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Company data/ Capital composition

Number of Shares (Units)	Current Quarter 3/31/2020
Common - Paid-up Capital	228,105,447
Preferred - Paid-up Capital	-
Total - Paid-up Capital	228,105,447
Common - In Treasury	-
Ordinary - In Treasury	1,222,719
Preferred - In Treasury	-
Total - In Treasury	1,222,719

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

Account Code	Account Description	Current Quarter 3/31/2020	Prior Year 12/31/2019
1	Total Assets	3,429,357	3,527,999
1.01	Current Assets	715,110	862,317
1.01.01	Cash and Cash Equivalents	69,314	325,276
1.01.02	Short-Term Investments	398,353	278,755
1.01.02.01	Short-Term Investments at Fair Value	398,353	278,755
1.01.02.01.03	Marketable Securities	396,117	265,622
1.01.02.01.04	Restricted Marketable Securities	2,236	13,133
1.01.03	Accounts Receivable	71,461	60,361
1.01.04	Inventories	89,312	99,041
1.01.06	Taxes Recoverable	28,920	27,558
1.01.08	Other Current Assets	57,750	71,326
1.01.08.03	Others	57,750	71,326
1.01.08.03.02	Advances Paid	34,234	46,115
1.01.08.03.04	Other Receivables	23,516	25,211
1.02	Non-Current Assets	2,714,247	2,665,682
1.02.01	Long-Term Receivables	134,290	112,384
1.02.01.01	Non-Current Investments at Fair Value	1,375	1,366
1.02.01.01.01	Restricted Marketable Securities	1,375	1,366
1.02.01.07	Deferred Taxes	23,351	-
1.02.01.07.01	Deferred Income Tax and Social Contribution	23,351	-
1.02.01.10	Other Non-Current Assets	109,564	111,018
1.02.01.10.03	Judicial Deposits	33,422	33,434
1.02.01.10.04	Other Receivables	4,058	4,464
1.02.01.10.05	Taxes Recoverable	72,084	73,120
1.02.03	Property and Equipment	1,174,109	1,163,578
1.02.04	Intangible Assets	1,405,848	1,389,720
1.02.04.01	Intangible Assets	1,405,848	1,389,720
1.02.04.01.02	Right-of-use asset	654,796	660,986
1.02.04.01.03	Others Intangible Assets	751,052	728,734

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

Account Code	Account Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
2	Total Liabilities	3,429,357	3,527,999
2.01	Current Liabilities	635,678	671,506
2.01.01	Social and Labor Liabilities	78,857	96,637
2.01.02	Trade Payables	121,143	286,432
2.01.03	Taxes Payable	15,736	25,150
2.01.04	Loans and Financing	288,442	116,556
2.01.05	Other Current Liabilities	131,500	146,731
2.01.05.02	Others	131,500	146,731
2.01.05.02.01	Dividends and interest on capital payables	-	10,054
2.01.05.02.04	Other Payables	10,325	4,622
2.01.05.02.05	Deferred revenue, net	9,194	9,139
2.01.05.02.07	Corporate Payables	8,836	23,760
2.01.05.02.08	Lease liabilities	103,145	99,156
2.02	Non-Current Liabilities	1,058,417	1,069,864
2.02.01	Loans and Financing	402,931	403,314
2.02.02	Other Payables	637,103	641,823
2.02.02.02	Others	637,103	641,823
2.02.02.03	Taxes Payable	12,298	12,605
2.02.02.02.05	Other Payables	17,145	17,237
2.02.02.02.06	Deferred revenue, net	16,764	17,928
2.02.02.02.07	Lease liabilities	590,896	594,053
2.02.03	Deferred Taxes	-	8,452
2.02.03.01	Deferred income tax and social contribution	-	8,452
2.02.04	Provisions	18,383	16,275
2.02.04.01	Provisions for tax, social security, labor and civil claims	18,383	16,275
2.03	Equity	1,735,262	1,786,629
2.03.01	Capital	950,768	950,768
2.03.02	Capital reserves	704,639	701,203
2.03.02.01	Goodwill on share issuance	728,853	725,417
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.04	Profit reserves	134,641	134,641
2.03.04.01	Legal reserve	8,828	8,828
2.03.04.05	Profit retention reserve	125,813	125,813
2.03.05	Retained earnings	-55,642	-
2.03.08	Other comprehensive income	856	17

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

Account Code	Account Description	Statement of Changes in Equity - 01/01/2020 to 03/31/2020	Statement of Changes in Equity - 1/1/2019 to 3/31/2019
3.01	Revenue from Sale of Goods and/or Services	649,078	665,325
3.02	Cost of Sales and/or Services	-265,419	-253,837
3.03	Gross Profit	383,659	411,488
3.04	Operating Expenses/Income	-454,553	-406,705
3.04.01	Selling Expenses	-411,858	-366,616
3.04.02	General and Administrative Expenses	-42,695	-36,561
3.04.06	Equity Pickup	-	-3,528
3.05	Profit Before Financial Income (Expenses) and Taxes	-70,894	4,783
3.06	Financial Income (Expenses), Net	-16,551	-12,582
3.06.01	Financial Income	4,997	6,425
3.06.02	Financial Expenses	-21,548	-19,007
	Profit (Loss) Before Income Tax and Social	-87,445	-7,799
3.07	Contribution		
3.08	Income Tax and Social Contribution	31,803	10,850
3.08.01	Current	-	-
3.08.02	Deferred	31,803	10,850
3.09	Profit from Continuing Operations	-55,642	3,051
3.11	Profit for the Period	-55,642	3,051
3.99	Earnings per Share - (Reais /Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common (ON)	-0.24525	0.01358
3.99.02	Diluted Earnings per Share		
3.99.02.01	Registered Common (ON)	-0.24525	0.01350

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

Account Code	Account Description	Statement of Changes in Equity - 01/01/2020 to 03/31/2020	Statement of Changes in Equity - 01/01/2019 to 03/31/2019
4.01	Profit for the Period	-55,642	3,051
4.02	Other comprehensive income	839	172
4.03	Total Comprehensive Income for the Period	-54,803	3,223

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

Account Code	Account Description	Statement of Changes in Equity - 01/01/2020 to 03/31/2020	Statement of Changes in Equity - 01/01/2019 to 03/31/2019
6.01	Net Cash from Operating Activities	-173,666	51,070
6.01.01	Cash Provided from Operating Activities	19,284	91,457
6.01.01.01	Loss (Profit) Before Income Tax and Social Contribution	-87,445	-7,799
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	48,633	43,386
6.01.01.03	Provision for Bonuses	-	5,167
6.01.01.04	Equity Pickup	-	3,528
6.01.01.05	Interest, charges, exchange variation, monetary variation and APV on leases liabilities	16,357	11,406
6.01.01.06	Allowance for Inventory Losses	954	-
6.01.01.07	Provision for Legal Claims	6,174	2,721
6.01.01.09	Disposal of Property and Equipment and Intangible Assets	153	1,413
6.01.01.10	Stock Options Cost	3,437	661
6.01.01.11	Reversal (Provision) for Impairment	-	-117
6.01.01.12	Amortization of Lease	31,021	31,091
6.01.02	Changes in Assets and Liabilities	-192,950	-142,527
6.01.02.01	Trade Receivables, Net	-11,100	-17,919
6.01.02.02	Inventories	8,775	9,049
6.01.02.03	Taxes Recoverable	-326	-1,623
6.01.02.04	Advances Paid	11,881	-25,301
6.01.02.06	Receivables from Related Parties	-	1,368
6.01.02.07	Other Receivables	5,625	4,498
6.01.02.08	Trade and Rental Payables	-165,289	-74,751
6.01.02.09	Payroll and Social Charges	-17,780	-12,059
6.01.02.10	Corporate Payables	-14,924	-9,184
6.01.02.11	Taxes Payable	-9,721	-18,270
6.01.02.13	Deferred Revenue, Net	-1,109	-2,047
6.01.02.14	Payables to Related Parties	-	3
6.01.02.15	Derivative Financial Instruments	-	262
6.01.02.16	Other Payables	5,431	5,831
6.01.02.17	Interest Expense on Loans and Financing	-347	-1,105
6.01.02.19	Legal Claims	-4,066	-1,279
6.02	Net Cash from Investing Activities	-198,242	104,723
6.02.02	Advance for Future Capital Increase in Subsidiary	-	-38
6.02.03	Purchases of Property and Equipment	-51,198	-69,579
6.02.04	Purchases of Intangible Assets	-30,436	-8,787
6.02.06	Investment in Marketable Securities	-425,450	-147,746
6.02.07	Redemption of Marketable Securities	308,842	333,009
6.02.08	Reimbursable Expenses with Stock Offer	-	-2,136
6.03	Net Cash from Financing Activities	115,946	-134,894
6.03.01	Capital Paid-up in the Period	-	42,064
6.03.04	Loans and Financings Raised	170,000	-
6.03.05	Share issue costs	519	-
6.03.06	Payment of loans and financing (principal)	-6,634	-119,520
6.03.07	Interest on Capital Paid	-10,054	-23,153
6.03.09	Payment of Lease Liabilities	-37,885	-34,285
6.05	Increase (Decrease) in Cash and Cash Equivalents	-255,962	-81,241
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	325,276	166,962
6.05.02	Cash and Cash Equivalents at the End of the Period	69,314	85,721

Individual financial statements – Statement of changes in Equity 01/01/2020 to 03/31/2020
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit reserves	Retained earnings/accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	950,768	701,203	134,641	-	17	1,786,629
5.03	Adjusted Opening Balances	950,768	701,203	134,641	-	17	1,786,629
5.04	Capital Transactions with Shareholders	-	3,436	-	-	-	3,436
5.04.03	Options Granted Recognized	-	3,436	-	-	-	3,436
5.05	Total Comprehensive Income	-	-	-	-55,642	839	-54,803
5.05.01	Profit for the Period	-	-	-	-55,642	-	-55,642
5.05.02	Other comprehensive income	-	-	-	-	839	839
5.07	Closing Balances	950,768	704,639	134,641	-55,642	856	1,735,262

Individual financial statements – Statement of changes in Equity 01/01/2019 to 03/31/2019

(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening balances	898,233	721,102	97,627	-	-2	1,716,960
5.03	Adjusted Opening Balances	898,233	721,102	97,627	-	-2	-
5.04	Capital Transactions with Shareholders	42,064	661	-	-	-	1,716,960
5.04.01	Capital Increases	42,064	-	-	-	-	42,725
5.04.02	Share Issue Cost	-	-	-	-	-	42,064
5.04.03	Options Granted Recognized	-	661	-	-	-	661
5.05	Total Comprehensive Income	-	-	-	3,051	172	3,223
5.05.01	Profit for the Period	-	-	-	3,051	-	3,051
5.05.02	Other Comprehensive Income	-	-	-	-	172	172
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	172	172
5.07	Closing Balances	940,297	721,763	97,627	3,051	170	1,762,908

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

Account Code	Account Description	Statement of Changes in Equity - 01/01/2020 to 03/31/2020	Statement of Changes in Equity - 01/01/2019 to 03/31/2019
7.01	Revenues	717,014	725,626
7.01.01	Gross Sales of Goods and Services	712,122	717,668
7.01.02	Other Revenues	4,892	7,958
7.02	Inputs Purchased from Third Parties	-460,345	-390,334
7.02.01	Cost of Sales and Services	-265,419	-253,837
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-194,617	-135,098
7.02.03	Impairment of Assets	-153	-1,296
7.02.04	Others	-156	-103
7.03	Gross Value Added	256,669	335,292
7.04	Retentions	-79,654	-74,477
7.04.01	Depreciation, Amortization and Depletion	-79,654	-74,477
7.05	Wealth Created by the Company	177,015	260,815
7.06	Wealth Received in Transfer	5,242	3,211
7.06.01	Equity Pickup	-	-3,528
7.06.02	Financial Income	5,242	6,739
7.07	Total Wealth for Distribution	182,257	264,026
7.08	Wealth Distributed	182,257	264,026
7.08.01	Personnel	139,980	126,083
7.08.01.01	Salaries and Wages	132,942	118,916
7.08.01.03	Unemployment Compensation Fund (FGTS)	7,038	7,167
7.08.02	Taxes, Fees and Contributions	56,624	66,015
7.08.02.01	Federal	29,595	46,122
7.08.02.02	State	22,636	16,796
7.08.02.03	Municipal	4,393	3,097
7.08.03	Lenders and Lessors	41,295	68,877
7.08.03.01	Interest	21,348	18,819
7.08.03.02	Rentals	19,947	50,058
7.08.04	Shareholders	-55,642	3,051
7.08.04.03	Retained Earnings / Profit for the Period	-55,642	3,051

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

Account Code	Account Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
1	Total Assets	3,429,386	3,528,060
1.01	Current Assets	715,139	862,378
1.01.01	Cash and Cash Equivalents	69,315	325,277
1.01.02	Short-Term Investments	398,381	278,816
1.01.02.01	Short-Term Investments at Fair Value	398,381	278,816
1.01.02.01.03	Marketable Securities	396,145	265,683
1.01.02.01.04	Restricted Marketable Securities	2,236	13,133
1.01.03	Accounts Receivable	71,461	60,361
1.01.04	Inventories	89,312	99,041
1.01.06	Taxes Recoverable	28,920	27,558
1.01.08	Other Current Assets	57,750	71,325
1.01.08.03	Others	57,750	71,325
1.01.08.03.02	Advances Paid	34,234	46,115
1.01.08.03.04	Other Receivables	23,516	25,210
1.02	Non-Current Assets	2,714,247	2,665,682
1.02.01	Long-Term Receivables	134,290	112,384
1.02.01.01	Non-Current Investments at Fair Value	1,375	1,366
1.02.01.01.01	Restricted Marketable Securities	1,375	1,366
1.02.01.07	Deferred Taxes	23,351	-
1.02.01.07.01	Deferred Income Tax and Social Contribution	23,351	-
1.02.01.10	Other Non-Current Assets	109,564	111,018
1.02.01.10.03	Judicial Deposits	33,422	33,434
1.02.01.10.04	Other Receivables	4,058	4,464
1.02.01.10.05	Taxes Recoverable	72,084	73,120
1.02.03	Property and Equipment	1,174,109	1,163,578
1.02.04	Intangible Assets	1,405,848	1,389,720
1.02.04.01	Intangible Assets	1,405,848	1,389,720
1.02.04.01.02	Right-of-use asset	654,796	660,986
1.02.04.01.03	Others Intangible Assets	751,052	728,734

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

Account Code	Account Description	Current Quarter 03/31/2020	Prior Year 12/31/2019
2	Total Liabilities	3,429,386	3,528,060
2.01	Current Liabilities	635,707	671,567
2.01.01	Social and Labor Liabilities	78,857	96,637
2.01.02	Trade Payables	121,143	286,432
2.01.03	Taxes Payable	15,736	25,150
2.01.04	Loans and Financing	288,442	116,556
2.01.05	Other Current Liabilities	131,529	146,792
2.01.05.02	Others	131,529	146,792
2.01.05.02.01	Dividends and interest on capital (IOC) payables	-	10,054
2.01.05.02.04	Other Payables	10,354	4,683
2.01.05.02.05	Deferred revenue, net	9,194	9,139
2.01.05.02.06	Corporate Payables	8,836	23,760
2.01.05.02.08	Lease liabilities	103,145	99,156
2.02	Non-Current Liabilities	1,058,417	1,069,864
2.02.01	Loans and Financing	402,931	403,314
2.02.02	Other Payables	637,103	641,823
2.02.02.02	Others	637,103	641,823
2.02.02.02.03	Taxes Payables	12,298	12,605
2.02.02.02.04	Other Payables	17,145	17,237
2.02.02.02.05	Deferred revenue, net	16,764	17,928
2.02.02.02.06	Lease liabilities	590,896	594,053
2.02.03	Deferred Taxes	-	8,452
2.02.03.01	Deferred income tax and social contribution	-	8,452
2.02.04	Provisions	18,383	16,275
2.02.04.01	Provisions for tax, social security, labor and civil claims	18,383	16,275
2.03	Equity	1,735,262	1,786,629
2.03.01	Capital	950,768	950,768
2.03.02	Capital reserves	704,639	701,203
2.03.02.01	Goodwill on share issuance	728,853	725,417
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.04	Profit reserves	134,641	134,641
2.03.04.01	Legal reserve	8,828	8,828
2.03.04.05	Profit retention reserve	125,813	125,813
2.03.05	Retained earnings	-55,642	-
2.03.08	Other comprehensive income	856	17

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

Account Code	Account Description	Statement of Changes in Equity - 01/01/2020 to 03/31/2020	Statement of Changes in Equity - 01/01/2019 to 03/31/2019
3.01	Revenue from Sale of Goods and/or Services	649,078	665,325
3.02	Cost of Sales and/or Services	-265,419	-254,507
3.03	Gross Profit	383,659	410,818
3.04	Operating Expenses/Income	-454,642	-406,132
3.04.01	Selling Expenses	-411,858	-369,058
3.04.02	General and Administrative Expenses	-42,784	-37,074
3.05	Profit Before Financial Income (Expenses) and Taxes	-70,983	4,686
3.06	Financial Income (Expenses), Net	-16,462	-12,485
3.06.01	Financial Income	5,086	6,556
3.06.02	Financial Expenses	-21,548	-19,041
3.07	Profit (Loss) Before Income Tax and Social Contribution	-87,445	-7,799
3.08	Income Tax and Social Contribution	31,803	10,850
3.08.01	Current	-	-
3.08.02	Deferred	31,803	10,850
3.09	Profit from Continuing Operations	-55,642	3,051
3.11	Profit for the Period	-55,642	3,051
3.11.01	Attributable to Equity Holders of the Parent	-55,642	3,051
3.99	Earnings per Share - (Reais /Share)		
3.99.01	Basic Earnings per Share		
3.99.01.01	Registered Common (ON)	-0.24525	0.01358
3.99.02	Diluted Earnings per Share		
3.99.02.01	Registered Common (ON)	-0.24525	0.01350

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

Account Code	Account Description	Statement of Changes in Equity - 01/01/2020 to 03/31/2020	Statement of Changes in Equity - 01/01/2019 to 03/31/2019
4.01	Profit for the Period	55,642	3,051
4.02	Other comprehensive income	839	172
4.03	Total Comprehensive Income for the Period	54,803	3,223
4.03.01	Attributable to Parent Company Shareholders	54,803	3,223

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

Account Code	Account Description	Statement of	Statement of
		Changes in Equity - 01/01/2020 to 03/31/2020	Changes in Equity - 01/01/2019 to 03/31/2019
6.01	Net Cash From Operating Activities	-173,699	-58,232
6.01.01	Cash Provided from Operating Activities	19,284	90,245
6.01.01.01	Profit (Loss) before Income Tax and Social Contribution	-87,445	-7,799
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	48,633	45,702
6.01.01.03	Provision for Bonuses	-	5,167
6.01.01.05	Interest, Charges, Exchange Variation, Monetary Variation and APV on Lease Liabilities	16,357	11,406
6.01.01.06	Allowance for inventory losses	954	-
6.01.01.07	Provision for Legal Claims	6,174	2,721
6.01.01.09	Gain (Loss) on Disposal of Property and Equipment and Intangible Assets	153	1,413
6.01.01.10	Stock Options Cost	3,437	661
6.01.01.11	Provision (Reversal) for Impairment	-	-117
6.01.01.12	Amortization of Lease	31,021	31,091
6.01.02	Changes in Assets and Liabilities	-192,983	-148,477
6.01.02.01	Trade Receivables, Net	-11,100	-17,844
6.01.02.02	Inventories	8,775	9,049
6.01.02.03	Taxes Recoverable	-326	-1,623
6.01.02.04	Advances Paid	11,881	-25,334
6.01.02.07	Other Receivables	5,624	-3,019
6.01.02.08	Trade and Rental Payables	-165,289	-75,287
6.01.02.09	Payroll and Social Charges	-17,780	-11,949
6.01.02.10	Corporate Payables	-14,924	-9,184
6.01.02.11	Taxes Payable	-9,721	-19,283
6.01.02.13	Deferred Revenue, Net	-1,109	-2,047
6.01.02.15	Derivative Financial Instruments	-	262
6.01.02.16	Other Payables	5,399	10,166
6.01.02.17	Interest Expense on Loans and Financings	-347	-1,105
6.01.02.19	Legal Claims	-4,066	-1,279
6.02	Net Cash from Investing Activities	-198,209	118,076
6.02.03	Purchases of Property and Equipment	-51,198	-69,579
6.02.04	Purchases of Intangible Assets	-30,436	-8,787
6.02.06	Investment in Marketable Securities	-425,417	-147,746
6.02.07	Redemption of Marketable Securities	308,842	346,324
6.02.08	Reimbursable Expenses with Stock Offer	-	-2,136
6.03	Net Cash from Financing Activities	115,946	-134,894
6.03.01	Capital Paid-up in the Period	-	42,064
6.03.04	Loans and Financings Raised	170,000	-
6.03.05	Borrowing Costs	519	-
6.03.06	Payment of Loans and Financing (Principal)	-6,634	-119,520
6.03.07	Interest on Capital Paid	-10,054	-23,153
6.03.08	Payment of Lease Liabilities	-37,885	-34,285
6.05	Increase (Decrease) in Cash and Cash Equivalents	-255,962	-75,050
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	325,277	174,963
6.05.02	Cash and Cash Equivalents at the End of the Period	69,315	99,913



Consolidated financial statements – Statement of changes in Equity 01/01/2020 to 03/31/2020
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit reserves	Retained earnings/accumulated losses	Other comprehensive income	Equity	Non-controlling interest	Consolidated Equity
5.01	Opening balances	950,768	701,203	134,641	-	17	1,786,629	-	1,786,629
5.03	Adjusted Opening Balances	950,768	701,203	134,641	-	17	1,786,629	-	1,786,629
5.04	Capital Transactions with Shareholders	-	3,436	-	-	-	3,436	-	3,436
5.04.03	Options Granted Recognized	-	3,436	-	-	-	3,436	-	3,436
5.05	Total Comprehensive Income	-	-	-	-55,642	839	-54,803	-	-54,803
5.05.01	Profit for the Period	-	-	-	-55,642	-	-55,642	-	-55,642
5.05.02	Other comprehensive income	-	-	-	-	839	839	-	839
5.07	Closing Balances	950,768	704,639	134,641	-55,642	856	1,735,262	-	1,735,262

Consolidated financial statements – Statement of changes in Equity 01/01/2019 to 03/31/2019
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Retained Earnings/Accumulated Losses	Other Comprehensive Income	Equity	Consolidated Equity
5.01	Opening balances	898,233	721,102	97,627	-	-2	1,716,960	1,716,960
5.03	Adjusted Opening Balances	898,233	721,102	97,627	-	-2	1,716,960	1,716,960
5.04	Capital Transactions with Shareholders	42,064	661	-	-	-	42,725	42,725
5.04.01	Capital Increase	42,064	-	-	-	-	42,064	42,064
5.04.03	Options Granted Recognized	-	661	-	-	-	661	661
5.05	Total Comprehensive Income	-	-	-	3,051	172	3,223	3,223
5.05.01	Profit for the Period	-	-	-	3,051	-	3,051	3,051
5.05.02	Other Comprehensive Income	-	-	-	-	172	172	172
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	172	172	172
5.07	Closing Balances	940,297	721,763	97,627	3,051	170	1,762,908	1,762,908

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

Account Code	Account Description	Statement of Changes in Equity - 01/01/2020 to 03/31/2020	Statement of Changes in Equity - 01/01/2019 to 03/31/2019
7.01	Revenues	717,014	725,626
7.01.01	Gross Sales of Goods and Services	712,122	717,668
7.01.02	Other Revenues	4,892	7,958
7.02	Inputs Purchased from Third Parties	-460,434	-391,592
7.02.01	Cost of Sales and Services	-265,419	-254,507
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-194,617	-135,563
7.02.03	Impairment of Assets	-153	-1,296
7.02.04	Others	-245	-226
7.03	Gross Value Added	256,580	334,034
7.04	Retentions	-79,654	-76,793
7.04.01	Depreciation, Amortization and Depletion	-79,654	-76,793
7.05	Wealth Created by the Company	176,926	257,241
7.06	Wealth Received in Transfer	5,331	6,872
7.06.02	Financial Income	5,331	6,872
7.07	Total Wealth for Distribution	182,257	264,113
7.08	Wealth Distributed	182,257	264,113
7.08.01	Personnel	139,980	126,083
7.08.01.01	Salaries and Wages	132,942	118,916
7.08.01.03	Unemployment Compensation Fund (FGTS)	7,038	7,167
7.08.02	Taxes, Fees and Contributions	56,624	66,019
7.08.02.01	Federal	29,595	46,123
7.08.02.02	State	22,636	16,799
7.08.02.03	Municipal	4,393	3,097
7.08.03	Lenders and Lessors	41,295	68,960
7.08.03.01	Interest	21,348	18,853
7.08.03.02	Rentals	19,947	50,107
7.08.04	Shareholders	-55,642	3,051
7.08.04.03	Retained Earnings / Profit for the Period	-55,642	3,051

MANAGEMENT REPORT

HIGHLIGHTS

1T20x1T19 Performance:

- **Net operating revenue of R\$649 million in 1Q20, down 2.4% from 1Q19;**
- **Comparable sales in same restaurants of -1.8% in 1Q20;**
- **Up to Feb/20 the growth of comparable sales was 2.4%,** evidencing good recovery compared to Dec/19 performance;
- **Significant increase in sales through digital channels (Delivery, Totem and BK Express) reaching 10.4% of the Company's revenue in 1Q20;**
- **Adjusted EBITDA of R\$ 13.9 million in 1Q20; Mg of 2.1% in 1Q20;**
- **Fund raising of R\$170 million** and a 1-year term to preventively reinforce the cash and liquidity position;
- **Net loss of R\$55.6 million in 1Q20;**
- **Total of 872 restaurants of the Burger King brand and 41 restaurants of the Popeyes brand at the end of 1Q20;**

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	1Q20	1Q19	VAR.	4Q19	VAR.
NET OPERATING REVENUE	649.1	665.3	-2.4%	803.4	-19.2%
ADJUSTED EBITDA	13.9	86.0	-83.9%	171.2	-91.9%
% OF NET OPERATING REVENUE	2.1%	12.9%	-1080bps	21.3%	-1920bps
NET INCOME (LOSS)	(55.6)	3.1	-	41.3	-
GROSS DEBT	691.4	164.3	320.8%	519.9	33.0%
NET DEBT (NET CASH)	222.3	(170.3)	-	(85.6)	-
SHAREHOLDERS' EQUITY	1,735.3	1,762.9	-1.6%	1,786.6	-2.9%

OPERATIONAL HIGHLIGHTS	1Q20	1Q19	VAR.	4Q19	VAR.
# OF RESTAURANTS	913	803	110	912	1
OWNED RESTAURANTS					
# OWNED RESTAURANTS BEGINNING OF PERIOD	714	639	75	671	43
BURGER KING® RESTAURANT OPENINGS	-	4	(4)	36	(36)
BURGER KING® RESTAURANT CLOSINGS	-	(4)	4	-	-
ACQUISITION/ SALE OF BURGER KING® RESTAURANT BUSINESSES	-	-	-	(11)	11
POPEYES® RESTAURANT OPENINGS	-	3	(3)	18	(18)
# OWNED RESTAURANTS END OF PERIOD	714	642	72	714	0
FRANCHISEES RESTAURANTS					
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	198	162	36	169	29
BURGER KING® RESTAURANT OPENINGS	2	1	1	18	(16)
BURGER KING® RESTAURANT CLOSINGS	(1)	(2)	1	-	(1)
ACQUISITION/ SALE OF BURGER KING® RESTAURANT BUSINESSES	-	-	-	11	(11)
# FRANCHISEES RESTAURANTS END OF PERIOD	199	161	38	198	1
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS)	-1.8%	7.6%	-940bps	-2.2%	40bps

MESSAGE FROM MANAGEMENT

We are currently facing the biggest crisis that our society and industry have ever experienced, not only due to the economic but also and mainly the social impacts that COVID-19 has brought about.

In order to better explain our viewpoint about this scenario, the impact on our business and how we are facing this situation, in addition to preparing for the resumption after the pandemic, we would like to firstly address the Company's **fundamentals** before COVID 19.

We started the year 2020 with a significant acceleration in sales compared to those at the end of 2019, with an increase of 460 bps in comparable sales between the fourth quarter of 2019 and the first two months of 2020. This recovery stemmed from execution of three important strategic changes. Firstly, increasing competitiveness in value for money with the return of the iconic Whopper to the Double King platform. Secondly, the adjustment in the premium platform with focus on the Mega Stacker product line and thirdly, the expansion of the delivery sales channel with 2 new aggregators and additional delivery coverage in 80 new cities.

Regarding our restaurants' footprint, during the year 2019 we opened 44 free standing restaurants, of which 33 are operated by BK Brasil, which will allow us to increase our share in this restaurant type, with Drive Thru sales and better delivery service. In the last few years, we have more than doubled our Free Standing restaurant base, which now represents more than 20% of our restaurants and we continue to strongly believe in the sales potential of this restaurant type and the positive impact it brings to the brand.

Our structural investments in technology along time have increasingly shown their relevance with our App surpassing the mark of 23 million downloads, thus allowing us to attain increasing knowledge of the habits of our customers so that, through our CRM program, we can be increasingly assertive in customizing the relationship with our customers. In addition, we have already completed systems integration with all of our Delivery partners and have accelerated the implementation of self-service totems reaching more than 200 restaurants with this facility for our consumers.

Regarding capital structure, we started 2020 with a **solid cash position** (of more than R\$600 million) and gross debt below our cash position. In addition, at the end of the quarter, after the outbreak of the virus pandemic, we had our AA rating ratified by Fitch after a review of ratings of various players in the retail market.

In March, we began to perceive the impacts from COVID-19 on our restaurants. Our first step was to establish our **priorities** during this period. Namely, to protect our **employees**, our **customers** and our **company**.

The fact that we operate restaurants of two global Fast Food networks; namely, Burger King and

Popeyes, allows us to have access to what is happening in other markets and implement the best course of action, including looking at consumer trends in countries that are in different phases of the virus pandemic.

Regarding our team, we would like to **thank our nearly 20 thousand employees** for their commitment and dedication at this difficult time, especially those who are actively representing us on the front line in our restaurants. **Without you none of this would be possible.**

We expanded and created specific training on safety and prevention, we expanded the use of personal protective equipment and included new procedures, such as the wearing of protection masks and taking people's temperatures. Medical support and guidance have also been expanded. Our physical corporate office was temporarily closed and we started working remotely, on a home office basis. In order to avoid employee terminations as much as possible at such a difficult time, we implemented all available measures to seek a balance between job preservation and business sustainability.

With regard to **customers' protection**, which also includes our vision of **support to society** through our service offering fast meals, we closed our dining rooms and started to distribute, in collaboration with the Ministry of Health, together with each of our ordered meals, pamphlets on preventing contamination by COVID-19 when ordering food from third parties. Additionally, we have **donated**, to date, more than **50 tons** of food to Non-Government Organizations (NGO) with social impact, and donated **R\$ 1 million** to the Brazilian National Health System (**SUS**) to help fight the virus pandemic. These actions led us to be recognized, in a survey conducted by the Croma Insights Institute, as the second food brand that had the most positive mentions throughout Brazil.

With the worsening of the virus pandemic in March, we had 65% of our restaurants temporarily closed due to legal restrictions, especially for the closing of shopping malls due to the social isolation measures imposed. As a result, we saw a significant change in the share of our sales channels, as such, the drive thru and delivery channels started to account for 85% of our total sales volume. Average monthly sales through the delivery channel increased more than 300% in April and May compared to average monthly sales in the same period of 2019.

Despite the impact of the loss of revenue from our temporarily closed restaurants, we noted that performance of the restaurants in operation has been increasing week after week since March, with some of these restaurants already surpassing in April and May the sales level of these months in the prior year. This performance has been achieved thanks to a detailed analysis of the operating reach of each of our restaurants in order to maximize revenue per restaurant and also due to adjustments in our offerings for a consumption profile with more group and family meals, which allowed a 30% increase in our average ticket.

Our cost efficiency discipline and culture are also being applied both in restaurants and in our head office, where we are reviewing each of our cost lines in order to adjust our operation to the new reality. With regard to our personnel costs in our restaurants, we applied the temporary suspension measure provided for in MP-936 for employees of temporarily closed restaurants, and a reduction in working hours and salaries of at least 25% to all corporate levels and Board of Directors. New hires, promotions, salary adjustments and non-essential expenses were frozen. These additional initiatives were implemented as from April with results expected to arise as from the second quarter. We are also renegotiating our occupancy costs with our lessors with significant reductions already agreed with expected impact as from April.

We have reinforced our liquidity, raising R\$ 220 million (R\$ 170 million in March and R\$ 50 million in April), in addition to temporarily suspending our investments until we have a better view of the Post-COVID scenario. We have had support from our franchisor and have agreed on the suspension of our contractual development obligations in 2020, which will be rediscussed in due course for 2021 onwards.

With the evolution of digital transformation in the retail market, certainly accelerated by the COVID -19 effect, many things have changed in our business. We have continuously adjusted the way we relate with our customers in the consumption of our products and services. However, we are convinced that the pillars of our business based on product quality, convenience, price and experience, will continue to be key in the digital transition that has been increasingly present. The focus on consumers will continue to be our main objective and for that, we are building an ecosystem allowing connections both on an online and offline basis. This ecosystem is supported by a digital culture, new ways of working and robust and scalable technology. An ecosystem that is able of being present wherever customers are and allowing them to relate with us according to their preference and, concurrently, optimizing our direct relations with consumers, especially those that are our patrons.

Despite the challenges and uncertainties that this virus pandemic has brought about to our country and to our market that are expected to prevail over short and medium terms, we are sure and confident that the structural foundations that BK Brasil has built, through the Burger King and Popeyes operations, which allowed us to attain a prominent positioning in the market with recognition of our customers, will also allow us to surmount the difficulties of this period, strategically positioned to become even more competitive in the post-COVID scenario.



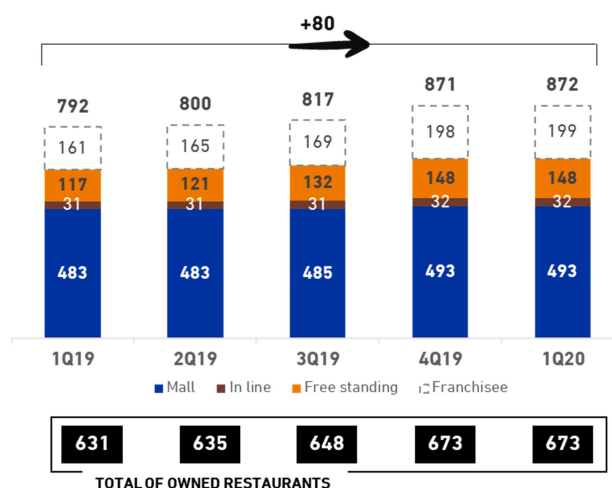
SUBSEQUENT EVENT

As mentioned in the Message from Management, the Company raised, in April, the amount of R\$ 50 million through Itaú bank in order to strengthen its capital structure. The debt has a term of 1 year, with maturity scheduled for 4/5/2021.

OPERATING AND FINANCIAL PERFORMANCE

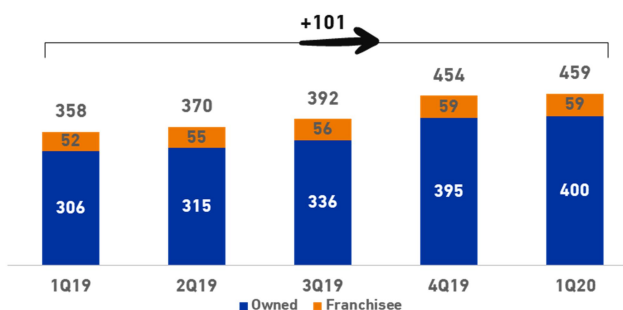
BURGER KING® restaurant expansion

In 1Q20, the BURGER KING® system opened two new restaurants operated by franchisees, and closed 1 restaurant, also operated by a franchisee. The Company maintained the same number of restaurants as that in the prior quarter, with a total of 673 BK Brasil owned restaurants. As for restaurants operated by franchisees, BURGER KING® ended 1Q20 with 199 restaurants. Accordingly, the BURGER KING® system ended the quarter with a total of 872 restaurants in operation in Brazil, which represents a net growth of 80 restaurants in the last 12 months.



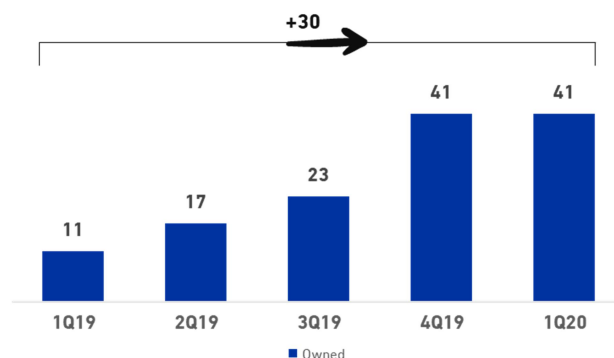
BURGER KING® dessert centers expansion

In addition to the 872 restaurants, the BURGER KING® system ended 1Q20 with 459 dessert centers, an increase of 101 restaurants when compared to 1Q19.



POPEYES® restaurant expansion

Throughout 1Q20, the POPEYES® system maintained the number of its restaurants and closed the quarter with 41 restaurants, all of them BK Brasil owned restaurants, located in the state of São Paulo.



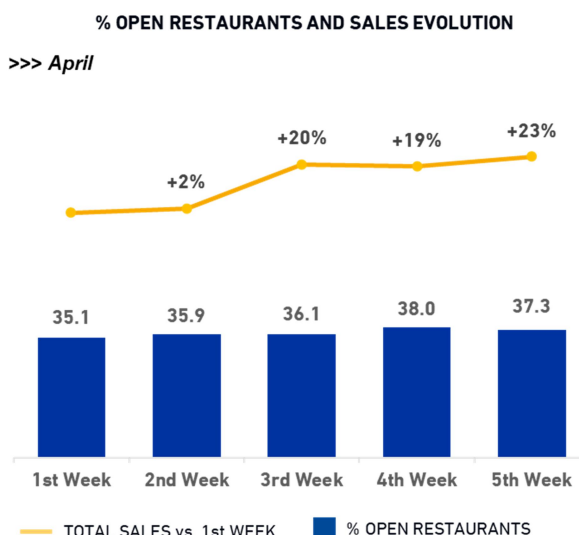
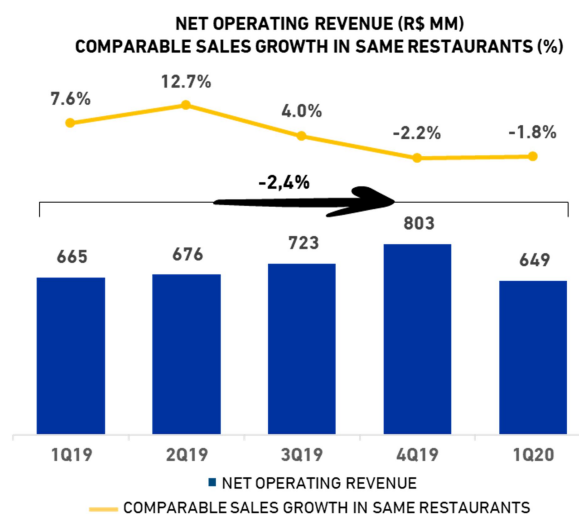
Total restaurant expansion

Therefore, we ended 1Q20 with a total of 913 restaurants managed by the Company, of which 714 are company-owned BURGER KING® and POPEYES® restaurants and 199 are BURGER KING® franchised restaurants.

Net operating revenue

In 1Q20, BK Brasil posted net operating revenue of R\$649 million, a decrease of 2.4% compared to 1Q19. As we mentioned heretofore, all the initiatives that were implemented during the first quarter of 2020 had positive effects on our business and were able to change the trend in comparable sales to an upward curve during January and February. The main changes were: the return of the Whopper to the double king platform, the return of the Mega Stacker family to the Premium category and the introduction of new aggregators in the Delivery channel. With this and with our significant growth of 72 restaurants (BK and PLK owned) year-on-year, even with the temporary closure of about 65% of our operations during the second half of March, we managed to keep revenue for the quarter very close to that in the same period of the prior year.

Over the first 45 days of the second quarter we saw a strong acceleration of sales, both in the delivery and drive-thru channels, which consistently reached historical records week after week, thereby helping the Company grow about 20% in the second half of April compared to the first half and 23% in the first week of May compared to the same period in April.

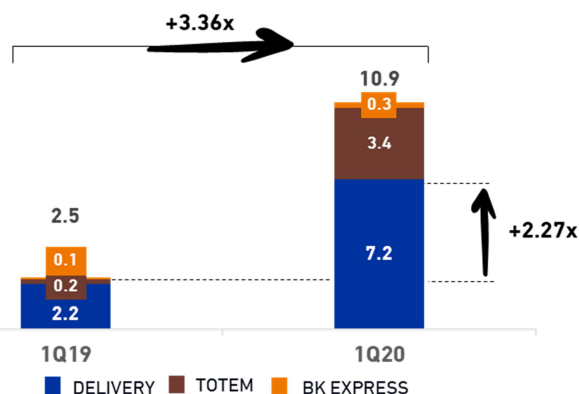


Digitalization of Sales

Technology has become increasingly significant in our business with each of our initiatives rapidly gaining relevance. In 1Q20, our Delivery channel, now with Uber Eats, Rappi and iFood, started to represent 7.2% of the Company’s total revenue, with an increase of coverage by 80 new cities compared to 1Q19. This increase represented a growth of 2.27 times compared to the first quarter of 2019, as well as an increase in the use of the BK Express functionality. Our app has been

increasingly present in the lives of our consumers and this quarter we surpassed the mark of 23 million downloads thanks to our increasing commitment. We strongly believe in this asset that we have built in a digital ecosystem, since it will be the cornerstone for our CRM program and future opportunities with increased loyalty of our consumers. Self-ordering kiosks (self-service) have also been an important tool to streamline our interactions with our customers and their significant growth will allow us to reach higher efficiency levels in terms of operating costs as well as experience with less complaints by consumers.

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

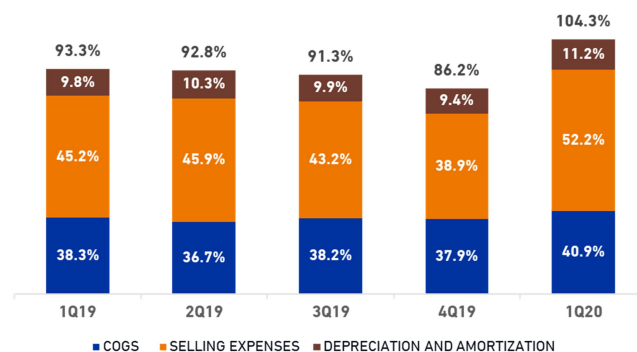


Cost of goods sold and selling expenses

Total restaurant expenses were R\$677 million in 1Q20, representing 104.3% of net operating revenue.

The cost of goods sold reached 40.9% of net operating revenue, an increase of 260bps y-o-y, explained by the return of the Whopper to the double king platform, the entry-price level promotions of the brand in the new aggregators and drop in OTC sales, which affected our mix by reducing combos with drinks, negatively impacting gross margin. Additionally, as an effect of the closing of restaurants in March, the Company had non-recurring impacts with losses and product donations in its restaurants.

% OF NET OPERATING REVENUE

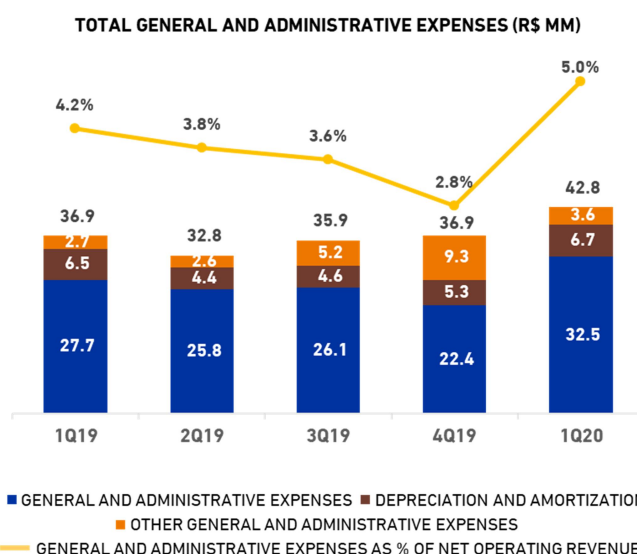


Selling expenses in restaurants (excluding depreciation and amortization) represented 52.2% of net operating revenue, an increase of 700bps compared to the same period in 2019 as a consequence of a strong operating deleveraging due to the loss of sales in the last weeks of March. The measures implemented in the last weeks of March, mainly focused on the renegotiation of rental amounts and initiatives aimed at reducing personnel costs, had no impact within the quarter and will be more relevant from the second quarter onwards.

Total general and administrative expenses

Corporate general and administrative expenses represented 5.0% of net operating revenue in 1Q20, an increase of 80bps compared to the same period of the prior year due to the operational deleveraging resulting from temporarily closed restaurants, growth in provisions for labor contingencies and expenses with stock options.

As from May, in addition to the measures already adopted by the Company, we applied salary reduction of at least 25% to all corporate employees, including VP's, CEO and Board of Directors.



Adjusted EBITDA

In 1Q20, adjusted EBITDA reached R\$13.9 million. As a result of the strong impact on revenue resulting from the effects of the pandemic, generating a significant operational deleveraging because of non-dilution of existing fixed costs of the restaurants that have been temporarily closed.

EBITDA - R\$ MILLION	1Q20	1Q19	VAR %	4Q19	VAR %
NET INCOME (LOSS) FOR THE PERIOD	(55.6)	3.1	-	41.3	-
(+) FINANCIAL INCOME (LOSS)	16.5	12.5	31.9%	21.7	-24.1%
(+) DEPRECIATION AND AMORTIZATION	79.7	76.8	3.7%	80.8	-1.4%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	(31.8)	(10.8)	193.1%	11.0	-
EBITDA	8.7	81.5	-89.4%	154.8	-94.4%
<i>EBITDA MARGIN</i>	<i>1.3%</i>	<i>12.2%</i>	<i>-1090bps</i>	<i>19.3%</i>	<i>-1800bps</i>
(+) OTHERS EXPENSES	0.1	1.3	-91.5%	7.2	-98.5%
(+) COST OF STOCK OPTION PLAN	3.4	0.7	420.0%	2.0	72.9%
(+) MERGE AND ACQUISITION EXPENSES	0.0	0.7	-96.8%	0.1	-81.6%
(+) PRE-OPERATING EXPENSES	1.6	1.9	-13.3%	7.1	-77.1%
ADJUSTED EBITDA	13.9	86.0	-83.9%	171.2	-91.9%
<i>ADJUSTED EBITDA MARGIN</i>	<i>2.1%</i>	<i>12.9%</i>	<i>-1080bps</i>	<i>21.3%</i>	<i>-1920bps</i>

Net income (loss)

The Company posted net loss of R\$ 55.6 million in 1Q20 compared to net income of R\$ 3 million in 1Q19. This result was significantly impacted by the operational activity due to the temporary closing of restaurants in the second half of March without the same impact on fixed costs of these restaurants.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that during 2020, the independent auditors (ERNST & YOUNG Auditores Independentes S.S. (EY)), did not provide additional services to contractors for external audit services.

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

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

Barueri, May 28, 2020.

Board of Executive Officers



1. Operations

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

a) Burger King Operation

The right to operate the "Burger King" restaurants was obtained through a Master Franchise agreement entered into with Burger King Corporation ("BKC") on July 9, 2011. The restaurant operation rights have a term of twenty years, renewable for additional same time, if the parties intend to (Note 20).

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

Franchise fee:

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information
Period ended March 31, 2020
(Amounts in thousands of reais)



1. Operations--Continued

a) Burger King Operation--Continued

At March 31, 2020 and December 31, 2019, the Company had 673 company-owned stores, of which:

	<u>12/31/2019 and</u> <u>03/31/2020</u>
State of Alagoas	4
State of Bahia	12
State of Ceará	15
Federal District	10
State of Espírito Santo	11
State of Goiás	23
State of Maranhão	5
State of Mato Grosso	5
State of Mato Grosso do Sul	3
State of Minas Gerais	51
State of Pará	7
State of Paraíba	5
State of Pernambuco	15
State of Piauí	2
State of Paraná	40
State of Rio de Janeiro	97
State of Rio Grande do Norte	3
State of Rio Grande do Sul	38
State of Santa Catarina	3
State of Sergipe	6
State of São Paulo	318
Total Stores	<u>673</u>

b) Popeyes Operation

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

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

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

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

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

At March 31, 2020 and December 31, 2019, the Company had opened forty-one (41) stores in the state of São Paulo.



2. Accounting policies

The individual and consolidated interim financial information was prepared consistently with the accounting policies described in Note 2 to the annual individual and consolidated financial statements for the year ended December 31, 2019, and remains valid.

Accordingly, the Company's individual and consolidated interim financial information does not include all the notes and disclosures required by applicable standards for annual individual and consolidated financial statements and, therefore, the respective financial information should be read in conjunction with such annual individual and consolidated financial statements. Based on the judgment and assumptions adopted regarding the materiality and changes that should be disclosed in the notes to the financial statements, this interim financial information includes selected notes and does not include all the notes presented in the annual financial statements, as allowed by *Ofício Circular 03/2011* issued by the Securities and Exchange Commission of Brazil (CVM).

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended March 31, 2020, was prepared in accordance with *NBC TG 21 (R4) - Demonstrações Intermediárias* and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented consistently with CVM rules, applicable to the preparation of Quarterly Information (ITR).

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

The Company prepared its consolidated interim financial information using the parent company accounting policies.

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

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



2. Accounting policies--Continued

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

At the date of this interim financial information, the Company's Management cannot accurately predict the extent and duration of the measures adopted by the government and, therefore, it is unable to estimate the direct and indirect impacts of COVID-19 on its businesses. In addition, the effects mentioned in such disclosure may generate seasonal effects when taking into account the comparative information.

Considering the current information and data available at the date of this interim financial information, regarding the potential impacts of the COVID-19 pandemic on our activities, and except for the determination of the provision for perishable items where there is no expectation for realization due to their expiry dates (Note 24), the Company reviewed its projections of results and cash generation in the period subsequent to March 31, 2020 taking into account the current scenario, and we have not identified the need to recognize a provision for impairment of non-financial assets, including goodwill.

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

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

The Company's individual and consolidated interim information for the period ended March 31, 2020 was concluded and approved by the Company's officers, and authorized for issue according to resolution of the members of the Board of Directors on May 28, 2020.

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

Notes to the interim financial information
 Period ended March 31, 2020
 (Amounts in thousands of reais)

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

Right-of-use assets (*)	3/31/2020	12/31/2019
Opening balance	660,986	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	612,223
Additions and updates of leases recognized in the period (i) and (ii)	27,822	167,001
Amortization of right of use (lease) (Notes 25 and 26)	(34,012)	(118,238)
Closing balance (Note 11)	654,796	660,986
Lease liabilities (*)	3/31/2020	12/31/2019
Opening balance	693,209	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	859,815
Additions and updates of leases recognized in the period (i) and (ii)	38,098	255,658
Payment of lease liabilities	(41,572)	(151,150)
Adjustment to present value recognized in the transition to CPC 06 (R2)/NBC TG 06 (R3)/IFRS16	-	(247,592)
Additions of adjustment to present value (APV) recognized in the period (i) and (ii)	(10,276)	(88,657)
Write-off of accrued interest APV	14,582	65,135
Closing balance (Note 14)	694,041	693,209
Current (Note 14)	103,145	99,156
Non-current (Note 14)	590,896	594,053
Income from lease (iii)	3/31/2020	3/31/2019
Expenses on stores - variable rental	(6,203)	(4,226)
Amortization of right of use (lease) (Notes 25 and 26) (ii)	(31,021)	(31,091)
Financial expenses – Accrued interest (APV) (Note 27) (ii)	(13,885)	(10,834)
Closing balance (Note 15)	(51,109)	(46,151)

- (i) The adjustments of financial indexes for Lease Liabilities are recorded according to each agreement, causing impacts in line items APV, Lease liabilities and Right-of-use assets. These adjustments, when recorded, do not impact the profit or loss for the period, only the balance sheet figures.
- (ii) In compliance with CVM *Circular Ofício 02/2019*, the balances in the balance sheet accounts are gross of taxes (Pis and Cofins) while the balances in the statement of income accounts are net of taxes (Pis and Cofins).
- (iii) As established in *Circular Ofício/CVM/SNC/SEP/No. 02/2019*, the effects of the application of such document were disclosed in the financial statements for the year ended December 31, 2019, and prospectively. Therefore, the balances of this line item are not fully comparable with the base date as of March 31, 2019 and the Company's Management does not consider it necessary to restate the comparative individual and consolidated interim financial information since it is not considered material.

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

As at March 31, 2019, the recognition of balances in balance sheet accounts differs only with respect to the rate used for calculating the APV, which was used as follows: The incremental borrowing rate (discount) based on the projected CDI + current spread - projected inflation of contractual indexes (actual rate). Both the balances in the balance sheet accounts and the balances in the statement of income accounts were gross of Pis and Cofins.

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



4. Cash and cash equivalents

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Cash	13,546	28,221	13,546	28,221
Banks	3,371	3,333	3,372	3,334
Financial investments (Note 30)	52,397	293,722	52,397	293,722
Total cash and cash equivalents (Notes 30 and 32)	69,314	325,276	69,315	325,277

Type of investment	Parent company and Consolidated		
	Annual yield	3/31/2020	12/31/2019
CDB	101% of CDI	1,879	100,515
Repurchase agreement	50% to 86% of CDI	20,025	166,762
Automatic investment	10% to 60% of CDI	30,493	26,445
Total financial investments		52,397	293,722

These investments are highly liquid and the Company may redeem them at any time without significant change in value. These investments are in compliance with the Company's internal policy, observing the limits among financial institutions, ratings and liquidity criteria

5. Marketable securities

Type of investment	Annual yield	Parent company		Consolidated	
		3/31/2020	12/31/2019	3/31/2020	12/31/2019
Exclusive investment fund - XPA BK (i)	100% to 126% of CDI or IPCA	153,332	211,852	-	-
Federal Treasury Bills (LFT)	100% to 126% of CDI or IPCA	-	-	73,521	114,643
Investment Funds	IPCA	-	-	6,519	29,621
CDB	102.2% to 109% of CDI	242,785	53,770	253,418	59,750
Investments in debentures	100% to 112% of CDI or IPCA	-	-	15,212	18,209
Financial bills (LF)	100% to 111.2% of CDI or IPCA	-	-	47,061	42,631
National Treasury Bills (NTN-B)	IPCA	-	-	414	829
Investment Fund and CDB (ii)	99% of CDI	1,375	1,366	1,375	1,366
Repurchase agreement (iii)	100% of CDI	2,236	13,133	2,236	13,133
Total marketable securities (Notes 30 and 32)		399,728	280,121	399,756	280,182
Current		398,353	278,755	398,381	278,816
Marketable securities		396,117	265,622	396,145	265,683
Restricted marketable securities		2,236	13,133	2,236	13,133
Noncurrent		1,375	1,366	1,375	1,366

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

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

(iii) Repurchase agreements (restricted account) pledged as collateral of the 6th issue of debentures mentioned in Note 12.2.

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Notes to the interim financial information
Period ended March 31, 2020
(Amounts in thousands of reais)

6. Trade receivables, net

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Sales transactions	48,372	47,229
Service rendered with franchisees	9,454	3,883
Services rendered with related parties (Note 20.1)	159	438
Other receivables	13,476	8,811
Total trade receivables (Notes 30 and 32)	71,461	60,361

As mentioned in Note 12.2, part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financings and debentures.

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

7. Inventories

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Goods for resale (stores)	46,124	61,444
Distribution center – BKB	33,532	28,099
Allowance for inventory losses (Note 24)	(954)	-
Gifts	10,610	9,498
Total inventories	89,312	99,041

8. Taxes recoverable

	Parent company and Consolidated	
	3/31/2020	12/31/2019
IRPJ (Income Tax)	1,973	1,973
CSLL (Social Contribution on Profit)	932	839
IRRF (Withholding Income Tax)	3,400	2,366
ICMS (State VAT)	22,315	23,206
Non-cumulative PIS	15,888	15,904
Non-cumulative COFINS	52,385	52,486
INSS (Social Security Contribution)	3,758	3,551
Other	353	353
Total taxes recoverable	101,004	100,678
Current	28,920	27,558
Non-current	72,084	73,120

9. Advances expenses

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Advances to suppliers of services and materials	8,455	10,130
Expenses to be reimbursed - Marketing Fund	25,779	35,985
Total advances paid	34,234	46,115

Notes to the interim financial information
 Period ended March 31, 2020
 (Amounts in thousands of reais)

10. Property and equipment, net

	Parent company and Consolidated		
	Annual depreciation rate range	3/31/2020	12/31/2019
Facilities, improvement and projects	(i)	595,751	524,503
Machinery and equipment	5% to 25%	278,059	235,785
Furniture and fixtures	6% to 20%	60,891	57,550
Computers and hardware	2% to 5%	87,201	67,716
Other assets	-	162,547	288,364
(-) Provision for impairment	-	(10,340)	(10,340)
Total property and equipment		1,174,109	1,163,578

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

In the period ended March 31, 2020, financial charges in the amount of R\$ 3,512 were capitalized (R\$ 986 in the year ended December 31, 2019).

The movements in property and equipment in the period ended March 31, 2020 and year ended December 31, 2019 were as follows:

	Parent company					(-) Provision for impairment	Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)		
Cost							
Balance as at 12/31/2018	663,825	236,621	62,168	103,167	250,129	(7,533)	1,308,377
Additions (ii)	38,660	58	-	-	387,149	-	425,867
Merger	20,265	12,891	3,992	2,488	-	-	39,636
Transfers	175,100	101,818	23,938	47,730	(348,586)	-	-
Write-offs	(11,998)	(2,503)	(540)	(3,498)	2,838	-	(15,701)
Sale of stores (i)	(11,175)	(4,254)	(1,031)	(1,660)	(3,166)	-	(21,286)
Impairment	-	-	-	-	-	(2,807)	(2,807)
Balance as at 12/31/2019	874,677	344,631	88,527	148,227	288,364	(10,340)	1,734,086
Additions	7,907	-	-	-	43,291	-	51,198
Transfers	86,573	51,515	5,610	25,915	(169,613)	-	-
Write-offs (Note 26)	(1,347)	(127)	(17)	(30)	505	-	(1,016)
Balance as at 3/31/2020	967,810	396,019	94,120	174,112	162,547	(10,340)	1,784,268
Depreciation							
Balance as at 12/31/2018	(258,193)	(80,227)	(23,392)	(61,729)	-	-	(423,541)
Additions	(103,695)	(30,644)	(8,039)	(22,673)	-	-	(165,051)
Write-offs	5,340	406	58	2,677	-	-	8,481
Sale of stores (i)	6,374	1,619	396	1,214	-	-	9,603
Balance as at 12/31/2019	(350,174)	(108,846)	(30,977)	(80,511)	-	-	(570,508)
Additions (Notes 25 and 26)	(22,767)	(9,116)	(2,252)	(6,401)	-	-	(40,536)
Write-offs (Note 26)	882	2	-	1	-	-	885
Balance as at 3/31/2020	(372,059)	(117,960)	(33,229)	(86,911)	-	-	(610,159)
Total property and equipment at 12/31/2019	524,503	235,785	57,550	67,716	288,364	(10,340)	1,163,578
Total property and equipment at 3/31/2020	595,751	278,059	60,891	87,201	162,547	(10,340)	1,174,109

(i) As at December 31, 2019, the Company disposed of 12 stores, in line with Management's strategy to focus on increase in profitability and return on invested capital, generating a net capital loss of R\$ 196 in 2019.

(ii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$ 42,639 (R\$ 149,888 in 2019), works referring to stores under construction R\$ 40,923 (R\$ 25,683 in 2019), new equipment in stock R\$ 61,629 (R\$ 65,197 in 2019), maintenance equipment R\$ 2,448 (R\$ 2,448 in 2019), and other assets in progress R\$ 14,908 (R\$ 45,148 in 2019).

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Notes to the interim financial information
Period ended March 31, 2020
(Amounts in thousands of reais)



10. Property and equipment, net--Continued

	Consolidated						Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)	(-) Provision for impairment	
Cost							
Balance as at 12/31/2018	693,531	258,420	71,633	107,209	250,298	(7,533)	1,373,558
Additions (ii)	38,660	58	100	-	387,149	-	425,967
Transfers	175,595	101,688	23,551	47,894	(348,728)	-	-
Write-offs	(11,998)	(2,503)	(540)	(3,498)	2,838	-	(15,701)
Sale of stores (i)	(11,175)	(4,254)	(1,031)	(1,660)	(3,166)	-	(21,286)
Impairment	-	-	-	-	-	(2,807)	(2,807)
Balance as at 12/31/2019	884,613	353,409	93,713	149,945	288,391	(10,340)	1,759,731
Additions	7,907	-	-	-	43,291	-	51,198
Transfers	86,573	51,515	5,610	25,915	(169,613)	-	-
Write-offs (Note 26)	(1,347)	(127)	(17)	(30)	505	-	(1,016)
Balance as at 3/31/2020	977,746	404,797	99,306	175,830	162,574	(10,340)	1,809,913
Depreciation							
Balance as at 12/31/2018	(266,156)	(87,662)	(28,176)	(63,312)	(27)	-	(445,333)
Additions	(105,668)	(31,987)	(8,441)	(22,808)	-	-	(168,904)
Write-offs	5,340	406	58	2,677	-	-	8,481
Sale of stores (i)	6,374	1,619	396	1,214	-	-	9,603
Balance as at 12/31/2019	(360,110)	(117,624)	(36,163)	(82,229)	(27)	-	(596,153)
Additions (Notes 25 and 26)	(22,767)	(9,116)	(2,252)	(6,401)	-	-	(40,536)
Write-offs (Note 26)	882	2	-	1	-	-	885
Balance as at 3/31/2020	(381,995)	(126,738)	(38,415)	(88,629)	(27)	-	(635,804)
Total property and equipment at 12/31/2019	524,503	235,785	57,550	67,716	288,364	(10,340)	1,163,578
Total property and equipment at 3/31/2020	595,751	278,059	60,891	87,201	162,547	(10,340)	1,174,109

(i) As at December 31, 2019, the Company disposed of 12 stores, in line with Management's strategy to focus on increase in profitability and return on invested capital, generating a net capital loss of R\$ 196 in 2019.

(ii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$ 42,639 (R\$ 149,888 in 2019), works referring to stores under construction R\$ 40,923 (R\$ 25,683 in 2019), new equipment in stock R\$ 61,629 (R\$ 65,197 in 2019), maintenance equipment R\$ 2,448 (R\$ 2,448 in 2019), and other assets in progress R\$ 14,908 (R\$ 45,148 in 2019).

Considering the current information and data regarding the potential impacts of the COVID-19 pandemic on its activities to date, the Company has not identified the need to recognize a provision for impairment of its assets, but is attentive to any indication of impairment that may arise.

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information
 Period ended March 31, 2020
 (Amounts in thousands of reais)



11. Intangible assets, net

	Parent company and Consolidated		
	Annual average amortization rate	3/31/2020	12/31/2019
Commercial rights	(i)	73,914	68,645
Franchise fee	5%	87,198	76,626
Software licenses	20%	17,741	11,264
Right-of-use asset (Note 3)	(ii)	654,796	660,986
Goodwill	(iii)	572,199	572,199
Total intangible assets		1,405,848	1,389,720

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

The movements in intangible assets in the period ended March 31, 2020 and year ended December 31, 2019 were as follows:

	Parent company					Total
	Commercial rights	Franchise fee (Note 20)	Software licenses	Goodwill	Right-of-use asset (Note 3)	
Cost						
Balance as at 12/31/2018	101,757	70,161	19,132	184,917	-	375,967
Additions	19,810	20,708	7,082	-	779,224	826,824
Mergers	21,466	6,718	905	387,282	-	416,371
Write-offs	(1,270)	(531)	(154)	-	-	(1,955)
Sale of stores (i)	(647)	(1,462)	(98)	-	-	(2,207)
Balance as at 12/31/2019	141,116	95,594	26,867	572,199	779,224	1,615,000
Additions	10,729	12,080	7,627	-	27,822	58,258
Write-offs (Note 26)	-	(22)	-	-	-	(22)
Balance as at 3/31/2020	151,845	107,652	34,494	572,199	807,046	1,673,236
Amortization						
Balance as at 12/31/2018	(55,334)	(14,504)	(12,337)	-	-	(82,175)
Additions	(18,241)	(4,813)	(3,382)	-	(118,238)	(144,674)
Write-offs	751	4	68	-	-	823
Sale of stores (i)	353	345	48	-	-	746
Balance as at 12/31/2019	(72,471)	(18,968)	(15,603)	-	(118,238)	(225,280)
Additions (Notes 25 and 26)	(5,460)	(1,486)	(1,150)	-	(34,012)	(42,108)
Balance as at 3/31/2020	(77,931)	(20,454)	(16,753)	-	(152,250)	(267,388)
Total intangible assets as at 12/31/2019	68,645	76,626	11,264	572,199	660,986	1,389,720
Total intangible assets as at 3/31/2020	73,914	87,198	17,741	572,199	654,796	1,405,848

- (i) As at December 31, 2019, the Company disposed of 12 stores, in line with Management's strategy to focus on increase in profitability and return on invested capital, generating a net capital loss of R\$ 196 in 2019.

Notes to the interim financial information
 Period ended March 31, 2020
 (Amounts in thousands of reais)

11. Intangible assets, net--Continued

	Consolidated					Total
	Commercial rights	Franchise fee	Software licenses	Goodwill	Right-of-use asset (Note 3)	
Cost						
Balance as at 12/31/2018	125,848	78,337	20,437	574,941	-	799,563
Additions	19,810	20,708	7,082	-	779,224	826,824
Acquisition	735	(731)	(3)	(2,742)	-	(2,741)
Write-offs	(2,142)	(531)	(154)	-	-	(2,827)
Sale of stores (i)	(647)	(1,462)	(98)	-	-	(2,207)
Balance as at 12/31/2019	143,604	96,321	27,264	572,199	779,224	1,618,612
Additions	10,729	12,080	7,627	-	27,822	58,258
Write-offs (Note 26)	-	(22)	-	-	-	(22)
Balance as at 3/31/2020	154,333	108,379	34,891	572,199	807,046	1,676,848
Amortization						
Balance as at 12/31/2018	(57,644)	(14,923)	(12,680)	-	-	(85,247)
Additions	(18,419)	(5,121)	(3,436)	-	(118,238)	(145,214)
Write-offs	751	4	68	-	-	823
Sale of stores (i)	353	345	48	-	-	746
Balance as at 12/31/2019	(74,959)	(19,695)	(16,000)	-	(118,238)	(228,892)
Additions (Notes 25 and 26)	(5,460)	(1,486)	(1,150)	-	(34,012)	(42,108)
Balance as at 3/31/2020	(80,419)	(21,181)	(17,150)	-	(152,250)	(271,000)
Total intangible assets as at 12/31/2019	68,645	76,626	11,264	572,199	660,986	1,389,720
Total intangible assets as at 3/31/2020	73,914	87,198	17,741	572,199	654,796	1,405,848

(i) As at December 31, 2019, the Company disposed of 12 stores, in line with Management's strategy to focus on increase in profitability and return on invested capital, generating a net capital loss of R\$ 196 in 2019.

Considering the current information and data regarding the potential impacts of the COVID-19 pandemic on its activities to date, the Company has not identified the need to recognize a provision for impairment of its assets, but is attentive to any indication of impairment that may arise.

The other matters related to this note were not materially changed in relation to the disclosures in Note 12 to the individual and consolidated financial statements as of December 31, 2019.

BK Brasil Operação e Assessoria a Restaurantes S.A.



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12. Loans and financings

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Loans and financings (Note 12.1)	178,331	8,094
Debentures and CRA (Agribusiness Receivables Certificate) (Note 12.2)	513,042	511,776
Total loans and financings (Notes 30 and 32)	691,373	519,870
Current	288,442	116,556
Non-current	402,931	403,314

12.1. Loans and financings

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			3/31/2020	12/31/2019
Working capital (i)	100% CDI + 0.37% p.m.	March 2021	170,735	-
Fixed rate borrowing	0.89% p.m.	January 2026	7,596	8,094
Total loans and financings (Note 12)			178,331	8,094
Current			172,714	1,941
Non-current			5,617	6,153

(i) On March 20, 2020, the Company contracted a new loan from Banco Santander in the amount of R\$ 170,000 with interest linked to CDI + 0.37% p.m., for working capital purposes. This loan has covenants similar to those of the 8th issue of debentures and the maturity of this contract is in March 2021 and has no guarantees. The decision on the loan is a measure to combat COVID-19 to preserve the Company's cash.

12.2. Debentures and Agribusiness Receivables Certificate (CRA)

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			3/31/2020	12/31/2019
Debentures 6 th issue (i)	100% of CDI + 0.24%	May 2020	6,185	12,373
Debentures 7 th issue (CRA)	100% of CDI + 0.07%	October 2020	103,613	102,371
Debentures 8 th issue	100% of CDI + 0.11%	October 2024	408,865	403,423
Financial charges to be incurred (ii)			(5,621)	(6,391)
Total debentures (Note 12)			513,042	511,776
Current			115,728	114,615
Non-current			397,314	397,161

(i) On May 4, 2020, the Company settled the Debentures 6th issue, according to the schedule stipulated in its issue.
(ii) Costs of issue of debentures and CRA.

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

Year	Parent company and Consolidated	
	3/31/2020	12/31/2019
2021	1,542	2,032
2022	2,081	2,081
2023	920	920
2024 onwards	401,074	401,074
	405,617	406,107



12. Loans and financings--Continued

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

Covenants

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

Covenants are controlled annually by the financial institutions, and monthly by the Company. Even considering the information and data about the effects of the COVID-19 pandemic, so far there are no uncertainties regarding its annual compliance.

Collaterals

As at March 31, 2020 and December 31, 2019, the Company has a letter of guarantee with banks amounting to R\$ 5,144 as collateral for the rental of stores.

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

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

The other matters related to this note were not materially changed in relation to the disclosures in Note 13 to the individual and consolidated financial statements as of December 31, 2019.

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13. Trade payables

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Suppliers of materials and services (i)	86,997	218,616
Agreement suppliers (ii)	25,613	58,116
Others	8,533	9,700
Total trade payables (Notes 30 and 32)	121,143	286,432

- (i) The balance decreased due to payments to suppliers in the period ended March 31, 2020 combined with the reduction in natural purchases in the period, still impacted by the reduced operation of the restaurants.
- (ii) The Company has financial liabilities with suppliers, through financial institutions, whose suppliers received in advance in the period ended March 31, 2020. We have evaluated the potential financial value embedded in the operations, in conjunction with the term and do not consider it significant for greater details.

14. Lease liabilities

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Lease liabilities	960,849	964,323
Adjustment to present value - APV	(266,808)	(271,114)
Total lease liabilities (Notes 3, 30 and 32)	694,041	693,209
Current (Note 3)	103,145	99,156
Non-current (Note 3)	590,896	594,053

The non-current lease liabilities have the following original maturities on March 31, 2020:

Aging list (i)	Parent company and Consolidated		
	3/31/2020		
	Lease liabilities	(-) Adjustment to present value of lease liabilities	Total
Over 1 year and less than 3 years	306,884	(98,921)	207,963
Over 3 years and less than 5 years	231,180	(61,086)	170,094
Over 5 years	254,454	(41,615)	212,839
Total	792,518	(201,622)	590,896

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

15. Corporate payables

As at March 31, 2020, the Company had the balance of R\$ 8,836 related to royalties and franchise fee due to BKC and PLK (R\$ 23,760 as at December 31, 2019), as detailed in notes 20.1, 30 and 32.

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16. Taxes payable

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	724	825
Corporate Income Tax (IRPJ)	1	4,243
Social Contribution on Profit (CSLL)	-	1,536
Social Integration Program (PIS)	-	26
Withholding Income Tax (IRRF)	729	1,999
State VAT (ICMS)	1,620	4,644
Contribution For Intervention in the Economic Domain (CIDE)	2,692	2,022
Taxes in installments (i)	11,823	12,129
Service Tax (ISS) withheld	6,064	5,895
Social Security Contribution (INSS) payable (ii)	2,432	2,432
Other	1,949	2,004
Total taxes payable (Note 30)	28,034	37,755
Current	15,736	25,150
Non-current	12,298	12,605

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

17. Deferred revenue, net

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Deferred revenue, net (i) – franchise fee	3,630	2,579
Deferred revenue, net (ii)	22,328	24,488
Total deferred revenue, net	25,958	27,067
Current	9,194	9,139
Non-current	16,764	17,928

- (i) Recognition of franchise fee of sub-franchisee due to the adoption of CPC 47/NBC TG 47/IFRS 15 - Revenue from Contracts with Customers (Note 2.5).
(ii) Amounts received in advance for the marketing campaign agreement entered into with specific suppliers for the exclusive sale of products of these suppliers in Burger King restaurants, exposure of suppliers' brands and investment in marketing campaigns to increase the sales of Burger King products and consequently increase in sales of the suppliers' products.

18. Other payables

	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Provision for sundry expenses	11,398	6,981	11,398	6,981
Investments payable	15,135	15,242	15,135	15,242
(-) APV of investments payable	(1,865)	(2,043)	(1,865)	(2,043)
Advances from customers	2,771	1,523	2,771	1,523
Others	31	156	60	217
Total other payables	27,470	21,859	27,499	21,920
Current	10,325	4,622	10,354	4,683
Non-current	17,145	17,237	17,145	17,237



19. Provision for legal claims

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

The provision for legal claims was considered adequate by Management based on various factors, including (but not limited to) the opinion of the Company's legal counsel, the nature of lawsuits and historical experience. The amounts provided for related to legal claims under judicial and administrative proceedings are shown in the table below.

In addition, the Company is aware, as at March 31, 2020, of other tax, civil and labor lawsuits, and based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$ 41,599 (R\$ 39,371 as at December 31, 2019) in Parent company and Consolidated, as follows:

	Parent company and Consolidated			
	3/31/2020		12/31/2019	
	Probable	Possible (i)	Probable	Possible (i)
Labor lawsuits	17,080	20,900	15,626	19,780
Civil lawsuits	1,279	10,087	625	10,316
Tax lawsuits	24	10,611	24	9,275
Total provision for legal claims (Note 29)	18,383	41,599	16,275	39,371

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



19. Provision for legal claims--Continued

Probable labor claims

The Company and its investees are parties to labor lawsuits, mainly regarding employee terminations in the normal course of business. As at March 31, 2020, the Company had a provision of R\$ 17,080 (R\$ 15,626 as at December 31, 2019) in the Parent company and Consolidated, for the contingencies related to lawsuits.

These contingencies are evaluated based on the average historical loss of the last eighteen months compared with the total lawsuits outstanding at the end of the period, excluding lawsuits considered as specific and non-routine, for which specific provisions are set up adopting criteria similar to those applied for tax and civil assessments.

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

	Parent company and Consolidated			3/31/2020
	12/31/2019	Additions	Payments	
Labor lawsuits	15,626	5,493	(4,039)	17,080
Civil lawsuits	625	681	(27)	1,279
Tax lawsuits	24	-	-	24
Total provision for legal claims	16,275	6,174	(4,066)	18,383

Judicial deposits

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Labor lawsuits	23,503	24,289
Civil lawsuits	659	659
Tax lawsuits	9,260	8,486
Total judicial deposits	33,422	33,434

The other matters related to this note were not materially changed in relation to the disclosures in Note 20 to the individual and consolidated financial statements as of December 31, 2019.

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20. Related parties

Burger King Corporation (BKC) is a related party because BKC is a shareholder in the Company. As discussed in Note 1, the Company has entered into a Master Franchisee agreement, and it has the obligation to pay a franchise fee and royalties to BKC.

20.1 Franchise Fees and Royalties

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

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

	BKC		PLK	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Assets				
Trade receivables (Note 6)	159	438	-	-
Additions of Franchise Fee (Note 11)	9,965	20,708	2,115	-
Liabilities				
Corporate payables (Note 15)	(8,691)	(23,760)	(145)	-
Results				
Royalties expenses	(31,112)	(32,195)	(808)	-

20.2 Management compensation

	3/31/2020		3/31/2019	
	Officers	Directors	Officers	Directors
Management fees	1,819	-	1,165	-
Direct and indirect benefits	146	-	256	-
Variable compensation	6,804	-	9,056	-
Fees	-	541	-	-
Others (INSS)	509	108	-	-
	9,278	649	10,477	-

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

The other matters related to this note were not materially changed in relation to the disclosures in Note 21 to the individual and consolidated financial statements as of December 31, 2019.



21. Equity

Capital

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

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

On March 30, 2020, the government issued the provisional measure *MP 931/2020* which allows flexible date for the AGM. In view of this, the Company opted to make use of the flexible date allowed, postponing the AGM, where the allocation of the result for 2019 as well as the audited data for 2019 will be submitted for approval, to the end of July 2020.

The other matters related to this note were not materially changed in relation to the disclosures in Note 22 to the individual and consolidated financial statements as of December 31, 2019.

22. Earnings (loss) per share

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

	<u>Parent company and Consolidated</u>	
	<u>3/31/2020</u>	<u>3/31/2019</u>
<u>Basic numerator</u>		
Profit for the year	(55,642)	3,051
<u>Basic denominator</u>		
Basic weighted average number of shares - in thousand	226,883	224,743
<u>Basic earnings per share</u>	(0.2452)	0.0136
<u>Diluted numerator</u>		
Profit for the year	(55,642)	3,051
<u>Diluted denominator</u>		
Weighted average number of shares - in thousand	226,883	224,743
Stock options (Note 33) - in thousand	289	1,207
Anti-dilution effect - in thousand	(289)	-
Diluted weighted average number of shares	226,883	225,950
<u>Diluted earnings per share</u>	(0.2452)	0.0135

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

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23. Net operating revenue

	Consolidated	
	3/31/2020	3/31/2019
Gross sales revenue	701,822	712,902
Sales revenue deductions	(61,868)	(51,805)
Net sales revenue	639,954	661,097
Gross revenue from services rendered	10,300	4,766
Service revenue deductions	(1,176)	(538)
Net service revenue	9,124	4,228
Total net operating revenue	649,078	665,325

24. Cost of goods and products sold

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Costs of food, beverages and packaging	(232,648)	(223,257)	(232,648)	(223,927)
Allowance for inventory losses (i) (Note 7)	(954)	-	(954)	-
Cost of services rendered and others	(31,817)	(30,580)	(31,817)	(30,580)
Total cost of sales and services	(265,419)	(253,837)	(265,419)	(254,507)

(i) The provision set up refers to perishable items that are not expected to be realized due to their expiry dates. This provision is an impact caused by the combat against COVID-19, since the operation of the restaurants is reduced in this period.

25. Selling expenses

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Personnel expenses	(139,155)	(127,814)	(139,155)	(127,814)
Royalties and marketing fund	(63,767)	(61,584)	(63,767)	(61,584)
Occupancy and utilities expenses	(63,696)	(53,213)	(63,696)	(53,262)
Depreciation and amortization (Notes 10 and 11)	(42,238)	(36,855)	(42,238)	(39,171)
Amortization of right of use (lease) (Note 3) (i)	(30,690)	(31,015)	(30,690)	(31,015)
Preoperating expenses (ii)	(1,632)	(1,882)	(1,632)	(1,882)
Sundry services	(26,525)	(18,318)	(26,525)	(18,318)
Repairs and maintenances	(15,894)	(13,876)	(15,894)	(13,931)
Others	(28,261)	(22,059)	(28,261)	(22,081)
Total expenses with stores	(411,858)	(366,616)	(411,858)	(369,058)

(i) In compliance with CVM *Circular Ofício 02/2019*, the balance in the balance sheet account Amortization of right of use (Note 12) is gross of taxes (Pis and Cofins) and totals R\$ 34,012, while the balances in the statement of income accounts Amortization of right of use (Notes 26 and 27) are net of taxes (Pis and Cofins) totaling R\$ 31,021.

(ii) Preoperating costs of restaurants are mainly represented by costs of salaries and charges of the store professionals, services rendered by third parties and other expenses generated before the opening of stores.

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26. General and administrative expenses

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Administrative personnel expenses	(27,250)	(27,662)	(27,250)	(27,662)
Occupancy and utilities expenses	(338)	(241)	(338)	(254)
Depreciation and amortization (Notes 10 and 11)	(6,395)	(6,531)	(6,395)	(6,531)
Amortization of right of use (lease) (Note 3) (i)	(331)	(76)	(331)	(76)
Expenses on acquisitions and mergers (ii)	-	(728)	-	(728)
Disposal of property and equipment (Notes 10 and 11)	(153)	(1,413)	(153)	(1,413)
Gains on claims	43	-	43	-
Provision for impairment (Note 10)	-	117	-	117
Stock options cost (Note 33)	(3,437)	(661)	(3,437)	(661)
Other operating income (expenses), net (iii)	(4,834)	634	(4,923)	134
Total general and administrative expenses	(42,695)	(36,561)	(42,784)	(37,074)

- (i) In compliance with CVM *Circular Ofício 02/2019*, the balances in the balance sheet account Amortization of right of use (Notes 3 and 11) are gross of taxes (Pis and Cofins) and totals R\$ 34,012, while the balances in the statement of income accounts Amortization of right of use (Notes 26 and 27) are net of taxes (Pis and Cofins) totaling R\$ 31,021.
- (ii) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the period.
- (iii) Refer to the income from the premium on the initial supply agreement, reversal of costs on the construction of stores, expenses with provisions for legal claims, services taken and travel expenses and services rendered in the subsidiaries.

27. Financial expenses

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Interest on loans and financings	(3,684)	(4,701)	(3,684)	(4,701)
Banking expenses and sundry interest	(1,433)	(929)	(1,433)	(953)
Foreign exchange losses	(1,360)	(557)	(1,360)	(557)
Lease APV expense payable (Note 3)	(13,885)	(10,834)	(13,885)	(10,834)
Investment APV expense payable – BKCS	(178)	(327)	(178)	(327)
Inflation adjustment	(157)	(829)	(157)	(829)
Others	(851)	(830)	(851)	(840)
Financial expenses	(21,548)	(19,007)	(21,548)	(19,041)

28. Financial income

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Short-term investments interest and yield	2,823	6,182	2,912	6,315
Foreign exchange gains	-	505	-	505
Derivatives income	1,757	239	1,757	239
Taxes on financial income	(245)	(314)	(245)	(316)
Other financial income	662	(187)	662	(187)
Financial income	4,997	6,425	5,086	6,556



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29. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended March 31, 2020 and 2019 is as follows:

	Parent company and Consolidated	
	3/31/2020	3/31/2019
Current	-	-
Deferred	31,803	10,850
	31,803	10,850

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates with amounts recorded in the statement of income for the periods ended March 31, 2020 and 2019 is shown below:

	Parent company		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Profit (loss) before income tax and social contribution	(87,445)	(7,799)	(87,445)	(7,799)
Income tax and social contribution expense at the combined statutory rate of 34%	29,731	2,652	29,731	2,652
Adjustments to reconcile the effective rate:				
Equity pickup	-	(1,200)	-	-
Deferred taxes on temporary differences and losses	-	6,738	-	6,738
Payment of non-deductible bonus	-	(3,079)	-	(3,079)
Cash shortage	(147)	(69)	(147)	(69)
Tax and labor fines and infractions	(205)	(174)	(205)	(174)
Stock options costs	(1,169)	(225)	(1,169)	(225)
Interest on capital (IOC)	3,920	6,753	3,920	6,753
Other permanent differences	(327)	(546)	(327)	(1,746)
Income tax and social contribution	31,803	10,850	31,803	10,850
Effective rate	36%	139%	36%	139%

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29. Income tax and social contribution--Continued

Deferred

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

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Deferred income tax and social contribution - assets	147,421	95,551
Deferred income tax and social contribution - liabilities	(124,070)	(104,003)
	23,351	(8,452)

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

	Parent company and Consolidated	
	3/31/2020	12/31/2019
Tax loss carryforwards	240,075	119,056
<u>Temporary differences</u>		
Provision for legal claims (Note 19)	18,383	16,275
Provision for bonuses (PLR)	1,371	25,175
Provision for purchases	466	-
Provision for impairment (Note 10)	10,340	10,340
Pre-operating	30,263	31,137
Accrued expenses	18,687	8,990
Amortization of leases and APV on lease liabilities	214,298	169,392
Others	8,186	9,147
Tax base	542,070	389,512
Statutory rate	34%	34%
	184,304	132,434
(-) Unrecognized deferred taxes	(36,883)	(36,883)
Deferred income tax and social contribution - assets	147,421	95,551
Transitional Tax System (RTT)	(1,592)	(1,506)
Financial charges to be incurred	(5,621)	(6,391)
Tax amortization of goodwill	(182,645)	(160,826)
Payment of lease liabilities	(175,054)	(137,169)
Tax base	(364,912)	(305,892)
Combined rate	34%	34%
Deferred income tax and social contribution – liabilities	(124,070)	(104,003)
Deferred income tax and social contribution, net	23,351	(8,452)

In view of the expectations of future taxable profit the Company elected to provide for the balance of deferred income tax and social contribution assets, up to the expected limit of utilization for 2020.

The other matters related to this note were not materially changed in relation to the disclosures in Note 30 to the individual and consolidated financial statements as of December 31, 2019.



30. Financial risk management objectives and policies

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

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

Market risk

The sensitivity analyses in the following sections relate to the position as of March 31, 2020 .

Interest rate risk

Interest rate sensitivity

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

Variable rate instruments	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Financial assets				
Short-term investments (Note 4)	52,397	293,722	52,397	293,722
Marketable securities (Note 5)	399,728	280,121	399,756	280,182
Financial liabilities				
Loans and financings (Note 12)	(691,373)	(519,870)	(691,373)	(519,870)

The following table demonstrates the possible impacts on profit or loss in the event of the respective scenarios presented, and for the probable scenario we used the average CDI of 5.43%.

Consolidated asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	(25%)	(50%)
Short-term investments (Notes 4 and 5)	452,153	DI variation	2,912	1,456	728	(728)	(1,456)
Loans and financings (Note 12) (i)	(683,777)	DI variation	(3,684)	(1,842)	(921)	921	1,842

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


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

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

Asset exposure	Exposure	Risk	Exchange rate as of 03/31/2020	Parent company and Consolidated				
				I	II	III	IV	V
				Probable	50%	25%	(25%)	(50%)
Royalties/Franchise Fee (Note 15)	8,836	US dollar variation	5.2055	8,836	(4,418)	(2,209)	2,209	4,418

Credit risk

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

Rating	Parent company		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
AAA+	-	1,228	-	1,228
AAA	434,015	570,665	417,112	553,684
AA+	-	-	15,419	9,999
AA	17,387	1,633	17,387	1,633
AA-	-	-	1,512	7,043
A+	723	317	723	317
	452,125	573,843	452,153	573,904

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of March 31, 2020:

	Consolidated					Total
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	Over 1 year	
Assets						
Cash and cash equivalents (Note 4)	69,315	69,315	69,315	-	-	69,315
Marketable securities (Note 5)	399,728	399,728	-	398,353	1,375	399,728
Trade receivables (Note 6)	71,461	71,461	71,461	-	-	71,461
Liabilities						
Loans and financings (Note 12)	691,373	857,324	19,096	298,082	540,146	857,324
Trade payables (Note 13)	121,143	121,143	121,143	-	-	121,143
Lease payables (Note 14)	694,041	960,849	41,274	127,057	792,518	960,849
Corporate payables (Note 15)	8,836	8,836	8,836	-	-	-
Taxes payable (Note 16)	28,034	28,034	3,934	11,802	12,298	28,034



30. Financial risk management objectives and policies--Continued

Capital management

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

	Consolidated	
	3/31/2020	12/31/2019
Equity	1,735,262	1,786,629
Cash and cash equivalents (Note 4)	(69,315)	(325,277)
Marketable securities (Note 5) (i)	(399,756)	(280,182)
Loans and financings (Note 12) (i)	691,373	519,870
Net debt	222,302	(85,589)
Lease payables (Note 14)	694,041	693,209
Total capital	2,651,605	2,394,249

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

Hedge accounting

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

The Company makes the formal designation of its hedge accounting relationship, as provided for in CVM Resolution 763/16 / IFRS 9 and with its Risk Policy. The relationships used by the Company, as at March 31, 2020, are described below:

i. Cash flow hedge

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

ii. Gains and losses on hedge accounting instruments

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



30. Financial risk management objectives and policies--Continued

Hedge accounting--Continued

iii. Sensitivity analysis

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

Parity - R\$ x EUR		Current Scenario	Scenario I 25% Appreciation	Scenario II 50% Appreciation	Scenario III 25% Depreciation	Scenario IV 50% Depreciation
Operation/Instrument	Risk					
Designated as hedge accounting						
NDF	R\$ depreciation	856	4,906	9,812	(4,906)	(9,812)
Import (item)	R\$ appreciation	(856)	(4,906)	(9,812)	4,906	9,812
Net effect		-	-	-	-	-

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

31. Derivative financial instruments

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			3/31/2020		12/31/2019	
			Notional	Fair value	Notional	Fair value
<i>(Designated as cash flow hedge)</i>						
NDF	January 2020	Euro	-	-	319	17
NDF	April 2020	Euro	1,391	544	-	-
NDF	May 2020	Euro	1,528	312	-	-
			2,919	856	319	17

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



32. Fair value

Methodology for calculation of fair value of financial instruments

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

	Consolidated		
	Carrying amount	Fair value	Fair value hierarchy level
Assets			
Cash and cash equivalents (Note 4)	69,315	69,315	2
Marketable securities (Note 5)	399,756	399,756	2
Trade receivables, net (Note 6)	71,461	71,461	2
Liabilities			
Loans and financings (Note 12)	691,373	726,753	2
Trade payables (Note 13)	121,143	121,143	2
Lease payables (Note 14)	694,041	694,041	2
Corporate payables (Note 15)	8,836	8,836	2

The other matters related to this note were not materially changed in relation to the disclosures in Note 33 to the individual and consolidated financial statements as of December 31, 2019.

Notes to the interim financial information
 Period ended March 31, 2020
 (Amounts in thousands of reais)

33. Share-based compensation plan

In the period ended March 31, 2020, the Company recognized the amount of R\$ 3,437 (R\$ 661 as at March 31, 2019) of expenses arising from the stock options plans, recorded in line item General and administrative expenses (Note 26).

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

Third Plan

	Third Plan							Total
	First tranche	Second tranche	Third tranche	Fourth tranche	Fifth tranche	Sixth tranche	Seventh tranche	
Grant date	6/22/2017	6/22/2017	10/30/2019	10/30/2019	10/30/2019	10/30/2019	10/30/2019	N/A
Vesting date	7/14/2020	7/14/2021	10/30/2019	7/14/2020	7/14/2021	7/14/2022	7/14/2023	N/A
Strike price	10.82	10.82	10.82	11.37	12.14	12.95	13.82	10.82
Strike price (estimated) at the reporting period	17.78	17.78	17.78	17.78	17.78	17.78	17.78	17.78
Risk-free interest rate%	9.20%	9.87%	5.40%	4.42%	4.70%	5.19%	5.64%	N/A
Contractual period by tranche	1 year	2 years	N/A	1 year	2 years	3 years	4 years	N/A
Expected return of dividend	0%	0%	0.40%	0.40%	0.40%	0.40%	0.40%	N/A
Volatility of shares in the market %	14.91%	14.91%	23.47%	23.47%	23.47%	23.47%	23.47%	N/A
Total number of options outstanding	1,467,064	1,532,800	112,990	112,990	112,990	112,990	112,990	3,564,814
Number of options vested	176,758	-	112,990	-	-	-	-	289,748
Number of options exercised (2018 and 2019)	1,942,278	-	-	-	-	-	-	1,942,278
Number of options to be vested	1,643,822	1,532,800	112,990	112,990	112,990	112,990	112,990	3,741,572
Estimated fair value (R\$/share)	1.0764	1.5304	7.9300	7.6700	7.5000	7.5400	7.6800	N/A

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

	First Plan	Second Plan	Third Plan	Total
Outstanding as at December 31, 2017	2,662,000	1,262,100	4,943,400	8,867,500
Granted	-	-	175,500	175,500
Canceled	(39,100)	-	-	(39,100)
Exercised	(194,350)	(5,251)	(48,051)	(247,652)
Outstanding as at December 31, 2018	2,428,550	1,256,849	5,070,849	8,756,248
Granted	-	-	564,950	564,950
Canceled	-	-	-	-
Exercised	(2,428,550)	(1,256,849)	(1,894,227)	(5,579,626)
Outstanding as at December 31, 2019	-	-	3,741,572	3,741,572
Vested as at December 31, 2019 (Note 22)	-	-	289,748	289,748



33. Share-based compensation plan--Continued

Fourth Plan

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

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

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

34. Insurance

As at March 31, 2020, the Company had the following insurance policies in effect:

<u>Insured location</u>	<u>Maximum indemnity limit</u>
Civil Liability of Directors and Officers (D&O)	50,000
General Civil Liability	40,000
Property (RO) – Average	10,216
Professional Civil Liability (E&O)	15,000
Public Offering Insurance (POSI)	30,000



35. Events after the reporting period

35.1 Borrowing

On April 9, 2020, the Company contracted a new borrowing with Banco Itaú in the amount of R\$ 50,000 with interest linked to CDI + 0.27% p.m., for working capital purposes. This contract expires in April 2021 and has no guarantees.

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

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

Review report on Interim Financial Information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of BK Brasil Operação e Assessoria a Restaurantes S.A. ("Company") for the quarter ended March 31, 2020, comprising the statement of financial position as of March 31, 2020 and the related statements of profit or loss, of comprehensive income (loss), of changes in equity and of cash flows for the three- month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 –*Demonstrações Intermediárias*, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Conclusion on the individual and the consolidated interim financial information

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

Other matters

Statement of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the three- month period ended March 31, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, May 28, 2020.

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

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

Officer's Statement on the Financial Statements

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the City of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, 350, 11o floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's Interim Financial Information for the period ended March 31, 2020.

Barueri, May 28, 2020

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

Officer's Statement on the Independent Auditor's Report

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the City of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, 350, 11o floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's Interim Financial Information for the period ended March 31, 2020.

Barueri, May 28, 2020

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer