

BK Brasil Operação e Assessoria a Restaurantes S.A.

Individual and Consolidated Interim
Financial Information for the quarter
ended March 31, 2018 and
Review report on Interim Financial
Information - ITR
(Free translation from Portuguese version)

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Company data/ Capital composition

Number of Shares (Units)	Current Quarter 03/31/2018
Common - Paid-up Capital	222,278,169
Preferred - Paid-up Capital	-
Total - Paid-up Capital	222,278,169
Common - In Treasury	-
Preferred - In Treasury	-
Total - In Treasury	-

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

Account Code	Account Description	Current Quarter 03/31/2018	Prior Year 12/31/2017
1	Total Assets	2,340,898	2,406,242
1.01	Current Assets	1,256,168	1,337,785
1.01.01	Cash and Cash Equivalents	126,957	102,235
1.01.02	Short-Term Investments	953,394	1,076,384
1.01.02.01	Short-Term Investments at Fair Value	953,394	1,076,384
1.01.02.01.03	Marketable Securities	950,927	1,073,900
1.01.02.01.04	Restricted Marketable Securities	2,467	2,484
1.01.03	Accounts Receivable	58,942	60,958
1.01.04	Inventories	49,907	39,743
1.01.06	Taxes Recoverable	26,945	22,448
1.01.08	Other Current Assets	40,023	36,017
1.01.08.03	Others	40,023	36,017
1.01.08.03.01	Derivative Financial Instruments	-	127
1.01.08.03.02	Advances Paid	23,869	24,762
1.01.08.03.03	Related Parties	2,162	2,162
1.01.08.03.04	Other Receivables	13,992	8,966
1.02	Non-Current Assets	1,084,730	1,068,457
1.02.01	Long-Term Receivables	63,339	61,322
1.02.01.01	Non-Current Investments at Fair Value	13,258	13,285
1.02.01.01.03	Restricted Marketable Securities	13,258	13,285
1.02.01.09	Other Non-Current Assets	50,081	48,037
1.02.01.09.03	Judicial Deposits	30,870	26,537
1.02.01.09.04	Other Receivables	3,514	4,218
1.02.01.09.05	Taxes Recoverable	15,697	17,282
1.02.02	Investments	18,681	17,965
1.02.03	Property and Equipment	708,695	695,647
1.02.04	Intangible Assets	294,015	293,523

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

Account Code	Account Description	Current Quarter 03/31/2018	Prior Year 12/31/2017
2	Total Liabilities	2,340,898	2,406,242
2.01	Current Liabilities	514,763	468,770
2.01.01	Social and Labor Liabilities	67,289	69,830
2.01.02	Trade Payables	103,256	138,953
2.01.03	Taxes Payable	11,683	16,023
2.01.04	Loans and Financing	303,634	209,987
2.01.05	Other Current Liabilities	28,901	33,977
2.01.05.01	Payables to Related Parties	74	74
2.01.05.02	Others	28,827	33,903
2.01.05.02.04	Other Payables	19,415	19,937
2.01.05.02.07	Corporate Payables	9,412	13,966
2.02	Non-Current Liabilities	200,965	320,278
2.02.01	Loans and Financing	154,666	275,720
2.02.02	Other Payables	271	28
2.02.02.02	Others	271	28
2.02.02.02.03	Taxes Payable	-	28
2.02.02.02.05	Other Payables	271	-
2.02.03	Deferred Taxes	38,948	38,309
2.02.03.01	Deferred Income Tax and Social Contribution	38,948	38,309
2.02.04	Provisions	7,080	6,221
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Claims	7,080	6,221
2.03	Equity	1,625,170	1,617,194
2.03.01	Capital	895,836	895,836
2.03.02	Capital Reserves	914,888	915,722
2.03.05	Retained Earnings/(Accumulated Losses)	(185,554)	(194,364)

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
3.01	Revenue from Sale of Goods and/or Services	482,529	389,927
3.02	Cost of Sales and/or Services	(185,235)	(150,129)
3.03	Gross Profit	297,294	239,798
3.04	Operating Expenses/Income	(294,233)	(242,165)
3.04.01	Selling Expenses	(265,589)	(222,496)
3.04.02	General and Administrative Expenses	(28,388)	(19,165)
3.04.06	Equity Pickup	(256)	(504)
3.05	Profit (Loss) before Financial Income (Expenses) and Taxes	3,061	(2,367)
3.06	Financial Income (Expenses), Net	7,799	(15,692)
3.06.01	Financial Income	19,367	8,119
3.06.02	Financial Expenses	(11,568)	(23,811)
3.07	Profit (Loss) before Income Tax and Social Contribution	10,860	(18,059)
3.08	Income Tax and Social Contribution	(2,050)	(1,937)
3.08.01	Current	(1,411)	-
3.08.02	Deferred	(639)	(1,937)
3.09	Profit (Loss) from Continuing Operations	8,810	(19,996)
3.11	Profit (Loss) for the Period	8,810	(19,996)
3.99	Earnings (Loss) per Share - (Reais /Share)		
3.99.01	Basic Earnings (Loss) per Share		
3.99.01.01	Registered Common (ON)	0.00004	(0.00013)
3.99.02	Diluted Earnings (Loss) per Share		
3.99.02.01	Registered Common (ON)	0.00004	(0.00013)

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
4.01	Profit (Loss) for the Period	8,810	(19,996)
4.03	Total Comprehensive Income (Loss) for the Period	8,810	(19,996)

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
6.01	Net Cash from Operating Activities	(33,967)	(68,343)
6.01.01	Cash Provided from Operating Activities	51,677	37,372
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	10,860	(18,059)
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	29,355	25,878
6.01.01.03	Provision for Bonuses	9,506	6,388
6.01.01.04	Equity Pickup	256	504
6.01.01.05	Interest on Financing	(3,181)	21,538
6.01.01.07	Provision for Legal Claims	1,286	347
6.01.01.09	Disposal of Property and Equipment and Intangible Assets	2,473	776
6.01.01.10	Stock Options Cost	1,122	-
6.01.02	Changes in Assets and Liabilities	(85,644)	(105,715)
6.01.02.01	Trade Receivables, Net	2,016	(11,300)
6.01.02.02	Inventories	(10,164)	(5,302)
6.01.02.03	Taxes Recoverable	(2,912)	6,026
6.01.02.04	Advances Paid	893	(9,259)
6.01.02.06	Receivables from Related Parties	-	(17)
6.01.02.07	Other Receivables	(8,655)	(7,051)
6.01.02.08	Trade and Rental Payables	(35,698)	(29,403)
6.01.02.09	Payroll and Social Charges	(12,047)	(4,395)
6.01.02.10	Corporate Payables	(4,554)	(14,460)
6.01.02.11	Taxes Payable	(4,368)	(2,005)
6.01.02.13	Deferred Revenue, Net	-	(2,250)
6.01.02.14	Payables to Related Parties	-	(535)
6.01.02.15	Derivative Financial Instruments	127	(353)
6.01.02.16	Other Payables	(249)	7,862
6.01.02.17	Interest Expense on Loans and Financing	(8,195)	(33,273)
6.01.02.18	Income Tax and Social Contribution Paid	(1,411)	-
6.01.02.19	Legal Claims	(427)	-
6.02	Net Cash from Investing Activities	90,374	(17,760)
6.02.02	Advance for Future Capital Increase in Subsidiary	(972)	(300)
6.02.03	Purchases of Property and Equipment	(40,371)	(25,962)
6.02.04	Purchases of Intangible Assets	(4,996)	(2,848)
6.02.05	Cash from Merger / Acquisition	-	55
6.02.06	Investment in Marketable Securities	(141,683)	(44,923)
6.02.07	Redemption of Marketable Securities	278,396	56,218
6.03	Net Cash from Financing Activities	(31,685)	(21,466)
6.03.02	Share Issue Cost	(1,956)	-
6.03.03	Investments Payable	-	(2,407)
6.03.06	Payment of Loans and Financing (Principal)	(29,729)	(19,059)
6.05	Increase (Decrease) in Cash and Cash Equivalents	24,722	(107,569)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	102,235	253,445
6.05.02	Cash and Cash Equivalents at the End of the Period	126,957	145,876

Individual financial statements – Statement of changes in Equity 01/01/2018 to 03/31/2018
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings/ Accumulated Losses	Equity
5.01	Opening balances	895,836	915,722	(194,364)	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	(194,364)	1,617,194
5.04	Capital Transactions with Shareholders	-	(834)	-	(834)
5.04.02	Share Issue Cost	-	(1,956)	-	(1,956)
5.04.03	Options Granted Recognized	-	1,122	-	1,122
5.05	Total Comprehensive income	-	-	8,810	8,810
5.05.01	Profit for the Period	-	-	8,810	8,810
5.07	Closing Balances	895,836	914,888	(185,554)	1,625,170

Individual financial statements – Statement of changes in Equity 01/01/2017 to 03/31/2017
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings/ Accumulated Losses	Equity
5.01	Opening Balances	1,506	736,997	(198,183)	540,320
5.03	Adjusted Opening Balances	1,506	736,997	(198,183)	540,320
5.05	Total Comprehensive loss	-	-	(19,996)	(19,996)
5.05.01	Loss for the Period	-	-	(19,996)	(19,996)
5.07	Closing Balances	1,506	736,997	(218,179)	520,324

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
7.01	Revenues	531,792	427,907
7.01.01	Gross Sales of Goods and Services	526,622	424,439
7.01.02	Other Revenues	5,170	3,468
7.02	Inputs Purchased from Third Parties	(308,520)	(248,029)
7.02.01	Cost of Sales and Services	(185,235)	(150,129)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(120,711)	(97,105)
7.02.03	Impairment of Assets	(2,473)	(756)
7.02.04	Others	(101)	(39)
7.03	Gross Value Added	223,272	179,878
7.04	Retentions	(29,355)	(25,878)
7.04.01	Depreciation, Amortization and Depletion	(29,355)	(25,878)
7.05	Value added Created by the Company	193,917	154,000
7.06	Value added Received in Transfer	20,035	7,946
7.06.01	Equity Pickup	(256)	(504)
7.06.02	Financial Income	20,291	8,450
7.07	Total value added for Distribution	213,952	161,946
7.08	Value added Distributed	213,952	161,946
7.08.01	Personnel	92,756	73,902
7.08.01.01	Direct Remuneration	87,659	69,423
7.08.01.03	FGTS (Severance Pay Fund)	5,097	4,479
7.08.02	Taxes, Fees and Contributions	63,680	52,914
7.08.02.01	Federal	48,933	39,669
7.08.02.02	State	12,651	11,396
7.08.02.03	Municipal	2,096	1,849
7.08.03	Lenders and Lessors	48,706	55,126
7.08.03.01	Financial Expenses	11,442	23,671
7.08.03.02	Rentals	37,264	31,455
7.08.04	Shareholders	8,810	(19,996)
7.08.04.03	Retained Earnings / Loss for the Period	8,810	(19,996)

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

Account Code	Account Description	Current Quarter 03/31/2018	Prior Year 12/31/2017
1	Total Assets	2,349,785	2,415,555
1.01	Current Assets	1,257,358	1,338,448
1.01.01	Cash and Cash Equivalents	127,062	102,345
1.01.02	Short-Term Investments	953,922	1,076,384
1.01.02.01	Short-Term Investments at Fair Value	953,922	1,076,384
1.01.02.01.03	Marketable Securities	951,455	1,073,900
1.01.02.01.04	Restricted Marketable Securities	2,467	2,484
1.01.03	Accounts Receivable	58,942	60,958
1.01.04	Inventories	49,907	39,743
1.01.06	Taxes Recoverable	29,498	24,993
1.01.08	Other Current Assets	38,027	34,025
1.01.08.03	Others	38,027	34,025
1.01.08.03.01	Derivative Financial Instruments	-	127
1.01.08.03.02	Advances Paid	23,869	24,762
1.01.08.03.04	Other Receivables	14,158	9,136
1.02	Non-Current Assets	1,092,427	1,077,107
1.02.01	Long-Term Receivables	63,368	61,351
1.02.01.01	Non-Current Investments at Fair Value	13,258	13,285
1.02.01.01.03	Restricted Marketable Securities	13,258	13,285
1.02.01.09	Other Non-Current Assets	50,110	48,066
1.02.01.09.03	Judicial Deposits	30,899	26,566
1.02.01.09.04	Other Receivables	3,514	4,218
1.02.01.09.05	Taxes Recoverable	15,697	17,282
1.02.03	Property and Equipment	712,452	699,642
1.02.04	Intangible Assets	316,607	316,114

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

Account Code	Account Description	Current Quarter 03/31/2018	Prior Year 12/31/2017
2	Total Liabilities	2,349,785	2,415,555
2.01	Current Liabilities	519,536	472,998
2.01.01	Social and Labor Liabilities	67,289	69,830
2.01.02	Trade Payables	103,300	138,997
2.01.03	Taxes Payable	15,947	20,272
2.01.04	Loans and Financing	303,634	209,987
2.01.05	Other Payables	29,366	33,912
2.01.05.02	Other Payables	29,366	33,912
2.01.05.02.04	Other Payables	19,954	19,946
2.01.05.02.07	Corporate Payables	9,412	13,966
2.02	Non-Current Liabilities	205,079	325,363
2.02.01	Loans and Financing	154,666	275,720
2.02.02	Other Non-Current Liabilities	4,385	5,113
2.02.02.02	Others	4,385	5,113
2.02.02.02.03	Taxes Payable	4,114	5,113
2.02.02.02.05	Other Payables	271	-
2.02.03	Deferred Taxes	38,948	38,309
2.02.03.01	Deferred Income Tax and Social Contribution	38,948	38,309
2.02.04	Provisions	7,080	6,221
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Claims	7,080	6,221
2.03	Consolidated Equity	1,625,170	1,617,194
2.03.01	Capital	895,836	895,836
2.03.02	Capital Reserves	914,888	915,722
2.03.05	Retained Earnings/(Accumulated Losses)	(185,554)	(194,364)

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
3.01	Revenue from Sale of Goods and/or Services	482,529	389,927
3.02	Cost of Sales and/or Services	(185,235)	(150,129)
3.03	Gross Profit	297,294	239,798
3.04	Operating Expenses/Income	(294,426)	(242,010)
3.04.01	Selling Expenses	(265,827)	(222,809)
3.04.02	General and Administrative Expenses	(28,599)	(19,201)
3.05	Profit (Loss) Before Financial Income (Expenses) and Taxes	2,868	(2,212)
3.06	Financial Income (Expenses), Net	7,992	(15,847)
3.06.01	Financial Income	19,575	8,155
3.06.02	Financial Expenses	(11,583)	(24,002)
3.07	Profit (Loss) Before Income Tax and Social Contribution	10,860	(18,059)
3.08	Income Tax and Social Contribution	(2,050)	(1,937)
3.08.01	Current	(1,411)	-
3.08.02	Deferred	(639)	(1,937)
3.09	Profit (Loss) from Continuing Operations	8,810	(19,996)
3.11	Consolidated Profit (Loss) for the Period	8,810	(19,996)
3.11.01	Attributable to Parent Company Shareholders	8,810	(19,996)
3.99	Earnings (Loss) per Share - (Reais /Share)		
3.99.01	Basic Earnings (Loss) per Share		
3.99.01.01	Registered Common (ON)	0.00004	(0.00013)
3.99.02	Diluted Earnings (Loss) per Share		
3.99.02.01	Registered Common (ON)	0.00004	(0.00013)

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
4.01	Consolidated Profit (Loss) for the Period	8,810	(19,996)
4.03	Consolidated Comprehensive Income (Loss) for the Period	8,810	(19,996)
4.03.01	Attributable to Parent Company Shareholders	8,810	(19,996)

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
6.01	Net Cash from Operating Activities	(34,415)	(68,698)
6.01.01	Cash Provided from Operating Activities	51,659	36,414
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	10,860	(18,059)
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	29,593	25,424
6.01.01.03	Provision for Bonuses	9,506	6,388
6.01.01.05	Interest on Financing	(3,181)	21,538
6.01.01.07	Provision for Legal Claims	1,286	347
6.01.01.09	Disposal of Property and Equipment and Intangible Assets	2,473	776
6.01.01.10	Stock Options Cost	1,122	-
6.01.02	Changes in Assets and Liabilities	(86,074)	(105,112)
6.01.02.01	Trade Receivables, Net	2,016	(11,304)
6.01.02.02	Inventories	(10,164)	(5,302)
6.01.02.03	Taxes Recoverable	(2,920)	6,020
6.01.02.04	Advances Paid	893	(9,259)
6.01.02.07	Other Receivables	(8,650)	(8,235)
6.01.02.08	Trade and Rental Payables	(35,697)	(29,406)
6.01.02.09	Payroll and Social Charges	(12,047)	(4,395)
6.01.02.10	Corporate Payables	(4,554)	(14,460)
6.01.02.11	Taxes Payable	(5,324)	(1,998)
6.01.02.13	Deferred Revenue, Net	-	(2,250)
6.01.02.15	Derivative Financial Instruments	127	(353)
6.01.02.16	Other Payables	279	9,103
6.01.02.17	Interest Expense on Loans and Financing	(8,195)	(33,273)
6.01.02.18	Income Tax and Social Contribution Paid	(1,411)	-
6.01.02.19	Legal Claims	(427)	-
6.02	Net Cash from Investing Activities	90,817	(20,849)
6.02.03	Purchases of Property and Equipment	(40,371)	(25,962)
6.02.04	Purchases of Intangible Assets	(4,996)	(2,848)
6.02.05	Cash from Merger / Acquisition	-	55
6.02.06	Investment in Marketable Securities	(142,212)	(44,923)
6.02.07	Redemption of Marketable Securities	278,396	52,829
6.03	Net Cash from Financing Activities	(31,685)	(21,466)
6.03.02	Share Issue Costs	(1,956)	-
6.03.03	Investments Payable	-	(2,407)
6.03.06	Payment of Loans and Financing (Principal)	(29,729)	(19,059)
6.05	Increase (Decrease) in Cash and Cash Equivalents	24,717	(111,013)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	102,345	256,920
6.05.02	Cash and Cash Equivalents at the End of the Period	127,062	145,907

Consolidated financial statements – Statement of changes in Equity 01/01/2018 to 03/31/2018
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings/ Accumulated Losses	Equity	Consolidated Equity
5.01	Opening balances	895,836	915,722	(194,364)	1,617,194	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	(194,364)	1,617,194	1,617,194
5.04	Capital Transactions with Shareholders	-	(834)	-	(834)	(834)
5.04.02	Share Issue Cost	-	(1,956)	-	(1,956)	(1,956)
5.04.03	Options Granted Recognized	-	1,122	-	1,122	1,122
5.05	Total Comprehensive income	-	-	8,810	8,810	8,810
5.05.01	Profit for the Period	-	-	8,810	8,810	8,810
5.07	Closing Balances	895,836	914,888	(185,554)	1,625,170	1,625,170

Consolidated financial statements – Statement of changes in Equity 01/01/2017 to 03/31/2017
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings/ Accumulated Losses	Equity	Consolidated Equity
5.01	Opening balances	1,506	736,997	(198,183)	540,320	540,320
5.03	Adjusted Opening Balances	1,506	736,997	(198,183)	540,320	540,320
5.05	Total Comprehensive loss	-	-	(19,996)	(19,996)	(19,996)
5.05.01	Loss for the Period	-	-	(19,996)	(19,996)	(19,996)
5.07	Closing Balances	1,506	736,997	(218,179)	520,324	520,324

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

Account Code	Account Description	Current Year 01/01/2018 to 03/31/2018	Prior Year 01/01/2017 to 03/31/2017
7.01	Revenues	531,792	427,907
7.01.01	Gross Sales of Goods and Services	526,622	424,439
7.01.02	Other Revenues	5,170	3,468
7.02	Inputs Purchased from Third Parties	(308,731)	(248,159)
7.02.01	Cost of Sales and Services	(185,235)	(150,129)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(120,714)	(97,226)
7.02.03	Impairment of Assets	(2,473)	(756)
7.02.04	Other Costs	(309)	(48)
7.03	Gross Value Added	223,061	179,748
7.04	Retentions	(29,593)	(25,423)
7.04.01	Depreciation, Amortization and Depletion	(29,593)	(25,423)
7.05	Value added by the Company	193,468	154,325
7.06	Value added Received in Transfer	20,499	8,488
7.06.02	Financial Income	20,499	8,488
7.07	Total value added for Distribution	213,967	162,813
7.08	Value added Distributed	213,967	162,813
7.08.01	Personnel	92,756	73,904
7.08.01.01	Direct Remuneration	87,659	69,425
7.08.01.03	FGTS (Severance Pay Fund)	5,097	4,479
7.08.02	Taxes, Fees and Contributions	63,680	53,678
7.08.02.01	Federal	48,933	40,433
7.08.02.02	State	12,651	11,396
7.08.02.03	Municipal	2,096	1,849
7.08.03	Lenders and Lessors	48,721	55,227
7.08.03.01	Financial Expenses	11,457	23,772
7.08.03.02	Rentals	37,264	31,455
7.08.04	Shareholders	8,810	(19,996)
7.08.04.03	Retained Earnings / Loss for the Period	8,810	(19,996)

MANAGEMENT REPORT

HIGHLIGHTS

Performance in 1Q18 vs. 1Q17:

- **Net Operating Revenue** of R\$483 million in 1Q18, representing growth of 23.8% compared to 1Q17;
- **Comparable sales growth in same restaurants** of 10.3% in 1Q18;
- **Adjusted EBITDA¹** of R\$36 million in 1Q18, increasing 47.2% compared to 1Q17, reflecting the solid revenue growth and operating leverage;
- **Adjusted EBITDA margin** expanded to 7.5%, from 6.3% in 1Q17;
- **Net Income** of R\$9 million in 1Q18, compared to the net loss of R\$20 million in 1Q17, explained by the significant improvement in operating result and the stronger net financial result;
- **Total of 13 restaurants opened** in 1Q18, representing a net increase of 111 units compared to 1Q17, bringing the total system to 709 restaurants in 1Q18;
- **BK Brasil and Popeyes Louisiana Kitchen** announced the signing of a Master Franchise and Development Agreement (MFDA) and a Company Franchise Agreement (CFA), which include the opening of more than 300 restaurants 10 years.

Financial highlights - R\$ Million (consolidated)	1Q18	1Q17	Var.	4Q17	Var.
Net operating revenue	482.5	389.9	23.8%	522.5	-7.7%
Adjusted EBITDA ¹	36.4	24.7	47.2%	83.3	-56.3%
% of net operating revenue	7.5%	6.3%	120bps	15.9%	-840bps
Net income	8.8	(20.0)	-	21.8	-59.6%
Gross debt	458.3	577.0	-20.6%	485.7	-5.6%
Net debt	(635.9)	363.3	-	(706.3)	-10.0%
Shareholders' equity	1,625.2	520.3	212.3%	1,617.2	0.5%

Operational Highlights	1Q18	1Q17	Var.	4Q17	Var.
# of restaurants	709	598	111	697	12
Owned restaurants					
# Owned restaurants beginning of period	526	480	46	492	34
Restaurant openings	5	2	3	42	(37)
Restaurant closings	(1)	(9)	8	0	(1)
Acquisition / sale of restaurant businesses	(2)	0	(2)	(8)	6
# Owned restaurants end of period	528	473	55	526	2
Franchisees restaurants					
# Franchisees restaurants beginning of period	171	121	50	136	35
Restaurant openings	8	4	4	27	(19)
Restaurant closings	0	0	0	0	0
Acquisition / sale of restaurant businesses	2	0	2	8	(6)
# Franchisees restaurants end of period	181	125	56	171	10
Comparable sales growth in same restaurants (SSS)	10.3%	11.3%	-100bps	16.2%	-590bps

*Sale of company-owned restaurants to franchisees.

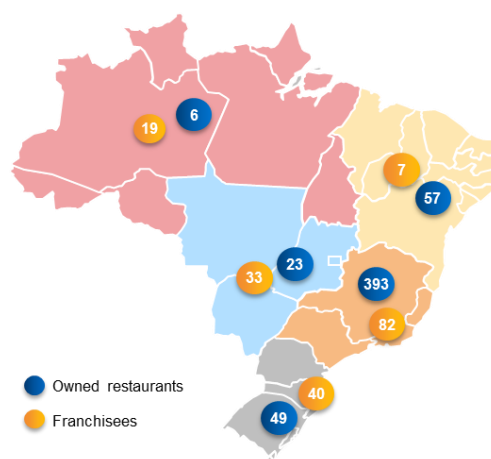
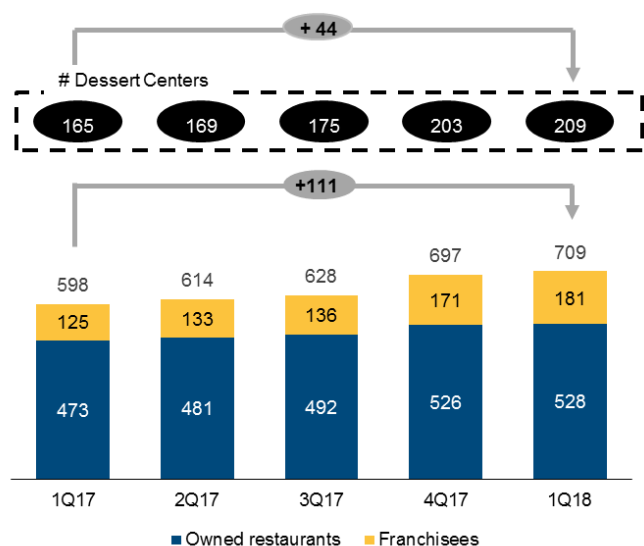
¹ Adjusted EBITDA is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses with mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis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

OPERATING AND FINANCIAL PERFORMANCE

Restaurant expansion

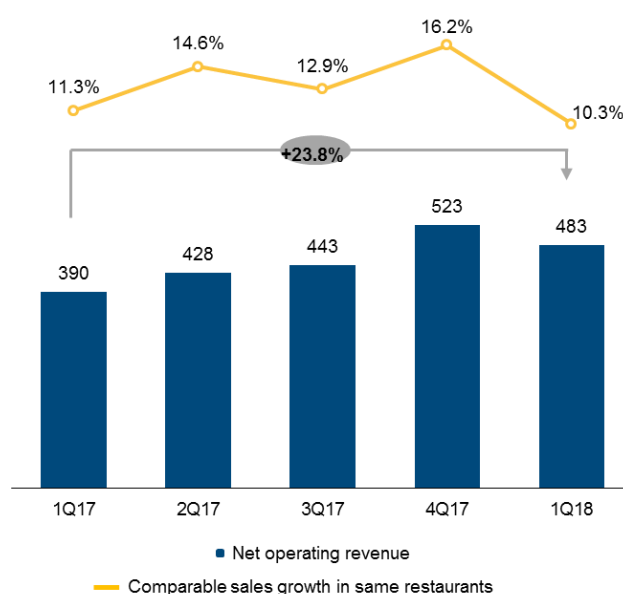
During 1Q18, BURGER KING® opened 13 new restaurants, of which 5 were company-owned restaurants and 8 were franchisees. Considering only restaurants operated by BK Brasil, net of sale of restaurant businesses (2 restaurants) and closures (1 restaurant), the Company ended the first quarter with 528 company-owned restaurants, representing an increase of 55 restaurants versus 1Q17. In terms of franchised restaurants, BURGER KING® ended 1Q18 with 181 restaurants. As a result, the BURGER KING® system ended the first quarter of 2018 with a total of 709 restaurants in operation nationwide, which represents an increase of 111 restaurants in relation to 1Q17.

In April 2018, BK Brasil announced the conclusion of the acquisition of the franchisees King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A., which jointly own 51 restaurants in the BURGER KING® system. The acquisition price was approximately R\$393.1 million, still subject to adjustments, and the transaction will be reflected in the full results for 2Q18.



Net operating revenue

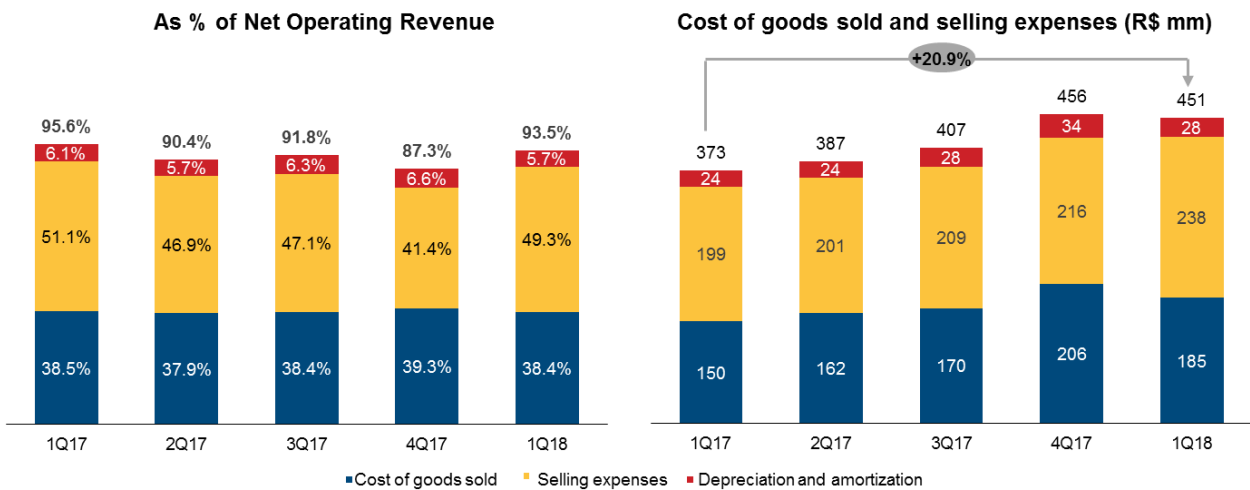
In 1Q18, BK Brasil posted net operating revenue of R\$483 million, which represents a growth of 23.8% versus 1Q17. Apart from the opening of new restaurants and the maturation of units opened in the last 12 months, this result reflected the 10.3% growth in comparable sales in same restaurants in 1Q18 compared to a significant growth of 11.3% in 1Q17. Revenue growth was driven by the good performance of premium products, the strong performance of restaurants opened in 2016 and the ongoing consolidation of the brand and of customer service quality.



Cost of goods sold and selling expenses

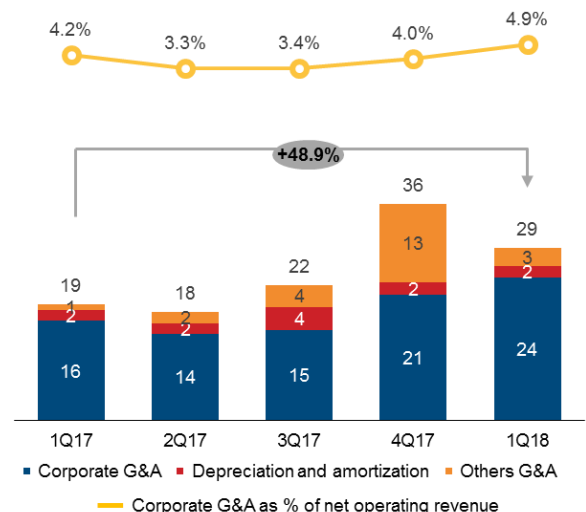
In 1Q18, total restaurant expenses, including cost of goods sold and selling expenses at restaurants, were R\$451 million, corresponding to 93.5% of net operating revenue, an improvement of 210 bps versus 1Q17.

Also in 1Q18, cost of goods sold represented 38.4% of net operating revenue, an improvement of 10 bps compared to 1Q17, reflecting the higher efficiency of the marketing campaigns launched in 2018, which seek to boost profitability and customer traffic and should support margin expansion over the course of the year. Furthermore, as a ratio of net operating revenue, selling expenses at restaurants (excluding depreciation and amortization) stood at 49.3%, down 180 bps versus 1Q17, reflecting the Company's operating leverage, with improvements primarily in personnel expenses, due to higher productivity and to wage adjustments lagging comparable sales growth in same restaurants, and in other restaurant expenses, as a ratio of net operating revenue.



Total general and administrative expenses

As a percentage of net operating revenue, corporate general and administrative (G&A) expenses stood at 4.9% in 1Q18, increasing 70 bps compared to 1Q17 mainly due to higher expenses with provisioning for litigations and third-party expenses, related to the timing change of the Company's national convention and regulatory costs linked to the IPO. Corporate expenses amounted to R\$24 million in 1Q18, compared to R\$16 million in 1Q17. Total G&A expenses were R\$29 million, increasing 48.9% versus 1Q17. The increase was due to higher corporate expenses, as explained, and expenses with stock option plans granted in July 2017.



Adjusted EBITDA²

In 1Q18, adjusted EBITDA posted a strong growth of 47.2% to R\$36 million, compared to R\$25 million in 1Q17. The increase in adjusted EBITDA is explained by the growth in net operating revenue, which was driven by the opening of restaurants, the strong comparable sales growth in same restaurants and the constant focus on cost control. Adjusted EBITDA margin expanded from 6.3% in 1Q17 to 7.5% in 1Q18, due to the company's significant operating leverage, which supported the higher dilution of fixed costs at restaurants.

EBITDA - R\$ Million	1Q18	1Q17	Var.%	4Q17	Var.%
Income (Loss) for the period	8.8	(20.0)	-	21.8	-59.6%
(+) Financial income (loss)	(8.0)	15.8	-	7.2	-
(+) Depreciation and amortization	29.6	25.4	16.4%	36.4	-18.7%
(+/-) Income tax and social contribution	2.1	1.9	5.9%	1.6	27.3%
EBITDA	32.5	23.2	39.8%	67.0	-51.6%
<i>EBITDA Margin</i>	<i>6.7%</i>	<i>6.0%</i>	<i>70bps</i>	<i>12.8%</i>	<i>-610bps</i>
(+) Others expenses*	1.1	0.6	81.7%	9.4	-
(+) Cost of stock option plan	1.1	0.0	-	2.9	-61.7%
(+) Merge and acquisition expenses	0.9	0.4	117.6%	0.7	30.3%
(+) Pre-operating expenses	0.9	0.5	65.1%	3.3	-72.8%
Adjusted EBITDA²	36.4	24.7	47.2%	83.3	-56.3%
<i>Adjusted EBITDA Margin</i>	<i>7.5%</i>	<i>6.3%</i>	<i>120bps</i>	<i>15.9%</i>	<i>-840bps</i>

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

Net Income

Net income grew substantially to R\$9 million in 1Q18, compared to the net loss of R\$20 million in 1Q17, reflecting the Company's solid revenue generation and strong operating leverage, the high profitability of the existing restaurant portfolio, especially in the most recent vintages, and the better financial result given the lower interest rates in the period and higher Company's cash position.

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 1Q18, the independent auditors (ERNST & YOUNG Auditores Independentes S.S. (EY)), were not engaged to provide other services in addition to the 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.

Barueri, May 10, 2018.

Board of Executive Officers

² Adjusted EBITDA is a non-accounting measure adopted by the Company, which corresponds to the EBITDA as adjusted by preoperating expenses, expenses from acquisitions and mergers and other expenses, which the Company's Management believes are not part of the normal course of business and/or hinder the analysis of the Company's performance, including: (i) write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment); and (ii) costs with the stock option plan.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

March 31, 2018

(In thousands of reais)

1. Operations

BK Brasil Operação e Assessoria a Restaurantes S.A. (“BKB ” or “Company”) is a publicly-held corporation established in Brazil, with its head office at Alameda Rio Negro, 161 - Alphaville - Barueri - State of São Paulo (SP), engaged in: i) development and operation of “Burger King” restaurants in Brazil; (ii) advisory and support services to “Burger King” 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.

The right to operate the “Burger King” restaurants was obtained through a Master Franchise agreement entered into with Burger King Corporation (“BKC”) on July 9, 2011. The restaurant operation rights have a term of twenty years, renewable for additional twenty years, if the parties intend to (Note 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 net revenue;*
- *Marketing fund of 5% of net revenue.*

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

1. Operations--Continued

As of March 31, 2018 and December 31, 2017, the Company had 528 and 526 company-owned stores, respectively, of which:

	<u>03/31/2018</u>	<u>12/31/2017</u>
State of Alagoas	4	4
State of Bahia	12	12
State of Ceará	12	12
Federal District	16	15
State of Espírito Santo	10	10
State of Goiás	7	7
State of Maranhão	5	5
State of Minas Gerais	24	23
State of Pará	6	6
State of Paraíba	4	4
State of Pernambuco	11	11
State of Piauí	2	2
State of Paraná	17	16
State of Rio de Janeiro	82	82
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	32	32
State of Sergipe	4	4
State of São Paulo	277	278
Total Stores	<u>528</u>	<u>526</u>

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

With the execution of the agreements, BKB started to have the exclusive right of developing and operating restaurants, itself or through franchisees, with the POPEYES® brand in Brazil for a period of 20 years.

The agreements establish annual targets to allow gradual acceleration of growth of company and/or franchised restaurants, among which that of opening more than 300 restaurants in the initial period of 10 years.

The agreements also provide that the Company shall be the exclusive provider of POPEYES® services in Brazil, rendering marketing, training, monitoring, procurement and audit services, among others, to franchised restaurants in Brazil, being allowed for this to collect service charge from its franchisees.

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

In the period ended March 31, 2018, the Company's total capitalized expenses referring to the POPEYES® brand project in Brazil aggregated R\$299.

The remaining explanations referring to this note were not materially changed in relation to those disclosed in Note 1 to the individual and consolidated financial statements as of December 31, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

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, 2017, and remains valid, except for the adoption on January 1, 2018 of CPC 47 – Revenue from Contracts with Customers and CPC 48 – Financial Instruments, which did not materially affect the practices disclosed in the year ended December 31, 2017. Accordingly, this 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 by management regarding the materiality and changes that should be disclosed in the notes to the financial statements, this interim financial information includes selected notes and does not include all the notes presented in the annual financial statements, as allowed by Official Circular No. 03/2011, issued by the Brazilian Securities and Exchange Commission (CVM).

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended March 31, 2018, was prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented consistently with CVM rules, applicable to the preparation of Quarterly Information (ITR).

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

All financial information is presented in thousands of reais (R\$) and all amounts have been rounded to the nearest thousand, unless otherwise stated. Under certain circumstances, this can lead to immaterial differences between the sum of figures and the subtotals presented in the tables.

The Company's individual and consolidated interim financial information for the period ended March 31, 2018 was concluded and approved by the Company's officers and authorized for issue according to resolution of the members of the Board of Director on May 10, 2018.

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.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

3. Standards, amendments to and interpretations of standards not yet effective

The Company adopted CPC 47 - Revenue from Contracts with Customers and CPC 48 - Financial Instruments, also the effects of such adoption are already reflected in this individual and consolidated interim financial information of the Company for the period ended March 31, 2018. The adoption of these pronouncements did not materially affect the accounting policies and practices adopted and used in the year ended December 31, 2017. The change in adopting these pronouncements refers to the recognition of franchise fee revenue, since such revenue used to be fully recognized upon entering into the franchise agreement and, after adoption of the new pronouncement, it is recognized according to the stipulated period of permanence of the brand with the franchisee – i.e. of 20 years. In the period ended March 31, 2018, the amount of franchise fee revenue not recognized in the Company's P&L due to the adoption of the new standard was R\$285, obligation that was recorded in liabilities.

The Company expects that CPC 06 (R2) – Leases, applicable as from January 1, 2019, will bring significant impacts, since its operations depend on operating leases. The potential impacts refer to the recording of the liabilities assumed by lessee, the balancing entry being to its assets corresponding to its commercial rights. BKB is assessing the impact from adoption of this standard, and expects to have the initial measurement thereof over the year ended December 31, 2018.

There are no other standards, amendments to standards and interpretations issued and not yet adopted that could, in management's opinion, have a significant impact arising from their application to the Company's interim financial information, besides those already disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2017.

Other disclosures referring to this note were not materially changed in relation to the information disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

4. Business combination

4.1. Acquisition of Realty and subsidiaries

On January 4, 2016, BKB acquired 100% of Realty and its subsidiaries for the total amount of R\$20,781 and on February 28, 2017 they were merged into BKB. The breakdown of the consideration, the identification of the fair value of the net assets acquired and the allocation of goodwill are shown below:

Consideration paid on acquisition	18,133
Consideration payable	<u>2,648</u>
Total consideration	<u>20,781</u>

Other explanations related to this note were not materially changed in relation to the disclosures in Note 4 to the individual and consolidated financial statements as of December 31, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

5. Cash and cash equivalents

	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Cash	17,184	19,580	17,184	19,580
Banks	550	424	551	424
Financial investments	109,223	82,231	109,327	82,341
Total cash and cash equivalents	126,957	102,235	127,062	102,345

The cash balance is mainly comprised by cash funds of stores, which are used for the daily opening of cash in stores and cash in transit, which after the daily closing of cash in stores are sent for collection and bank deposits.

Financial investments are held for the purpose of meeting short-term cash commitments.

Type of investment	Annual yield	Parent company		Consolidated	
		03/31/2018	12/31/2017	03/31/2018	12/31/2017
CDB	95% to 102.5% of CDI	80,498	55,182	80,602	55,292
Financial bills ("LF")	102.5% to 103% of CDI	-	26,006	-	26,006
Invest plus	10% to 60% of CDI	28,725	1,043	28,725	1,043
Total financial investments		109,223	82,231	109,327	82,341

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.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

6. Marketable securities

Type of investment	Annual yield	Parent company		Consolidated	
		03/31/2018	12/31/2017	03/31/2018	12/31/2017
Exclusive investment fund - XPA BK (*)	100% of CDI to 124% of CDI and SELIC	596,845	518,248	-	-
Federal Treasury Bills ("LFT")	100% of CDI to 124% of CDI and SELIC	-	-	354,781	498,124
Investment funds	91.52% of CDI to 130% of CDI	48,995	18,336	109,810	38,460
Lease bills ("LAM")	102% of CDI	189,032	332,607	189,032	332,607
CDB	100.5% to 102.5% of CDI	116,057	204,708	116,057	204,708
National Treasury Bills ("LTN")	Prefixed 7.86% to 9.19%	-	-	80,700	-
Investments in debentures	100% to 121% of CDI	-	-	69,130	-
Financial Bills ("LF")	102.7% to 112% of CDI	-	-	31,947	-
Investment Fund and CDB (**)	85% to 99% of CDI	3,643	3,902	3,643	3,902
Repurchase agreements (***)	101.1% of CDI	12,080	11,868	12,080	11,868
Total marketable securities		966,652	1,089,669	967,180	1,089,669
Current		953,394	1,076,384	953,922	1,076,384
Marketable securities		950,927	1,073,900	951,455	1,073,900
Restricted marketable securities		2,467	2,484	2,467	2,484
Non-current		13,258	13,285	13,258	13,285

(*) XPA BK FUNDO DE INVESTIMENTO MULTIMERCADO INVESTIMENTO NO EXTERIOR – Exclusive investment fund, 100% held by the Company, created on 12/29/2017. The portfolio of this fund, by type of investment, is shown in the consolidated balances, and is comprised of financial treasury bills, national treasury bills and CDBs.

(**) Financial investments pledged as collateral of loans and financing mentioned in Note 14 and their redemption is linked to the maturity of those loans.

(***) Repurchase agreements (restricted account) pledged as collateral of the 6th issue of debentures mentioned in Note 14.2.

7. Trade receivables, net

	Parent company and Consolidated	
	03/31/2018	12/31/2017
Sales transactions	50,089	52,679
Service rendered with franchisees	6,093	7,457
Services rendered with related parties	662	639
Other receivables	2,098	183
Total trade receivables	58,942	60,958

As mentioned in Note 14, part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financing (debentures).

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

8. Inventories

	Parent company and Consolidated	
	03/31/2018	12/31/2017
Goods for resale	27,848	28,116
Distribution center - BKB	15,306	7,348
Gifts	6,753	4,279
Total inventories	49,907	39,743

9. Taxes recoverable

	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
IRPJ (Income Tax)	4,423	2,582	4,423	2,582
CSLL (Social Contribution on Profit)	1,785	1,053	1,785	1,053
PIS and COFINS(indirect taxes) on property and equipment	71	71	71	71
IRRF (Withholding Income Tax)	6,521	5,414	6,521	5,414
ICMS (State VAT)	3,464	3,681	3,512	3,722
Non-cumulative PIS	4,286	4,591	4,286	4,591
Non-cumulative COFINS	19,500	19,532	19,500	19,532
INSS (Social Security Contribution)	2,306	2,505	3,722	3,921
Other	286	301	1,375	1,389
Total taxes recoverable	42,642	39,730	45,195	42,275
Current	26,945	22,448	29,498	24,993
Non-current (*)	15,697	17,282	15,697	17,282

(*) The Company expects to realize the tax credits until 2020.

10. Advances paid

	Parent company and Consolidated	
	03/31/2018	12/31/2017
Advances to suppliers of services and materials	18,771	17,961
Expenses to be reimbursed - Marketing Fund	5,098	6,801
Total prepaid expenses	23,869	24,762

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

11. Investments

The movements in investments as of March 31, 2018 and December 31, 2017 were as follows:

	Parent company	
	03/31/2018	12/31/2017
Opening balance	17,965	56,887
Advance for future capital increase - in cash	972	2,438
Advance for future capital increase - PERT (*)	-	2,963
Merger of subsidiaries	-	(42,351)
Equity pickup	(256)	(1,972)
Closing balance	18,681	17,965

(*) In September 2017, the subsidiaries BGMAXX BA and BGMAXX AL enrolled in the tax debt refinancing program (PERT). On that occasion, the Company's tax loss was used to settle part of the Subsidiary's debt and a contribution on this transaction was recognized.

The acquisition of the net assets of direct subsidiaries resulted in optimization of processes and maximization of results for the Company.

The carrying amounts (without the effect of fair value) as of March 31, 2018 and December 31, 2017 are as follows:

	03/31/2018			12/31/2017			
	BGMAXX BA	BGMAXX AL	Total	BGMAXX BA	BGMAXX AL	Realty (*)	Total
Assets							
Current	3,986	199	4,185	3,990	197	-	4,187
Non-current	4,860	101	4,960	5,088	112	-	5,200
Total assets	8,846	300	9,145	9,078	309	-	9,387
Liabilities							
Current	5,986	1,781	7,767	5,974	1,778	-	7,752
Non-current	3,492	622	4,114	4,463	622	-	5,085
Total liabilities	9,478	2,403	12,852	10,437	2,400	-	12,837
Equity	(632)	(2,103)	(2,735)	(1,359)	(2,091)	-	(3,450)
Total liabilities and equity	8,846	300	9,146	9,078	309	-	9,387
% interest in subsidiary	100%	100%	-	100%	100%	-	-
Net operating revenue (a)	-	-	-	-	-	-	-
Equity pickup	(243)	(13)	(256)	(1,786)	(72)	(114)	(1,972)

(*) Realty was merged during 2017, as mentioned in Note 1.

(a) Operating revenues of subsidiaries are being recognized at the parent company.

The Company holds a 100% interest in these subsidiaries and for consolidation purposes the net asset is eliminated against the investment balance, remaining the surplus value balance, which was reclassified to intangible assets (Note 13).

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

12. Property and equipment, net

	Annual average depreciation rate	Parent company		Consolidated	
		03/31/2018	12/31/2017	03/31/2018	12/31/2017
Facilities, improvements and projects	(i)	370,696	371,036	372,037	372,473
Machinery and equipment	5% to 25%	123,941	123,794	125,374	125,323
Furniture and fixtures	6% to 20%	32,282	32,459	33,185	33,395
Computers and hardware	2% to 5%	40,046	42,519	40,007	42,493
Other assets (ii)	-	145,058	129,167	145,177	129,286
(-) Provision for impairment	-	(3,328)	(3,328)	(3,328)	(3,328)
Total property and equipment		708,695	695,647	712,452	699,642

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

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

The movements in property and equipment in the period ended March 31, 2018 and year ended December 31, 2017 were as follows:

	Parent company						Total
	Facilities, improvements and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)	(-) Provision for impairment	
Cost							
Balance at 12/31/2016	492,089	155,464	43,691	74,291	127,560	(7,955)	885,140
Additions	28,720	-	3	7	143,507	-	172,237
Mergers	2,637	920	951	451	384	-	5,343
Transfers	73,155	31,308	8,503	20,819	(133,785)	-	-
Write-offs	(15,271)	(1,745)	(1,463)	(3,860)	(8,500)	-	(30,839)
Sale of stores (i)	(10,690)	(2,182)	(911)	(1,049)	1	-	(14,831)
Impairment	-	-	-	-	-	4,627	4,627
Balance at 12/31/2017	570,640	183,765	50,774	90,659	129,167	(3,328)	1,021,677
Additions	7,710	-	-	-	32,661	-	40,371
Transfers	8,263	5,174	1,200	1,608	(16,245)	-	-
Write-offs	(612)	-	-	(799)	(525)	-	(1,936)
Sale of stores (i)	(1,408)	(578)	(136)	(260)	-	-	(2,382)
Balance at 03/31/2018	584,593	188,361	51,838	91,208	145,058	(3,328)	1,057,730
Depreciation							
Balance at 12/31/2016	(151,667)	(43,440)	(14,350)	(35,036)	-	-	(244,493)
Additions	(61,291)	(18,159)	(5,012)	(16,827)	-	-	(101,289)
Write-offs	8,593	831	678	2,933	-	-	13,035
Sale of stores (i)	4,761	797	369	790	-	-	6,717
Balance at 12/31/2017	(199,604)	(59,971)	(18,315)	(48,140)	-	-	(326,030)
Additions	(15,406)	(4,664)	(1,295)	(3,976)	-	-	(25,341)
Write-offs	362	-	-	773	-	-	1,135
Sale of stores (i)	751	215	54	181	-	-	1,201
Balance at 03/31/2018	(213,897)	(64,420)	(19,556)	(51,162)	-	-	(349,035)
Total property and equipment at 12/31/2017	371,036	123,794	32,459	42,519	129,167	(3,328)	695,647
Total property and equipment at 03/31/2018	370,696	123,941	32,282	40,046	145,058	(3,328)	708,695

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

12. Property and equipment, net --Continued

	Consolidated					(-) Provision for impairment	Total
	Facilities, improvements and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)		
Cost							
Balance at 12/31/2016	501,096	163,165	49,697	75,730	128,063	(7,955)	909,796
Additions	28,720	-	3	6	143,507	-	172,236
Transfers	73,155	31,308	8,503	20,819	(133,785)	-	-
Write-offs	(15,316)	(1,745)	(1,463)	(3,860)	(8,500)	-	(30,884)
Sale of stores (i)	(10,690)	(2,182)	(911)	(1,049)	1	-	(14,831)
Impairment	-	-	-	-	-	4,627	4,627
Balance at 12/31/2017	576,965	190,546	55,829	91,646	129,286	(3,328)	1,040,944
Additions	7,710	-	-	-	32,661	-	40,371
Transfers	8,263	5,174	1,200	1,608	(16,245)	-	-
Write-offs	(612)	-	-	(799)	(525)	-	(1,936)
Sale of stores (i)	(1,408)	(578)	(136)	(260)	-	-	(2,382)
Balance at 3/31/ 2018	590,918	195,142	56,893	92,195	145,177	(3,328)	1,076,997
Depreciation							
Balance at 12/31/2016	(156,173)	(48,312)	(18,337)	(35,999)	-	-	(258,821)
Additions	(61,673)	(18,539)	(5,144)	(16,877)	-	-	(102,233)
Write-offs	8,593	831	678	2,933	-	-	13,035
Sale of stores (i)	4,761	797	369	790	-	-	6,717
Balance at 12/31/2017	(204,492)	(65,223)	(22,434)	(49,153)	-	-	(341,302)
Additions	(15,502)	(4,760)	(1,328)	(3,989)	-	-	(25,579)
Write-offs	362	-	-	773	-	-	1,135
Sale of stores (i)	751	215	54	181	-	-	1,201
Balance at 03/31/2018	(218,881)	(69,768)	(23,708)	(52,188)	-	-	(364,545)
Total property and equipment at 12/31/2017	372,473	125,323	33,395	42,493	129,286	(3,328)	699,642
Total property and equipment at 03/31/2018	372,037	125,374	33,185	40,007	145,177	(3,328)	712,452

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

The other explanations of 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, 2017.

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Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

13. Intangible assets, net

	Annual average amortization rate	Parent company		Consolidated	
		03/31/2018	12/31/2017	03/31/2018	12/31/2017
Commercial rights	(*)	49,727	49,977	52,999	53,250
Franchise fee	5%	50,484	49,770	52,638	51,924
Software licenses	20%	8,887	8,859	8,887	8,857
Goodwill	(**)	184,917	184,917	202,083	202,083
Total intangible assets		294,015	293,523	316,607	316,114

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

(**) Annual analysis of impairment.

The movements in intangible assets in the period ended March 31, 2018 and year ended December 31, 2017 were as follows:

	Parent company				
	Commercial rights	Franchise fee (Note 21)	Software licenses	Goodwill	Total
Cost					
Balance at 12/ 31/2016	80,675	51,679	13,555	154,622	300,531
Additions	10,560	8,862	5,329	-	24,751
Mergers	6,200	979	-	30,295	37,474
Write-offs	-	-	(423)	-	(423)
Sale of stores (i)	(655)	(707)	(11)	-	(1,373)
Balance at 12/31/2017	96,780	60,812	18,450	184,917	360,959
Additions	2,534	1,696	766	-	4,996
Write-offs	(1,018)	-	(4)	-	(1,022)
Sale of stores (i)	(60)	(185)	(24)	-	(269)
Balance at 3/ 31/2018	98,236	62,323	19,188	184,917	364,664
Amortization					
Balance at 12/31/2016	(35,722)	(7,840)	(7,144)	-	(50,706)
Additions	(11,316)	(3,333)	(2,815)	-	(17,464)
Write-offs	-	-	360	-	360
Sale of stores (i)	235	131	8	-	374
Balance at 12/31/2017	(46,803)	(11,042)	(9,591)	-	(67,436)
Additions	(2,466)	(832)	(715)	-	(4,013)
Write-offs	733	-	1	-	734
Sale of stores (i)	27	35	4	-	66
Balance at 03/31/2018	(48,509)	(11,839)	(10,301)	-	(70,649)
Total intangible assets at 12/31/2017	49,977	49,770	8,859	184,917	293,523
Total intangible assets at 03/31/2018	49,727	50,484	8,887	184,917	294,015

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

13. Intangible assets, net--Continued

	Consolidated				Total
	Commercial rights	Franchise fee	Software licenses	Goodwill	
Cost					
Balance at 12/31/2016	91,159	54,859	13,728	202,083	361,829
Additions	11,443	8,862	5,329	-	25,634
Write-offs	-	-	(423)	-	(423)
Sale of stores (i)	(655)	(707)	(11)	-	(1,373)
Balance at 12/31/2017	101,947	63,014	18,623	202,083	385,667
Additions	2,533	1,696	768	-	4,997
Write-offs	(1,018)	-	(4)	-	(1,022)
Sale of stores (i)	(60)	(185)	(24)	-	(269)
Balance at 03/31/2018	103,402	64,525	19,363	202,083	389,373
Amortization					
Balance at 12/31/2016	(37,616)	(7,888)	(7,319)	-	(52,823)
Additions	(11,316)	(3,333)	(2,815)	-	(17,464)
Write-offs	-	-	360	-	360
Sale of stores (i)	235	131	8	-	374
Balance at 12/31/2017	(48,697)	(11,090)	(9,766)	-	(69,553)
Additions	(2,466)	(832)	(715)	-	(4,013)
Write-offs	733	-	1	-	734
Sale of stores (i)	27	35	4	-	66
Balance at 03/31/2018	(50,403)	(11,887)	(10,476)	-	(72,766)
Total intangible assets at 12/31/2017	53,250	51,924	8,857	202,083	316,114
Total intangible assets at 03/31/2018	52,999	52,638	8,887	202,083	316,607

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

The other explanations of 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, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

14. Loans and financing

	Parent company and Consolidated	
	03/31/2018	12/31/2017
Loans and financing (Note 14.1)	10,475	10,599
Debentures and CRA (Agribusiness Receivables Certificate) (Note 14.2)	447,825	475,108
Total loans and financing	458,300	485,707
Current	303,634	209,987
Non-current	154,666	275,720

14.1. Loans and financing

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			03/31/2018	12/31/2017
Investments	0.89%	January 2026	10,457	10,577
Other	0.86% to 100% of CDI + 0.80%	September 2018	18	22
Total loans and financing (Note 14)			10,475	10,599
Current			704	829
Non-current			9,771	9,770

Foreign currency

At March 31, 2018 and December 31, 2017, the Company had no loans in foreign currency.

14.2. Debentures and Agribusiness Receivables Certificate (CRA)

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			03/31/2018	12/31/2017
Debentures 1st issue	100% of CDI + 0.15%	April 2018	10,149	20,325
Debentures 2nd issue	100% of CDI + 0.20%	March 2019	26,778	33,466
Debentures 3rd issue	100% of CDI + 0.20%	December 2019	54,499	61,414
Debentures (CRA) - 4th and 5th issue	100% of CDI + 0.09%	February 2019	103,379	105,592
Debentures 6th issue	100% of CDI + 0.24%	May 2020	55,912	62,127
Debentures 7th issue (CRA)	100% of CDI + 0.07%	October 2020	209,353	205,683
Financial charges to be incurred (*)			(12,245)	(13,499)
Total debentures (Note 14)			447,825	475,108
Current			302,930	209,158
Non-current			144,895	265,950

(*) Costs of issue of debentures and CRA.

The amounts of non-current debentures and CRAs, not deducting financial charges to be incurred, have the following original maturities as of March 31, 2018 and December 31, 2017:

Year	Parent company and Consolidated	
	03/31/2018	12/31/2017
2019	38,537	178,875
2020	113,597	95,423
	152,134	274,298

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

14. Loans and financing--Continued

14.2. Debentures and Agribusines Receivables Certificate (CRA)--Continued

Covenants

The Company has covenants in loans, financing 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, however the Company monitors them on a monthly basis. There are no uncertainties about annual compliance therewith.

Collaterals

In the period ended March 31, 2018 and as of December 31, 2017, the Company has a letter of guarantee with banks amounting to R\$6,593 as collateral for the rental of stores.

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

The other explanations related to this note were not materially changed in relation to the disclosures in Note 14 to the individual and consolidated financial statements as of December 31, 2017.

15. Trade and rental payables

	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Suppliers of materials and services	96,879	132,867	96,923	132,911
Rentals and commercial rights	6,377	6,086	6,377	6,086
Total trade and rental payables	103,256	138,953	103,300	138,997

16. Corporate payables

	Parent company and Consolidated	
	03/31/2018	12/31/2017
Royalties/Franchise Fee (Note 20.1)	9,412	13,966
Total corporate payables	9,412	13,966

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Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

17. Taxes payable

	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	1,225	2,424	3,179	4,378
Corporate Income Tax (IRPJ)	71	71	74	74
Social Contribution on Profit (CSLL)	18	18	71	71
Social Integration Program (PIS)	283	889	541	1,147
Withholding Income Tax (IRRF)	257	331	813	887
State VAT (ICMS)	4,150	5,958	4,254	6,062
Contribution For Intervention in the Economic Domain (CIDE)	1,046	1,401	1,247	1,602
Taxes in installments (*)	-	94	4,513	5,563
ISS (Service Tax) withheld	3,619	3,583	3,620	3,584
INSS (Social Security Contribution) withheld	-	-	201	201
Other taxes payable	1,014	1,282	1,548	1,816
Total taxes payable	11,683	16,051	20,061	25,385
Current	11,683	16,023	15,947	20,272
Non-current	-	28	4,114	5,113

(*) These refer to the installment payment of taxes joined by BGMXX BA and BGMXX AL.

18. Other payables

	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Provision for sundry expenses	15,963	15,442	15,963	15,442
Investments payable - BGMXX	500	500	500	500
Advances from customers	2,323	3,771	2,323	3,771
Others	900	224	1,439	233
Total other payables	19,686	19,937	20,225	19,946
Current	19,415	19,937	19,954	19,946
Non-current	271	-	271	-

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

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 of March 31, 2018, 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\$26,463 (R\$28,606 as of December 31, 2017), as follows:

	Parent company and Consolidated			
	03/31/2018		12/31/2017	
	Probable	Possible (*)	Probable	Possible (*)
Labor lawsuits	6,679	17,225	5,706	19,641
Civil lawsuits	386	5,245	500	6,066
Tax lawsuits	15	3,993	15	2,899
Total provision for legal claims	7,080	26,463	6,221	28,606

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

Probable labor claims

The Company is a party to labor lawsuits, mainly regarding employee terminations in the normal course of business. As of March 31, 2018, the Company had a provision of R\$6,679 (R\$5,706 as of December 31, 2017) for the contingencies related to lawsuits.

Management, supported by its legal counsel, assesses these contingencies and recognizes provisions for probable losses based on the average historical loss of the last eighteen months compared with the total lawsuits outstanding at the end of the year, excluding lawsuits considered as specific and non-routine, for which specific provisions are set up adopting criteria similar to those applied for tax and civil assessments.

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Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

19. Provision for legal claims --Continued

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

	Parent company and Consolidated			
	12/31/2017	Additions	Payments	03/31/2018
Labor lawsuits	5,706	1,286	(313)	6,679
Civil lawsuits	500	-	(114)	386
Tax lawsuits	15	-	-	15
Total	6,221	1,286	(427)	7,080

Judicial deposits

	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Labor lawsuits	24,303	20,787	24,332	20,816
Civil lawsuits	1,463	1,117	1,463	1,117
Tax lawsuits	5,104	4,633	5,104	4,633
Total judicial deposits	30,870	26,537	30,899	26,566

The increase in the volume of judicial deposits is related to the increase in the number of labor lawsuits.

The other explanations 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, 2017.

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Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

20. Related parties

20.1 Franchise Fees e Royalties

The Company has recorded in its payables and receivables, as of March 31, 2018 and December 31, 2017, the following amounts:

	<u>Burger King Corporation (BKC)</u>		<u>BG MAXX BA</u>	
	<u>03/31/2018</u>	<u>12/31/2017</u>	<u>03/31/2018</u>	<u>12/31/2017</u>
<u>Assets</u>				
Trade receivables (Note 7)	662	639	-	-
Additions to Franchise Fee (Note 13)	1,696	8,862	-	-
Other receivables	-	-	2,162	2,162
<u>Liabilities</u>				
Corporate payables (Note 16)	(9,412)	(13,966)	-	-
Other payables	-	-	(74)	(74)
	<u>03/31/2018</u>	<u>3/31/2017</u>	<u>03/31/2018</u>	<u>3/31/2017</u>
<u>Profit or loss</u>				
Royalties expenses	<u>(23,638)</u>	<u>(19,137)</u>	-	-

20.2 Management compensation

	<u>03/31/2018</u>	<u>3/31/2017</u>
Management fees	1,072	1,079
Direct and indirect benefits	240	29
Variable compensation	9,246	6,727
	<u>10,558</u>	<u>7,835</u>

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

Other explanations 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, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

21. Equity

Capital

On December 18, 2017, the Company conducted its initial public offering of shares (IPO) with the issue of 49,230,769 common shares. The initial price of the offer was R\$18.00 per common share. The Company's shares are listed in the Novo Mercado segment of the São Paulo Stock Exchange - B3 S.A., under the ticker BKBR3.

As of March 31, 2018 and December 31, 2017, the Company's capital was R\$895,836 and is represented by 222,278,169 registered common shares, book-entry and without par value, held as follows:

Shareholders	Shareholding Structure BK Brasil – 03/31/2018		
	Total Shares		Interest %
	Subscribed	Paid up	
Vinci Capital Partners II B Fundo de Investimento em Participações	29,535,393	29,535,393	13.3%
Burger King do Brasil Assessoria a Restaurantes Ltda.	22,442,100	22,442,100	10.1%
Sommerville Investments B.V. (Temasek)	18,523,620	18,523,620	8.3%
Montjuic Fundo de Investimento em Participações	28,380,817	28,380,817	12.8%
Others	123,396,239	123,396,239	55.5%
	222,278,169	222,278,169	100.0%

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.

The other explanations 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, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

22. Earnings (loss) per share

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

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

The following table presents the calculation of the basic and diluted earnings (loss) per share. Due to the loss for the period ended March 31, 2017, the shares with potential dilutive effect are not considered, since the impact would be the anti-dilution.

	Parent company and consolidated	
	03/31/2018	3/31/2017
<u>Basic numerator</u>		
Profit (loss) for the period	8,810	(19,996)
<u>Basic denominator</u>		
Basic weighted average number of shares – in units	222,278,169	150,886,200
<u>Basic earnings (loss) per share</u>	0.00004	(0.00013)
<u>Diluted numerator</u>		
Profit (loss) for the period	8,810	(19,996)
<u>Diluted denominator</u>		
Weighted average number of shares – in units	222,278,169	150,886,200
Stock options (Note 33) – in units	2,830,900	4,297,900
Anti-dilutive effect – in units	-	(4,297,900)
<u>Diluted weighted average number of shares</u>	225,109,069	150,886,200
<u>Diluted earnings (loss) per share</u>	0.00004	(0.00013)

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

23. Net operating revenue

	Parent company and Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Gross sales revenue	523,318	421,813
Sales revenue deductions	(43,714)	(34,413)
Net sales revenue	479,604	387,400
Gross revenue from services rendered	3,304	2,626
Service revenue deductions	(379)	(99)
Net service revenue	2,925	2,527
Total net operating revenue	482,529	389,927

24. Cost of goods and products sold

	Parent company and Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Costs of food, beverages and packaging	(162,006)	(141,834)
Other costs (i)	(23,229)	(8,295)
Cost of sales and services	(185,235)	(150,129)

- (i) The increase is mainly due to the cost of logistics in view of the migration of stores to a purchase model through the Company-owned distribution center.

25. Expenses with stores

	Parent company		Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Administrative personnel expenses	(89,699)	(76,032)	(89,699)	(76,032)
Royalties and marketing fund	(45,275)	(37,735)	(45,275)	(37,735)
Occupancy and utilities expenses	(64,019)	(52,960)	(64,019)	(52,960)
Depreciation and amortization (Notes 12 and 13)	(27,494)	(24,090)	(27,732)	(23,636)
Preoperating expenses (*)	(900)	(545)	(900)	(545)
Sundry services	(11,422)	(9,145)	(11,422)	(9,145)
Repairs and maintenances	(9,170)	(6,474)	(9,170)	(6,474)
Others	(17,610)	(15,515)	(17,610)	(16,282)
Total expenses on stores	(265,589)	(222,496)	(265,827)	(222,809)

- (*) 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.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

26. General and administrative expenses

	Parent company		Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Administrative personnel expenses	(23,717)	(19,534)	(23,717)	(19,534)
Occupancy and utilities expenses	(441)	(52)	(441)	(52)
Depreciation and amortization (Notes 12 and 13)	(1,861)	(1,788)	(1,861)	(1,788)
Expenses on acquisitions and mergers (i)	(855)	(393)	(855)	(393)
Disposal of property and equipment and intangible assets (Notes 12 and 13)	(1,089)	(776)	(1,089)	(776)
Income from stores sold	1,419	-	1,419	-
Write-off of assets of stores sold	(1,384)	-	(1,384)	-
Gain (loss) on claims	-	196	-	196
Stock options cost (Note 33)	(1,122)	-	(1,122)	-
Other operating income (expenses), net (ii)	662	3,182	451	3,146
Total general and administrative expenses	(28,388)	(19,165)	(28,599)	(19,201)

- (i) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the year.
(ii) This refers to the income from the premium on the initial supply agreement and reversal of costs on the construction of stores, expenses with provision for legal claims, services taken and travel expenses.

27. Financial expenses

	Parent company		Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Interest on loans and financing	(9,261)	(20,609)	(9,261)	(20,682)
Banking expenses and sundry interest	(1,244)	(1,974)	(1,251)	(2,001)
Foreign exchange losses	(169)	(100)	(169)	(100)
Other financial expenses	(894)	(1,128)	(902)	(1,219)
Financial expenses	(11,568)	(23,811)	(11,583)	(24,002)

28. Financial income

	Parent company		Consolidated	
	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017	01/01/2018 to 03/31/2018	01/01/2017 to 03/31/2017
Short-term investments interest and yield	19,010	6,942	19,218	6,980
Foreign exchange gains	461	1,332	461	1,332
Taxes on financial income	(924)	(331)	(924)	(331)
Other financial income	820	176	820	174
Financial income	19,367	8,119	19,575	8,155

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

29. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended March 31, 2018 and 2017 is as follows:

	<u>Parent company and Consolidated</u>	
	<u>01/01/2018 to 03/31/2018</u>	<u>01/01/2017 to 03/31/2017</u>
Current	(1,411)	-
Deferred	(639)	(1,937)
	<u>(2,050)</u>	<u>(1,937)</u>

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates with amounts recorded in the statement of operations for the periods ended March 31, 2018 and 2017 is shown below:

	<u>Parent company</u>		<u>Consolidated</u>	
	<u>01/01/2018 to 03/31/2018</u>	<u>01/01/2017 to 03/31/2017</u>	<u>01/01/2018 to 03/31/2018</u>	<u>01/01/2017 to 03/31/2017</u>
Profit (loss) before income tax and social contribution	10,860	(18,059)	10,860	(18,059)
Income tax and social contribution expense at the combined statutory rate of 34%	(3,692)	6,140	(3,692)	6,140
Adjustments to reconcile the effective rate:				
Equity pickup	(87)	(171)	-	-
Deferred taxes not recognized	5,163	(5,041)	5,163	(5,041)
Payment of non-deductible bonus	(3,577)	(2,287)	(3,577)	(2,287)
Cash shortage	(79)	(175)	(79)	(175)
Tax and labor fines and infractions	(31)	(42)	(31)	(42)
Stock options costs	(381)	-	(381)	-
Share issue costs	665	-	665	-
Other permanent differences	(31)	(361)	(117)	(532)
Income tax and social contribution	<u>(2,050)</u>	<u>(1,937)</u>	<u>(2,050)</u>	<u>(1,937)</u>

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

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	
	03/31/2018	12/31/2017
Deferred income tax and social contribution - liabilities	(38,948)	(38,309)
	(38,948)	(38,309)

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

	Parent company and Consolidated	
	03/31/2018	12/31/2017
Tax loss carryforwards	189,580	190,859
<u>Temporary differences</u>		
Provision for legal claims (Note 19)	6,646	6,221
Provision for bonuses	9,506	24,891
Provision for purchases	241	1,426
Provision for impairment (Note 12)	3,328	3,328
Preoperating	15,531	15,749
Accrued expenses	17,584	15,791
Other	710	47
Tax base	243,126	258,312
Statutory rate	34%	34%
	82,663	87,826
(-) Unrecognized deferred taxes	(82,663)	(87,826)
Deferred income tax and social contribution – assets		
Transitional Tax System (RTT)	(1,691)	(1,743)
Financial charges to be incurred	(12,244)	(13,499)
Tax amortization of goodwill	(100,618)	(97,304)
Gain (loss) on derivative transactions	-	(127)
Tax base	(114,553)	(112,673)
Combined rate	34%	34%
Deferred income tax and social contribution - liabilities	(38,948)	(38,309)
Deferred income tax and social contribution, net	(38,948)	(38,309)

The other explanations 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, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

30. Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and financing, debentures, trade payables and other payables. The main purpose of these financial liabilities is to raise finance for the Company's operations.

Market risk

The sensitivity analyses in the following sections relate to the position as of March 31, 2018.

Interest rate risk

Interest rate sensitivity

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

Variable rate instrument	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Financial assets				
Short-term investments (Note 5)	109,223	82,231	109,327	82,341
Marketable securities (Note 6)	966,652	1,089,669	967,180	1,089,669
Financial liabilities				
Loans and financing (Note 14)	(458,300)	(485,707)	(458,300)	(485,707)

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 6.39%.

Asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	(25%)	(50%)
Short-term investments (Notes 5 and 6)	1,076,507	DI variation	19,218	9,609	4,805	(4,805)	(9,609)
Loans and financing (Note 14) (a)	(447,843)	DI variation	(9,261)	(4,631)	(2,315)	2,315	4,631

(a) Comprise only the loans and financing subject to variable rates

Foreign currency risk

Foreign currency sensitivity

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

Asset exposure	Exposure	Risk	Exchange rate as of 03/31/2018	Parent company and Consolidated				
				I	II	III	IV	V
				Increase		Decrease		
				Probable scenario	50%	25%	(25%)	(50%)
Royalties/Franchise Fee (Note 16)	9,412	US dollar variation	3.2994	(9,412)	(4,706)	(2,353)	2,353	4,706

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

30. Financial risk management objectives and policies--Continued

Credit risk

The following table demonstrates the rating of the amounts invested (Notes 5 and 6) according to the rating agency Fitch.

Rating	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
AAA	727,726	543,601	520,861	543,711
AA+	16,092	66,947	93,998	66,947
AA-	332,057	557,921	396,416	557,921
BBB+	-	3,431	-	3,431
Others	-	-	65,232	-
	1,075,875	1,171,900	1,076,507	1,172,010

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of March 31, 2018:

Liabilities	Parent company					Total
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	from 1 to 5 years	
Loans and financing (Note 14)	458,300	492,550	32,385	290,931	169,234	492,550
Trade and rental payables (Note 15)	103,256	103,256	103,256	-	-	103,256
Corporate payables (Note 16)	9,412	9,412	9,412	-	-	9,412
Liabilities	Consolidated					Total
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	from 1 to 5 years	
Loans and financing (Note 14)	458,300	492,550	32,385	290,931	169,234	492,550
Trade and rental payables (Note 15)	103,300	103,300	103,300	-	-	103,300
Corporate payables (Note 16)	9,412	9,412	9,412	-	-	9,412

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

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	
	03/31/2018	12/31/2017
Equity	1,625,170	1,617,194
Cash and cash equivalents (Note 5)	(127,062)	(102,345)
Marketable securities (Note 6)	(967,180)	(1,089,669)
Derivative financial instruments (Note 31)	-	(127)
Loans and financing (Note 14) (*)	458,300	485,707
Net debt	(635,942)	(706,434)
Total capital	989,228	910,760

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

Other explanations 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, 2017.

31. Derivative financial instruments

	Parent company and Consolidated	
	03/31/2018	12/31/2017
NDF - Non deliverable Forward	-	127
Total NDF	-	127

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

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			03/31/2018		12/31/2017	
			Notional	Fair value	Notional	Fair value
(Not designated as cash flow hedge)						
NDF	01/15/2018	USD + Fixed rate of 4.2209%	-	-	2,932	127
			-	-	2,932	127

Gains and losses on derivative transactions are recognized monthly in the statement of operations, considering the fair value of these instruments.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

32. Fair value

Methodology for calculation of fair value of financial instruments

Fair value is defined as the amount by which an asset could be exchanged or a liability settled between knowledgeable, willing parties, in an arm's length transaction. The amount of the main financial assets and financial liabilities at fair value approximates the carrying amount, as shown below:

	Consolidated		Fair value hierarchy level
	Carrying amount	Fair value	
Assets			
Cash and cash equivalents (Note 5)	127,062	127,062	2
Marketable securities (Note 6)	967,180	967,180	2
Trade receivables, net (Note 7)	58,942	58,942	2
Liabilities			
Loans and financing (Note 14)	458,300	462,816	2
Trade and rental payables (Note 15)	103,300	103,300	2
Corporate payables (Note 16)	9,412	9,412	2

The other explanations 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, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

33. Share-based compensation plan

First Plan

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

	First Plan			Total
	First tranche	Second tranche	Third tranche	
Grant date	07/07/2014	07/07/2014	07/07/2014	N/A
Plan amendment date	06/22/2017	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2018	07/14/2019	07/14/2020	N/A
Exercise price	17.5000	17.5000	17.5000	17.5000
Strike price (estimated) at the end of the reporting period	9.0473	9.0473	9.0473	9.0473
Risk-free interest rate%	8.69%	9.20%	9.87%	N/A
Contractual period by tranche	1 year	2 years	3 years	N/A
Expected return of dividend	0%	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	14.91%	N/A
Total number of options outstanding	236,400	44,600	44,800	325,800
Number of options vested	6,431,000	-	-	6,431,000
Number of options exercised	4,094,800	-	-	4,094,800
Number of options to be exercised	2,572,600	44,600	44,800	2,662,000
Estimated fair value (R\$/share)	1.0944	1.2912	1.4832	N/A

Second Plan

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

	Second Plan		Total
	First tranche	Second tranche	
Grant date	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2018	07/14/2019	N/A
Exercise price	17.5000	17.5000	17.5000
Strike price (estimated) at the end of the reporting period	6.8064	6.8064	6.8064
Risk-free interest rate%	8.69%	9.20%	N/A
Contractual period by tranche	1 year	2 years	N/A
Expected return of dividend	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	N/A
Total number of options outstanding	434,500	827,600	1,262,100
Number of options vested	1,262,300	-	1,262,300
Number of options exercised	1,262,300	-	1,262,300
Number of options to be exercised	434,500	827,600	1,262,100
Estimated fair value (R\$/share)	3.2323	3.5470	N/A

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

33. Share-based compensation plan--Continued

Third Plan

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

	Third Plan				Total
	First tranche	Second tranche	Third tranche	Fourth tranche	
Grant date	06/22/2017	06/22/2017	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2018	07/14/2019	07/14/2020	07/14/2021	N/A
Exercise price	17.50	17.50	17.50	17.50	17.50
Strike price (estimated) at the end of the reporting period	10.1618	10.1618	10.1618	10.1618	10.1618
Risk-free interest rate%	8.69%	9.20%	9.87%	10.24%	N/A
Contractual period by tranche	1 year	2 years	3 years	4 years	N/A
Expected return of dividend	0%	0%	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	14.91%	14.91%	N/A
Total number of options outstanding	494,700	988,600	1,482,700	1,482,700	4,448,700
Number of options vested	494,700	-	-	-	494,700
Number of options exercised	-	-	-	-	-
Number of options to be exercised	4,004,800	3,954,000	2,965,400	1,482,700	4,943,400
Estimated fair value (R\$/share)	0.609	1.0764	1.5304	1.929	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 of December 31, 2017	2,662,000	1,262,100	4,943,400	8,867,500
Outstanding as of March 31, 2018	2,662,000	1,262,100	4,943,400	8,867,500
Exercisable (vested) as of March 31, 2018 (Note 22)	2,336,200	-	494,700	2,830,900

In the period ended March 31, 2018, the Company recognized the amount of R\$ 1,122 of expenses arising from the stock options plans, recorded in line item Stock options cost plan (Note 26).

The other explanations related to this note were not materially change in relation to the disclosures in Note 34 to the individual and consolidated financial statements as of December 31, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

34. Insurance

As of March 31, 2018, 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	32,000
Property (RO) – Average	9,400
Professional Civil Liability (E&O)	15,000
Public Offering Insurance (POSI)	70,000

35. Commitments - operating leases

As of March 31, 2018, the Company has 555 stores under operating leases. These leases usually have an initial lease period of ten years on average, with lease renewal option after this period. Lease payments are adjusted annually, in accordance with market rents. Some leases provide additional rental payments, which are based on changes in local price index.

During the period from January 1 to March 31, 2018, a consolidated amount of R\$27,753 (R\$24,313 from January 1 to March 31, 2017) was recognized as expense in the statement of operations related to operating leases.

Future minimum lease payments under non-cancelable operating leases considering the stores in operation as of March 31, 2018 are as follows:

	<u>03/31/2018</u>
Within one year	<u>107,515</u>
Over one year and less than five years	<u>425,265</u>
Over five years	<u>114,956</u>
	<u><u>647,736</u></u>

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

36. Subsequent events

36.1. Purchase and Sale Agreement for Business Acquisition

On April 2, 2018, the Company announced the completion of the acquisition of all the shares issued by franchisees King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A., which have a total of 51 restaurants and 20 kiosks of the BURGER KING® system.

The acquisition price was approximately R\$393.1 million, subject to adjustments depending on the confirmation of the net debt, working capital and EBITDA of the franchisees, which will occur by June 1, 2018.

36.2. General Ordinary and Extraordinary Meeting

On April 27, 2018, the Ordinary and Extraordinary General Meeting was held, approving the following: (i) the allocation of profit for the year ended December 31, 2017, in the amount of R\$3,819 to reduce accumulated losses and; (ii) the absorption of all accumulated losses, after item (i), in the total amount of R\$ 194,364 by the line item capital reserve, which had a balance of R\$915,722 in the year ended December 31, 2017.



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

Review report on Interim Financial Information

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

Introduction

We have reviewed the individual and consolidated interim financial information of BK Brasil Operação e Assessoria a Restaurantes S.A. ("Company"), included in the Quarterly Information Form – ITR for the quarter ended March 31, 2018, which comprises the balance sheet as of March 31, 2018 and the respective statements of operations, of comprehensive income (loss), of changes in equity and of cash flows for the three-month period then ended, including explanatory notes.

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

Scope of the review

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

March 31, 2018

Conclusion on the individual and the consolidated interim financial information

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

Other matters

Statement of value added

The interim financial information aforementioned include the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2018, prepared under the responsibility of the Company's management and presented as supplementary information for IAS 34 purposes. These statements were submitted to the review procedures performed in conjunction with the quarterly review, with the purpose to conclude if they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth in this Technical Pronouncement and are consistent with the overall individual and consolidated interim financial information, taken as a whole.

São Paulo, May 10, 2018.

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



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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

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 Rio Negro, 161, 12o andar, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's financial statements for quarter ended March 31, 2018.

Barueri, May 10, 2018.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

March 31, 2018

(Amounts in thousands of reais)

Officers' Statement on the Independent Auditor's Report

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the city of Alphaville – Barueri, State of São Paulo, at Alameda Rio Negro, 161, 12o andar, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company"), that, in compliance with the provisions of item V, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the opinion in the independent auditor's report of Ernst & Young Auditores Independentes S.A., related to the Company's Financial Statements for quarter ended March 31, 2018.

Barueri, May 10, 2018.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Office