, 2022.

Barueri, March 2, 2023.

Ariel Grunkraut

Chief Executive Officer

Gabriel Magalhães da Rocha Guimarães

Chief Financial and Investor Relations Officer



Officers' Statement on the Independent Auditor's Report

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

We state hereby, as executive officers of Zamp S.A., a publicly-held corporation headquartered in the City of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, 350, 11th floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the opinions expressed in the independent auditor's report of PricewaterhouseCoopers Auditores Independentes Ltda., referring to the Company's financial statements for the year ended December 31, 2022.

Barueri, March 2, 2023.

Ariel Grunkraut

Chief Executive Officer

Gabriel Magalhães da Rocha Guimarães

Chief Financial and Investor Relations Officer



SUMMARY OF THE AUDIT COMMITTEE REPORT

CONSOLIDATED FINANCIAL STATEMENTS OF ZAMP AT DECEMBER 31, 2022

The Audit Committee of ZAMP S.A. is a permanent advisory body to the Board of Directors. Its functioning, composition and attributions are governed by the Internal Rules of the Audit Committee (<http://burgerking.riweb.com.br/>), which is reviewed and approved by the Board of Directors.

The Audit Committee is made up of three members elected by the Board of Directors and its coordinator is an independent member of the Board of Directors. The coordinator is a financial specialist with experience in the corporate-accounting, financial, internal controls and audit areas; another independent member is also a specialist in these areas. The third member of the committee, not independent, is a specialist in the Quick Service Restaurants business.

At least four ordinary meetings are scheduled annually. Extraordinary meetings are called when necessary. The Company's Executive Board is invited to participate in order to provide clarifications and presentations, when considered relevant and necessary, as well as the independent auditors, those responsible for the Compliance area and any professionals of other areas of the Company. The Internal Audit Manager is an integral part of all meetings since she reports directly to the Committee.

In every ordinary meeting of the Board of Directors, the Coordinator of the Audit Committee reports the Committee's activities to its members. Relevant or extraordinary facts are timely communicated to the Board, whenever the Committee's collegiate body deems it necessary.

In 2022, thirteen (13) meetings were held (2021: eighteen (18)), being eight (8) ordinary meetings (2021: twelve (12)) and five (5) extraordinary meetings (2021: six (6)). Its activities during that period are described below:

Monitoring of Internal Audit activities: In 2022, the Internal Audit performed 100% of the work planned for the year, in addition to other extraordinary activities. As part of its work, the Internal Audit held meetings with Management in order to align the audit points and its action plans.

During the year, all work of the Internal Audit was shared with the Audit Committee, which made recommendations to improve the scope and object of the work and to improve the company's internal control system and risk management.

During the year ended, training was provided for the entire team, with an emphasis on specific issues of the Internal Audit career.

The Committee carried out the formal assessment of the internal audit. Recommendations for improvement were discussed with the person in charge of the area.

Monitoring of External Audit activities: PricewaterhouseCoopers Brasil Ltda. (PwC) is the company responsible for auditing the financial statements for the year 2022, for planning and performing its work in accordance with auditing standards, and is also responsible for the limited reviews of quarterly information (ITRs) sent to the Securities and Exchange Commission of Brazil - CVM.



The Audit Committee held ordinary and extraordinary meetings with the Independent Auditors for discussion of the audit planning and main risks identified, presentation of the work performed, any relevant concerns and relationship with Management and issues related to internal controls.

In 2022, PwC was engaged to perform assurance service on the 2021 Sustainability Report in the amount equivalent to 16.3% of the fees for audit of the financial statements.

The Committee carried out a formal assessment of the independent auditors and concluded that they maintained their independence and objectivity throughout 2022.

Monitoring of the quarterly and annual financial statements: On a quarterly basis, the Executive Board presents ZAMP's financial statements to the Audit Committee, discussing its performance and variations. Also on a quarterly basis, the Committee meets with the independent auditors, who present their conclusions on the financial statements for each quarter, making the observations they deem relevant.

Monitoring of the Company's business and the internal control environment: Through periodic meetings with the Company's officers, the Audit Committee analyzes and monitors the effectiveness of the Company's internal control system based primarily on the results of the work performed by the Internal Auditors and Independent Auditors and discussions with the Internal Controls, Risk and Compliance area.

Monitoring of communications received by the Whistleblower Channel: the Company's Whistleblowing Channel is outsourced to a specialized company. The reported cases are sent to the Compliance Area, which investigates them. Periodically the Compliance area presents to the Audit Committee an overview of the reported and investigated cases. The Internal Audit also participates in the Audit Committee and monitors the analyses performed. Any reported cases related to fraud are timely informed to the Audit Committee. The process of investigation and monitoring of reported cases is defined through a Manual for Handling of Reported Cases and a Regulation of the Conduct Committee. These materials were reviewed and approved by the Audit Committee and by the Board of Directors in their meeting of February 12, 2020. In 2021, the Coordinator of the Audit Committee, which is a member of the Conduct Committee, recommended that communications received through the confidential channel involving senior management (CEO and Vice Presidents), the Board of Directors and members of the Audit Committee, be submitted to the Coordinator of the Audit Committee, and those related to such Coordinator be submitted to the Chairman of the Board of Directors. These cases are primarily received by an independent company, which performs an initial screening and forwards to the appropriate areas for taking of actions. The Audit Committee has its own budget for hiring investigation services.

Conclusion: The members of the Company's Audit Committee, considering their attributions and the limitations inherent to the scope of their operation, based on the information and discussions mentioned above and based on the report issued without qualifications on March 2, 2023 by PricewaterhouseCoopers Brasil Ltda., recommended to the Board of Directors the approval of the financial statements of ZAMP S.A. for the year ended December 31, 2022.

Barueri, March 2, 2023.

Henrique F. Luz

Coordinator of the Audit Committee

Renato Rossi

Jorge Roberto Manoel



SUMMARY OF THE STATUTORY AUDIT BOARD REPORT

The Statutory Audit Board of Zamp S.A. (“Company”), in compliance with legal and statutory provisions, according to article 163, of Law 6,404/76, has analyzed the Management Report and the Financial Statements for the year ended December 31, 2022. Based on the analyses made and the clarifications provided by management, and considering the unqualified report of the independent auditors, PricewaterhouseCoopers Auditores Independentes Ltda., dated March 2, 2023, the Board states that these documents are adequate, in all material respects, to be submitted to the Extraordinary General Meeting of the Company’s Shareholders.

Barueri, March 2, 2023

Roberto de Frota Decourt

Rosana Cristina Avolio

Carlos Eduardo Baron

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Senior Manager

PwC BR

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