

A free translation from Portuguese into English of Interim Financial Information prepared in Brazilian currency

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Company data/ Capital composition

| Number of Shares (Units) | Current Quarter 3/31/2019 |
|-----------------------------|---------------------------|
| Common - Paid-up Capital | 227,074,970 |
| Preferred - Paid-up Capital | - |
| Total - Paid-up Capital | 227,074,970 |
| 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 3/31/2019 | Prior Year 12/31/2018 |
|---------------|---------------------------------------|------------------------------|--------------------------|
| 1 | Total Assets | 3,020,822 | 2,500,794 |
| 1.01 | Current Assets | 559,914 | 796,658 |
| 1.01.01 | Cash and Cash Equivalents | 85,721 | 166,962 |
| 1.01.02 | Short-Term Investments | 223,050 | 402,276 |
| 1.01.02.01 | Short-Term Investments at Fair Value | 223,050 | 402,276 |
| 1.01.02.01.03 | Marketable Securities | 220,568 | 399,790 |
| 1.01.02.01.04 | Restricted Marketable Securities | 2,482 | 2,486 |
| 1.01.03 | Accounts Receivable | 77,447 | 59,528 |
| 1.01.04 | Inventories | 72,227 | 81,276 |
| 1.01.06 | Taxes Recoverable | 30,075 | 35,546 |
| 1.01.08 | Other Current Assets | 71,394 | 51,070 |
| 1.01.08.03 | Others | 71,394 | 51,070 |
| 1.01.08.03.01 | Derivative Financial Instruments | - | 90 |
| 1.01.08.03.02 | Advances Paid | 51,919 | 26,618 |
| 1.01.08.03.03 | Related Parties | 4,521 | 3,753 |
| 1.01.08.03.04 | Other Receivables | 14,954 | 20,609 |
| 1.02 | Non-Current Assets | 2,460,908 | 1,704,136 |
| 1.02.01 | Long-Term Receivables | 70,300 | 62,855 |
| 1.02.01.01 | Non-Current Investments at Fair Value | 11,555 | 12,361 |
| 1.02.01.01.01 | Restricted Marketable Securities | 11,555 | 12,361 |
| 1.02.01.10 | Other Non-Current Assets | 58,745 | 50,494 |
| 1.02.01.10.03 | Judicial Deposits | 31,058 | 30,382 |
| 1.02.01.10.04 | Other Receivables | 5,042 | 4,561 |
| 1.02.01.10.05 | Taxes Recoverable | 22,645 | 15,551 |
| 1.02.02 | Investments | 456,421 | 462,653 |
| 1.02.03 | Property and Equipment | 917,848 | 884,836 |
| 1.02.04 | Intangible Assets | 1,016,339 | 293,792 |

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

| Account Code | Account Description | Current Quarter 3/31/2019 | Prior Year 12/31/2018 |
|---------------------|---|--------------------------------------|----------------------------------|
| 2 | Total Liabilities | 3,020,822 | 2,500,794 |
| 2.01 | Current Liabilities | 462,764 | 598,474 |
| 2.01.01 | Social and Labor Liabilities | 87,728 | 94,620 |
| 2.01.02 | Trade Payables | 164,719 | 239,470 |
| 2.01.03 | Taxes Payable | 12,057 | 30,327 |
| 2.01.04 | Loans and Financing | 52,286 | 161,581 |
| 2.01.05 | Other Current Liabilities | 145,974 | 72,476 |
| 2.01.05.01 | Payables to Related Parties | 5,667 | 5,664 |
| 2.01.05.02 | Others | 140,307 | 66,812 |
| 2.01.05.02.01 | Dividends and interest on capital payables | 3,573 | 26,726 |
| 2.01.05.02.04 | Other Payables | 17,719 | 13,045 |
| 2.01.05.02.05 | Deferred revenue, net | 9,102 | 9,091 |
| 2.01.05.02.07 | Corporate Payables | 8,766 | 17,950 |
| 2.01.05.02.08 | Lease liabilities | 101,147 | - |
| 2.02 | Non-Current Liabilities | 795,150 | 185,360 |
| 2.02.01 | Loans and Financing | 112,005 | 117,532 |
| 2.02.02 | Other Payables | 665,300 | 40,576 |
| 2.02.02.02 | Others | 665,300 | 40,576 |
| 2.02.02.02.05 | Other Payables | 12,594 | 14,180 |
| 2.02.02.02.06 | Deferred revenue, net | 24,338 | 26,396 |
| 2.02.02.02.07 | Lease liabilities | 628,368 | - |
| 2.02.03 | Deferred Taxes | 6,864 | 17,713 |
| 2.02.03.01 | Deferred income tax and social contribution | 6,864 | 17,713 |
| 2.02.04 | Provisions | 10,981 | 9,539 |
| 2.02.04.01 | Provisions for tax, social security, labor and civil claims | 10,981 | 9,539 |
| 2.03 | Equity | 1,762,908 | 1,716,960 |
| 2.03.01 | Capital | 940,297 | 898,233 |
| 2.03.02 | Capital reserves | 721,763 | 721,102 |
| 2.03.04 | Profit reserves | 97,627 | 97,627 |
| 2.03.04.01 | Legal reserve | 6,401 | 6,401 |
| 2.03.04.02 | Profit retention reserve | 91,226 | 91,226 |
| 2.03.05 | Retained earnings | 3,051 | - |
| 2.03.08 | Other comprehensive income | 170 | (2) |

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

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|---------------------|---|---|---|
| 3.01 | Revenue from Sale of Goods and/or Services | 665,325 | 482,529 |
| 3.02 | Cost of Sales and/or Services | (253,837) | (185,235) |
| 3.03 | Gross Profit | 411,488 | 297,294 |
| 3.04 | Operating Expenses/Income | (406,705) | (294,233) |
| 3.04.01 | Selling Expenses | (366,616) | (265,589) |
| 3.04.02 | General and Administrative Expenses | (36,561) | (28,388) |
| 3.04.06 | Equity Pickup | (3,528) | (256) |
| 3.05 | Profit Before Financial Income (Expenses) and Taxes | 4,783 | 3,061 |
| 3.06 | Financial Income (Expenses), Net | (12,582) | 7,799 |
| 3.06.01 | Financial Income | 6,425 | 19,367 |
| 3.06.02 | Financial Expenses | (19,007) | (11,568) |
| 3.07 | Profit (Loss) Before Income Tax and Social Contribution | (7,799) | 10,860 |
| 3.08 | Income Tax and Social Contribution | 10,850 | (2,050) |
| 3.08.01 | Current | - | (1,411) |
| 3.08.02 | Deferred | 10,850 | (639) |
| 3.09 | Profit from Continuing Operations | 3,051 | 8,810 |
| 3.11 | Profit for the Period | 3,051 | 8,810 |
| 3.99 | Earnings per Share - (Reais /Share) | | |
| 3.99.01 | Basic Earnings per Share | | |
| 3.99.01.01 | Registered Common (ON) | 0.01358 | 0.03964 |
| 3.99.02 | Diluted Earnings per Share | | |
| 3.99.02.01 | Registered Common (ON) | 0.01350 | 0.03914 |

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

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|---------------------|---|---|---|
| 4.01 | Profit for the Period | 3,051 | 8,810 |
| 4.02 | Other comprehensive income | 172 | - |
| 4.03 | Total Comprehensive Income for the Period | 3,223 | 8,810 |

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

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|--------------|---|--|--|
| 6.01 | Net Cash from Operating Activities | (51,070) | (33,967) |
| 6.01.01 | Cash Provided from Operating Activities | 91,457 | 51,677 |
| 6.01.01.01 | Loss (Profit) Before Income Tax and Social Contribution | (7,799) | 10,860 |
| 6.01.01.02 | Depreciation and Amortization of Property and Equipment and Intangible Assets | 43,386 | 29,355 |
| 6.01.01.03 | Provision for Bonuses | 5,167 | 9,506 |
| 6.01.01.04 | Equity Pickup | 3,528 | 256 |
| 6.01.01.05 | Interest on Financing | 11,406 | (3,181) |
| 6.01.01.07 | Provision for Legal Claims | 2,721 | 1,286 |
| 6.01.01.09 | Disposal of Property and Equipment and Intangible Assets | 1,413 | 2,473 |
| 6.01.01.10 | Stock Options Cost | 661 | 1,122 |
| 6.01.01.11 | Reversal (Provision) for Impairment | (117) | - |
| 6.01.01.12 | Amortization of lease | 31,091 | - |
| 6.01.02 | Changes in Assets and Liabilities | (142,527) | (85,644) |
| 6.01.02.01 | Trade Receivables, Net | (17,919) | 2,016 |
| 6.01.02.02 | Inventories | 9,049 | (10,164) |
| 6.01.02.03 | Taxes Recoverable | (1,623) | (2,912) |
| 6.01.02.04 | Advances Paid | (25,301) | 893 |
| 6.01.02.06 | Receivables from Related Parties | 1,368 | - |
| 6.01.02.07 | Other Receivables | 4,498 | (8,655) |
| 6.01.02.08 | Trade and Rental Payables | (74,751) | (35,698) |
| 6.01.02.09 | Payroll and Social Charges | (12,059) | (12,047) |
| 6.01.02.10 | Corporate Payables | (9,184) | (4,554) |
| 6.01.02.11 | Taxes Payable | (18,270) | (4,368) |
| 6.01.02.13 | Deferred Revenue, Net | (2,047) | - |
| 6.01.02.14 | Payables to Related Parties | 3 | - |
| 6.01.02.15 | Derivative Financial Instruments | 262 | 127 |
| 6.01.02.16 | Other Payables | 5,831 | (249) |
| 6.01.02.17 | Interest Expense on Loans and Financing | (1,105) | (8,195) |
| 6.01.02.18 | Income Tax and Social Contribution Paid | - | (1,411) |
| 6.01.02.19 | Legal Claims | (1,279) | (427) |
| 6.02 | Net Cash from Investing Activities | 104,723 | 90,374 |
| 6.02.02 | Advance for Future Capital Increase in Subsidiary | (38) | (972) |
| 6.02.03 | Purchases of Property and Equipment | (69,579) | (40,371) |
| 6.02.04 | Purchases of Intangible Assets | (8,787) | (4,996) |
| 6.02.06 | Investment in Marketable Securities | (147,746) | (141,683) |
| 6.02.07 | Redemption of Marketable Securities | 333,009 | 278,396 |
| 6.02.08 | Reimbursable expenses with stock offer | (2,136) | - |
| 6.03 | Net Cash from Financing Activities | (134,894) | (31,685) |
| 6.03.01 | Investments Payable | 42,064 | - |
| 6.03.02 | Share issue costs | - | (1,956) |
| 6.03.06 | Payment of Loans and Financing (Principal) | (119,520) | (29,729) |
| 6.03.07 | Interest on capital paid | (23,153) | - |
| 6.03.09 | Payments of lease liabilities | (34,285) | - |
| 6.05 | Increase (Decrease) in Cash and Cash Equivalents | (81,241) | 24,722 |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period | 166,962 | 102,235 |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period | 85,721 | 126,957 |

Individual financial statements – Statement of changes in Equity 1/1/2019 to 3/31/2019
(In thousands of reais)

| Account Code | Account Description | Paid-up Capital | Capital Reserves, Options Granted and Treasury Shares | Profit reserves | Retained earnings/accumulated losses | Other comprehensive income | Equity |
|--------------|--|--------------------|--|--------------------|--|----------------------------------|-----------|
| 5.01 | Opening balances | 898,233 | 721,102 | 97,627 | - | (2) | 1,716,960 |
| 5.03 | Adjusted Opening Balances | 898,233 | 721,102 | 97,627 | - | (2) | 1,716,960 |
| 5.04 | Capital Transactions with Shareholders | 42,064 | 661 | - | - | - | 42,725 |
| 5.04.01 | Capital increases | 42,064 | - | - | - | - | 42,064 |
| 5.04.03 | Options Granted Recognized | - | 661 | - | - | - | 661 |
| 5.05 | Total Comprehensive Income | - | - | - | 3,051 | 172 | 3,223 |
| 5.05.01 | Profit for the Period | - | - | - | 3,051 | - | 3,051 |
| 5.05.02 | Other comprehensive income | - | - | - | - | 172 | 172 |
| 5.05.02.01 | Adjustments of financial instruments | - | - | - | - | 172 | 172 |
| 5.07 | Closing Balances | 940,297 | 721,763 | 97,627 | 3,051 | 170 | 1,762,908 |



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 | Profit reserves | Retained Earnings/Accumulated Losses | Other comprehensive income | 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 Grated Recognized | - | 1,122 | - | - | - | 1,122 |
| 5.05 | 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 value added
(In thousands of reais)

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|---------------------|--|---|---|
| 7.01 | Revenues | 725,626 | 531,792 |
| 7.01.01 | Gross Sales of Goods and Services | 717,668 | 526,622 |
| 7.01.02 | Other Revenues | 7,958 | 5,170 |
| 7.02 | Inputs Purchased from Third Parties | (390,334) | (308,520) |
| 7.02.01 | Cost of Sales and Services | (253,837) | (185,235) |
| 7.02.02 | Materials, Electric Power, Outside Services and Other Expenses | (135,098) | (120,711) |
| 7.02.03 | Impairment of Assets | (1,296) | (2,473) |
| 7.02.04 | Others | (103) | (101) |
| 7.03 | Gross Value Added | 335,292 | 223,272 |
| 7.04 | Retentions | (74,477) | (29,355) |
| 7.04.01 | Depreciation, Amortization and Depletion | (74,477) | (29,355) |
| 7.05 | Wealth Created by the Company | 260,815 | 193,917 |
| 7.06 | Wealth Received in Transfer | 3,211 | 20,035 |
| 7.06.01 | Equity Pickup | (3,528) | (256) |
| 7.06.02 | Financial Income | 6,739 | 20,291 |
| 7.07 | Total Wealth for Distribution | 264,026 | 213,952 |
| 7.08 | Wealth Distributed | 264,026 | 213,952 |
| 7.08.01 | Personnel | 126,083 | 92,756 |
| 7.08.01.01 | Direct Compensation | 118,916 | 87,659 |
| 7.08.01.03 | Unemployment Compensation Fund (FGTS) | 7,167 | 5,097 |
| 7.08.02 | Taxes, Fees and Contributions | 66,015 | 63,680 |
| 7.08.02.01 | Federal | 46,122 | 48,933 |
| 7.08.02.02 | State | 16,796 | 12,651 |
| 7.08.02.03 | Municipal | 3,097 | 2,096 |
| 7.08.03 | Lenders and Lessors | 68,877 | 48,706 |
| 7.08.03.01 | Interest | 18,819 | 11,442 |
| 7.08.03.02 | Rentals | 50,058 | 37,264 |
| 7.08.04 | Shareholders | 3,051 | 8,810 |
| 7.08.04.03 | Retained Earnings / Profit for the Period | 3,051 | 8,810 |

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

| Account Code | Account Description | Current Quarter 3/31/2019 | Prior Year 12/31/2018 |
|---------------------|---------------------------------------|--------------------------------------|----------------------------------|
| 1 | Total Assets | 3,048,553 | 2,525,632 |
| 1.01 | Current Assets | 583,625 | 819,715 |
| 1.01.01 | Cash and Cash Equivalents | 99,913 | 174,963 |
| 1.01.02 | Short-Term Investments | 223,081 | 415,622 |
| 1.01.02.01 | Short-Term Investments at Fair Value | 223,081 | 415,622 |
| 1.01.02.01.03 | Marketable Securities | 220,599 | 413,136 |
| 1.01.02.01.04 | Restricted Marketable Securities | 2,482 | 2,486 |
| 1.01.03 | Accounts Receivable | 77,447 | 59,603 |
| 1.01.04 | Inventories | 72,227 | 81,276 |
| 1.01.06 | Taxes Recoverable | 34,922 | 40,393 |
| 1.01.08 | Other Current Assets | 76,035 | 47,858 |
| 1.01.08.03 | Others | 76,035 | 47,858 |
| 1.01.08.03.01 | Derivative Financial Instruments | - | 90 |
| 1.01.08.03.02 | Advances Paid | 51,956 | 26,622 |
| 1.01.08.03.04 | Other Receivables | 21,943 | 21,146 |
| 1.01.08.03.05 | Related Parties | 2,136 | - |
| 1.02 | Non-Current Assets | 2,464,928 | 1,705,917 |
| 1.02.01 | Long-Term Receivables | 71,886 | 63,376 |
| 1.02.01.01 | Non-Current Investments at Fair Value | 11,555 | 12,361 |
| 1.02.01.01.01 | Restricted Marketable Securities | 11,555 | 12,361 |
| 1.02.01.10 | Other Non-Current Assets | 60,331 | 51,015 |
| 1.02.01.10.03 | Judicial Deposits | 32,644 | 30,903 |
| 1.02.01.10.04 | Other Receivables | 5,042 | 4,561 |
| 1.02.01.10.05 | Taxes Recoverable | 22,645 | 15,551 |
| 1.02.03 | Property and Equipment | 959,206 | 928,225 |
| 1.02.04 | Intangible Assets | 1,433,836 | 714,316 |

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

| Account Code | Account Description | Current Quarter 3/31/2019 | Prior Year 12/31/2018 |
|---------------------|---|--------------------------------------|----------------------------------|
| 2 | Total Liabilities | 3,048,553 | 2,525,632 |
| 2.01 | Current Liabilities | 466,453 | 599,675 |
| 2.01.01 | Social and Labor Liabilities | 88,381 | 95,163 |
| 2.01.02 | Trade Payables | 165,956 | 241,243 |
| 2.01.03 | Taxes Payable | 14,093 | 33,781 |
| 2.01.04 | Loans and Financing | 52,286 | 161,581 |
| 2.01.05 | Other Current Liabilities | 145,737 | 67,907 |
| 2.01.05.02 | Others | 145,737 | 67,907 |
| 2.01.05.02.01 | Dividends and interest on capital (IOC) payables | 3,573 | 26,726 |
| 2.01.05.02.04 | Other Payables | 23,138 | 14,129 |
| 2.01.05.02.05 | Deferred revenue, net | 9,102 | 9,091 |
| 2.01.05.02.06 | Corporate Payables | 8,777 | 17,961 |
| 2.01.05.02.08 | Lease liabilities | 101,147 | - |
| 2.02 | Non-Current Liabilities | 819,192 | 208,997 |
| 2.02.01 | Loans and Financing | 112,005 | 117,532 |
| 2.02.02 | Other Payables | 693,372 | 68,243 |
| 2.02.02.02 | Others | 693,372 | 68,243 |
| 2.02.02.02.03 | Taxes Payables | 22,158 | 21,753 |
| 2.02.02.02.04 | Other Payables | 18,508 | 20,094 |
| 2.02.02.02.05 | Deferred revenue, net | 24,338 | 26,396 |
| 2.02.02.02.06 | Lease liabilities | 628,368 | - |
| 2.02.03 | Deferred Taxes | 1,643 | 12,492 |
| 2.02.03.01 | Deferred income tax and social contribution | 1,643 | 12,492 |
| 2.02.04 | Provisions | 12,172 | 10,730 |
| 2.02.04.01 | Provisions for tax, social security, labor and civil claims | 12,172 | 10,730 |
| 2.03 | Equity | 1,762,908 | 1,716,960 |
| 2.03.01 | Capital | 940,297 | 898,233 |
| 2.03.02 | Capital reserves | 721,763 | 721,102 |
| 2.03.04 | Profit reserves | 97,627 | 97,627 |
| 2.03.04.01 | Legal reserve | 6,401 | 6,401 |
| 2.03.04.05 | Profit retention reserve | 91,226 | 91,226 |
| 2.03.05 | Retained earnings | 3,051 | - |
| 2.03.08 | Other comprehensive income | 170 | (2) |

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

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|---------------------|---|---|---|
| 3.01 | Revenue from Sale of Goods and/or Services | 665,325 | 482,529 |
| 3.02 | Cost of Sales and/or Services | (254,507) | (185,235) |
| 3.03 | Gross Profit | 410,818 | 297,294 |
| 3.04 | Operating Expenses/Income | (406,132) | (294,426) |
| 3.04.01 | Selling Expenses | (369,058) | (265.827) |
| 3.04.02 | General and Administrative Expenses | (37,074) | (28,599) |
| 3.05 | Profit Before Financial Income (Expenses) and Taxes | 4,686 | 2,868 |
| 3.06 | Financial Income (Expenses), Net | (12,485) | 7,992 |
| 3.06.01 | Financial Income | 6,556 | 19,575 |
| 3.06.02 | Financial Expenses | (19,041) | (11,583) |
| 3.07 | Loss (Profit) Before Income Tax and Social Contribution | (7,799) | 10,860 |
| 3.08 | Income Tax and Social Contribution | 10,850 | (2,050) |
| 3.08.01 | Current | - | (1,411) |
| 3.08.02 | Deferred | 10,850 | (639) |
| 3.09 | Profit from Continuing Operations | 3,051 | 8,810 |
| 3.11 | Profit for the Period | 3,051 | 8,810 |
| 3.11.01 | Attributed to Shareholders parent company | 3,051 | 8,810 |
| 3.99 | Earnings per Share - (Reais /Share) | | |
| 3.99.01 | Basic Earnings per Share | | |
| 3.99.01.01 | Registered Common (ON) | 0.01358 | 0.03964 |
| 3.99.02 | Diluted Earnings per Share | | |
| 3.99.02.01 | Registered Common (ON) | 0.01350 | 0.03914 |

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

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|---------------------|--|---|---|
| 4.01 | Consolidated profit for the period | 3,051 | 8,810 |
| 4.02 | Other comprehensive income | 172 | - |
| 4.03 | Consolidated comprehensive income for the period | 3,223 | 8,810 |
| 4.03.01 | Attributable to Parent Company Shareholders | 3,223 | 8,810 |

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

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|--------------|---|--|--|
| 6.01 | Net Cash from Operating Activities | (58,232) | (34,415) |
| 6.01.01 | Cash Provided from Operating Activities | 90,245 | 51,659 |
| 6.01.01.01 | Loss (Profit) Before Income Tax and Social Contribution | (7,799) | 10,860 |
| 6.01.01.02 | Depreciation and Amortization of Property and Equipment and Intangible Assets | 45,702 | 29,593 |
| 6.01.01.03 | Provision for Bonuses | 5,167 | 9,506 |
| 6.01.01.05 | Interest on Financing | 11,406 | (3,181) |
| 6.01.01.07 | Provision for Legal Claims | 2,721 | 1,286 |
| 6.01.01.09 | Disposal of Property and Equipment and Intangible Assets | 1,413 | 2,473 |
| 6.01.01.10 | Stock Options Cost | 661 | 1,122 |
| 6.01.01.11 | Reversal for Impairment | (117) | - |
| 6.01.01.12 | Amortization of lease | 31,091 | - |
| 6.01.02 | Changes in Assets and Liabilities | (148,477) | (86,074) |
| 6.01.02.01 | Trade Receivables, Net | (17,844) | 2,016 |
| 6.01.02.02 | Inventories | 9,049 | (10,164) |
| 6.01.02.03 | Taxes Recoverable | (1,623) | (2,920) |
| 6.01.02.04 | Advances Paid | (25,334) | 893 |
| 6.01.02.07 | Other Receivables | (3,019) | (8,650) |
| 6.01.02.08 | Trade and Rental Payables | (75,287) | (35,697) |
| 6.01.02.09 | Payroll and Social Charges | (11,949) | (12,047) |
| 6.01.02.10 | Corporate Payables | (9,184) | (4,554) |
| 6.01.02.11 | Taxes Payable | (19,283) | (5,324) |
| 6.01.02.13 | Deferred Revenue, Net | (2,047) | - |
| 6.01.02.15 | Derivative Financial Instruments | 262 | 127 |
| 6.01.02.16 | Other Payables | 10,166 | 279 |
| 6.01.02.17 | Interest Expense on Loans and Financing | (1,105) | (8,195) |
| 6.01.02.18 | Income Tax and Social Contribution Paid | - | (1,411) |
| 6.01.02.19 | Legal Claims | (1,279) | (427) |
| 6.02 | Net Cash from Investing Activities | 118,076 | 90,817 |
| 6.02.03 | Purchases of Property and Equipment | (69,579) | (40,371) |
| 6.02.04 | Purchases of Intangible Assets | (8,787) | (4,996) |
| 6.02.06 | Investment in Marketable Securities | (147,746) | (142,212) |
| 6.02.07 | Redemption of Marketable Securities | 346,324 | 278,396 |
| 6.02.08 | Reimbursable expenses with stock offer | (2,136) | - |
| 6.03 | Net Cash from Financing Activities | (134,894) | (31,685) |
| 6.03.01 | Investments Payable | 42,064 | - |
| 6.03.02 | Share Issue Costs | - | (1,956) |
| 6.03.06 | Payment of Loans and Financing (Principal) | (119,520) | (29,729) |
| 6.03.07 | Interest on capital paid | (23,153) | - |
| 6.03.08 | Payments of lease liabilities | (34,285) | - |
| 6.05 | Increase (Decrease) in Cash and Cash Equivalents | (75,050) | 24,717 |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period | 174,963 | 102,345 |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period | 99,913 | 127,062 |



Consolidated financial statements – Statement of changes in Equity 1/1/2019 to 3/31/2019
(In thousands of reais)

| Account Code | Account Description | Paid-up Capital | Capital Reserves, Options Granted and Treasury Shares | Profit reserves | Retained earnings/accumulated losses | Other comprehensive income | Equity |
|--------------|--|--------------------|--|--------------------|--|----------------------------------|-----------|
| 5.01 | Opening balances | 898,233 | 721,102 | 97,627 | - | (2) | 1,716,960 |
| 5.03 | Adjusted Opening Balances | 898,233 | 721,102 | 97,627 | - | (2) | 1,716,960 |
| 5.04 | Capital Transactions with Shareholders | 42,064 | 661 | - | - | - | 42,725 |
| 5.04.01 | Capital increases | 42,064 | - | - | - | - | 42,064 |
| 5.04.03 | Options Granted Recognized | - | 661 | - | - | - | 661 |
| 5.05 | Total Comprehensive Income | - | - | - | 3,051 | 172 | 3,223 |
| 5.05.01 | Profit for the Period | - | - | - | 3,051 | - | 3,051 |
| 5.05.02 | Other comprehensive income | - | - | - | - | 172 | 172 |
| 5.05.02.01 | Adjustments of financial instruments | - | - | - | - | 172 | 172 |
| 5.07 | Closing Balances | 940,297 | 721,763 | 97,627 | 3,051 | 170 | 1,762,908 |



Consolidated financial statements – Statement of changes in Equity 1/1/2018 to 3/31/2018
(In thousands of reais)

| Account Code | Account Description | Paid-up Capital | Capital Reserves, Options Granted and Treasury Shares | Profit reserves | Retained Earnings/Accumulated Losses | Other comprehensive income | Equity |
|--------------|--|-----------------|---|-----------------|--------------------------------------|----------------------------|-----------|
| 5.01 | Opening Balances | 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 Grated Recognized | - | 1,122 | - | - | - | 1,122 |
| 5.05 | 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 |

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

| Account Code | Account Description | Current Year 1/1/2019 to 3/31/2019 | Prior Year 1/1/2018 to 3/31/2018 |
|---------------------|--|---|---|
| 7.01 | Revenues | 725,626 | 531,792 |
| 7.01.01 | Gross Sales of Goods and Services | 717,668 | 526,622 |
| 7.01.02 | Other Revenues | 7,958 | 5,170 |
| 7.02 | Inputs Purchased from Third Parties | (391,592) | (308,731) |
| 7.02.01 | Cost of Sales and Services | (254,507) | (185,235) |
| 7.02.02 | Materials, Electric Power, Outside Services and Other Expenses | (135,563) | (120,714) |
| 7.02.03 | Impairment of Assets | (1,296) | (2,473) |
| 7.02.04 | Others | (226) | (309) |
| 7.03 | Gross Value Added | 334,034 | 223,061 |
| 7.04 | Retentions | (76,793) | (29,593) |
| 7.04.01 | Depreciation, Amortization and Depletion | (76,793) | (29,593) |
| 7.05 | Wealth Created by the Company | 257,241 | 193,468 |
| 7.06 | Wealth Received in Transfer | 6,872 | 20,499 |
| 7.06.02 | Financial Income | 6,872 | 20,499 |
| 7.07 | Total Wealth for Distribution | 264,113 | 213,967 |
| 7.08 | Wealth Distributed | 264,113 | 213,967 |
| 7.08.01 | Personnel | 126,083 | 92,756 |
| 7.08.01.01 | Direct Compensation | 118,916 | 87,659 |
| 7.08.01.03 | Unemployment Compensation Fund (FGTS) | 7,167 | 5,097 |
| 7.08.02 | Taxes, Fees and Contributions | 66,019 | 63,680 |
| 7.08.02.01 | Federal | 46,123 | 48,933 |
| 7.08.02.02 | State | 16,799 | 12,651 |
| 7.08.02.03 | Municipal | 3,097 | 2,096 |
| 7.08.03 | Lenders and Lessors | 68,960 | 48,721 |
| 7.08.03.01 | Interest | 18,853 | 11,457 |
| 7.08.03.02 | Rentals | 50,107 | 37,264 |
| 7.08.04 | Shareholders | 3,051 | 8,810 |
| 7.08.04.03 | Retained Earnings / Profit for the Period | 3,051 | 8,810 |

MANAGEMENT REPORT

HIGHLIGHTS

1Q19x1Q18 Performance:

- **Net operating revenue** of R\$665 million in 1Q19, up 37.9% from 1Q18;
- **Total of 8 restaurants opened** in 1Q19, 5 BURGER KING® restaurants and 3 POPEYES® restaurants, leading to net opening of 94 restaurants in the last 12 months;
- **Total of 792 restaurants of the BURGER KING® brand** at the end of 1Q19;
- **Total of 11 restaurants of the POPEYES® brand** at the end of 1Q19;
- **Comparable sales in same restaurants grew 5.9%** in 1Q19;
- **Adjusted EBITDA⁽¹⁾** of R\$86 million in 1Q19. Excluding the effects of the new accounting standard (IFRS 16), adjusted EBITDA would have been R\$52 million, an increase of 42.4% compared to 1Q18;
- **Adjusted EBITDA margin** of 12.9%. Excluding the effect of IFRS 16, the margin would have been 7.8%, representing an increase of 30 *bps* versus 1Q18;
- **Net income** of R\$ 3 million in 1Q19. Excluding the effects of IFRS 16, it would have totaled R\$ 8 million.

| FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED) | 1Q19 | 1Q18 | VAR. | 4Q18 | VAR. |
|---|---------|---------|--------|---------|---------|
| NET OPERATING REVENUE | 665.3 | 482.5 | 37.9% | 718.1 | -7.3% |
| ADJUSTED EBITDA ⁽¹⁾ | 86.0 | 36.4 | 136.4% | 125.4 | -31.4% |
| % OF NET OPERATING REVENUE | 12.9% | 7.5% | 540bps | 17.5% | -460bps |
| ADJUSTED EBITDA ⁽¹⁾ EX-IFRS16 EFFECTS | 51.8 | 36.4 | 42.4% | 125.4 | -58.7% |
| % OF NET OPERATING REVENUE | 7.8% | 7.5% | 30bps | 17.5% | -970bps |
| NET INCOME | 3.1 | 8.8 | -65.4% | 83.6 | -96.4% |
| GROSS DEBT | 164.3 | 458.3 | -64.2% | 279.1 | -41.1% |
| NET DEBT (NET CASH) | (170.3) | (635.9) | -73.2% | (323.8) | -47.4% |
| SHAREHOLDERS' EQUITY | 1,762.9 | 1,625.2 | 8.5% | 1,717.0 | 2.7% |

| OPERATIONAL HIGHLIGHTS | 1Q19 | 1Q18 | VAR. ⁽²⁾ | 4Q18 | VAR. ⁽²⁾ |
|--|-------------|--------------|---------------------|-------------|---------------------|
| # OF RESTAURANTS | 803 | 709 | 94 | 801 | 2 |
| OWNED RESTAURANTS | | | | | |
| # OWNED RESTAURANTS BEGINNING OF PERIOD | 639 | 526 | 113 | 594 | 45 |
| RESTAURANT OPENINGS | 7 | 5 | 2 | 46 | (39) |
| RESTAURANT CLOSINGS | (4) | (1) | (3) | - | (4) |
| ACQUISITION / SALE ⁽³⁾ OF RESTAURANT BUSINESSES | - | (2) | 2 | (1) | 1 |
| # OWNED RESTAURANTS END OF PERIOD | 642 | 528 | 114 | 639 | 3 |
| FRANCHISEES RESTAURANTS | | | | | |
| # FRANCHISEES RESTAURANTS BEGINNING OF PERIOD | 162 | 171 | (9) | 142 | 20 |
| RESTAURANT OPENINGS | 1 | 8 | (7) | 19 | (18) |
| RESTAURANT CLOSINGS | (2) | - | (2) | - | (2) |
| ACQUISITION / SALE ⁽³⁾ OF RESTAURANT BUSINESSES | - | 2 | (2) | 1 | (1) |
| # FRANCHISEES RESTAURANTS END OF PERIOD | 161 | 181 | (20) | 162 | (1) |
| COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS) | 5.9% | 10.3% | -440bps | 7.1% | -120bps |

*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 stock option plan.

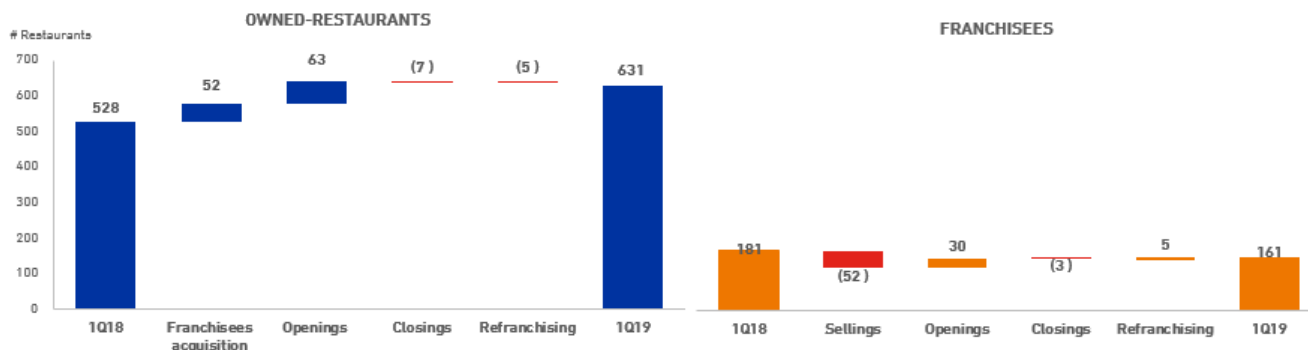
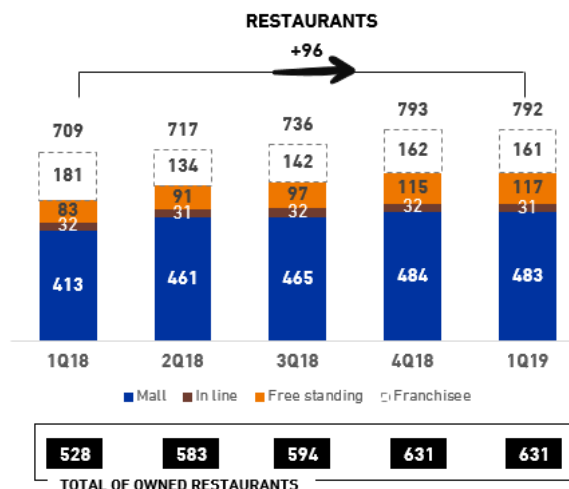
² Net variation

³ Sale of company-owned restaurants to franchisees

OPERATING AND FINANCIAL PERFORMANCE

BURGER KING® restaurant expansion⁴

During 1Q19, BURGER KING® system opened 5 new restaurants, of which 4 are company-owned restaurants and 1 is a franchisee. Considering only restaurants owned by BK Brasil, net of closings (4 restaurants), the Company ended the quarter with 631 owned restaurants, an increase of 103 restaurants from 1Q18, including the acquisition of franchisees announced in April 2018 (51 restaurants). As for franchised restaurants, BURGER KING® system ended 1Q19 with 161 restaurants. As such, the BURGER KING® system ended the first quarter with a total of 792 restaurants operating in Brazil, a net increase of 83 restaurants in the last 12 months.

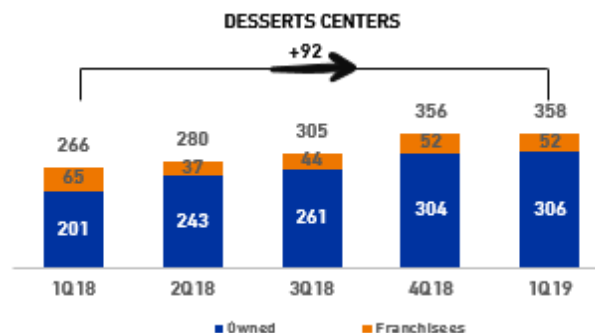


⁴ Mall: Shopping malls, hypermarkets and air | road terminals; In line: Stores with direct access to the public thoroughfare, which have internal lounges with tables and seats; Free standings: Street stores with drive-thru.

BURGER KING® dessert centers expansion

In addition to the 792 restaurants, the BURGER KING® system ended 1Q19 with 358 dessert centers, an increase of 92 units when compared to 1Q18.

We consider as dessert center all dessert outlets segregated from the counter, including both the traditional dessert kiosks and the dessert centers located inside the restaurants, but not physically attached to the counter (stand-alone).



POPEYES® restaurant expansion

Throughout 1Q19, the POPEYES® system opened 3 new restaurants and ended the quarter with 11 restaurants, in line with the expansion plan for the brand in Brazil.

With this, 1Q19 ended with a total of 803 restaurants managed by the Company, of which 642 are company-owned restaurants of BURGER KING® and POPEYES® brands, and 161 franchised restaurants of BURGER KING® brand.

Impact of the IFRS 16 adoption

On January 1, 2019, the Company adopted accounting standard IFRS 16 – Leases. According to the new standard, the Company, as the lessee, recognizes a right-of-use asset related to the leased asset and a lease liability representing its obligation to make future payments. As the Company’s main lease agreement refers to rent of company-operated restaurants, the fixed portion of rent expenses is now recognized as amortization and financial expense, while the variable portion of rent expenses remains unchanged and is recognized as occupancy expense.

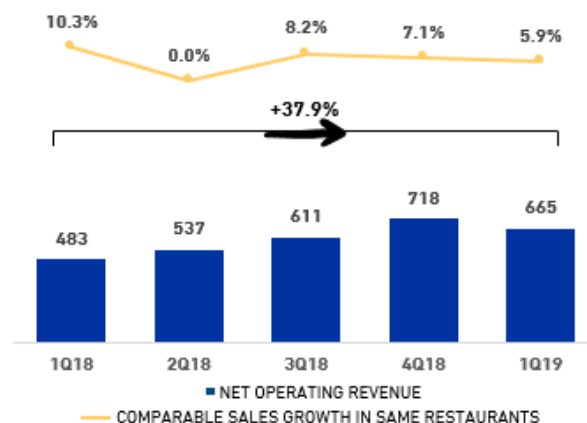
For better understanding, throughout this report, information with the effects of the adoption of the new accounting standard on the main accounts impacted in 1Q19 were included, both in tables and graphs.

| Consolidated Income Statement (R\$ million) | 1Q19 Reported | IFRS16 Effects | 1Q19 Ex-IFRS16 | 1Q18 Reported | Var. % |
|--|------------------|-------------------|-------------------|------------------|--------|
| NET OPERATING REVENUE | 665.3 | - | 665.3 | 482.5 | 37.9% |
| COST OF GOOD SOLD | (254.5) | - | (254.5) | (185.2) | 37.4% |
| GROSS PROFIT | 410.8 | - | 410.8 | 297.3 | 38.2% |
| TOTAL SELLING EXPENSES | (369.1) | (2.9) | (371.9) | (265.8) | 39.9% |
| PERSONNEL EXPENSES | (127.8) | - | (127.8) | (89.7) | 42.5% |
| ROYALTIES AND MARKETING FUND | (61.6) | - | (61.6) | (45.3) | 36.0% |
| EXPENSES ON OCCUPANCY AND UTILITIES | (53.3) | (33.9) | (87.1) | (64.0) | 36.1% |
| PRE-OPERATING EXPENSES | (1.9) | - | (1.9) | (0.9) | 109.1% |
| DEPRECIATION AND AMORTIZATION | (70.2) | 31.0 | (39.2) | (27.7) | 41.2% |
| OTHER SELLING EXPENSES | (54.3) | - | (54.3) | (38.2) | 42.2% |
| TOTAL GENERAL AND ADMINISTRATIVE EXPENSES | (37.1) | (0.3) | (37.4) | (28.6) | 30.7% |
| GENERAL AND ADMINISTRATIVE EXPENSES | (27.8) | (0.4) | (28.2) | (23.7) | 18.8% |
| DEPRECIATION AND AMORTIZATION | (6.6) | 0.1 | (6.5) | (1.9) | 250.9% |
| EXPENSES WITH MERGER AND ACQUISITIONS | (0.7) | - | (0.7) | (0.9) | -14.9% |
| GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT | (1.3) | - | (1.3) | (1.1) | 23.0% |
| COST OF STOCK OPTION PLAN | (0.7) | - | (0.7) | (1.1) | -41.1% |
| PROFIT (LOSS) BEFORE FINANCIAL INCOME | 4.7 | (3.2) | 1.5 | 2.9 | -46.5% |
| FINANCIAL RESULTS | (12.5) | 10.8 | (1.7) | 8.0 | - |
| PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION | (7.8) | 7.7 | (0.1) | 10.9 | - |
| INCOME TAX AND SOCIAL CONTRIBUTION | 10.8 | (2.6) | 8.2 | (2.1) | - |
| NET INCOME FOR THE PERIOD | 3.1 | 5.1 | 8.1 | 8.8 | -7.8% |

Net operating revenue

In 1Q19, BK Brasil posted net operating revenue of R\$665 million, an increase of 37.9% from 1Q18. This increase is related to the performance of restaurants opened in the last 12 months, the acquisition of franchised restaurants and the growth in comparable sales by 5.9% in the period. The growth in comparable sales reflects the evolution of the Company's digital sales, such as through delivery and mobile order-and-pay app, as well as the strong positioning of the brand through the marketing campaigns and product innovations. Among the highlights of this quarter were the launch of the Mega Stacker Mafioso in the premium segment, in addition to the Barbie® and Hot Wheels® campaigns in the kids segment.

NET OPERATING REVENUE (R\$ MM) AND COMPARABLE SALES GROWTH IN SAME RESTAURANTS (%)

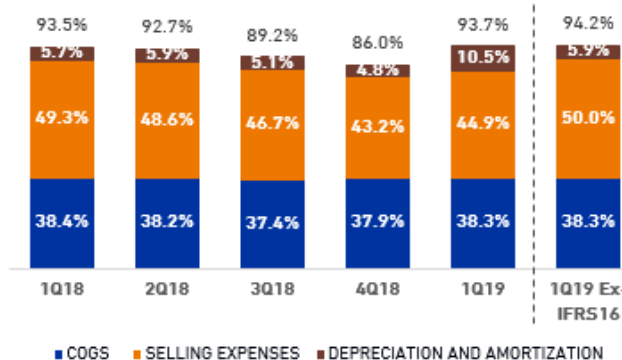


Cost of goods sold and selling expenses

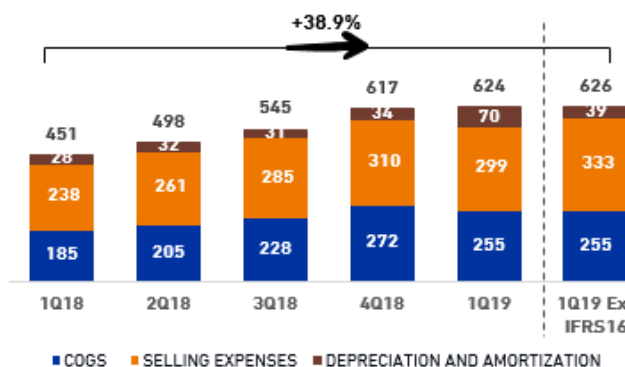
Total restaurant expenses, excluding the effects of IFRS 16, were R\$626 million in 1Q19, representing 94.2% of net operating revenue, an increase of 70 bps compared to 1Q18. The cost of goods sold improved to 38.3% of net operating revenue, dropping 10 bps compared to 1Q18, reflecting our continued focus on improving the products mix and cost control, despite the prevailing challenging macroeconomic scenario.

Selling expenses at restaurants (excluding depreciation and amortization) represented 50.0% of net operating revenue, an increase of 70 bps in comparison with 1Q18, due to higher personnel expenses, repairs and maintenance and expenses with third-party services due to new sales channels. The adoption of the new accounting standard also impacted the depreciation and amortization account, which represented 10.5% of net operating revenue. Excluding this effect, depreciation and amortization would have represented 5.9% of the Company's net operating revenue.

% OF NET OPERATING REVENUE

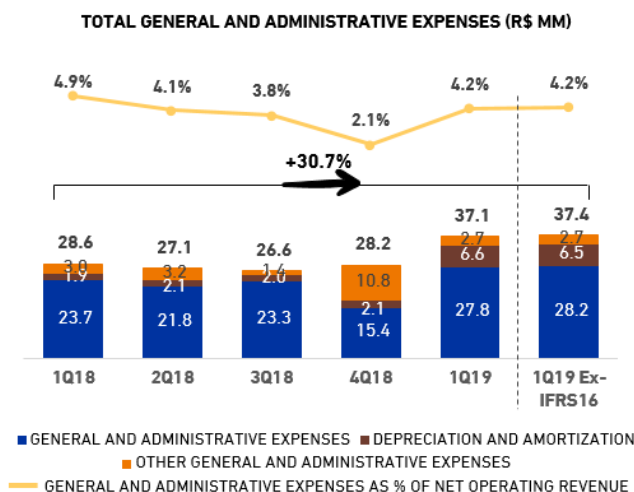


COST OF GOODS SOLD AND SELLING EXPENSES (R\$ MM)



Total general and administrative expenses

Corporate general and administrative expenses represented 4.2% of net operating revenue in 1Q19, an improvement of 70% bps in comparison to 1Q18, reflecting the strong focus on controlling the Company's expenses, operating leverage and synergies due to the acquisition of franchised restaurants. In the quarter, corporate general and administrative expenses reached R\$28 million. IFRS 16 did not have material effects on Company's corporate general and administrative expenses.



Adjusted EBITDA

In 1Q19, adjusted EBITDA reached R\$86 million, reflecting the adoption of the new accounting standard IFRS 16. Excluding this impact, adjusted EBITDA would have increased by 42.4%, from R\$36 million in 1Q18 to R\$52 million. Such growth in adjusted EBITDA, excluding the effects of IFRS 16, was due to the strong increase in net operating revenues, reflecting the growth of comparable sales in same restaurants, and the recurring focus on expenses control. As a result, the adjusted EBITDA margin (excluding the effects of IFRS 16) improved by 30 bps, reaching 7.8%.

| EBITDA - R\$ MILLION | 1Q19 | 1Q18 | VAR % | 4Q18 | VAR % |
|--|-------------|-------------|---------------|--------------|---------------|
| NET INCOME FOR THE PERIOD | 3.1 | 8.8 | -65.4% | 83.6 | -96.4% |
| (+) FINANCIAL INCOME (LOSS) | 12.5 | (8.0) | - | (3.0) | - |
| (+) DEPRECIATION AND AMORTIZATION | 76.8 | 29.6 | 159.5% | 36.6 | 110.1% |
| (+/-) INCOME TAX AND SOCIAL CONTRIBUTION | (10.8) | 2.1 | - | (8.1) | 33.4% |
| EBITDA | 81.5 | 32.5 | 151.0% | 109.0 | -25.3% |
| EBITDA MARGIN | 12.2% | 6.7% | 550bps | 15.2% | -300bps |
| (+) OTHERS EXPENSES* | 1.3 | 1.1 | 23.0% | 6.0 | -78.5% |
| (+) COST OF STOCK OPTION PLAN | 0.7 | 1.1 | -41.1% | 1.1 | -41.0% |
| (+) MERGE AND ACQUISITION EXPENSES | 0.7 | 0.9 | -14.9% | 3.6 | -79.9% |
| (+) PRE-OPERATING EXPENSES | 1.9 | 0.9 | 109.1% | 5.6 | -66.2% |
| ADJUSTED EBITDA⁽¹⁾ | 86.0 | 36.4 | 136.4% | 125.4 | -31.4% |
| ADJUSTED EBITDA MARGIN | 12.9% | 7.5% | 540bps | 17.5% | -460bps |
| IFRS16 EFFECTS | (34.2) | - | - | - | - |
| ADJUSTED EBITDA EX-IFRS16 EFFECTS | 51.8 | 36.4 | 42.4% | 125.4 | -58.7% |
| ADJUSTED EBITDA MARGIN EX-IFRS16 effects | 7.8% | 7.5% | 30bps | 17.5% | -970bps |

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

Net income

Net income reached R\$3 million in 1Q19. Excluding the effects of IFRS 16, net income would have totaled R\$8 million, impacted by the non-recurring effect of R\$4 million in depreciation and amortization related to the franchisee acquisition, partially benefited by the also non-recurring recognition of deferred income tax asset in the amount of R\$7 million.

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 2017, the independent auditors (ERNST & YOUNG Auditores Independentes S.S. (EY)), in addition to the external audit services, also provided additional services related to the secondary public offering of shares (Follow on) held on March, 2019, which totaled R\$1.7 million or approximately 60% of the total amount contracted for external audit services.

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

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

EY stated that the provision of services was performed in strict compliance with the accounting standards that deal with the independent auditors' independence in audit work and did not represent a situation that could affect the independence and objectivity in the performance of their external audit services.

Barueri, May 13, 2019.

Board of Executive Officers

Notes to the interim financial information
Period ended March 31, 2019
(Amounts 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 Tocantins, 350- Alphaville - Barueri - SP, engaged in: (i) development and operation of “Burger King” restaurants in Brazil; (ii) provision of advisory and support services to “Burger King” and “Popeyes” restaurants in Brazil; (iii) sale, import and export of products related to the aforementioned activities; and (iv) holding of equity interests in other companies that develop the activities above in Brazil, as partner or shareholder.

a) Burger King Operation

The right to operate the “Burger King” restaurants was obtained through a Master Franchise agreement entered into with Burger King Corporation (“BKC”) on July 9, 2011. The restaurant operation rights has a term of twenty years, renewable for additional twenty years, if the parties intend to (Note 21).

The Company obtained from Burger King Corporation, minority shareholder, 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
Period ended March 31, 2019
(Amounts in thousands of reais)

1. Operations--Continued

A) Burger King Operation--Continued

As of March 31, 2019 and December 31, 2018, the Company had 631 company-owned stores, respectively, of which:

| | <u>3/31/2019</u> | <u>12/31/2018</u> |
|------------------------------|------------------|-------------------|
| State of Alagoas | 4 | 4 |
| State of Bahia | 12 | 11 |
| State of Ceará | 15 | 15 |
| Federal District | 16 | 16 |
| State of Espírito Santo | 11 | 12 |
| State of Goiás | 20 | 20 |
| State of Maranhão | 5 | 5 |
| State of Mato Grosso | 5 | 5 |
| State of Mato Grosso do Sul | 1 | 1 |
| State of Minas Gerais | 50 | 49 |
| State of Pará | 6 | 6 |
| State of Paraíba | 5 | 5 |
| State of Pernambuco | 15 | 14 |
| State of Piauí | 2 | 2 |
| State of Paraná | 36 | 36 |
| State of Rio de Janeiro | 90 | 89 |
| State of Rio Grande do Norte | 3 | 3 |
| State of Rio Grande do Sul | 36 | 36 |
| State of Sergipe | 5 | 5 |
| State of São Paulo | 294 | 297 |
| Total Stores | <u>631</u> | <u>631</u> |

Business combination

During 2018, the Company completed the acquisition of control of the following group of legal entities (called "Centro Sul") in order to increase the number of restaurants and maximize its results through the synergy of operations, in addition to centralizing its management and its capital management.

| <u>Company</u> | <u>Acquisition date</u> | <u>% acquired</u> |
|--|-------------------------|-------------------|
| King Food Comércio de Alimentos S.A. | 4/2/2018 | 100% |
| Good Food Comércio de Alimentos S.A. | 4/2/2018 | 100% |
| Fast Burger Comércio de Alimentos S.A. | 4/2/2018 | 100% |

In this transaction, 51 restaurants and 20 dessert kiosks were acquired (Note 3).

b) Popeyes Operation

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

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

Notes to the interim financial information--Continued
Period ended March 31, 2019
(Amounts in thousands of reais)

1. Operations--Continued

b) Popeyes Operation--Continued

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

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

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

As of March 31, 2019, the Company had opened eleven (11) stores in the state of São Paulo

In the period ended March 31, 2019, the total expenses capitalized at the Company related to implementation of the POPEYES® brand in Brazil were R\$3,054.

The other matters related to this note were not materially changed in relation to the disclosures in Note 1 to the individual and consolidated financial statements as of December 31, 2018.

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, 2018, and remains valid, except for the adoption on January 1, 2019 of CPC 06 (R2) – Leases (Note 2.1), and the effects are already reflected in this individual and consolidated interim financial information for the period ended March 31, 2019.

Accordingly, the Company's individual and consolidated interim financial information does not include all the notes and disclosures required by applicable standards for annual individual and consolidated financial statements and, therefore, the respective financial information should be read in conjunction with such annual individual and consolidated financial statements. Based on the judgment and assumptions adopted 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 03/2011 issued by the Brazilian Securities and Exchange Commission CVM).

Notes to the interim financial information--Continued
Period ended March 31, 2019
(Amounts in thousands of reais)

2. Accounting policies--Continued

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended March 31, 2019, 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.

The consolidated interim financial information consists of the interim information of BKB and its subsidiaries as mentioned in Notes 10. In addition, the Company prepared its consolidated interim financial information using the parent company accounting policies.

The Company's individual and consolidated interim financial information for the period ended March 31, 2019 was concluded and approved by the Company's officers and authorized for issue according to resolution of the members of the Board of Directors on May 13, 2019.

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

2.1. Effects of the adoption of CPC 06 (R2) / IFRS 16

In January 2016, IFRS 16 – Leases was issued and in December 2017 CPC 06 (R2) – Lease Operations was issued, effective from January 1st, 2019. The Company will adopt CPC 06 (R2) / IFRS 16 – Leases as from January 1st, 2019 since early adoption is not permitted in Brazil.

IFRS 16/CPC 06 (R2) introduces a single model to account for leases in the balance sheet of lessee. The lessee recognizes a right-of-use asset that represents its right to use the leased asset and a lease liability that represents its obligation to make lease payments. Exemptions are available for short-term leases and leases of low-value assets. Lessor accounting remains similar to the current standard, that is, lessors continue to classify leases into finance lease or operating lease.

Notes to the interim financial information--Continued
Period ended March 31, 2019
(Amounts in thousands of reais)

2. Accounting policies--Continued

2.1. Effects of the adoption of CPC 06 (R2) / IFRS 16--Continued

IFRS 16/CPC 06 (R2) replaces the existing lease standards, including CPC 06/IAS 17 Lease Operations and ICPC 03/IFRIC 4, SIC 15 and SIC 27 Complementary Aspects of Lease Transactions.

i. Leases in which Company is a lessee

The Company will recognize new assets ("right of use asset") (Note 12) for its lease agreements related to lease of administrative and operational properties (stores), among others the nature of the expenses related to these lease agreements will change since the Company will record the amortization cost related to the right-of-use asset, and an interest expense related to the financing component lease obligations. Accordingly, the EBITDA and the operating profit will be affected.

Until December 31, 2018, the Company recognized a linear expense with the operating lease agreements over the agreement term.

ii. Transition

The Company applied CPC 06 (R2) / IFRS 16, using the modified retrospective approach, which does not require the presentation of information from prior comparative periods.

On transition, lease liabilities will be measured at the present value of the remaining payments, discounted at the incremental borrowing rate of the lessee.

The lease agreements have an average term of ten years and the Company will use late payment, as in determining the term of the lease, if the agreement contains options to extend or terminate, among others. The Company's policy is to make the late payment at least one year before the lease expires. The payment flows were estimated gross of PIS and COFINS and rights of use assets will be measured at the amount equal to the lease liability at present value.

The Company plans to apply the practical file regarding the definition of a lease agreement in the transition. This means that it will apply CPC 06 (R2) / IFRS 16 to all contracts entered into prior to January 1, 2019 that were identified as leases in accordance with CPC 06 (R1) / IAS 17 and ICPC 03 / IFRIC 4.

The incremental credit rate (discount) used to measure the present value of the data was calculated on the projected CDI + spread - projected inflation of contractual index.

Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

2. Accounting policies--Continued

2.1. Effects of the adoption of CPC 06 (R2) / IFRS 16--Continued

Based on the information, we present below the movement of the Company's right-of-use assets and lease liabilities:

| Right-of-use assets | Amount |
|--|-----------------|
| At December 31, 2018 | - |
| Leases recognized in the transition to CPC 06 (R2) / IFRS 16 | 752,966 |
| Amortization | (31,091) |
| At March 31, 2019 (Note 12) | 721,875 |
| Lease liabilities | Value |
| At December 31, 2018 | - |
| Leases recognized in the transition to CPC 06 (R2) / IFRS 16 | 940,710 |
| Payment of lease liabilities | (34,285) |
| Adjustement to present value recognized in the transition to CPC 06 (R2) / IFRS 16 | (187,744) |
| Accumulated interest discount (APV) | 10,834 |
| At March 31, 2019 (Note 15) | 729,515 |
| Current | 101,147 |
| Non-current | 628,368 |
| Income from lease | Amount |
| At December 31, 2018 | - |
| Expenses on stores - variable rental | (4,226) |
| Amortization of lease (Note 26 and 27) | (31,091) |
| Finance costs - Accrued interest (APV) (Note 28) | (10,834) |
| At March 31, 2019 | (46,151) |

3. Business combination

On October 17, 2017, the Company entered into a Share Purchase and Sale Agreement for the acquisition King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A., which in the aggregate have 51 restaurants and 20 desert kiosks of the BURGER KING® brand (Note 1) and consist of one group at Company.

The aggregate transaction price was R\$404 million (Note 10), contingent to the compliance with various suspensive conditions, among them the approval of the transaction by the Brazilian Antitrust Agency ("CADE") which occurred on 01/31/2018 in a satisfactory manner for BKB published in the Federal Official Gazette ("DOU"), the conducting of the initial public offering of Company shares occurred on December 18, 2017, and the satisfactory conclusion of the legal, accounting, financial and operational due diligence of the companies.

On April 2, 2018, the Company announced the conclusion of the acquisition of control and of the total shares issued by these legal entities under common control.

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

3. Business combination--Continued

The composition of the consideration, preliminary allocation of the acquisition price, identification of the market value of the calculated net assets and allocation of the goodwill are shown below:

| | King Food | Good Food | Fast Burger (i) | Total |
|-----------------------------------|---------------|----------------|-----------------|----------------|
| Consideration paid on acquisition | 95,174 | 155,672 | 138,861 | 389,707 |
| Consideration payable | 3,710 | 4,887 | 5,583 | 14,181 |
| Subtotal consideration | 98,884 | 160,559 | 144,444 | 403,887 |
| Adjustment to present value (APV) | (717) | (945) | (1,080) | (2,742) |
| Total consideration | 98,167 | 159,614 | 143,364 | 401,145 |

| | Carrying amount | | | | Fair value adjustment (PPA) (Note 13) | | | | Fair value | | | |
|--|-----------------|---------------|----------------|---------------|---------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | King Food | Good Food | Fast Burger | Total | King Food | Good Food | Fast Burger | Total | King Food | Good Food | Fast Burger | Total |
| Current assets, net of cash acquired | 6,821 | 22,877 | 14,572 | 44,270 | - | - | - | - | 6,821 | 22,877 | 14,572 | 44,270 |
| Other non-current assets | 2,401 | 1,604 | 3,607 | 7,612 | - | - | - | - | 2,401 | 1,604 | 3,607 | 7,612 |
| Property and equipment (Note 11) | 13,564 | 10,847 | 14,052 | 38,463 | - | - | - | - | 13,564 | 10,847 | 14,052 | 38,463 |
| Intangible assets (Note 12) | | | | | | | | | | | | |
| Goodwill | - | - | - | - | 88,469 | 137,713 | 143,934 | 370,116 | 88,469 | 137,713 | 143,934 | 370,116 |
| Franchise fee - brand | 522 | 598 | 1,509 | 2,629 | 1,226 | 1,265 | 802 | 3,293 | 1,748 | 1,864 | 2,311 | 5,923 |
| Commercial rights | 434 | 346 | 1,072 | 1,852 | 3,927 | 5,905 | 7,242 | 17,074 | 4,361 | 6,251 | 8,314 | 18,926 |
| Software | 221 | 205 | 89 | 515 | - | - | - | - | 221 | 205 | 89 | 515 |
| | 23,963 | 36,477 | 34,901 | 95,341 | 93,622 | 144,884 | 151,978 | 390,483 | 117,585 | 181,361 | 186,879 | 485,825 |
| Current liabilities | 13,088 | 13,372 | 28,295 | 54,755 | - | - | - | - | 13,088 | 13,372 | 28,295 | 54,755 |
| Non-current liabilities (ii) | 6,330 | 8,374 | 15,220 | 29,924 | - | - | - | - | 6,330 | 8,374 | 15,220 | 29,923 |
| Net assets acquired at fair value | 4,545 | 14,731 | (8,614) | 10,662 | 93,622 | 144,884 | 151,978 | 390,484 | 98,167 | 159,614 | 143,364 | 401,145 |

- (i) The consideration amount may change since one of the acquired stores of this subsidiary did not have 12 operating months at the acquisition date, so after the closing of 2018, the calculation of the store was reperformed. The Company is aware that the amount of its consideration may change and does not expect a significant amount.
- (ii) As from 2015, there were no longer differences between the accounting and tax books related to Business combinations, and deferred taxes were no longer computed.

BK Brasil Operação e Assessoria a Restaurantes S.A.



Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

4. Cash and cash equivalents

| | Parent Company | | Consolidated | |
|--|----------------|----------------|---------------|----------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Cash | 23,006 | 28,663 | 23,006 | 28,663 |
| Banks | 224 | 1,487 | 262 | 1,567 |
| Financial investments | 62,491 | 136,812 | 76,645 | 144,733 |
| Total cash and cash equivalents | 85,721 | 166,962 | 99,913 | 174,963 |

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

| Type of Investment | Annual yield | Parent Company | | Consolidated | |
|------------------------------------|----------------------|----------------|----------------|---------------|----------------|
| | | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| CDB | 95% to 101.4% of CDI | - | 34,092 | - | 34,117 |
| Repurchase agreement | 80% of CDI | 52,512 | - | 52,512 | - |
| Invest plus | 10% to 60% of CDI | 9,979 | 102,720 | 24,133 | 110,616 |
| Total financial investments | | 62,491 | 136,812 | 76,645 | 144,733 |

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

5. Marketable securities

| Type of Investment | Annual yield | Parent Company | | Consolidated | |
|--|-----------------------------|----------------|----------------|----------------|----------------|
| | | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Exclusive investment fund - XPA BK (i) | 100% to 126% of CDI of IPCA | 142,101 | 227,492 | - | - |
| Federal Treasury Bills (LFT) | 100% to 126% of CDI of IPCA | - | - | 73,285 | 113,352 |
| Investment Funds | IPCA | - | - | 23,939 | 15,299 |
| Lease bills (LAM) | 102% to 102.1% of CDI | 41,839 | 58,955 | 41,839 | 58,955 |
| CDB | 109% of CDI | 36,628 | 113,502 | 42,948 | 133,010 |
| Investments and debentures | 110.6% to 126% of CDI | - | - | 6,891 | 34,152 |
| Financial bills (LF) | 103% to 117.5% of CDI | - | - | 26,088 | 58,527 |
| National Treasury Bills (NTN-B) | IPCA | - | - | 5,609 | - |
| Investment Fund and CDB (ii) | 99% of CDI | 1,329 | 2,327 | 1,329 | 2,327 |
| Repurchase agreement (iii) | 100% of CDI | 12,708 | 12,361 | 12,708 | 12,361 |
| Total marketable securities | | 234,605 | 414,637 | 234,636 | 427,983 |
| Current | | 223,050 | 402,276 | 223,081 | 415,622 |
| Marketable securities | | 220,568 | 399,790 | 220,599 | 413,136 |
| Restricted marketable securities | | 2,482 | 2,486 | 2,482 | 2,486 |
| Non-current | | 11,555 | 12,361 | 11,555 | 12,361 |

- (i) XPA BK FUNDO DE INVESTIMENTO MULTIMERCADO INVESTIMENTO NO EXTERIOR – Exclusive investment fund, 100% held by the Company, created on 12/29/2017. The portfolio of this fund, by type of investment, is shown in the consolidated balances, and is comprised of financial treasury bills and investment funds.
- (ii) Financial investments pledged as collateral of loans and financings mentioned in Note 13 and their redemption is linked to the maturity of those loans.
- (iii) Repurchase agreements (restricted account) pledged as collateral of the 6th issue of debentures mentioned in Note 13.2.

BK Brasil Operação e Assessoria a Restaurantes S.A.



Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

6. Trade receivables, net

| | Parent Company | | Consolidated | |
|--|----------------|---------------|---------------|---------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Sales transactions | 63,587 | 49,506 | 63,587 | 49,581 |
| Service rendered with franchisees | 2,909 | 3,032 | 2,909 | 3,032 |
| Services rendered with related parties (Note 21) | 629 | 655 | 629 | 655 |
| Other receivables | 10,322 | 6,335 | 10,322 | 6,335 |
| Total trade receivables | 77,447 | 59,528 | 77,447 | 59,603 |

As mentioned in Note 13, part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financings (debentures).

7. Inventories

| | Parent company and Consolidated | |
|---------------------------|---------------------------------|---------------|
| | 3/31/2019 | 12/31/2018 |
| Goods for resale | 39,632 | 46,179 |
| Distribution center - BKB | 24,577 | 26,006 |
| Gifts | 8,018 | 9,091 |
| Total inventories | 72,227 | 81,276 |

8. Taxes recoverable

| | Parent Company | | Consolidated | |
|---|----------------|---------------|---------------|---------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| IRPJ (Income Tax) | 4,928 | 2,368 | 6,028 | 3,468 |
| CSLL (Social Contribution on Profit) | 2,071 | 1,116 | 2,448 | 1,493 |
| PIS and COFINS (indirect taxes) on property and equipment | 69 | 69 | 69 | 69 |
| IRRF (Withholding Income Tax) | 1,377 | 1,976 | 1,380 | 1,976 |
| ICSM (State VAT) | 8,663 | 9,676 | 9,023 | 10,037 |
| Non-cumulative PIS | 5,789 | 5,007 | 6,310 | 5,528 |
| Non-cumulative COFINS | 24,375 | 22,809 | 26,861 | 25,297 |
| INSS (Social Security Contribution) | 5,160 | 7,787 | 5,160 | 7,787 |
| Other | 288 | 289 | 288 | 289 |
| Total taxes recoverable | 52,720 | 51,097 | 57,567 | 55,944 |
| Current | 30,075 | 35,546 | 34,922 | 40,393 |
| Non-current (i) | 22,645 | 15,551 | 22,645 | 15,551 |

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

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

9. Advances paid

| | Parent Company | | Consolidated | |
|---|----------------|---------------|---------------|---------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Advances to suppliers of services and materials | 12,903 | 12,755 | 12,940 | 12,759 |
| Expenses to be reimbursed - Marketing Fund | 39,016 | 13,863 | 39,016 | 13,863 |
| Total prepaid expenses | 51,919 | 26,618 | 51,956 | 26,622 |

10. Investments

A movements in investments as of March 31, 2019 and December 31, 2018 are as follows:

| | Parent Company | |
|---|----------------|----------------|
| | 3/31/2019 | 12/31/2018 |
| Opening balance | 462,653 | 17,965 |
| Net assets acquired (Note 3) | - | 403,887 |
| Advance for future capital increase - in cash | 38 | 18,572 |
| Advance for future capital increase - PERT (i) | - | 6,737 |
| APV accounts payable for the acquisition of investment (Note 3) | (2,742) | - |
| Equity pickup | (3,528) | 15,492 |
| Closing balance | 456,421 | 462,653 |

(i) In September 2018, the subsidiaries 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 carrying amounts (without the effect of fair value) as of March 31, 2019 and December 31, 2018 are as follows:

| | 3/31/2019 | | | | | Total |
|-------------------------------------|--------------|----------------|---------------|---------------|---------------|---------------|
| | BGMXX BA | BGMXX AL | KING FOOD | FAST BURGER | GOOD FOOD | |
| Assets | | | | | | |
| Current assets | 1,698 | 44 | 3,751 | 10,740 | 16,804 | 33,037 |
| Non-current assets | 2,991 | 88 | 16,934 | 20,747 | 12,866 | 53,626 |
| Total assets | 4,689 | 132 | 20,685 | 31,487 | 29,670 | 86,663 |
| Liabilities | | | | | | |
| Current liabilities | 2,702 | 1,540 | 746 | 7,228 | 799 | 13,015 |
| Non-current liabilities | - | 257 | 6,475 | 10,470 | 12,061 | 29,263 |
| Total liabilities | 2,702 | 1,797 | 7,221 | 17,698 | 12,860 | 42,278 |
| Equity | 1,987 | (1,665) | 13,464 | 13,789 | 16,810 | 44,385 |
| Total liabilities and equity | 4,689 | 132 | 20,685 | 31,487 | 29,670 | 86,663 |
| % interest in subsidiary | 100% | 100% | 100% | 100% | 100% | |
| Net operating revenue | - | - | - | - | - | - |
| Equity pickup | (168) | (11) | (713) | (1,692) | (944) | (3,528) |

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

10. Investments--Continued

| | 12/31/2018 | | | | | Total |
|-------------------------------------|--------------|----------------|---------------|---------------|---------------|---------------|
| | BGMXX BA | BGMXX AL | KING FOOD | FAST BURGER | GOOD FOOD | |
| Assets | | | | | | |
| Current assets | 1,662 | 29 | 5,041 | 9,422 | 17,595 | 33,749 |
| Non-current assets | 3,158 | 98 | 16,518 | 21,606 | 13,497 | 54,877 |
| Total assets | 4,820 | 127 | 21,559 | 31,028 | 31,092 | 88,626 |
| Liabilities | | | | | | |
| Current liabilities | 2,702 | 1,524 | 907 | 5,228 | 1,532 | 11,893 |
| Non-current liabilities | - | 257 | 6,475 | 10,319 | 11,807 | 28,858 |
| Total liabilities | 2,702 | 1,781 | 7,382 | 15,547 | 13,339 | 40,751 |
| Equity | 2,118 | (1,654) | 14,177 | 15,481 | 17,753 | 47,875 |
| Total liabilities and equity | 4,820 | 127 | 21,559 | 31,028 | 31,092 | 88,626 |
| % interest in subsidiary | 100% | 100% | 100% | 100% | 100% | |
| Net operating revenue | - | - | 41,216 | 71,591 | 54,922 | 167,729 |
| Equity pickup (i) | 34 | 292 | 4,103 | 9,171 | 1,892 | 15,492 |

(i) The subsidiaries' operating revenues are being partially 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 12).

11. Property and equipment, net

| | Annual range depreciation rate | Parent Company | | Consolidated | |
|--------------------------------------|-----------------------------------|----------------|----------------|----------------|----------------|
| | | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Facilities, improvement and projects | (i) | 426,973 | 405,632 | 447,704 | 427,375 |
| Machinery and equipment | 5% to 25% | 169,906 | 156,394 | 183,549 | 170,758 |
| Furniture and fixtures | 6% to 20% | 41,802 | 38,776 | 46,277 | 43,457 |
| Computers and hardware | 2% to 5% | 43,338 | 41,438 | 45,705 | 43,897 |
| Other assets | - | 243,245 | 250,129 | 243,387 | 250,271 |
| (-) Provision for impairment | - | (7,416) | (7,533) | (7,416) | (7,533) |
| Total property and equipment | | 917,848 | 884,836 | 959,206 | 928,225 |

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

The movements in property and equipment in the period ended March 31, 2019 and year ended December 31, 2018 are as follows:

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

11. Property and equipment, net--Continued

| | Parent Company | | | | | | Total |
|---|--------------------------------------|-------------------------|------------------------|------------------------|--------------------|------------------------------|-----------|
| | Facilities, improvement and projects | Machinery and equipment | Furniture and fixtures | Computers and hardware | Other assets (iii) | (-) Provision for impairment | |
| Cost | | | | | | | |
| Balance as at 12/31/2017 | 570,640 | 183,765 | 50,774 | 90,659 | 129,167 | (3,328) | 1,021,677 |
| Additions (ii) | 41,098 | - | - | 5 | 271,708 | - | 312,811 |
| Transfers | 61,528 | 55,887 | 13,112 | 16,028 | (146,555) | - | - |
| Write-offs | (5,490) | (1,557) | (1,390) | (2,822) | (3,162) | - | (14,421) |
| Sale of stores (i) | (3,951) | (1,474) | (328) | (703) | (1,029) | - | (7,485) |
| Impairment (Note 27) | - | - | - | - | - | (4,205) | (4,205) |
| Balance as at 12/31/2018 | 663,825 | 236,621 | 62,168 | 103,167 | 250,129 | (7,533) | 1,308,377 |
| Additions (ii) | 8,730 | - | - | - | 60,849 | - | 69,579 |
| Transfers | 37,274 | 19,499 | 4,637 | 6,255 | (67,665) | - | - |
| Write-offs | (4,246) | - | - | - | (68) | - | (4,314) |
| Impairment (Note 27) | - | - | - | - | - | 117 | 117 |
| Balance as at 3/31/2019 | 705,583 | 256,120 | 66,805 | 109,422 | 243,245 | (7,416) | 1,373,759 |
| Depreciation | | | | | | | |
| Balance as at 12/31/2017 | (199,604) | (59,971) | (18,315) | (48,140) | - | - | (326,030) |
| Additions | (64,951) | (22,061) | (6,001) | (16,716) | - | - | (109,729) |
| Write-offs | 4,320 | 1,140 | 762 | 2,555 | - | - | 8,777 |
| Sale of stores (i) | 2,042 | 665 | 162 | 572 | - | - | 3,441 |
| Balance as at 12/31/2018 | (258,193) | (80,227) | (23,392) | (61,729) | - | - | (423,541) |
| Additions | (23,447) | (5,987) | (1,611) | (4,355) | - | - | (35,400) |
| Write-offs | 3,030 | - | - | - | - | - | 3,030 |
| Balance as at 3/31/2019 | (278,610) | (86,214) | (25,003) | (66,084) | - | - | (455,911) |
| Total property and equipment at 12/31/2018 | 405,632 | 156,394 | 38,776 | 41,438 | 250,129 | (7,533) | 884,836 |
| Total property and equipment at 3/31/2019 | 426,973 | 169,906 | 41,802 | 43,338 | 243,245 | (7,416) | 917,848 |

- (i) Disposal of 7 stores, 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\$4,120 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").
- (ii) Expenses related to the implementation and development of the POPEYES® brand of R\$3,054 for the period ended March 31, 2019 (R\$9,364 in 2018) - (Note 1) were capitalized in the projects heading.
- (iii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$138,148 (R\$147,901 at December 31, 2018), works referring to stores under construction R\$19,258 (R\$14,344 at December 31, 2018), new equipment in stock R\$55,079 (R\$46,824 at December 31, 2018), maintenance equipment R\$1,625 (R\$1,585 at December 31, 2018), and other assets in progress R\$29,135 (R\$39,475 at December 31, 2018).

BK Brasil Operação e Assessoria a Restaurantes S.A.



Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

11. Property and equipment, net--Continued

| | Consolidated | | | | | | Total |
|---|--------------------------------------|-------------------------|------------------------|------------------------|--------------------|------------------------------|-----------|
| | Facilities, improvement and projects | Machinery and equipment | Furniture and fixtures | Computers and hardware | Other assets (iii) | (-) Provision for impairment | |
| Cost | | | | | | | |
| Balance as at 12/31/2017 | 576,965 | 190,546 | 55,829 | 91,646 | 129,286 | (3,328) | 1,040,944 |
| Additions (ii) | 43,019 | 1,415 | 121 | 268 | 276,620 | - | 321,443 |
| Acquisition (Note 3) | 19,525 | 12,736 | 4,413 | 1,738 | 50 | - | 38,462 |
| Transfers | 63,625 | 57,182 | 13,417 | 17,243 | (151,467) | - | - |
| Write-offs | (5,511) | (1,793) | (1,802) | (2,983) | (3,162) | - | (15,251) |
| Sale of stores (i) | (4,092) | (1,666) | (345) | (703) | (1,029) | - | (7,835) |
| Impairment (Note 27) | - | - | - | - | - | (4,205) | (4,205) |
| Balance as at 12/31/2018 | 693,531 | 258,420 | 71,633 | 107,209 | 250,298 | (7,533) | 1,373,558 |
| Additions (ii) | 8,730 | - | - | - | 60,849 | - | 69,579 |
| Transfers | 37,274 | 19,499 | 4,637 | 6,255 | (67,665) | - | - |
| Write-offs | (4,246) | - | - | - | (68) | - | (4,314) |
| Impairment (Note 27) | - | - | - | - | - | 117 | 117 |
| Balance as at 3/31/2019 | 735,289 | 277,919 | 76,270 | 113,464 | 243,414 | (7,416) | 1,438,940 |
| Depreciation | | | | | | | |
| Balance as at 12/31/2017 | (204,492) | (65,223) | (22,434) | (49,153) | - | - | (341,302) |
| Additions | (68,026) | (24,244) | (6,690) | (17,447) | (27) | - | (116,434) |
| Write-offs | 4,320 | 1,140 | 786 | 2,716 | - | - | 8,962 |
| Sale of stores (i) | 2,042 | 665 | 162 | 572 | - | - | 3,441 |
| Balance as at 12/31/2018 | (266,156) | (87,662) | (28,176) | (63,312) | (27) | - | (445,333) |
| Additions | (24,459) | (6,708) | (1,817) | (4,447) | - | - | (37,431) |
| Write-offs | 3,030 | - | - | - | - | - | 3,030 |
| Balance as at 3/31/2019 | (287,585) | (94,370) | (29,993) | (67,759) | (27) | - | (479,734) |
| Total property and equipment at 12/31/2018 | 427,375 | 170,758 | 43,457 | 43,897 | 250,271 | (7,533) | 928,225 |
| Total property and equipment at 3/31/2019 | 447,704 | 183,549 | 46,277 | 45,705 | 243,387 | (7,416) | 959,206 |

- (i) Disposal of 7 stores, 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\$3,978 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").
- (ii) Expenses related to the implementation and development of the POPEYES® brand of R\$3,054 for the period ended March 31, 2019 (R\$ 9,364 in 2018) - (Note 1) were capitalized in the projects heading.
- (iii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$138,148 (R\$147,901 at December 31, 2018), works referring to stores under construction R\$19,258 (R\$14,344 at December 31, 2018), new equipment in stock R\$55,079 (R\$46,824 at December 31, 2018), maintenance equipment R\$1,625 (R\$1,585 at December 31, 2018), and other assets in progress R\$29,277 (R\$39,617 at December 31, 2018).

The other matters related to this note were not materially changed in relation to the disclosures in Note 12 to the individual and consolidated financial statements as of December 31, 2018.

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

12. Intangible assets, net

| | Annual average amortization rate | Parent Company | | Consolidated | |
|--------------------------------|----------------------------------|------------------|----------------|------------------|----------------|
| | | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Commercial rights | (i) | 46,570 | 46,423 | 68,342 | 68,204 |
| Franchise fee | 5% | 56,794 | 55,657 | 64,301 | 63,414 |
| Software licenses | 20% | 6,183 | 6,795 | 7,119 | 7,757 |
| Lease - rental | (ii) | 721,875 | - | 721,875 | - |
| Goodwill | (iii) | 184,917 | 184,917 | 572,199 | 574,941 |
| Total intangible assets | | 1,016,339 | 293,792 | 1,433,836 | 714,316 |

- (i) According to the rental agreement terms, 10 years on average.
 (ii) Adoption and application of CPC 06 (R2) / IFRS 16 (Note 2.1).
 (iii) Annual analysis of impairment.

The movements in Intangible assets in the years ended March 31, 2019 and December 31, 2018 are as follows:

| | Parent Company | | | | | Total |
|---|-------------------|-------------------------|-------------------|----------------|-----------------|------------------|
| | Commercial rights | Franchise fee (Note 20) | Software licenses | Goodwill | Lease - rental | |
| Cost | | | | | | |
| Balance as at 12/31/2017 | 96,780 | 60,812 | 18,450 | 184,917 | - | 360,959 |
| Additions | 6,068 | 10,010 | 766 | - | - | 16,844 |
| Write-offs | (1,031) | (401) | (37) | - | - | (1,469) |
| Sale of stores (i) | (60) | (260) | (47) | - | - | (367) |
| Balance as at 12/31/2018 | 101,757 | 70,161 | 19,132 | 184,917 | - | 375,967 |
| Additions | 6,488 | 2,299 | - | - | 752,966 | 761,753 |
| Write-offs | (230) | - | (12) | - | - | (242) |
| Balance as at 3/31/2019 | 108,015 | 72,460 | 19,120 | 184,917 | 752,966 | 1,137,478 |
| Amortization | | | | | | |
| Balance as at 12/31/2017 | (46,803) | (11,042) | (9,591) | - | - | (67,436) |
| Additions | (9,298) | (3,679) | (2,774) | - | - | (15,751) |
| Write-offs | 740 | 164 | 18 | - | - | 922 |
| Sale of stores (i) | 27 | 53 | 10 | - | - | 90 |
| Balance as at 12/31/2018 | (55,334) | (14,504) | (12,337) | - | - | (82,175) |
| Additions | (6,220) | (1,162) | (604) | - | (31,091) | (39,077) |
| Write-offs | 109 | - | 4 | - | - | 113 |
| Balance as at 3/31/2019 | (61,445) | (15,666) | (12,937) | - | (31,091) | (121,139) |
| Total intangible assets as at 12/31/2018 | 46,423 | 55,657 | 6,795 | 184,917 | - | 293,792 |
| Total intangible assets as at 3/31/2019 | 46,570 | 56,794 | 6,183 | 184,917 | 721,975 | 1,016,339 |

- (i) Sale of 7 stores, 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\$4,120 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

12. Intangible assets, net--Continued

| | Consolidated | | | | | Total |
|---|-------------------|---------------|-------------------|----------|----------------|-----------|
| | Commercial rights | Franchise fee | Software licenses | Goodwill | Lease - rental | |
| Cost | | | | | | |
| Balance as at 12/31/2017 | 101,947 | 63,014 | 18,623 | 202,083 | - | 385,667 |
| Additions | 6,067 | 10,062 | 1,383 | - | - | 17,512 |
| Acquisition (Note 3) | 18,925 | 5,922 | 515 | 372,858 | - | 398,220 |
| Write-offs | (1,031) | (401) | (37) | - | - | (1,469) |
| Sale of stores (i) | (60) | (260) | (47) | - | - | (367) |
| Balance as at 12/31/2018 | 125,848 | 78,337 | 20,437 | 574,941 | - | 799,563 |
| Additions | 6,488 | 2,299 | - | - | 752,966 | 761,753 |
| Acquisition (Note 3) | - | - | - | (2,742) | - | (2,742) |
| Write-offs | (230) | - | (12) | - | - | (242) |
| Balance as at 3/31/2019 | 132,106 | 80,636 | 20,425 | 572,199 | 752,966 | 1,558,332 |
| Amortization | | | | | | |
| Balance as at 12/31/2017 | (48,697) | (11,090) | (9,766) | - | - | (69,553) |
| Additions | (9,714) | (4,050) | (2,946) | - | - | (16,710) |
| Write-offs | 740 | 164 | 22 | - | - | 926 |
| Sale of stores (i) | 27 | 53 | 10 | - | - | 90 |
| Balance as at 12/31/2018 | (57,644) | (14,923) | (12,680) | - | - | (85,247) |
| Additions | (6,229) | (1,412) | (630) | - | (31,091) | (39,362) |
| Write-offs | 109 | - | 4 | - | - | 113 |
| Balance as at 3/31/2019 | (63,764) | (16,335) | (13,306) | - | (31,091) | (124,496) |
| Total intangible assets as at 12/31/2018 | 68,204 | 63,414 | 7,757 | 574,941 | - | 714,316 |
| Total intangible assets as at 3/31/2019 | 68,342 | 64,301 | 7,119 | 572,199 | 721,875 | 1,433,836 |

(i) Sale of 7 stores, 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\$3,978 (Note 27, line items "Income from stores sold" and "Write-off of assets of stores sold").

The other matters related to this note were not materially changed in relation to the disclosures in Note 13 to the individual and consolidated financial statements as of December 31, 2018.

13. Loans and financings

| | Parent company and Consolidated | |
|--|---------------------------------|----------------|
| | 3/31/2019 | 12/31/2018 |
| Loans and financings (Note 13.1) | 9,339 | 9,674 |
| Debentures and CRA (Agribusiness Receivables Certificate) (Notes 13.2) | 154,952 | 269,439 |
| Total loans and financings | 164,291 | 279,113 |
| Current | 52,286 | 161,581 |
| Non-current | 112,005 | 117,532 |

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

13. Loans and financings--Continued

13.1. Loans and financings

| | Interest rates (p.m.) | Maturity | Parent company and Consolidated | |
|---|------------------------------|----------------|---------------------------------|--------------|
| | | | 3/31/2019 | 12/31/2018 |
| Investments | 0.89% | January 2026 | 9,335 | 9,668 |
| Others | 0.86% to 100% of CDI + 0.80% | September 2019 | 4 | 6 |
| Total loans and financings (Note 13) | | | 9,339 | 9,674 |
| | | | 1,709 | 1,654 |
| Current | | | | |
| Non-current | | | 7,630 | 8,020 |

Foreign currency

As of March 31, 2019 and December 31, 2018, the Company had no loans in foreign currency.

13.2. Debentures and Agribusiness Receivables Certificate (CRA)

| | Interest rates (p.m.) | Maturity | Parent company and Consolidated | |
|--------------------------------------|-----------------------|---------------|---------------------------------|----------------|
| | | | 3/31/2019 | 12/31/2018 |
| Debentures 2nd issue | 100% of CDI + 0.20% | March 2019 | - | 6,689 |
| Debentures 3rd issue | 100% of CDI + 0.20% | December 2019 | 27,238 | 26,666 |
| Debentures (CRA) - 4th and 5th issue | 100% of CDI + 0.09% | February 2019 | - | 105,145 |
| Debentures 6th issue | 100% of CDI + 0.24% | May 2020 | 30,970 | 37,164 |
| 7th issue debentures (CRA) | 100% of CDI + 0.07% | October 2020 | 104,421 | 102,638 |
| Financial charges to be incurred (i) | | | (7,677) | (8,863) |
| Total debentures (Note 13) | | | 154,952 | 269,439 |
| | | | 50,577 | 159,927 |
| Current | | | | |
| Non-current | | | 104,375 | 109,512 |

(i) 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, 2019 and December 31, 2018:

| Year | Parent company and Consolidated | |
|------|---------------------------------|----------------|
| | 3/31/2019 | 12/31/2018 |
| 2020 | 107,404 | 113,558 |
| | 107,404 | 113,558 |

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Notes to the interim financial information--Continued
Period ended March 31, 2019
(Amounts in thousands of reais)

13. Loans and financings--Continued

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

Covenants

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

Covenants are controlled annually by the financial institutions, however the Company monitors them on a monthly basis. There are no uncertainties about annual compliance therewith.

Collaterals

In the period ended March 31, 2019, the Company has a letter of guarantee as collateral for the rental of stores with banks amounting to R\$6,454 (R\$7,980 in the year ended December 31, 2018).

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

The other matters related to this note were not materially changed in relation to the disclosures in Note 13 to the individual and consolidated financial statements as of December 31, 2018.

14. Trade and rental payables

| | Parent Company | | Consolidated | |
|--|----------------|----------------|----------------|----------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Suppliers of materials and services | 128,372 | 186,372 | 129,609 | 188,145 |
| Agreement suppliers (i) | 28,413 | 43,619 | 28,413 | 43,619 |
| Others | 7,934 | 9,479 | 7,934 | 9,479 |
| Total trade and rental payables | 164,719 | 239,470 | 165,956 | 241,243 |

(i) The Company has financial liabilities with suppliers, through financial institutions, whose maturities were postponed, or suppliers received in advance in the period ended March 31, 2019.

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

15. Lease liabilities

| | Parent company and Consolidated |
|--|------------------------------------|
| | 3/31/2019 |
| Lease payables (i) (Note 2.1) | 906,425 |
| Adjustment to present value – APV (i) (Note 2.1) | (176,910) |
| Total trade and lease payables | 729,515 |
| Current | 101,147 |
| Non-current | 628,368 |

(i) Adoption and application of CPC 06 (R2) / IFRS 16 (Note 2.1).

| | Parent company and Consolidated | | |
|---|---------------------------------|-----------------------------|----------------|
| | 3/31/2019 | | |
| Aging list (i) | Lease liabilities | (-) APV - Lease liabilities | Total |
| Over one year and less than three years | 406,560 | (90,467) | 316,093 |
| Over three years and less than five years | 185,732 | (29,957) | 155,775 |
| Over 5 years | 172,985 | (16,485) | 156,500 |
| Total | 765,277 | (136,909) | 628,368 |

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

16. Corporate payables

| | Parent Company | | Consolidated | |
|-------------------------------------|----------------|---------------|--------------|---------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Royalties/Franchise Fee (Note 21.1) | 8,766 | 17,950 | 8,777 | 17,961 |
| Total corporate payables | 8,766 | 17,950 | 8,777 | 17,961 |

17. Taxes payable

| | Parent Company | | Consolidated | |
|--|----------------|---------------|---------------|---------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Contribution Tax on Gross Revenue for Social Security Financing (COFINS) | 1,463 | 2,176 | 1,463 | 2,176 |
| Corporate Income Tax (IRPJ) | 777 | 8,085 | 1,407 | 8,823 |
| Social Contribution on Profit (CSLL) | 272 | 2,930 | 383 | 3,064 |
| Social Integration Program (PIS) | 107 | 282 | 115 | 282 |
| Withholding Income Tax (IRRF) | 444 | 4,109 | 447 | 4,111 |
| State VAT (ICMS) | 2,679 | 5,738 | 2,718 | 5,802 |
| Contribution For Intervention in the Economic Domain (CIDE) | 1,046 | 1,739 | 1,047 | 1,740 |
| Taxes in installments (i) | - | - | 11,276 | 12,144 |
| Service Tax (ISS) withheld | 4,849 | 4,665 | 4,850 | 4,665 |
| Social Security Contribution (INSS) withheld payable (ii) | - | - | 11,855 | 11,855 |
| Other | 420 | 603 | 690 | 872 |
| Total taxes payable | 12,057 | 30,327 | 36,251 | 55,534 |
| Current | 12,057 | 30,327 | 14,093 | 33,781 |
| Non-current | - | - | 22,158 | 21,753 |

(i) Refers to the installment payment of taxes and enrollment in the PERT made by the investees.

(ii) Refers to the spontaneous installment of INSS of funds made by the investees.

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

18. Deferred revenue, net

| | Parent company and Consolidated | |
|------------------------------------|---------------------------------|------------------|
| | 3/31/2019 | 12/31/2018 |
| | Deferred revenue | Deferred revenue |
| Deferred revenue, net | 33,440 | 35,487 |
| Total deferred revenue, net | 33,440 | 35,487 |
| Current | 9,102 | 9,091 |
| Non-current | 24,338 | 26,396 |

The deferred revenue is related to resources in advance for the marketing campaign agreement entered into with specific suppliers for the exclusive sale of products of these suppliers in Burger King restaurants, exposure of suppliers' brands and investment in marketing campaigns to increase the sales of Burger King products and consequently increase in sales of the suppliers' products.

19 Other payables

| | Parent Company | | Consolidated | |
|--------------------------------|----------------|---------------|---------------|---------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Provision for sundry expenses | 12,964 | 10,200 | 18,878 | 16,114 |
| Investments payable – BGMAXX | 500 | 500 | 500 | 500 |
| Investments Payable (Note 3) | 15,009 | 14,180 | 15,009 | 14,181 |
| (-) APV of investments payable | (2,415) | - | (2,415) | - |
| Advances from customers | 3,261 | 1,960 | 3,261 | 1,960 |
| Others | 994 | 384 | 6,413 | 1,468 |
| Total other payables | 30,313 | 27,225 | 41,646 | 34,223 |
| Current | 17,719 | 13,045 | 23,138 | 14,129 |
| Non-current | 12,594 | 14,180 | 18,508 | 20,094 |

20. 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, as of March 31, 2019, the Company and its investees are involved in other tax, civil and labor lawsuits. Based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$41,656 (R\$40,734 as of December 31, 2018), as follows:

Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

20. Provision for legal claims--Continued

| | Parent Company | | | |
|---|----------------|---------------|--------------|---------------|
| | 3/31/2019 | | 12/31/2018 | |
| | Probable | Possible (i) | Probable | Possible (i) |
| Labor lawsuits | 10,276 | 24,127 | 8,834 | 23,223 |
| Civil lawsuits | 699 | 5,953 | 699 | 5,928 |
| Tax lawsuits | 6 | 11,576 | 6 | 11,583 |
| Total provision for legal claims | 10,981 | 41,656 | 9,539 | 40,734 |

| | Consolidated | | | |
|---|---------------|---------------|---------------|---------------|
| | 3/31/2019 | | 12/31/2018 | |
| | Probable | Possible (i) | Probable | Possible (i) |
| Labor lawsuits | 11,385 | 25,212 | 9,951 | 23,870 |
| Civil lawsuits | 781 | 5,980 | 781 | 5,930 |
| Tax lawsuits | 6 | 11,576 | (2) | 11,583 |
| Total provision for legal claims | 12,172 | 42,768 | 10,730 | 41,383 |

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

Probable labor claims

The Company and its investees are parties to labor lawsuits, mainly regarding employee terminations in the normal course of business. As of March 31, 2019, the Company had a provision of R\$10,276 (R\$8,834 as of December 31, 2018) in the Parent company and R\$11,385 (R\$9,951 as of December 31, 2018) in the Consolidated, for the contingencies related to lawsuits.

These contingencies are evaluated based on the average historical loss of the last eighteen months compared with the total lawsuits outstanding at the end of the 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.

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

| | Parent Company | | | |
|----------------|----------------|--------------|----------------|---------------|
| | 12/31/2018 | Additions | Payments | 3/31/2019 |
| Labor lawsuits | 8,834 | 2,721 | (1,279) | 10,276 |
| Civil lawsuits | 699 | - | - | 699 |
| Tax lawsuits | 6 | - | - | 6 |
| Total | 9,539 | 2,721 | (1,279) | 10,981 |

| | Consolidated | | | |
|----------------|---------------|--------------|----------------|---------------|
| | 12/31/2018 | Additions | Payments | 3/31/2019 |
| Labor lawsuits | 9,951 | 2,721 | (1,287) | 11,385 |
| Civil lawsuits | 781 | - | - | 781 |
| Tax lawsuits | (2) | - | 8 | 6 |
| Total | 10,730 | 2,721 | (1,279) | 12,172 |

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 Period ended March 31, 2019
 (Amounts in thousands of reais)

20. Provision for legal claims--Continued

Judicial deposits

| | Parent Company | | Consolidated | |
|--------------------------------|----------------|---------------|---------------|---------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Labor lawsuits | 23,354 | 24,053 | 24,940 | 24,574 |
| Civil lawsuits | 776 | 834 | 776 | 834 |
| Tax lawsuits | 6,928 | 5,495 | 6,928 | 5,495 |
| Total judicial deposits | 31,058 | 30,382 | 32,644 | 30,903 |

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

The other matters related to this note were not materially changed in relation to the disclosures in Note 20 to the individual and consolidated financial statements as of December 31, 2018.

21. Related parties

21.1 Franchise Fees and Royalties

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

The Company has recorded in its payables and receivables in the period ended March 31, 2019 and year ended December 31, 2018 the following amounts:

| | Burger King Corporation (BKC) | | BG MAXX BA | | Shareholders (ii) | |
|--------------------------------------|-------------------------------|------------------|------------------|------------------|-------------------|------------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Assets | | | | | | |
| Trade receivables (Note 6) | 629 | 655 | - | - | - | - |
| Additions to Franchise Fee (Note 12) | 2,299 | 10,010 | - | - | - | - |
| Other receivables (i) | - | - | 2,162 | 2,162 | 2,136 | - |
| Liabilities | | | | | | |
| Corporate payables (Note 16) | (8,766) | (17,950) | - | - | - | - |
| Other accounts payable | - | - | - | - | - | - |
| | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 | 3/31/2019 | 3/31/2018 |
| Results | | | | | | |
| Royalties expenses | (32,195) | (23,638) | - | - | - | - |

(i) Refund of marketing fund and services provided;

(ii) Costs from Follow-On occurred in the period ended March 31, 2019, which will be reimbursed by the Company's shareholders.

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Notes to the interim financial information--Continued
Period ended March 31, 2019
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21. Related parties--Continued

21.1 Franchise Fees and Royalties--Continued

| | King Food | | Fast Burger | | Good Food | |
|--------------------------------------|-----------|------------|-------------|------------|-----------|------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Assets | | | | | | |
| Additions to Franchise Fee (Note 12) | - | - | - | - | - | 52 |
| Other receivables (BKB) (i) | 54 | 530 | 43 | 740 | 126 | 321 |
| Liabilities | | | | | | |
| Other payables (BKB) (ii) | (949) | (949) | (2,939) | (2,939) | (1,779) | (1,776) |

- (i) Sale of equipment;
(ii) Purchase of inputs.

21.2 Management compensation

| | 3/31/2019 | 3/31/2018 |
|------------------------------|---------------|---------------|
| Management fees | 1,165 | 1,072 |
| Direct and indirect benefits | 256 | 240 |
| Variable compensation | 9,056 | 9,246 |
| | <u>10,477</u> | <u>10,558</u> |

The Company's officers are also included in the Stock Option Plan, which is described in Note 34.

The other matters related to this note were not materially changed in relation to the disclosures in Note 21 to the individual and consolidated financial statements as of December 31, 2018.

22. Equity

Capital

In March 2019, there was a secondary public offering of 33,373,621 common shares, registered, book-entry and with no par value, all free and clear of any liens or encumbrances, issued by the Company and owned by Vinci Capital Partners II B Equity Investment Fund - Multistrategy ("VCP II B FIP") of Sommerville Investments BV ("Sommerville Investments"), of Montjuic Fundo de Investimento em Participações Multiestratégia ("Montjuic") and of certain individual selling shareholders ("Selling Shareholders") and, together with VCP II B FIP, Sommerville Investments and Montjuic, Sellers"), pursuant to CVM Instruction 476 ("Offering"), with the price per Share of R\$21.41, resulting in a total amount of R\$714,529. Because it is a public offer of secondary distribution, as mentioned, it did not affect the Company's capital stock

Notes to the interim financial information--Continued
Period ended March 31, 2019
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22. Equity--Continued

Capital--Continued

As of March 31, 2019, the Company's capital is R\$940,297 and is represented by 227,074,970 registered common shares (R\$898,233 and represented by 222,525,821 shares as of December 31, 2018), book-entry and without par value, held as follows:

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.

Increase of the capital stock

At a meeting held on January 8, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws. The amount of the approved increase was R\$17,180 as a result of the exercise of stock options, with the Company's capital increasing from R\$898,233 to R\$915,412.

As a result of the increase in the Company's capital, 1,751,459 new registered common shares with no par value of the Company were issued, of which: (i) under the First Stock Options Plan, 1,720,815 new common shares at the issue price of R\$9.80 per share; (ii) under the Second Stock Options Plan, 1,607 new common shares at the issue price of R\$7.01 per share; and (iii) under the Third Stock Options Plan, 29,037 new common shares at the issue price of R\$10.49 per share.

At a meeting held on March 11, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws, as a result of the exercise of stock options. The amount of the approved increase was R\$24,884, bringing the Company's capital from R\$915,412 to R\$940,297.

As a result of the increase in the Company's capital, 2,797,690 new registered common shares with no par value of the Company were issued, of which: (i) under the First Stock Options Plan, 401,635 new common shares at the issue price of R\$9.84 per share; (ii) under the Second Stock Options Plan, 1,173,260 new common shares at the issue price of R\$6.95 per share; and (iii) under the Third Stock Options Plan, 1,222,795 new common shares at the issue price of R\$10.45 per share.

The other matters related to this note were not materially changed in relation to the disclosures in Note 22 to the individual and consolidated financial statements as of December 31, 2018.

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

23. Earnings per share

| | Parent company and Consolidated | |
|---|---------------------------------|-----------|
| | 3/31/2019 | 3/31/2018 |
| <u>Basic numerator</u> | | |
| Profit for the period | 3,051 | 8,810 |
| <u>Basic denominator</u> | | |
| Basic weighted average number of shares - in thousand | 224,743 | 222,278 |
| <u>Basic earnings per share</u> | 0.0136 | 0.0396 |
| <u>Diluted numerator</u> | | |
| Profit for the period | 3,051 | 8,810 |
| <u>Diluted denominator</u> | | |
| Weighted average number of shares - in thousand | 224,743 | 222,278 |
| Stock options (Note 34) - in thousand | 1,207 | 2,831 |
| Diluted weighted average number of shares | 225,950 | 225,109 |
| <u>Diluted earnings per share</u> | 0.0135 | 0.0391 |

24. Net operating revenue

| | Parent company and Consolidated | |
|--------------------------------------|---------------------------------|-----------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Gross sales revenue | 712,902 | 523,318 |
| Sales revenue deductions | (51,805) | (43,714) |
| Net sales revenue | 661,097 | 479,604 |
| Gross revenue from services rendered | 4,766 | 3,304 |
| Service revenue deductions | (538) | (379) |
| Net service revenue | 4,228 | 2,925 |
| Net operating revenue | 665,325 | 482,529 |

25. Cost of goods and product sold

| | Parent Company | | Consolidated | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Costs of food, beverages and packaging | (223,257) | (162,006) | (223,927) | (162,006) |
| Cost of services rendered and others | (30,580) | (23,229) | (30,580) | (23,229) |
| | (253,837) | (185,235) | (254,507) | (185,235) |

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

26. Expenses with stores

| | Parent Company | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Personnel expenses | (127,814) | (89,699) | (127,814) | (89,699) |
| Royalties and marketing fund | (61,584) | (45,275) | (61,584) | (45,275) |
| Occupancy and utilities expenses (i) | (53,213) | (64,019) | (53,262) | (64,019) |
| Depreciation and amortization (Notes 11 and 12) | (36,855) | (27,494) | (39,171) | (27,732) |
| Amortization of leases (Note 2.1 and 12) | (31,015) | - | (31,015) | - |
| Preoperating expenses (ii) | (1,882) | (900) | (1,882) | (900) |
| Sundry services | (18,318) | (11,422) | (18,318) | (11,422) |
| Repairs and maintenances | (13,876) | (9,170) | (13,931) | (9,170) |
| Others | (22,059) | (17,610) | (22,081) | (17,610) |
| | (366,616) | (265,589) | (369,058) | (265,827) |

- (i) Balance of expenses with variable leases for the period of 2019 according to CPC 06 (R2) - Leasing operations, and lease expenses for the period of 2018 classified as operating leases in accordance with IAS17.
- (ii) Preoperating costs of restaurants are mainly represented by costs of salaries and charges of the store professionals, services rendered by third parties and other expenses generated before the opening of stores.

27. General and administrative expenses

| | Parent Company | | Consolidated | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Administrative personnel expenses | (27,662) | (23,717) | (27,662) | (23,717) |
| Administrative occupancy and utilities expenses (i) | (241) | (441) | (254) | (441) |
| Depreciation and amortization (Notes 11 and 12) | (6,531) | (1,861) | (6,531) | (1,861) |
| Amortization for leases (Note 2.1) | (76) | - | (76) | - |
| Expenses on acquisitions and mergers (ii) | (728) | (855) | (728) | (855) |
| Disposal of property and equipment and intangible assets (Notes 11 and 12) | (1,413) | (1,089) | (1,413) | (1,089) |
| Income from stores sold | - | 1,419 | - | 1,419 |
| Write-off of assets of stores sold | - | (1,384) | - | (1,384) |
| Reversal of impairment (Note 11) | 117 | - | 117 | - |
| Stock options cost (Note 34) | (661) | (1,122) | (661) | (1,122) |
| Other income (expenses), net (iii) | 634 | 662 | 134 | 451 |
| | (36,561) | (28,388) | (37,074) | (28,599) |

- (i) Balance of expenses with variable leases for the period of 2019 according to CPC 06 (R2) - Leasing operations, and lease expenses for the period of 2018 classified as operating leases in accordance with IAS17.
- (ii) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the year.
- (iii) Refer 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 and services rendered in the subsidiaries.

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

28. Financial expenses

| | Parent Company | | Consolidated | |
|--------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Interest on loans and financing | (4,701) | (9,261) | (4,701) | (9,261) |
| Banking expenses and sundry interest | (929) | (1,244) | (953) | (1,251) |
| Foreign exchange losses | (557) | (169) | (557) | (169) |
| Lease APV expense payable (2.1) | (10,834) | - | (10,834) | - |
| Inflation adjustment | (829) | - | (829) | - |
| Other finance costs | (1,157) | (894) | (1,167) | (902) |
| | (19,007) | (11,568) | (19,041) | (11,583) |

29. Financial income

| | Parent Company | | Consolidated | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Short-term investments interest and yield | 6,182 | 19,010 | 6,315 | 19,218 |
| Foreign exchange gains | 505 | 461 | 505 | 461 |
| Taxes on finance income | (314) | (924) | (316) | (924) |
| Other finance income | 52 | 820 | 52 | 820 |
| | 6,425 | 19,367 | 6,556 | 19,575 |

30. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended March 31, 2019 and 2018 is as follows:

| | Parent company and Consolidated | |
|----------|---------------------------------|--------------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Current | - | (1,411) |
| Deferred | 10,850 | (639) |
| | 10,850 | (2,050) |

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, 2019 and 2018 is shown below:

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

30. Income tax and social contribution--Continued

Reconciliation to effective rate--Continued

| | Parent Company | | Consolidated | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 | 1/1/2019 to 3/31/2019 | 1/1/2018 to 3/31/2018 |
| Profit (loss) before income tax and social contribution | (7,799) | 10,860 | (7,799) | 10,860 |
| Income tax and social contribution expense at the combined statutory rate of 34% | 2,652 | (3,692) | 2,652 | (3,692) |
| Adjustments to reconcile the effective rate: | | | | |
| Equity pick up | (1,200) | (87) | - | - |
| Deferred taxes not recognized | 6,738 | 5,163 | 6,738 | 5,163 |
| Payment of non-deductible bonus | (3,079) | (3,577) | (3,079) | (3,577) |
| Cash shortage | (69) | (79) | (69) | (79) |
| Tax and labor fines and infractions | (174) | (31) | (174) | (31) |
| Stock options costs | (225) | (381) | (225) | (381) |
| Share issue costs | - | 665 | - | 665 |
| Interest on capital (IOC) | 6,753 | - | 6,753 | - |
| Other permanent differences | (546) | (31) | (1,746) | (117) |
| Income tax and social contribution | 10,850 | (2,050) | 10,850 | (2,050) |

Deferred

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

| | Parent Company | | Consolidated | |
|---|----------------|------------|--------------|------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Deferred income tax and social contribution - assets | 47,010 | 23,459 | 52,231 | 28,680 |
| Deferred income tax and social contribution - liabilities | (53,874) | (41,172) | (53,874) | (41,172) |
| | (6,864) | (17,713) | (1,643) | (12,492) |

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
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30. Income tax and social contribution--Continued

Deferred--Continued

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

| | Parent Company | | Consolidated | |
|---|----------------|------------|--------------|------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Tax loss carryforwards | 154,410 | 130,765 | 154,410 | 130,765 |
| <u>Temporary differences</u> | | | | |
| Provision for legal claims (Note 20) | 10,981 | 9,539 | 12,169 | 10,730 |
| Provision for bonuses (PLR) | 5,167 | 27,014 | 5,167 | 27,014 |
| Provision for purchases | 4,117 | 7,180 | 4,117 | 7,180 |
| Provision for impairment (Note 11) | 7,416 | 7,533 | 7,416 | 7,533 |
| Pre-operating | 20,795 | 20,559 | 20,795 | 20,559 |
| Accrued expenses | 23,445 | 14,967 | 37,613 | 29,135 |
| Amortization of leases and APV on lease liabilities | 41,872 | - | 41,872 | - |
| Others | 822 | 2,020 | 822 | 2,017 |
| Tax base | 269,025 | 219,577 | 284,382 | 234,934 |
| Statutory rate | 34% | 34% | 34% | 34% |
| | 91,469 | 74,656 | 96,690 | 79,877 |
| (-) Unrecognized deferred taxes | (44,459) | (51,197) | (44,459) | (51,197) |
| Deferred income tax and social contribution - assets | 47,010 | 23,459 | 52,231 | 28,680 |
| Transitional Tax System (RTT) | (1,556) | (1,583) | (1,556) | (1,583) |
| Financial charges to be incurred | (7,677) | (8,863) | (7,677) | (8,863) |
| Tax amortization of goodwill | (113,873) | (110,559) | (113,873) | (110,559) |
| Gain (loss) on derivative transactions | - | (90) | - | (90) |
| Payments of lease liabilities | (34,241) | - | (34,241) | - |
| Others | (1,105) | - | (1,105) | - |
| Tax base | (158,452) | (121,095) | (158,452) | (121,095) |
| Combined rate | 34% | 34% | 34% | 34% |
| Deferred income tax and social contribution - liabilities | (53,874) | (41,172) | (53,874) | (41,172) |
| Deferred income tax and social contribution, net | (6,864) | (17,713) | (1,643) | (12,492) |

The other matters related to this note were not materially changed in relation to the disclosures in Note 30 to the individual and consolidated financial statements as of December 31, 2018.

31. Financial risk management objectives and policies

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

Market risk

The sensitivity analyses in the following sections relate to the position as of March 31, 2019.

Interest rate risk

Interest rate sensitivity

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

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
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31. Financial risk management objectives and policies--Continued

Credit risk--Continued

Interest rate risk--Continued

| Variable rate instruments | Parent Company | | Consolidated | |
|---------------------------------|----------------|------------|--------------|------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| Financial assets | | | | |
| Short-term investments (Note 4) | 62,491 | 136,812 | 76,645 | 144,733 |
| Marketable securities (Note 5) | 234,605 | 414,637 | 234,636 | 427,983 |
| Financial liabilities | | | | |
| Loans and financings (Note 13) | (164,291) | (279,113) | (164,291) | (279,113) |

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 CDI of 6.34%.

| Asset exposure | Exposure | Risk | Consolidated | | | | |
|--|-----------|--------------|--------------|---------|---------|---------|---------|
| | | | I | II | III | IV | V |
| | | | Probable | 50% | 25% | 25% | (50%) |
| Short-term investments (Notes 4 and 5) | 311,281 | DI variation | 6,315 | 3,158 | 1,579 | (1,579) | (3,158) |
| Loans and financings (Note 13) (i) | (154,956) | DI variation | (4,701) | (2,351) | (1,175) | 1,175 | 2,351 |

(i) Comprise only the loans and financings 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 3/31/2019 | Parent Company | | | | |
|-----------------------------------|----------|---------------------|-------------------------------|----------------|---------|---------|----------|-------|
| | | | | I | II | III | IV | V |
| | | | | Increase | | | Decrease | |
| | | | | Probable | 50% | 25% | (25%) | (50%) |
| Royalties/Franchise Fee (Note 16) | 8,766 | US dollar variation | 3.9154 | 8,766 | (4,383) | (2,192) | 2,192 | 4,383 |

| Asset exposure | Exposure | Risk | Exchange rate as of 3/31/2019 | Consolidated | | | | |
|-----------------------------------|----------|---------------------|-------------------------------|--------------|---------|---------|----------|-------|
| | | | | I | II | III | IV | V |
| | | | | Increase | | | Decrease | |
| | | | | Probable | 50% | 25% | (25%) | (50%) |
| Royalties/Franchise Fee (Note 16) | 8,777 | US dollar variation | 3.9154 | 8,777 | (4,389) | (2,194) | 2,194 | 4,389 |

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Notes to the interim financial information--Continued
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31. Financial risk management objectives and policies--Continued

Credit risk--Continued

Credit risk

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

| Rating | Parent Company | | Consolidated | |
|--------|----------------|----------------|----------------|----------------|
| | 3/31/2019 | 12/31/2018 | 3/31/2019 | 12/31/2018 |
| AAA | 152,725 | 436,160 | 166,910 | 319,984 |
| AA+ | 57,334 | 1,370 | 57,334 | 77,689 |
| AA+ | 14,530 | - | 14,530 | 31,231 |
| AA- | 70,695 | 113,919 | 70,695 | 143,812 |
| A | 1,812 | - | 1,812 | - |
| | 297,096 | 551,449 | 311,281 | 572,716 |

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of March 31, 2019:

| | Parent Company | | | | | Total |
|-------------------------------------|-----------------|----------------|--------------------|-------------------------|-------------------|---------|
| | Carrying amount | Financial flow | Less than 3 months | from 3 months to 1 year | from 1 to 5 years | |
| Assets | | | | | | |
| Cash and cash equivalents (Note 4) | 85,721 | 85,721 | 85,721 | - | - | 85,721 |
| Marketable securities (Note 5) | 234,605 | 234,605 | - | 223,050 | 11,555 | 234,605 |
| Trade receivables (Note 6) | 77,447 | 77,447 | 77,447 | - | - | 77,447 |
| Liabilities | | | | | | |
| Loans and financings (Note 13) | 164,291 | 188,469 | 18,170 | 45,968 | 124,331 | 188,469 |
| Trade and rental payables (Note 14) | 164,719 | 164,719 | 164,719 | - | - | 164,719 |
| Corporate payables (Note 16) | 8,766 | 8,766 | 8,766 | - | - | 8,766 |
| Taxes payable (Note 17) | 12,057 | 12,057 | 12,057 | - | - | 12,057 |
| | | | | | | |
| | Consolidated | | | | | |
| | Carrying amount | Financial flow | Less than 3 months | from 3 months to 1 year | from 1 to 5 years | Total |
| Assets | | | | | | |
| Cash and cash equivalents (Note 4) | 99,913 | 99,913 | 99,913 | - | - | 99,913 |
| Marketable securities (Note 5) | 234,636 | 234,636 | - | 223,081 | 11,555 | 234,636 |
| Trade receivables (Note 6) | 77,447 | 77,447 | 77,447 | - | - | 77,447 |
| Liabilities | | | | | | |
| Loans and financings (Note 13) | 164,291 | 188,469 | 18,170 | 45,968 | 124,331 | 188,469 |
| Trade and rental payables (Note 14) | 165,956 | 165,956 | 165,956 | - | - | 165,956 |
| Corporate payables (Note 16) | 8,777 | 8,777 | 8,777 | - | - | 8,777 |
| Taxes payable (Note 17) | 36,251 | 36,251 | 12,057 | 2,036 | 22,158 | 36,251 |

Notes to the interim financial information--Continued
 Period ended March 31, 2019
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31. Financial risk management objectives and policies--Continued

Capital management

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

| | Consolidated | |
|------------------------------------|------------------|------------------|
| | 3/31/2019 | 12/31/2018 |
| Equity | 1,762,908 | 1,716,960 |
| Cash and cash equivalents (Note 4) | (99,913) | (174,963) |
| Marketable securities (Note 5) (i) | (234,636) | (427,983) |
| Loans and financings (Note 13) (i) | 164,291 | 279,113 |
| Net debt | (170,258) | (323,833) |
| Total capital | 1,592,650 | 1,393,127 |

(i) Includes current and non-current

Hedge accounting

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

The Company makes the formal designation of its hedge accounting relationship, as provided for in CVM Resolution 763/16 IFRS 9 and with its Risk Policy. The relations used by the Company as of March 31, 2019 are described below:

i. Cash flow hedge

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

ii. Gains and losses on hedge accounting instruments

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

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
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31. Financial risk management objectives and policies--Continued

Hedge accounting--Continued

iii. Sensibility analysis

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

| Parity - R\$ x EUR | | Current Scenario | Scenario I 25% Appreciation | Scenario II 50% Appreciation | Scenario III 25% Depreciation | Scenario IV 50% Appreciation |
|---------------------------------------|------------------|------------------|-----------------------------|------------------------------|-------------------------------|------------------------------|
| Operation/Instrument | Risk | | | | | |
| Designated as hedge accounting | | | | | | |
| NDF | R\$ depreciation | 170 | 190 | 209 | 150 | 131 |
| Import (item) | R\$ appreciation | (170) | (190) | (209) | (150) | (131) |
| Net effect | | - | - | - | - | - |

The other matters related to this note were not materially changed in relation to the disclosures in Note 31 to the individual and consolidated financial statements as of December 31, 2018.

32. Derivative financial instruments

| | Parent company and Consolidated | |
|--------------------------------------|---------------------------------|------------|
| | 3/31/2019 | 12/31/2018 |
| <i>NDF - Non deliverable Forward</i> | - | 90 |
| Total NDF | - | 90 |

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

| Instruments | Maturity | Assets (hedged item) | Parent company and Consolidated | | | |
|--|-----------|----------------------|---------------------------------|------------|------------|------------|
| | | | 3/31/2019 | | 12/31/2018 | |
| | | | Notional | Fair value | Notional | Fair value |
| <i>(Not designated as cash flow hedge)</i> | | | | | | |
| NDF | 1/15/2019 | USD | - | - | 483 | 15 |
| NDF | 1/15/2019 | USD | - | - | 1,932 | 75 |
| NDF | 1/30/2019 | EURO | - | - | 432 | - |
| NDF | 1/9/2019 | EURO | - | - | 433 | - |
| NDF | 1/16/2019 | EURO | - | - | 432 | - |
| NDF | 1/23/2019 | EURO | - | - | 432 | - |
| | | | - | - | 4,144 | 90 |

Gains and losses on derivative transactions, not designated as cash flow hedge, are recognized monthly in the result of the year, considering the fair value of these instruments.

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
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32. Derivative financial instruments--Continued

| Instrumentos | Maturity | Assets (hedged item) | Parent company and Consolidated | | | |
|--|-------------|----------------------|---------------------------------|------------|------------|------------|
| | | | 3/31/2019 | | 12/31/2018 | |
| | | | Notional | Fair value | Notional | Fair value |
| <u>(Designated as cash flow hedge)</u> | | | | | | |
| NDF | 01/09/2019 | EURO | - | - | 98 | - |
| NDF | 01/16//2019 | EURO | - | - | 98 | - |
| NDF | 01/23/2019 | EURO | - | - | 98 | (1) |
| NDF | 01/30/2019 | EURO | - | - | 98 | (1) |
| NDF | 04/03/2019 | EURO | 138 | 23 | - | - |
| NDF | 04/10/2019 | EURO | 138 | 17 | - | - |
| NDF | 04/17/2019 | EURO | 138 | 17 | - | - |
| NDF | 04/24/2019 | EURO | 138 | 19 | - | - |
| NDF | 04/29/2019 | EURO | 125 | 8 | - | - |
| NDF | 05/06/2019 | EURO | 125 | 21 | - | - |
| NDF | 05/13/2019 | EURO | 125 | 9 | - | - |
| NDF | 05/20/2019 | EURO | 125 | 8 | - | - |
| NDF | 05/27/2019 | EURO | 125 | 8 | - | - |
| NDF | 06/03/2019 | EURO | 156 | 10 | - | - |
| NDF | 06/10/2019 | EURO | 156 | 10 | - | - |
| NDF | 06/17/2019 | EURO | 156 | 10 | - | - |
| NDF | 06/24/2019 | EURO | 156 | 10 | - | - |
| | | | 1.801 | 170 | 392 | (2) |

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

33. Fair value

Methodology for calculation of fair value of financial instruments

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

Methodology for calculation of fair value of financial instruments--Continued

| | Consolidated | | Fair value hierarchy level |
|-------------------------------------|-----------------|------------|----------------------------|
| | Carrying amount | Fair value | |
| Assets | | | |
| Cash and cash equivalents (Note 4) | 99,913 | 99,913 | 2 |
| Marketable securities (Note 5) | 234,636 | 234,636 | 2 |
| Trade receivables, net (Note 6) | 77,447 | 77,447 | 2 |
| Liabilities | | | |
| Loans and financings (Note 13) | 164,291 | 173,876 | 2 |
| Trade and rental payables (Note 14) | 165,956 | 165,956 | 2 |
| Corporate obligations (Note 15) | 8,777 | 8,777 | 2 |

The other matters related to this note were not materially changed in relation to the disclosures in Note 33

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Notes to the interim financial information--Continued
to the individual and consolidated financial statements as of December 31, 2018.
Period ended March 31, 2019
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34. 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:

| | <u>First Plan</u> | <u>Total</u> |
|---|-------------------|--------------|
| Grant date | 7/7/2014 | N/A |
| Plan amendment date | 6/22/2017 | N/A |
| Strike price | 9.96 | 9.96 |
| Strike price (estimated) at the end of the reporting period | 22.11 | 22.11 |
| Risk-free interest rate% | 9.20% | N/A |
| Contractual period by tranche | 1 year | N/A |
| Expected return of dividend | 0% | N/A |
| Volatility of shares in the market % | 14.91% | N/A |
| Total number of options outstanding | - | - |
| Number of options vested | 306,100 | 306,100 |
| Number of options lost/expired | 39,100 | 39,100 |
| Number of options exercised | 6,411,600 | 6,411,600 |
| Number of options to be exercised | 306,100 | 306,100 |
| Estimated fair value (R\$/share) | 1.2912 | N/A |

Second Plan

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

| | <u>Second Plan</u> | <u>Total</u> |
|---|--------------------|--------------|
| Grant date | 7/7/2014 | N/A |
| Plan amendment date | 6/22/2017 | N/A |
| Strike price | 9.96 | 9.96 |
| Strike price (estimated) at the end of the reporting period | 22.11 | 22.11 |
| Risk-free interest rate% | 9.20% | N/A |
| Contractual period by tranche | 1 year | N/A |
| Expected return of dividend | 0% | N/A |
| Volatility of shares in the market % | 14.91% | N/A |
| Total number of options outstanding | - | - |
| Number of options vested | 306,100 | 306,100 |
| Number of options lost/expired | 39,100 | 39,100 |
| Number of options exercised | 6,411,600 | 6,411,600 |
| Number of options to be exercised | 306,100 | 306,100 |
| Estimated fair value (R\$/share) | 1.2912 | N/A |

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Notes to the interim financial information--Continued
 Period ended March 31, 2019
 (Amounts in thousands of reais)

34. 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 | | |
|--|---------------|----------------|-----------|
| | First tranche | Second tranche | Total |
| Grant date | 6/22/2017 | 6/22/2017 | N/A |
| Vesting date | 7/14/2020 | 7/14/2021 | N/A |
| Strike price | 10.45 | 10.45 | 10.45 |
| Strike price (estimated) at the reporting period | 22.11 | 22.11 | 22.11 |
| Risk-free interest rate% | 9.20% | 9.87% | 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 | 1,467,064 | 1,532,800 | 2,999,864 |
| Number of options vested | 819,153 | - | 819,153 |
| Number of options lost/expired | - | - | - |
| Number of options exercised | 1,299,883 | - | 1,299,883 |
| Number of options to be exercised | 2,286,217 | 1,532,800 | 3,819,017 |
| Estimated fair value (R\$/share) | 1.0764 | 1.5304 | N/A |

- (i) 175,500 options were granted on 08/28/2018 considering the same assumptions as shown on the table above, with an estimated fair value equivalent to the price of BKBR3 on the grant date.

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 |
| Granted | - | - | 175,500 | 175,500 |
| Canceled | (39,100) | - | - | (39,100) |
| Exercised | (194,350) | (5,251) | (48,051) | (247,652) |
| Outstanding as of December 31, 2018 | 2,428,550 | 1,256,849 | 5,070,849 | 8,756,248 |
| Exercised | (2,122,450) | (1,174,867) | (1,251,832) | (4,549,149) |
| Outstanding as of March 31, 2019 | 306,100 | 81,982 | 3,819,017 | 4,207,099 |
| Exercisable as of March 31, 2019 (vested) (Note 23) | 306,100 | 81,982 | 819,153 | 1,207,235 |

In the period ended March 31, 2019, the Company recognized the amount of R\$661 (R\$1,122 in 2018) of expenses arising from the stock options plans, recorded in line item Stock options cost (Note 27).

The other matters related to this note were not materially changed in relation to the disclosures in Note 34 to the individual and consolidated financial statements as of December 31, 2018.

Notes to the interim financial information--Continued
Period ended March 31, 2019
(Amounts in thousands of reais)

35. Insurance

As of March 31, 2019, 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 | 15,000 |
| Property (RO) - Average | 70,000 |
| Professional Civil Liability (E&O) | 7,200 |
| Public Offering Insurance (POSI) | 32,000 |

36. Subsequent event

At a meeting held on April 16, 2019, the Company's Board of Directors approved an increase in the Company's capital, within the limit of the authorized capital and without amendment to the Company's Bylaws, as a result of the exercise of stock options.

The Company's capital increased from R\$940,297, divided into 227,074,970 registered common shares with no par value, to R\$943,346, divided into 227,381,070 registered common shares with no par value.

36.1 Capital increase

As a result of the exercise of 306,100 stock options granted under the First Stock Option Plan of the Company, approved by the Extraordinary General Meeting held in July 7, 2014 and amended on June 22, 2017 ("First Plan"), with the consequent issuance of 306,100 new common shares, with no par value, at the issue price of R\$9.96 per share. The issue approved herein was made excluding the preemptive rights for subscription by the other shareholders pursuant to article 171, paragraph 3, of Law 6,404/76, as amended. The increase in the Company's capital will be paid up until April 30, 2019, in compliance with the subscription bulletin that is filed at the Company's headquarters.

The provision that (a) all options granted by the Company under the First Plan have been fully exercised and/or terminated, with no remaining options outstanding; (b) the total of 2,524,400 options covered by the Second Plan has already been granted by the Company, with 81,982 options in the Second Plan remaining, and not exercised; (c) of the total of 5,744,900 options covered by the Third Plan; (i) 626,000 options have not yet been granted; (ii) 1,299,883 options were granted and were fully exercised and / or terminated; (iii) 819,153 options were granted and are dressed, but have not yet been exercised; and (iv) 2,999,864 options were granted and are not yet dressed; and (d) none of the 1,839,905 virtual restricted shares covered by the Fourth Plan was granted by the Company. It should also be noted that all the options already granted by the Company are held by current members of the Company's management.

Notes to the interim financial information--Continued
Period ended March 31, 2019
(Amounts in thousands of reais)

36. Events after the reporting period--Continued

36.2 Extraordinary General Meeting

On April 29, 2019, the shareholders approved: (i) appraisal of the management report, management accounts, financial statements of the Company and the independent auditors' report for the fiscal year ended December 31, 2018; (ii) approval of the Company's capital budget, pursuant to Article 196 of the Brazilian Corporation Law; (iii) approval of the allocation of net income for the fiscal year ended December 31, 2018; (iv) definition of the number of members for the composition of the Company's Board of Directors; (v) election of the members of the Company's Board of Directors; (vi) approval of the global compensation of the Company's managers for the fiscal year of 2019; and (vii) homologation of the alteration of the newspaper of great circulation for the legal publications of the Company, as approved in the Extraordinary General Meeting held on November 22, 2018.

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, 2019, which comprises the balance sheet as of March 31, 2019 and the respective statements of income, of comprehensive income, 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.

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, 2019, 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 – Demonstração do Valor Adicionado (DVA)*. 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 13, 2019.

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

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

Opinions and Representations/Officer's Statement on the Financial Statements

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the City of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, 350, 11o 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 Interim Financial Information for the period ended March 31, 2019.

Barueri, May 13, 2019.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

Opinions and Representations/Officer's 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 Tocantins, n° 350, 11º 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 Interim Financial Information for the year ended March 31, 2019.

Barueri, May 13, 2019.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer