
Company Data	
Capital Composition	1
Individual financial statements	
Statement of financial position - Assets	2
Statement of financial position - Liabilities	3
Statement of profit or loss	4
Statement of comprehensive income (loss)	5
Statement of cash flows	6
Statements of changes in equity	
1/1/2020 to 6/30/2020	7
1/1/2019 to 6/30/2019	8
Statement of value added	9
Consolidated financial statements	
Statement of financial position - Assets	10
Statement of financial position - Liabilities	11
Statement of profit or loss	12
Statement of comprehensive income (loss)	13
Statement of cash flows	14
Statements of changes in equity	
1/1/2020 to 6/30/2020	15
1/1/2019 to 6/30/2019	16
Statement of value added	17
Management Report	18
Notes to interim financial information	28
Reports and statements	
Review report on interim financial information	60
Officer's Statement on the Financial Statements	62
Officer's Statement on the Independent Auditor's Report	63

Company data/ Capital composition

Number of Shares (Units)	Current Quarter 6/30/2020
Common - Paid-up Capital	228,105,447
Preferred - Paid-up Capital	-
Total - Paid-up Capital	228,105,447
Common - In Treasury	-
Ordinary - In Treasury	1,222,719
Preferred - In Treasury	-
Total - In Treasury	1,222,719

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

Account Code	Account Description	Current Quarter 6/30/2020	Prior Year 12/31/2019
1	Total Assets	3,537,229	3,527,999
1.01	Current Assets	816,273	862,317
1.01.01	Cash and Cash Equivalents	35,672	325,276
1.01.02	Short-Term Investments	542,445	278,755
1.01.02.01	Short-Term Investments at Fair Value	542,445	278,755
1.01.02.01.03	Marketable Securities	517,390	265,622
1.01.02.01.04	Restricted Marketable Securities	25,055	13,133
1.01.03	Accounts Receivable	66,196	60,361
1.01.04	Inventories	92,120	99,041
1.01.06	Taxes Recoverable	26,790	27,558
1.01.08	Other Current Assets	53,050	71,326
1.01.08.03	Others	53,050	71,326
1.01.08.03.02	Advances Paid	32,041	46,115
1.01.08.03.04	Other Receivables	21,009	25,211
1.02	Non-Current Assets	2,720,956	2,665,682
1.02.01	Long-Term Receivables	154,741	112,384
1.02.01.01	Non-Current Investments at Fair Value	1,379	1,366
1.02.01.01.01	Restricted Marketable Securities	1,379	1,366
1.02.01.07	Deferred Taxes	23,351	-
1.02.01.07.01	Deferred Income Tax and Social Contribution	23,351	-
1.02.01.10	Other Non-Current Assets	130,011	111,018
1.02.01.10.03	Judicial Deposits	33,581	33,434
1.02.01.10.04	Other Receivables	16,698	4,464
1.02.01.10.05	Taxes Recoverable	79,732	73,120
1.02.03	Property and Equipment	1,164,386	1,163,578
1.02.04	Intangible Assets	1,401,829	1,389,720
1.02.04.01	Intangible Assets	1,401,829	1,389,720
1.02.04.01.02	Right-of-use asset	656,827	660,986
1.02.04.01.03	Others Intangible Assets	745,002	728,734

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

Account Code	Account Description	Current Quarter 6/30/2020	Prior Year 12/31/2019
2	Total Liabilities	3,537,229	3,527,999
2.01	Current Liabilities	714,738	671,506
2.01.01	Social and Labor Liabilities	85,062	96,637
2.01.02	Trade Payables	146,160	286,432
2.01.03	Taxes Payable	13,581	25,150
2.01.04	Loans and Financing	330,386	116,556
2.01.05	Other Current Liabilities	139,549	146,731
2.01.05.02	Others	139,549	146,731
2.01.05.02.01	Dividends and interest on capital payables	-	10,054
2.01.05.02.04	Other Payables	16,424	4,622
2.01.05.02.05	Deferred revenue, net	8,834	9,139
2.01.05.02.07	Corporate Payables	6,534	23,760
2.01.05.02.08	Lease liabilities	107,757	99,156
2.02	Non-Current Liabilities	1,271,541	1,069,864
2.02.01	Loans and Financing	602,393	403,314
2.02.02	Other Payables	646,430	641,823
2.02.02.02	Others	646,430	641,823
2.02.02.03	Taxes Payable	11,675	12,605
2.02.02.02.05	Other Payables	17,269	17,237
2.02.02.02.06	Deferred revenue, net	14,915	17,928
2.02.02.02.07	Lease liabilities	602,571	594,053
2.02.03	Deferred Taxes	-	8,452
2.02.03.01	Deferred income tax and social contribution	-	8,452
2.02.04	Provisions	22,718	16,275
2.02.04.01	Provisions for tax, social security, labor and civil claims	22,718	16,275
2.03	Equity	1,550,950	1,786,629
2.03.01	Capital	950,768	950,768
2.03.02	Capital reserves	706,676	701,203
2.03.02.01	Goodwill on share issuance	730,890	725,417
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.04	Profit reserves	134,641	134,641
2.03.04.01	Legal reserve	8,828	8,828
2.03.04.05	Profit retention reserve	125,813	125,813
2.03.05	Retained earnings	-242,422	-
2.03.08	Other comprehensive income	1,287	17

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

Account Code	Account Description	Current Quarter 4/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Prior Quarter 4/1/2019 to 6/30/2019	Prior Year 1/1/2019 to 6/30/2019
3.01	Revenue from Sale of Goods and/or Services	292,764	941,842	675,911	1,341,236
3.02	Cost of Sales and/or Services	-133,187	-398,606	-247,705	-501,542
3.03	Gross Profit	159,577	543,236	428,206	839,694
3.04	Operating Expenses/Income	-335,395	-789,948	-413,760	-817,592
3.04.01	Selling Expenses	-299,587	-711,445	-377,392	-741,304
3.04.02	General and Administrative Expenses	-35,808	-78,503	-33,769	-70,161
3.04.06	Equity Pickup	-	-	-2,599	-6,127
3.05	Profit Before Financial Income (Expenses) and Taxes	-175,818	-246,712	14,446	22,102
3.06	Financial Income (Expenses), Net	-10,962	-27,513	-14,203	-30,742
3.06.01	Financial Income	19,426	24,423	5,770	12,195
3.06.02	Financial Expenses	-30,388	-51,936	-19,973	-42,937
3.07	Profit (Loss) Before Income Tax and Social Contribution	-186,780	-274,225	243	-8,640
3.08	Income Tax and Social Contribution	-	31,803	-794	10,424
3.08.02	Deferred	-	31,803	-794	10,424
3.09	Profit from Continuing Operations	-186,780	-242,422	-551	1,784
3.11	Profit for the Period	-186,780	-242,422	-551	1,784
3.99	Earnings per Share - (Reais /Share)				
3.99.01.01	Basic Earnings per Share	-0.82324	-1.06849	-0.00568	0.00789
3.99.02.01	Diluted Earnings per Share	-0.82324	-1.06849	-0.00568	0.00786

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

Account Code	Account Description	Current Quarter 4/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Prior Quarter 4/1/2019 to 6/30/2019	Prior Year 1/1/2019 to 6/30/2019
4.01	Profit for the Period	186,780	-242,422	-551	1,784
4.02	Other comprehensive income	431	1,270	-442	-270
4.03	Total Comprehensive Income for the Period	186,439	-241,152	-993	1,514

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

Account Code	Account Description	Current Year 1/1/2020 to 6/30/2020	Prior Year 1/1/2019 to 6/30/2019
6.01	Net Cash From Operating Activities	-251,464	32,882
6.01.01	Cash Provided from Operating Activities	-58,677	189,014
6.01.01.01	Profit (Loss) before Income Tax and Social Contribution	-274,225	-8,640
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	100,143	89,337
6.01.01.03	Provision for Bonuses	-	9,362
6.01.01.04	Equity Pickup	-	6,127
6.01.01.05	Interest, Charges, Exchange Variation, Monetary Variation and APV on Lease Liabilities	33,732	30,466
6.01.01.06	Allowance for inventory losses	13,537	6,792
6.01.01.07	Provision for Legal Claims	1,991	2,239
6.01.01.08	Provision for Impairment	383	-117
6.01.01.09	Gain (Loss) on Disposal of Property and Equipment and Intangible Assets	5,474	1,322
6.01.01.10	Stock Options Cost	59,082	52,126
6.01.01.11	Provision (Reversal) for Impairment	1,206	-
6.01.02	Changes in Assets and Liabilities	-192,787	-156,132
6.01.02.01	Trade Receivables, Net	-5,835	-20,721
6.01.02.02	Inventories	5,715	-576
6.01.02.03	Taxes Recoverable	-5,844	-25,710
6.01.02.04	Advances Paid	14,074	-21,000
6.01.02.05	Receivables from Related Parties	-	1,591
6.01.02.06	Other Receivables	-8,179	9,390
6.01.02.07	Other Receivables	-140,272	-47,103
6.01.02.08	Trade and Rental Payables	-11,575	-10,325
6.01.02.09	Payroll and Social Charges	-17,226	-7,588
6.01.02.10	Corporate Payables	-12,499	-18,493
6.01.02.11	Taxes Payable	-3,318	-4,103
6.01.02.12	Payables to Related Parties	-	48
6.01.02.13	Deferred Revenue, Net	-	-180
6.01.02.14	Other Payables	11,923	-4,379
6.01.02.15	Derivative Financial Instruments	-12,657	-2,503
6.01.02.17	Interest Expense on Loans and Financings	-7,094	-4,480
6.02	Net Cash from Investing Activities	-377,090	128,128
6.02.02	Advance for Future Capital Increase in Subsidiary	-	-428
6.02.03	Purchases of Property and Equipment	-88,623	-162,461
6.02.04	Purchases of Intangible Assets	-30,968	-23,827
6.02.05	Reimbursable expenses with stock offer	-	-4,359
6.02.06	Investment in Marketable Securities	-257,499	319,203
6.03	Net Cash from Financing Activities	338,950	-182,466
6.03.01	Capital Paid-up in the Period	-	45,113
6.03.03	Investments Payable	420,000	-
6.03.04	Loans and Financings Raised	-12,952	-136,296
6.03.06	Payment of Loans and Financing (Principal)	-10,054	-26,726
6.03.07	Interest on Capital Paid	-56,891	-64,557
6.03.08	Payment of Lease Liabilities	-1,153	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	-289,604	-21,456
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	325,276	166,962
6.05.02	Cash and Cash Equivalents at the End of the Period	35,672	145,506



Individual financial statements – Statement of changes in Equity 1/1/2020 to 6/30/2020
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit reserves	Retained earnings/accumulated losses	Other comprehensive income	Equity
5.01	Opening balances	950,768	701,203	134,641	-	17	1,786,629
5.03	Adjusted Opening Balances	950,768	701,203	134,641	-	17	1,786,629
5.04	Capital Transactions with Shareholders	-	5,473	-	-	-	5,473
5.04.03	Options Granted Recognized	-	5,473	-	-	-	5,473
5.05	Total Comprehensive Income	-	-	-	-242,422	1,270	-241,152
5.05.01	Profit for the Period	-	-	-	-242,422	-	-242,422
5.05.02	Other comprehensive income	-	-	-	-	1,270	1,270
5.07	Closing Balances	950,768	706,676	134,641	-242,422	1,287	1,550,950



Individual financial statements – Statement of changes in Equity 1/1/2019 to 6/30/2019
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Earnings/Accumulated Losses	Retained 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	45,113	1,322	-	-	-	-	46,435
5.04.01	Capital Increases	45,113	-	-	-	-	-	45,113
5.04.02	Share Issue Cost	-	-	-	-	-	-	-
5.04.03	Options Granted Recognized	-	1,322	-	-	-	-	1,322
5.05	Total Comprehensive Income	-	-	-	1,784	270	-	1,514
5.05.01	Profit for the Period	-	-	-	1,784	-	-	1,784
5.05.02	Other Comprehensive Income	-	-	-	-	270	-	-270
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	270	-	-270
5.07	Closing Balances	943,346	722,424	97,627	1,784	272	-	1,764,909

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

Account Code	Account Description	Current Quarter 1/1/2020 to 6/30/2020	Prior Quarter 1/1/2019 to 6/30/2019
7.01	Revenues	1,046,723	1,460,448
7.01.01	Gross Sales of Goods and Services	1,036,149	1,445,832
7.01.02	Other Revenues	10,574	14,616
7.02	Inputs Purchased from Third Parties	-735,084	-785,249
7.02.01	Cost of Sales and Services	-398,606	-501,542
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-333,623	-281,444
7.02.03	Impairment of Assets	-2,374	-2,122
7.02.04	Others	-481	-141
7.03	Gross Value Added	311,639	675,199
7.04	Retentions	-159,225	-141,464
7.04.01	Depreciation, Amortization and Depletion	-159,225	-141,464
7.05	Wealth Created by the Company	152,414	533,735
7.06	Wealth Received in Transfer	24,936	6,664
7.06.01	Equity Pickup	-	-6,127
7.06.02	Financial Income	24,936	12,791
7.07	Total Wealth for Distribution	177,350	540,399
7.08	Wealth Distributed	177,350	540,399
7.08.01	Personnel	237,202	252,561
7.08.01.01	Salaries and Wages	225,446	238,094
7.08.01.03	Unemployment Compensation Fund (FGTS)	11,756	14,467
7.08.02	Taxes, Fees and Contributions	102,753	145,500
7.08.02.01	Federal	64,544	105,422
7.08.02.02	State	30,191	33,068
7.08.02.03	Municipal	8,018	7,010
7.08.03	Lenders and Lessors	79,817	140,554
7.08.03.01	Interest	51,686	42,598
7.08.03.02	Rentals	28,131	97,956
7.08.04	Shareholders	-242,422	1,784
7.08.04.03	Retained Earnings / Profit for the Period	-242,422	1,784

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

Account Code	Account Description	Current Quarter 6/30/2020	Prior Year 12/31/2019
1	Total Assets	3,537,286	3,528,060
1.01	Current Assets	816,330	862,378
1.01.01	Cash and Cash Equivalents	35,673	325,277
1.01.02	Short-Term Investments	542,501	278,816
1.01.02.01	Short-Term Investments at Fair Value	542,501	278,816
1.01.02.01.03	Marketable Securities	517,446	265,683
1.01.02.01.04	Restricted Marketable Securities	25,055	13,133
1.01.03	Accounts Receivable	66,196	60,361
1.01.04	Inventories	92,120	99,041
1.01.06	Taxes Recoverable	26,790	27,558
1.01.08	Other Current Assets	53,050	71,325
1.01.08.03	Others	53,050	71,325
1.01.08.03.02	Advances Paid	32,041	46,115
1.01.08.03.04	Other Receivables	21,009	25,210
1.02	Non-Current Assets	2,720,956	2,665,682
1.02.01	Long-Term Receivables	154,741	112,384
1.02.01.01	Non-Current Investments at Fair Value	1,379	1,366
1.02.01.01.01	Restricted Marketable Securities	1,379	1,366
1.02.01.07	Deferred Taxes	23,351	-
1.02.01.07.01	Deferred Income Tax and Social Contribution	23,351	-
1.02.01.10	Other Non-Current Assets	130,011	111,018
1.02.01.10.03	Judicial Deposits	33,581	33,434
1.02.01.10.04	Other Receivables	16,698	4,464
1.02.01.10.05	Taxes Recoverable	79,732	73,120
1.02.03	Property and Equipment	1,164,386	1,163,578
1.02.04	Intangible Assets	1,401,829	1,389,720
1.02.04.01	Intangible Assets	1,401,829	1,389,720
1.02.04.01.02	Right-of-use asset	656,827	660,986
1.02.04.01.03	Others Intangible Assets	745,002	728,734

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

Account Code	Account Description	Current Quarter 6/30/2020	Prior Year 12/31/2019
2	Total Liabilities	3,537,286	3,528,060
2.01	Current Liabilities	714,795	671,567
2.01.01	Social and Labor Liabilities	85,062	96,637
2.01.02	Trade Payables	146,160	286,432
2.01.03	Taxes Payable	13,581	25,150
2.01.04	Loans and Financing	330,386	116,556
2.01.05	Other Current Liabilities	139,606	146,792
2.01.05.02	Others	139,606	146,792
2.01.05.02.01	Dividends and interest on capital (IOC) payables	-	10,054
2.01.05.02.04	Other Payables	16,481	4,683
2.01.05.02.05	Deferred revenue, net	8,834	9,139
2.01.05.02.06	Corporate Payables	6,534	23,760
2.01.05.02.08	Lease liabilities	107,757	99,156
2.02	Non-Current Liabilities	1,271,541	1,069,864
2.02.01	Loans and Financing	602,393	403,314
2.02.02	Other Payables	646,430	641,823
2.02.02.02	Others	646,430	641,823
2.02.02.02.03	Taxes Payables	11,675	12,605
2.02.02.02.04	Other Payables	17,269	17,237
2.02.02.02.05	Deferred revenue, net	14,915	17,928
2.02.02.02.06	Lease liabilities	602,571	594,053
2.02.03	Deferred Taxes	-	8,452
2.02.03.01	Deferred income tax and social contribution	-	8,452
2.02.04	Provisions	22,718	16,275
2.02.04.01	Provisions for tax, social security, labor and civil claims	22,718	16,275
2.03	Equity	1,550,950	1,786,629
2.03.01	Capital	950,768	950,768
2.03.02	Capital reserves	706,676	701,203
2.03.02.01	Goodwill on share issuance	730,890	725,417
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.04	Profit reserves	134,641	134,641
2.03.04.01	Legal reserve	8,828	8,828
2.03.04.05	Profit retention reserve	125,813	125,813
2.03.05	Retained earnings	-242,422	-
2.03.08	Other comprehensive income	1,287	17

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

Account Code	Account Description	Current Quarter 4/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Prior Quarter 4/1/2019 to 6/30/2019	Prior Year 1/1/2019 to 6/30/2019
3.01	Revenue from Sale of Goods and/or Services	292,764	941,842	675,911	1,341,236
3.02	Cost of Sales and/or Services	-133,187	-398,606	-247,764	-502,271
3.03	Gross Profit	159,577	543,236	428,147	838,965
3.04	Operating Expenses/Income	-335,489	-790,131	-412,356	-815,615
3.04.01	Selling Expenses	-299,587	-711,445	-379,542	-745,896
3.04.02	General and Administrative Expenses	-35,902	-78,686	-32,814	-69,719
3.05	Profit Before Financial Income (Expenses) and Taxes	-175,912	-246,895	15,791	23,350
3.06	Financial Income (Expenses), Net	-10,868	-27,330	-15,019	-31,461
3.06.01	Financial Income	19,520	24,606	5,899	12,455
3.06.02	Financial Expenses	-30,388	-51,936	-20,918	-43,916
3.07	Profit (Loss) Before Income Tax and Social Contribution	-186,780	-274,225	772	-8,111
3.08	Income Tax and Social Contribution	-	31,803	-1,323	9,895
3.08.01	Current	-	-	-	-
3.08.02	Deferred	-	31,803	-1,323	9,895
3.09	Profit from Continuing Operations	-186,780	-242,422	-551	1,784
3.11	Profit for the Period	-186,780	-242,422	-551	1,784
3.11.01	Attributable to Equity Holders of the Parent	-186,780	-242,422	-551	1,784
3.99	Earnings per Share - (Reais /Share)				
3.99.01.01	Basic Earnings per Share	-0.82324	-1.06849	-0.00568	0.00789
3.99.02.01	Diluted Earnings per Share	-0.82324	-1.06849	-0.00568	0.00786

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

Account Code	Account Description	Current Quarter 4/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020	Current Year 1/1/2020 to 6/30/2020
4.01	Profit for the Period	-186,780	-242,422	-551	1,784
4.02	Other comprehensive income	431	1,270	-442	-270
4.03	Total Comprehensive Income for the Period	-186,349	-241,152	-993	1,514
4.03.01	Attributable to Parent Company Shareholders	-186,349	-241,152	-993	1,514

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

Account Code	Account Description	Current Quarter 6/30/2020	Prior Year 12/31/2019
6.01	Net Cash From Operating Activities	-251,464	25,847
6.01.01	Cash Provided from Operating Activities	-58,677	187,868
6.01.01.01	Profit (Loss) before Income Tax and Social Contribution	-274,225	-8,111
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	100,143	93,789
6.01.01.03	Provision for Bonuses	-	9,362
6.01.01.04	Equity Pickup	33,732	30,466
6.01.01.05	Interest, Charges, Exchange Variation, Monetary Variation and APV on Lease Liabilities	13,537	6,792
6.01.01.06	Allowance for inventory losses	1,991	2,239
6.01.01.07	Provision for Legal Claims	383	-117
6.01.01.08	Provision for Impairment	5,474	1,322
6.01.01.09	Gain (Loss) on Disposal of Property and Equipment and Intangible Assets	59,082	52,126
6.01.01.10	Stock Options Cost	1,206	-
6.01.02	Changes in Assets and Liabilities	-192,787	-162,021
6.01.02.01	Trade Receivables, Net	-5,835	-20,646
6.01.02.02	Inventories	5,715	-576
6.01.02.03	Taxes Recoverable	-5,844	-25,718
6.01.02.04	Advances Paid	14,074	-20,996
6.01.02.05	Receivables from Related Parties	-8,179	8,674
6.01.02.06	Other Receivables	-140,272	-47,886
6.01.02.07	Other Receivables	-11,575	-10,868
6.01.02.08	Trade and Rental Payables	-17,226	-7,588
6.01.02.09	Payroll and Social Charges	-12,499	-18,889
6.01.02.11	Taxes Payable	-3,318	-4,103
6.01.02.12	Payables to Related Parties	-	-180
6.01.02.13	Deferred Revenue, Net	11,923	-5,995
6.01.02.14	Other Payables	-12,657	-2,503
6.01.02.15	Derivative Financial Instruments	-7,094	-4,747
6.02	Net Cash from Investing Activities	-377,090	127,188
6.02.02	Advance for Future Capital Increase in Subsidiary	-88,623	-162,563
6.02.03	Purchases of Property and Equipment	-30,968	-23,827
6.02.04	Purchases of Intangible Assets	-	-4,359
6.02.05	Reimbursable expenses with stock offer	-257,499	317,937
6.03	Net Cash from Financing Activities	338,950	-182,466
6.03.01	Capital Paid-up in the Period	-	45,113
6.03.03	Investments Payable	420,000	-
6.03.04	Loans and Financings Raised	-12,952	-136,296
6.03.05	Borrowing Costs	-1,153	-
6.03.06	Payment of Loans and Financing (Principal)	-10,054	-26,726
6.03.07	Interest on Capital Paid	-56,891	-64,557
6.05	Increase (Decrease) in Cash and Cash Equivalents	-289,604	-29,431
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	325,277	174,963
6.05.02	Cash and Cash Equivalents at the End of the Period	35,673	145,532

Consolidated financial statements – Statement of changes in Equity 01/01/2020 to 06/30/2020
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit reserves	Retained earnings/accumulated losses	Other comprehensive income	Equity	Consolidated Equity
5.01	Opening balances	950,768	701,203	134,641	-	17	1,786,629	1,786,629
5.03	Adjusted Opening Balances	950,768	701,203	134,641	-	17	1,786,629	1,786,629
5.04	Capital Transactions with Shareholders	-	5,473	-	-	-	5,473	5,473
5.04.03	Options Granted Recognized	-	5,473	-	-	-	5,473	5,473
5.05	Total Comprehensive Income	-	-	-	-242,422	1,270	-241,152	-241,152
5.05.01	Profit for the Period	-	-	-	-242,422	-	-242,422	-242,422
5.05.02	Other comprehensive income	-	-	-	-	1,270	1,270	1,270
5.07	Closing Balances	950,768	706,676	134,641	-242,422	1,287	1,550,950	1,550,950

Consolidated financial statements – Statement of changes in Equity 01/01/2019 to 06/30/2019

(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Profit Reserves	Earnings/Accumulated Retained Losses	Other Comprehensive Income	Equity	Consolidated Equity
5.01	Opening balances	898,233	721,102	97,627	-	-2	1,716,960	1,716,960
5.03	Adjusted Opening Balances	898,233	721,102	97,627	-	-2	1,716,960	1,716,960
5.04	Capital Transactions with Shareholders	45,113	1,322	-	-	-	46,435	46,435
5.04.01	Capital Increase	45,113	-	-	-	-	45,113	45,113
5.04.03	Options Granted Recognized	-	1,322	-	-	-	1,322	1,322
5.05	Total Comprehensive Income	-	-	-	2,983	270	2,713	2,713
5.05.01	Profit for the Period	-	-	-	2,983	-	2,983	2,983
5.05.02	Other Comprehensive Income	-	-	-	-	270	-270	-270
5.05.02.01	Adjustments to Financial Instruments	-	-	-	-	270	-270	-270
5.07	Closing Balances	943,346	722,424	97,627	2,983	272	1,766,108	1,766,108

BK Brasil Operação e Assessoria a Restaurantes S.A.

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

Account Code	Account Description	Current Quarter	Prior Quarter
		1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019
7.01	Revenues	1,046,723	1,460,448
7.01.01	Gross Sales of Goods and Services	1,036,149	1,445,832
7.01.02	Other Revenues	10,574	14,616
7.02	Inputs Purchased from Third Parties	-735,267	-785,624
7.02.01	Cost of Sales and Services	-398,606	-502,271
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-333,623	-280,902
7.02.03	Impairment of Assets	-2,374	-2,122
7.02.04	Others	-664	-329
7.03	Gross Value Added	311,456	674,824
7.04	Retentions	-159,225	-145,916
7.04.01	Depreciation, Amortization and Depletion	-159,225	-145,916
7.05	Wealth Created by the Company	152,231	528,908
7.06	Wealth Received in Transfer	25,119	13,058
7.06.02	Financial Income	25,119	13,058
7.07	Total Wealth for Distribution	177,350	541,966
7.08	Wealth Distributed	177,350	541,966
7.08.01	Personnel	237,202	252,561
7.08.01.01	Salaries and Wages	225,446	238,094
7.08.01.03	Unemployment Compensation Fund (FGTS)	11,756	14,467
7.08.02	Taxes, Fees and Contributions	102,753	146,051
7.08.02.01	Federal	64,544	105,973
7.08.02.02	State	30,191	33,068
7.08.02.03	Municipal	8,018	7,010
7.08.03	Lenders and Lessors	79,817	141,570
7.08.03.01	Interest	51,686	43,565
7.08.03.02	Rentals	28,131	98,005
7.08.04	Shareholders	-242,422	1,784
7.08.04.03	Retained Earnings / Profit for the Period	-242,422	1,784

MANAGEMENT REPORT

HIGHLIGHTS

Performance 2Q20 x 2Q19:

- **Net operating revenue** of R\$ 292.7 million in 2Q20, down 56.7% from 2Q19;
- **Comparable sales in same restaurants** of **-13.5%** in 2Q20;
- **Digital channel revenue (Delivery, Totem and BK Express)** increased from R\$ 33.8 million to R\$ 107.1 million, + 216.8%, reaching 36.9% of revenue in 2Q20;
- **Adjusted EBITDA** of R\$ -92.0 million in 2Q20; **EBITDA Mg.** of -31.4%;
- **Net loss** of R\$186.7 million in 2Q20;
- **Contracting of credit lines** in a total amount of **R\$ 250 million**;
- **Total of 868 Burger King restaurants and 41 Popeyes restaurants** at the end of 2Q20, with net closure of 4 stores (1 opening and 5 closures).

Performance 1H20 x 1H19:

- **Net operating revenue** of R\$ 941.8 million in 1H20, down 29.8% from 1H19;
- **Comparable sales in the same restaurants** of **-5.8%** in 1H20;
- **Adjusted EBITDA** of R\$ -78.2 million in 1H20; **Mg. EBITDA** -8.3%;
- **Net loss** of R\$ 242.4 million in 1H20.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	2Q20	2Q19	VAR.	1H20	1H19	VAR.
NET OPERATING REVENUE	292.7	675.9	-56.7%	941.8	1,341.2	-29.8%
ADJUSTED EBITDA	(92.0)	95.1	-196.7%	(78.2)	179.2	-143.6%
% OF NET OPERATING REVENUE	-31.4%	14.1%	-4550bps	-8.3%	13.4%	-2170bps
NET INCOME (LOSS)	(186.7)	(0.6)	31016.7%	(242.4)	1.8	-13566.7%
GROSS DEBT	932.8	150.2	521.0%	932.8	150.2	521.0%
NET DEBT (NET CASH)	353.2	(114.0)	-409.8%	353.2	(114.0)	-409.8%
SHAREHOLDERS' EQUITY	1,551.0	1,764.9	-12.1%	1,551.0	1,764.9	-12.1%
OPERATIONAL HIGHLIGHTS	2Q20	2Q19	VAR.	1H20	1S19	VAR.
# OF RESTAURANTS	909	817	92	909	817	92
OWNED RESTAURANTS						
# OWNED RESTAURANTS BEGINNING OF PERIOD	714	642	72	714	639	75
BURGER KING® RESTAURANT OPENINGS	1	6	(5)	1	10	(9)
BURGER KING® RESTAURANT CLOSINGS	(3)	(2)	(1)	(3)	(6)	3
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	-	-	-	-	-	-
POPEYES® RESTAURANT OPENINGS	-	6	(6)	-	9	(9)
# OWNED RESTAURANTS END OF PERIOD	712	652	60	712	652	60
FRANCHISEES RESTAURANTS						
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	199	161	38	198	162	36
BURGER KING® RESTAURANT OPENINGS	-	4	(4)	2	5	(3)
BURGER KING® RESTAURANT CLOSINGS	(2)	-	(2)	(3)	(2)	(1)
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	-	-	-	-	-	-
# FRANCHISEES RESTAURANTS END OF PERIOD	197	165	32	197	165	32
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS)	-13.5%	12.7%	-2620bps	-5.8%	10.1%	-1590bps

MESSAGE FROM MANAGEMENT

Approximately 5 months ago, with the outbreak of a global pandemic, we faced the most challenging period in our recent history. An unprecedented crisis, which impacted the entire global population and, consequently, our business.

Since the beginning of this difficult journey, we have established some priorities, which have been at the center of all our decisions and have helped us to navigate during these last few months.

As this is a public health crisis, our main focus during this period was on the protection of our employees and customers. Accordingly, as already announced to the public, all of our premises were closed from 23/03 and remained so until local entities understood that the situation was already under better control and therefore allowed the scaling back of restrictive measures, with different practical implications in each region of Brazil. In our restaurants, in addition to reinforcing our already strict hygiene procedures, we created a restricted protocol in cases of contamination by any employee. In such cases, we automatically close the unit and the rest of the team goes for testing and quarantine. The restaurant goes through a decontamination process that, after finalized, we designate a new team to operate that unit. We distributed sanitizing gel to our customers and employees, and masks to our time in all units, as well as thermometers to measure the temperature. Finally, as an adaptation for resumption of our operations, we installed acrylic shields and adopted distancing measures so that we could guarantee the safest possible experience for our customers. Strengthening our long-term vision and preparing for an ongoing resumption, we used our available funds, even with more than 60% of restaurants closed, to maintain as many jobs as possible. With the application of Provisional Executive Order (MP) No. 936, we suspended 9 thousand employment contracts, the majority of which had already been reactivated by the end of June. For our employees who represent our iconic brands at the forefront of our business, serving thousands of our customers every day, we made special recognition and distributed R\$ 6.3 million in an initiative that conveys its importance in its title: we created the "Hero Pay Check" as a thank you and recognition to all our employees, at this important moment fulfilling our relevant role of serving the community during the pandemic.

In our main office, in addition to the measures already announced for reducing wages and adjusting hours, which varied from 25% to 50%, in all positions, we continued throughout the second quarter working in our homes. We continue to build an understanding, monitor, and support our team so that the resumption will be safe and efficient.

With all the initiatives implemented to protect our employees and customers, we were able to move towards the protection of our business.

Since the beginning of this pandemic, due to the uncertainties regarding the possible duration of this crisis, we have taken significant steps to protect cash and liquidity. The excellent cash position with which we started in 2020 allowed us room to maneuver and we quickly announced additional funding of R\$ 170 million in the first quarter and, as a result, we accessed an additional R\$ 250 million in the second quarter so that we could have the necessary flexibility from a cash point of view. This has allowed us to make the best decisions for our business looking not only to the short term but mainly, thinking about how we might emerge from this situation stronger still. Also, we have revised our investment and expansion strategy, we remained focused on more than 900 restaurants under the two brands in our portfolio.

With more than 60% of the restaurants closed at the beginning of the quarter, particularly our food court operations, we channeled our efforts to capture sales through other channels. With several initiatives, mainly Delivery and Drive-Thru channels, which together accounted for approximately 80% of the Company's sales in the second quarter, we were able to increase from the first week in April with approximately 30% of sales related to the pre-pandemic period, to close to 55% at the end of June. This trend continues to accelerate strongly with the resumption of our operations, which closed the quarter with 75% availability and today approaches 90% of our reopened restaurants. The 100% growth in the Drive Thru channel stemmed from a change in consumer

BK Brasil Operação e Assessoria a Restaurantes S.A.

behavior, an average ticket growth strategy (+ 30%) with family offers and progress in operational maturity show the resilience for this type of store model, which despite the existing scenario of restrictions, already reports positive SSS in July. Our Delivery channel, through new participants and coverage expansion, grew more than 200% compared with the period prior to the pandemic. The opportunity is still ahead because even with the growth in Delivery, today only 50% of our restaurant chain works with this channel. This strong performance helped the Company to drive digital channel sales (Delivery; BK Express and Totem) from R\$ 33.8 million in the second quarter of 2019 to more than R\$ 107 million in the second quarter of 2020. We do not doubt the acceleration that these channels had on our business and we have already started to observe a strong residual volume, even with the recovery of our sales at the counter, as the restaurants are reopened and the restrictive measures are relaxed, mainly in shopping malls. Therefore, we accelerated initiatives that were planned for the future, such as the own Delivery that is already in operation and a Ghost Kitchen pilot project which starts operations in August with our two brands integrated in the same unit.

We remain faithful in building a brand, reinforcing a standpoint of diversity, and sponsoring the LGBTQ+ Parade, even if, this time, it was a virtual event. We adapted quickly, we invested in live musicals events and created the #Stayhome campaign that gave awards to our consumers who fulfilled their important role of social isolation.

Our cost discipline made it possible for us, even with the difficult scenario of restaurant closures due to restrictions imposed by official bodies, to reduce 40% of our manageable fixed expenses, in the restaurant level, when compared to those incurred in the first quarter of 2020. These reductions came mainly from the benefit generated by MP-936, which significantly reduced our personnel expenses. It also stemmed from the good relationship we have with our business partners, which culminated in the renegotiation of almost all of our lease agreements in the period and adjustments made in contracts with service providers and administrative expenses.

Finally, we move strong on to the second half of 2020 aware of the challenge that still impacts our results, but convinced that the fundamentals of our business, our growth, and our ability for adaptation to market opportunities, remain firm and promising.

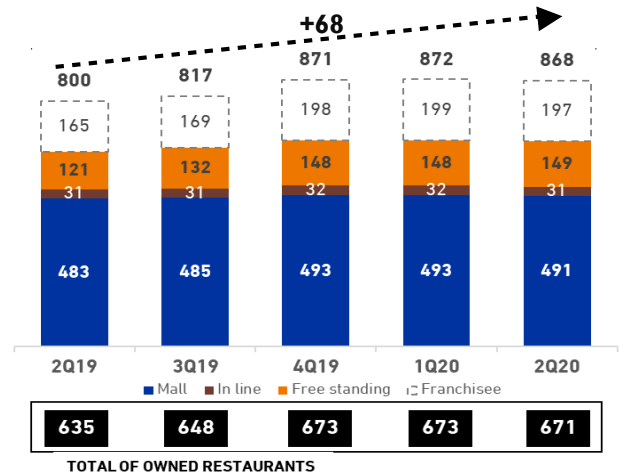
OPERATING PERFORMANCE

BURGER KING® restaurant expansion

In 2Q20, the Company opened 1 Free Standing restaurant and closed the operations of 3 owned units, ending the quarter with a total of 671 owned restaurants.

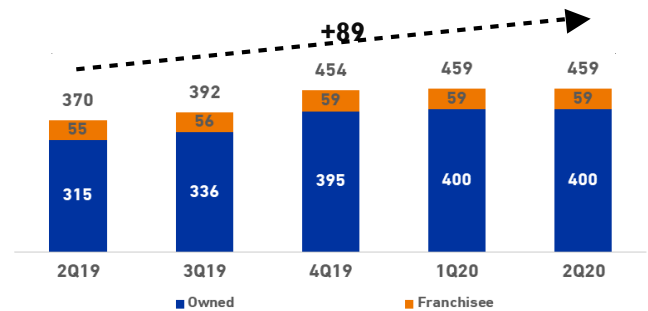
As for restaurants operated by franchisees, BURGER KING® closed 2 units, ending 2Q20 with 197 units.

Therefore, BURGER KING® ended the quarter with 868 restaurants in operation in Brazil, which represents a net growth of 68 restaurants in the last 12 months.



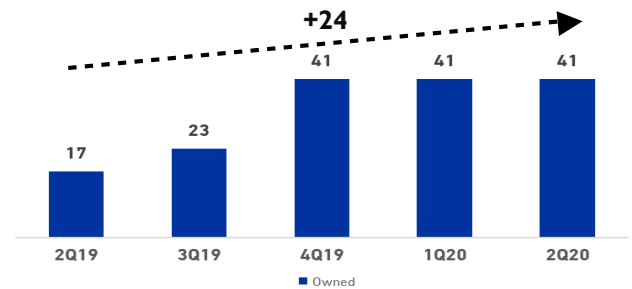
BURGER KING® dessert centers expansion

In addition to the 868 restaurants, BURGER KING® ended 2Q20 with 459 dessert centers, an increase of 89 restaurants when compared to 2Q19.



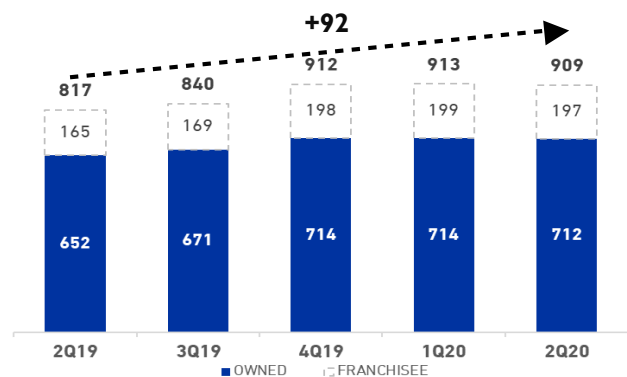
POPEYES® restaurant expansion

Throughout 2Q20, POPEYES® maintained the number of its restaurants and closed the quarter with 41 restaurants, all of them BK Brasil owned restaurants, located in the state of São Paulo.



Total restaurant expansion

As a result, we ended 2Q20 with a total of 909 restaurants managed by the Company, including 712 owned by the BURGER KING® and POPEYES® brands and 197 restaurants by BURGER KING® franchisees.



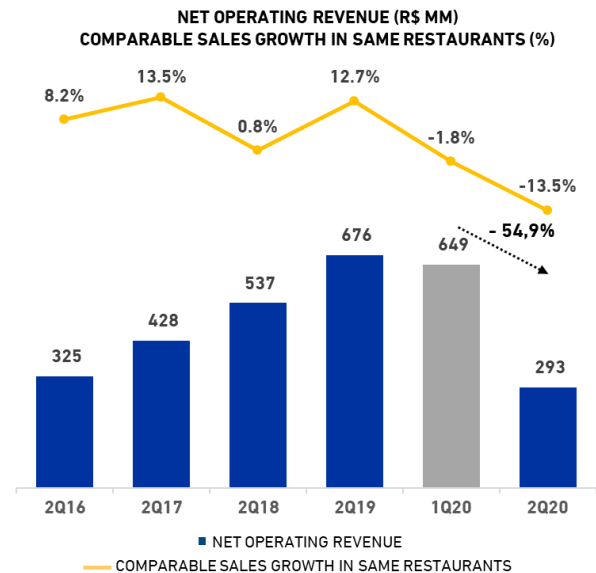
FINANCIAL PERFORMANCE

Net operational revenue

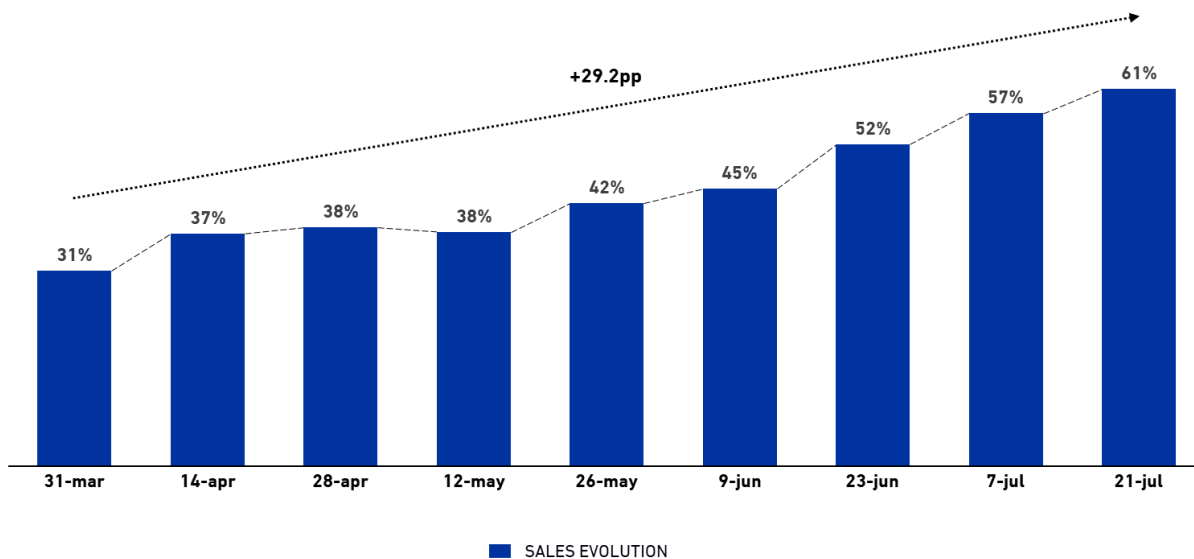
In 2Q20, the Company's net operating revenue reached R\$ 292.7 million, a 56.7% decrease when compared to the same period of the previous year, or 54.9% when compared to 1Q20, due to the effects of the pandemic that culminated in the closing of our stores in the second half of March, extending to approximately 60% of the base during the months of April and May.

During the quarter, with the result of our initiatives, both in drive thru and delivery, and in the reopening of restaurants, we were able to consistently grow our sales levels versus the pre-pandemic period. In addition to our already mentioned growth of: approximately 100% in drive thru, leveraged mainly by +30% of average ticket; growth of more than 200% in delivery explained by the aggregators expansion and increased geographic coverage, with the resumption of our operations to 75% of openings we managed to reach the end of June with a sale close to 55% of the pre Covid period.

Throughout the months of July and early August, we continue to see a strong recovery with almost 90% of our restaurants already in operation and approximately 65% of pre-pandemic sales. Finally, in the half-yearly comparison, net operating revenue fell 29.8% versus the same period last year, totaling R\$ 941.8 million.



"SALES EVOLUTION DURING THE PANDEMIC VS THE PRE PERIOD"



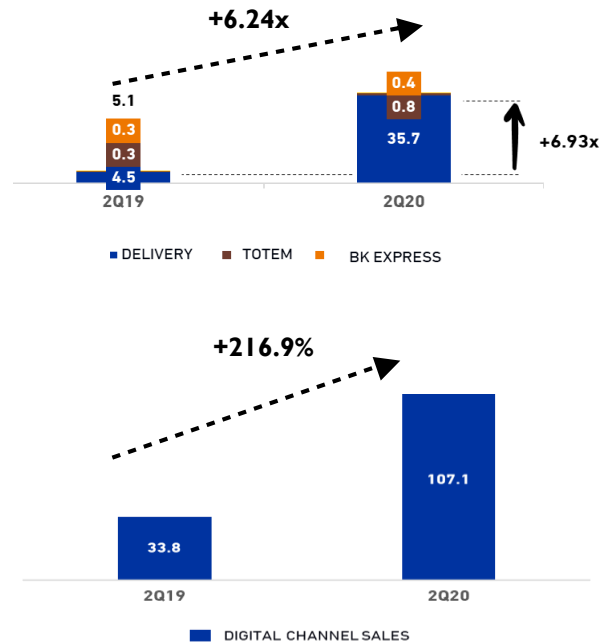
Digitalization of Sales

Technology has played a fundamental role in capturing opportunities related to changing consumer habits with an increasingly relevant participation of digital channels in the sales mix. That said, digital sales represented by delivery, totem and BK Express, reached 36.9% of the Company's revenue, versus 5.1%, representing a 216.9% growth compared to 2Q19, with revenue that went from R\$ 33.8 million to R\$ 107.1 million.

In delivery, as we mentioned, the 246% growth compared to the same period last year was related to the capillarity increase brought by the new aggregators (Rappi and Ifood), and by the expansion of geographical coverage. Even so, our volume remains very concentrated in our oldest partner (Uber Eats), which indicates a relevant opportunity for growth in Rappi and Ifood, mainly. Self-service totems have also been an important tool to streamline interactions with our customers and already represent 6% of our over-the-counter sales. With that, we remain convinced that this channel will be extremely important for digitization and efficiency of the post COVID experience.

In our application, which has the functionality of BK Express, we managed, in addition to sales, to reach the mark of 25 million downloads and more than 7 million complete registrations. With that, in the course of the second quarter, we advanced our CRM program with exhaustive tests that allowed us to personify our interactions with our customers. These initiatives ranged from sending notifications by phone on commemorative dates, to offers targeted to certain consumer profiles. In the course of the second semester we will go to accelerate our program massively.

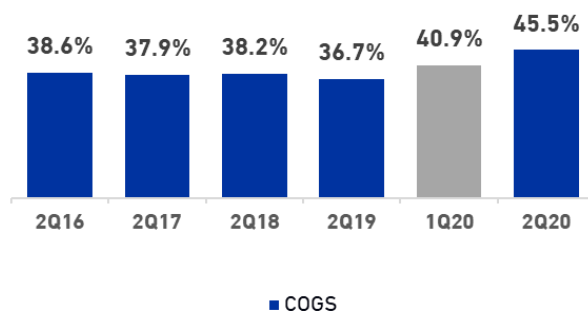
GROWTH AND REPRESENTATIVITY (%) OF DIGITAL SALES OVER TOTAL REVENUE



Cost of goods sold and selling expenses

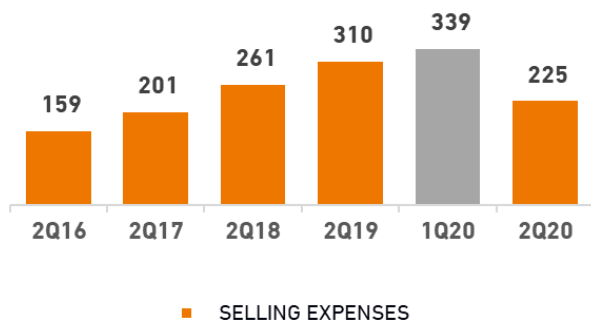
The cost of goods sold reached 45.5% of revenue, an increase of 880 bps versus 2Q19. When compared to 1Q20, the increase was 460 bps, explained by a set of effects related to the pandemic and other related to the market dynamics. As we reinforced in our last release, the shift in sales channels significantly reduced the incidence of beverages and desserts in our portfolio, negatively impacting the gross margin. In addition, the dynamics of entry into the new aggregators made us have a more aggressive pricing strategy so that we could generate a trial and retain our customers on these new platforms. Also as a result of the pandemic, we had an impact of R\$ 6.2 million explained by products loss and additional logistical cost for the distribution of products to the restaurants that resumed their operations. As our operation begins to return to more normalized standards, these effects will no longer negatively impact results.

% OF NET OPERATING REVENUE



Restaurant sales expenses, excluding depreciation and amortization, represented 76.9% of net operating revenue, as a result of the strong operational deleveraging due to the loss of sales over the quarter. Compared to 1Q20, expenses fell 33.6% as a result of the renegotiation actions on expenses with occupation and services with third parties. As mentioned in our last call, in addition to the initial measures related to our expenses with people in restaurants, such as the suspension of experience contracts and holiday anticipation; as of April, with the implementation of MP-936, we have suspended more than 9 thousand employment contracts. These measures helped us to save approximately R\$ 48 million (-35.0%) when compared to the previous quarter, in addition to preserving jobs, which was essential so that we did not lose knowledge of our operation and could have speed in the recovery. In recognition of all our employees who were at the forefront of our business at this delicate moment, we distributed R\$ 6.3 million in an initiative to reward employees of stores in operation.

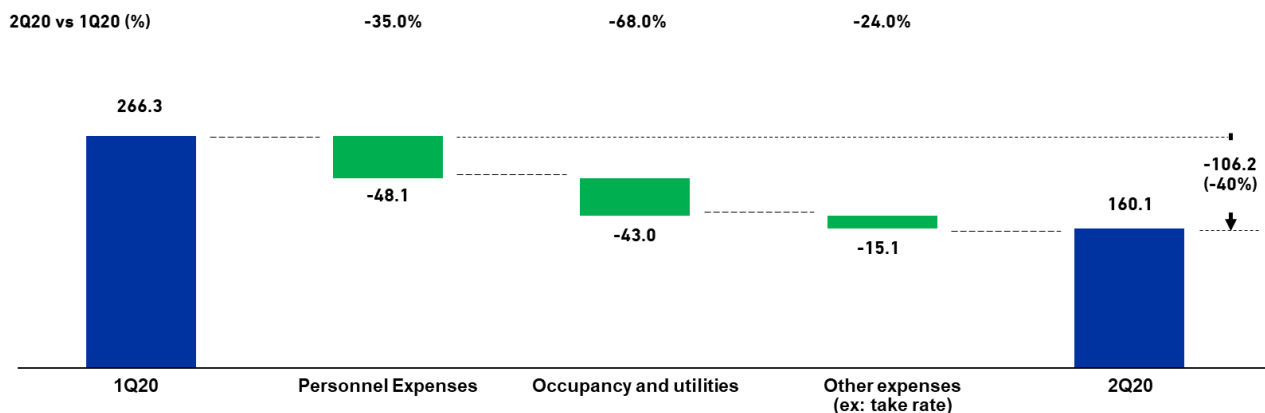
SELLING EXPENSES (R\$ MM)



BK Brasil Operação e Assessoria a Restaurantes S.A.

Since the beginning of the pandemic, we have also focused our efforts to achieve a significant reduction in occupation contracts. This reduction amounted to approximately R\$ 43 million (-68%) versus 1Q20, of which R\$ 14.6 million was allocated to financial results. In the second quarter, with the abrupt sales slowdown and some commitments already assumed, we had a mismatch in marketing expenses, generating an additional impact of R\$ 8.8 million in the quarter's results. This one-off impact will be offset in the coming quarters, keeping this expense in line with historical levels of approximately 5% of net revenue in an annualized view.

MARGINAL FIXED EXPENSES VARIATION – 2Q20 vs. 1Q20 – “RESTAURANT LEVEL”



Additionally, as a result of the pandemic, during the 2Q we had extraordinary expenses, such as: sending masks to all our employees, purchasing thermometers, materials to reinforce our already strict hygiene procedures and installations of acrylic plates in our restaurants. The costs of these initiatives were approximately R\$ 3.5 million. Finally, with the growth in the delivery share in our business over the 2Q, we had a significant impact on the 'other selling expenses line' related to take rate costs.

During the second quarter, with the sum of all these effects, non-recurring initiatives resulting from the pandemic totaled approximately R\$ 26 million.

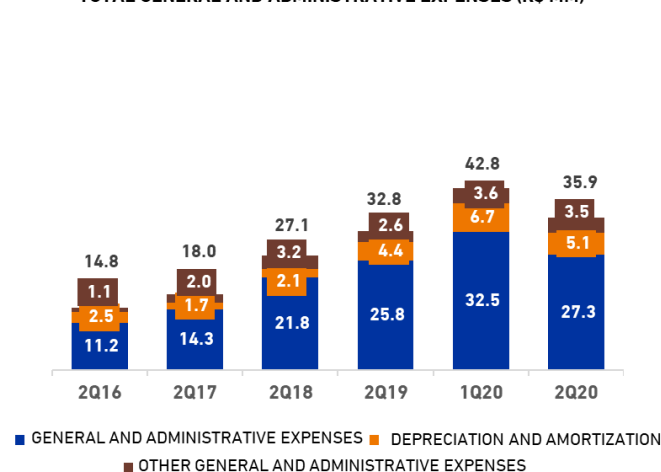
Total general and administrative expenses

Corporate general and administrative expenses had a sharp reduction compared to the first quarter of 2020 of approximately R\$ 7 million, mainly due to staff adjustments, reductions in salaries and administrative expenses. However, as a result of the strong operational deleveraging resulting from closed restaurants, they accounted for 12.3% of net operating revenue in 2Q20, an increase of 570 bps compared to last quarter.

The Company has implemented significant measures in G&A, such as reducing between 25 and 50% of the salaries of all employees, freezing new positions, adjusting staff in some areas and strict control of discretionary expenses. Also as a result of the pandemic and, aware of our role in

favor of society, we made a donation of R\$ 1.0 million to the Brazilian National Health System (SUS) to help fight the virus, in addition to another R\$ 100 thousand destined to the products donation.

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES (R\$ MM)



Adjusted EBITDA

In 2Q20, adjusted EBITDA reached R\$ -92.0 million, a decrease of 196.7%, due to the significant impacts on revenue resulting from the closure of stores due to the pandemic, generating significant operational deleveraging due to the non-dilution of fixed costs at closed restaurants.

In the first half of 2020, adjusted EBITDA reached R\$ -78.2 million, down 143.6% compared to the same period of the prior year, with an adjusted EBITDA margin of -8.3% against 13.4% in 1H19.

EBITDA - R\$ MILLION	2Q20	2Q19	VAR %	1H20	1H19	VAR %
NET INCOME (LOSS) FOR THE PERIOD	(186.7)	(0.6)	31016.7%	(242.4)	1.8	-13566.7%
(+) FINANCIAL INCOME (LOSS)	10.9	15.0	-27.3%	27.3	31.5	-13.3%
(+) DEPRECIATION AND AMORTIZATION	79.6	74.0	7.6%	159.2	145.9	9.1%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	0.0	1.3	-100.0%	(31.8)	(9.9)	221.2%
EBITDA	(96.3)	89.8	-207.2%	(87.7)	169.3	-151.8%
<i>EBITDA MARGIN</i>	<i>-32.9%</i>	<i>13.3%</i>	<i>-4620bps</i>	<i>-9.3%</i>	<i>12.6%</i>	<i>-2190bps</i>
(+) OTHERS EXPENSES	1.4	0.1	1300.0%	1.5	1.4	7.1%
(+) COST OF STOCK OPTION PLAN	2.0	0.7	185.7%	5.5	1.3	323.1%
(+) MERGE AND ACQUISITION EXPENSES	0.1	1.8	-94.4%	0.1	2.5	-96.0%
(+) PRE-OPERATING EXPENSES	0.8	2.8	-71.4%	2.5	4.7	-46.8%
ADJUSTED EBITDA	(92.0)	95.1	-196.7%	(78.2)	179.2	-143.6%
<i>ADJUSTED EBITDA MARGIN</i>	<i>-31.4%</i>	<i>14.1%</i>	<i>-4550bps</i>	<i>-8.3%</i>	<i>13.4%</i>	<i>-2170bps</i>

Net income (loss):

Net loss reached R\$ 186.7 million in 2Q20, against net loss of R\$ 0.6 million in 2Q19. This result was mostly impacted by operating activity, which was highly compromised throughout the second quarter of this year. In the half-yearly comparison, net loss was R\$ 242.4 million, compared to net income of R\$ 1.8 million in 1H19.

RELATIONSHIP WITH INDEPENDENT AUDITORS

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

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

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

Board of Executive Officers



1. Operations

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

a) Burger King Operation

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

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

Franchise fee:

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



Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

1. Operations--Continued

a) Burger King Operation--Continued

At June 30, 2020 and December 31, 2019, the Company had 671 and 673 company-owned stores, of which:

	6/30/2020	12/31/2019
State of Alagoas	4	4
State of Bahia	12	12
State of Ceará	15	15
Federal District	10	10
State of Espírito Santo	11	11
State of Goiás	23	23
State of Maranhão	5	5
State of Mato Grosso	5	5
State of Mato Grosso do Sul	3	3
State of Minas Gerais	51	51
State of Pará	7	7
State of Paraíba	5	5
State of Pernambuco	15	15
State of Piauí	2	2
State of Paraná	40	40
State of Rio de Janeiro	95	97
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	38	38
State of Santa Catarina	3	3
State of Sergipe	6	6
State of São Paulo	318	318
Total Stores	671	673

b) Popeyes Operation

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

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

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

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

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

As at June 30, 2020 and December 31, 2019, the Company had opened forty-one (41) stores in the state of São Paulo.

Notes to the interim financial information
Period ended June 30, 2020
(Amounts in thousands of reais)

2. Accounting policies

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

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

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended June 30, 2020, was prepared in accordance with *NBC TG 21 (R4) - Demonstrações Intermediárias* and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented consistently with CVM rules, applicable to the preparation of Quarterly Information (ITR).

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

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

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

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

Notes to the interim financial information
Period ended June 30, 2020
(Amounts in thousands of reais)

2. Accounting policies--Continued

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

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

Considering the current information and data available at the date of this interim financial information, regarding the potential impacts of the COVID-19 pandemic on our activities, the Company set up a provision for estimated loss on perishable items that are not expected to be realized due to their expiry dates (Note 24) and, when analyzing the projections of results and cash generation in view of the current scenario, the Company re-evaluated its analyses, in a period subsequent to June 30, 2020 and, as a result, until now it has identified the need to recognize a provision for impairment (Note 26) only for non-financial assets of stores that are not expected to be reopened.

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

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

The Company's individual and consolidated interim information for the period ended June 30, 2020 was concluded and approved by the Company's officers, and authorized for issue according to resolution of the members of the Board of Directors on August 4, 2020.

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

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

Right-of-use assets (*)	6/30/2020	12/31/2019
Opening balance	660,986	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	612,223
Additions and updates of leases recognized in the period (i) and (ii)	59,676	167,001
Amortization of right of use (lease) (Notes 25 and 26)	(63,835)	(118,238)
Closing balance (Note 11)	656,827	660,986
Lease liabilities (*)	6/30/2020	12/31/2019
Opening balance	693,209	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	859,815
Additions and updates of leases recognized in the period (i) and (ii)	94,397	255,658
Payment of lease liabilities	(83,502)	(151,150)
Adjustment to present value recognized in the transition to CPC 06 (R2)/NBC TG 06 (R3)/IFRS16	-	(247,592)
Additions of adjustment to present value (APV) recognized in the period (i) and (ii)	(28,995)	(88,657)
Write-off of accrued interest APV	35,219	65,135
Closing balance (Note 14)	710,328	693,209
Current (Note 14)	107,757	99,156
Non-current (Note 14)	602,571	594,053
Income from lease (iii)	6/30/2020	6/30/2019
Expenses on stores - variable rental	(7,348)	(10,004)
Amortization of right of use (lease) (Notes 25 and 26) (ii)	(59,082)	(52,127)
Financial expenses – Accrued interest (APV) (Note 27) (ii)	(33,519)	(29,175)
Lease discounts - COVID19 (Note 28) (iv)	14,433	-
Closing balance	(85,516)	(91,306)

- (i) The adjustments of financial indexes for Lease Liabilities are recorded according to each agreement, causing impacts in line items APV, Lease liabilities and Right-of-use assets. These adjustments, when recorded, do not impact the profit or loss for the period, only the balance sheet figures.
- (ii) In compliance with *CVM Circular Ofício 02/2019*, the balances in the balance sheet accounts are gross of taxes (Pis and Cofins) while the balances in the statement of income accounts are net of taxes (Pis and Cofins).
- (iii) As established in *Circular Ofício/CVM/SNC/SEP/No. 02/2019*, the effects of the application of such document were disclosed in the financial statements for the year ended December 31, 2019, and prospectively. Therefore, the balances of this line item are not fully comparable with the base date as of June 30, 2019 and the Company's Management does not consider it necessary to restate the comparative individual and consolidated interim financial information since it is not considered material.
- The effects of the application of the document mentioned in the previous paragraph are to recognize the actual estimated payment flows gross of taxes and the right-of-use assets were measured at the value equal to the lease liability at present value (APV). The incremental borrowing rate (discount) used to measure the adjustment to present value of the agreements was calculated on the projected CDI + spread (nominal rate). The balances in the balance sheet accounts are gross of Pis and Cofins (combined rate of 9.25%), while the balances in the statement of income accounts are net of Pis and Cofins.
- As at June 30, 2019, the balances in balance sheet accounts were recorded net of Pis and Cofins using the nominal rate for calculating APV. Therefore, the amounts recognized in the statement of income accounts were net of Pis and Cofins.
- (iv) Based on the Revision of Technical Pronouncements No. 16 issued by CVM on July 7, 2020, which contained amendments to CPC 06 (R2), referring to Benefits Related to Covid-19 Granted to Lessees under Lease Agreements, the Company elected to use the practical expedient of not remeasuring the operating lease agreements since the renegotiations made were in respect of benefits related to COVID-19, recognizing such benefits in profit or loss for the period (Note 28).

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

4. Cash and cash equivalents

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash	16,452	28,221	16,452	28,221
Banks	3,965	3,333	3,966	3,334
Financial investments (Note 30)	15,255	293,722	15,255	293,722
Total cash and cash equivalents (Notes 30 and 32)	35,672	325,276	35,673	325,277

Type of investment	Parent company and Consolidated		
	Annual yield	6/30/2020	12/31/2019
CDB	100,1% to 101,2% of CDI	-	100,515
Repurchase agreement	55% to 80% of CDI	4,501	166,762
Automatic investment	10% to 60% of CDI	10,754	26,445
Total financial investments		15,255	293,722

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

5. Marketable securities

Type of investment	Annual yield	Parent company		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Exclusive investment fund - XPA BK (i)	100% to 126% of CDI or IPCA	121,074	211,852	-	-
Federal Treasury Bills (LFT)	100% to 126% of CDI or IPCA	-	-	31,062	114,643
Investment Funds	IPCA	-	-	22,337	29,621
CDB	98% to 109% of CDI	396,316	53,770	407,033	59,750
Investments in debentures	100% to 112% of CDI or IPCA	-	-	10,762	18,209
Financial bills (LF)	100% to 111.2% of CDI or IPCA	-	-	46,252	42,631
National Treasury Bills (NTN-B)	IPCA	-	-	-	829
Investment Fund and CDB (ii)	99% of CDI	1,379	1,366	1,379	1,366
Repurchase agreement (iii)	100% of CDI	25,055	13,133	25,055	13,133
Total marketable securities (Notes 30 and 32)		543,824	280,121	543,880	280,182
Current		542,445	278,755	542,501	278,816
Marketable securities		517,390	265,622	517,446	265,683
Restricted marketable securities		25,055	13,133	25,055	13,133
Noncurrent		1,379	1,366	1,379	1,366

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

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

(iii) Repurchase agreements (restricted account) pledged as collateral for Bradesco loan (Note 12.1 (iii)).

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

6. Trade receivables, net

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Sales transactions	49,286	54,007
Service rendered with franchisees	14,343	3,883
Services rendered with related parties (Note 20.1)	159	438
Other receivables	2,408	2,033
Total trade receivables (Notes 30 and 32)	66,196	60,361

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

The increase of service rendered with franchisees is caused by the negotiations carried out between the Company and its franchisees at the beginning of the COVID-19 pandemic, where BKB accepted the postponement of deadlines for receipts.

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

7. Inventories

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Goods for resale (stores)	54,632	61,444
Distribution center – BKB	29,120	28,099
Allowance for inventory losses (Note 24)	(1,206)	-
Gifts	9,574	9,498
Total inventories	92,120	99,041

8. Taxes recoverable

	Parent company and Consolidated	
	6/30/2020	12/31/2019
IRPJ (Income Tax)	1,973	1,973
CSLL (Social Contribution on Profit)	971	839
IRRF (Withholding Income Tax)	7,503	2,366
ICMS (State VAT)	21,532	23,206
Non-cumulative PIS	16,895	15,904
Non-cumulative COFINS	53,745	52,486
INSS (Social Security Contribution)	3,551	3,551
Other	352	353
Total taxes recoverable	106,522	100,678
Current	26,790	27,558
Non-current	79,732	73,120



9. Advances expenses

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Advances to suppliers of services and materials	5,476	10,130
Expenses to be reimbursed - Marketing Fund	26,565	35,985
Total advances paid	32,041	46,115

10. Property and equipment, net

	Annual depreciation rate range	Parent company and Consolidated	
		6/30/2020	12/31/2019
Facilities, improvement and projects	(i)	579,202	524,503
Machinery and equipment	5% to 25%	325,475	235,785
Furniture and fixtures	6% to 20%	45,644	57,550
Computers and hardware	20% to 50%	91,685	67,716
Other assets	-	133,103	288,364
(-) Provision for impairment	-	(10,723)	(10,340)
Total property and equipment		1,164,386	1,163,578

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

In the period ended June 30, 2020, financial charges in the amount of R\$ 6,098 were capitalized (R\$ 986 in the year ended December 31, 2019).

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

10. Property and equipment, net--Continued

The movements in property and equipment in the periods ended June 30, 2020 and 2019 were as follows:

	Parent company					(-) Provision for impairment (Note 29)	Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (iii)		
Cost							
Balance as at 12/31/2018	663,825	236,621	62,168	103,167	250,129	(7,533)	1,308,377
Additions (i)	18,136	-	-	-	144,325	-	162,461
Merger	18,881	12,352	3,956	2,459	-	-	37,648
Transfers	78,768	43,203	13,920	19,981	(155,872)	-	-
Write-offs	(4,246)	-	-	-	(288)	-	(4,534)
Sale of stores (ii)	(733)	(245)	(82)	(127)	-	-	(1,187)
Impairment (Note 26)	-	-	-	-	-	117	117
Balance as at 6/30/2019	774,631	291,931	79,962	125,480	238,294	(7,416)	1,502,882
Balance as at 12/31/2019	874,677	344,631	88,527	148,227	288,364	(10,340)	1,734,086
Additions	13,886	-	-	-	74,737	-	88,623
Transfers	89,166	110,303	(7,238)	37,369	(229,600)	-	-
Write-offs (Note 26)	(3,829)	(127)	(17)	(30)	506	-	(3,497)
Sale of stores (ii)	-	(503)	(5)	(35)	(904)	-	(1,447)
Impairment (Note 26)	-	-	-	-	-	(383)	(383)
Balance as at 6/30/2020	973,900	454,304	81,267	185,531	133,103	(10,723)	1,817,382
Depreciation							
Balance as at 12/31/2018	(258,193)	(80,227)	(23,392)	(61,729)	-	-	(423,541)
Additions	(48,858)	(13,128)	(3,639)	(9,920)	-	-	(75,545)
Write-offs	3,030	-	-	-	-	-	3,030
Sale of stores (ii)	394	120	37	118	-	-	669
Balance as at 6/30/2019	(303,627)	(93,235)	(26,994)	(71,531)	-	-	(495,387)
Balance as at 12/31/2019	(350,174)	(108,846)	(30,977)	(80,511)	-	-	(570,508)
Additions (Notes 25 and 26)	(47,162)	(20,290)	(4,649)	(13,366)	-	-	(85,467)
Write-offs (Note 26)	2,638	2	-	1	-	-	2,641
Sale of stores (ii)	-	305	3	30	-	-	338
Balance as at 6/30/2020	(394,698)	(128,829)	(35,623)	(93,846)	-	-	(652,996)
Total property and equipment at 6/30/2019	471,004	198,696	52,968	53,949	238,294	(7,416)	1,007,495
Total property and equipment at 12/31/2019	524,503	235,785	57,550	67,716	288,364	(10,340)	1,163,578
Total property and equipment at 6/30/2020	579,202	325,475	45,644	91,685	133,103	(10,723)	1,164,386

- (i) Expenses related to the implementation and development of the POPEYES® brand of R\$5,583 for the period ended June 30, 2019.
- (ii) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and scrapped assets, generating a net capital gain of R\$ 242 in 2020 (Disposal of 1 store generated a net capital gain of R\$81 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").
- (iii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$ 25,953 (R\$ 149,888 in 2019), works referring to stores under construction R\$ 41,279 (R\$ 25,683 in 2019), new equipment in stock R\$ 56,340 (R\$ 65,197 in 2019), maintenance equipment R\$ 3,176 (R\$ 2,448 in 2019), and other assets in progress R\$ 6,356 (R\$ 45,148 in 2019).

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

10. Property and equipment, net--Continued

	Consolidated					(-) Provision for impairment (Note 29)	Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (iii)		
Cost							
Balance as at 12/31/2018	693,531	258,420	71,633	107,209	250,298	(7,533)	1,373,558
Additions (i)	18,136	-	102	-	144,325	-	162,563
Transfers	78,768	43,203	13,920	19,981	(155,872)	-	-
Write-offs	(4,246)	-	-	-	(288)	-	(4,534)
Sale of stores (ii)	(733)	(245)	(82)	(127)	-	-	(1,187)
Impairment (Note 26)	-	-	-	-	-	117	117
Balance as at 6/30/2019	785,456	301,378	85,573	127,063	238,463	(7,416)	1,530,517
Balance as at 12/31/2019	884,613	353,409	93,713	149,945	288,391	(10,340)	1,759,731
Additions	13,886	-	-	-	74,737	-	88,623
Transfers	89,166	110,303	(7,238)	37,369	(229,600)	-	-
Write-offs (Note 26)	(3,829)	(127)	(17)	(30)	506	-	(3,497)
Sale of stores (ii)	-	(503)	(5)	(35)	(904)	-	(1,447)
Impairment (Note 26)	-	-	-	-	-	(383)	(383)
Balance as at 6/30/2020	983,836	463,082	86,453	187,249	133,130	(10,723)	1,843,027
Depreciation							
Balance as at 12/31/2018	(266,156)	(87,662)	(28,176)	(63,312)	(27)	-	(445,333)
Additions	(50,790)	(14,545)	(4,048)	(10,099)	-	-	(79,482)
Write-offs	3,030	-	-	-	-	-	3,030
Sale of stores (ii)	394	120	37	118	-	-	669
Balance as at 6/30/2019	(313,522)	(102,087)	(32,187)	(73,293)	(27)	-	(521,116)
Balance as at 12/31/2019	(360,110)	(117,624)	(36,163)	(82,229)	(27)	-	(596,153)
Additions (Notes 25 and 26)	(47,162)	(20,290)	(4,649)	(13,366)	-	-	(85,467)
Write-offs (Note 26)	2,638	2	-	1	-	-	2,641
Sale of stores (ii)	-	305	3	30	-	-	338
Balance as at 6/30/2020	(404,634)	(137,607)	(40,809)	(95,564)	(27)	-	(678,641)
Total property and equipment at 6/30/2019	471,934	199,291	53,386	53,770	238,436	(7,416)	1,009,401
Total property and equipment at 12/31/2019	524,503	235,785	57,550	67,716	288,364	(10,340)	1,163,578
Total property and equipment at 6/30/2020	579,202	325,475	45,644	91,685	133,103	(10,723)	1,164,386

- (i) Expenses related to the implementation and development of the POPEYES® brand of R\$5,583 for the period ended June 30, 2019.
- (ii) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and scrapped assets, generating a net capital gain of R\$ 242 in 2020 (Disposal of 1 store generated a net capital gain of R\$81 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").
- (iii) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$ 25,953 (R\$ 149,888 in 2019), works referring to stores under construction R\$ 41,279 (R\$ 25,683 in 2019), new equipment in stock R\$ 56,340 (R\$ 65,197 in 2019), maintenance equipment R\$ 3,176 (R\$ 2,448 in 2019), and other assets in progress R\$ 6,356 (R\$ 45,148 in 2019).

Considering the current information and data regarding the potential impacts of the COVID-19 pandemic on its activities to date, the Company has identified the need to recognize a provision for impairment of its assets (Note 26), and continues attentive to any indication appreciation of impairment that may arise.

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

11. Intangible assets, net

	Parent company and Consolidated		
	Annual average amortization rate	6/30/2020	12/31/2019
Commercial rights	(i)	70,119	68,645
Franchise fee	5%	86,326	76,626
Software licenses	20%	16,358	11,264
Right-of-use asset (Note 3)	(ii)	656,827	660,986
Goodwill	(iii)	572,199	572,199
Total intangible assets		1,401,829	1,389,720

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

The movements in intangible assets in the periods ended June 30, 2020 and 2019 were as follows:

	Parent company					
	Commercial rights	Franchise fee (Note 20)	Software licenses	Goodwill	Right-of-use asset (Note 3)	Total
Cost						
Balance as at 12/31/2018	101,757	70,161	19,132	184,917	-	375,967
Additions	10,158	9,232	4,437	-	612,223	636,050
Mergers	18,382	5,341	905	370,115	-	394,743
Write-offs	(230)	-	(12)	-	-	(242)
Sale of stores (i)	-	(109)	(12)	-	-	(121)
Balance as at 6/30/2019	130,067	84,625	24,450	555,032	612,223	1,406,397
Balance as at 12/31/2019	141,116	95,594	26,867	572,199	779,224	1,615,000
Additions	10,920	12,523	7,525	-	59,676	90,644
Write-offs (Note 26)	-	(22)	(22)	-	-	(44)
Balance as at 6/30/2020	152,036	108,095	34,370	572,199	838,900	1,705,600
Amortization						
Balance as at 12/31/2018	(55,334)	(14,504)	(12,337)	-	-	(82,175)
Additions	(9,823)	(2,298)	(1,671)	-	(52,127)	(65,919)
Write-offs	109	-	4	-	-	113
Sale of stores (i)	-	28	5	-	-	33
Balance as at 6/30/2019	(65,048)	(16,774)	(13,999)	-	(52,127)	(147,948)
Balance as at 12/31/2019	(72,471)	(18,968)	(15,603)	-	(118,238)	(225,280)
Additions (Notes 25 and 26)	(9,446)	(2,801)	(2,427)	-	(63,835)	(78,509)
Write-offs	-	-	18	-	-	18
Balance as at 6/30/2020	(81,917)	(21,769)	(18,012)	-	(182,073)	(303,771)
Total intangible assets as at 6/30/2019	65,019	67,851	10,451	555,032	560,096	1,258,449
Total intangible assets as at 12/31/2019	68,645	76,626	11,264	572,199	660,986	1,389,720
Total intangible assets as at 6/30/2020	70,199	86,326	16,358	572,199	656,827	1,401,829

- (i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and scrapped assets, generating a net capital gain of R\$ 242 in 2020 (Disposal of 1 store generated a net capital gain of R\$81 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

11. Intangible assets, net--Continued

	Consolidated					Total
	Commercial rights	Franchise fee	Software licenses	Goodwill	Right-of-use asset (Note 3)	
Cost						
Balance as at 12/31/2018	125,848	78,337	20,437	574,941	-	799,563
Additions	10,158	9,232	4,437	-	612,223	636,050
Acquisition	-	-	-	(2,742)	-	(2,742)
Write-offs	(230)	-	(12)	-	-	(242)
Sale of stores (i)	-	(109)	(12)	-	-	(121)
Balance as at 6/30/2019	135,776	87,460	24,850	572,199	612,223	1,432,508
Balance as at 12/31/2019	143,604	96,321	27,264	572,199	779,224	1,618,612
Additions	10,920	12,523	7,525	-	59,676	90,644
Write-offs (Note 26)	-	(22)	(22)	-	-	(44)
Balance as at 6/30/2020	154,524	108,822	34,767	572,199	838,900	1,709,212
Amortization						
Balance as at 12/31/2018	(57,644)	(14,923)	(12,680)	-	-	(85,247)
Additions	(9,988)	(2,595)	(1,724)	-	(52,127)	(66,434)
Write-offs	109	-	4	-	-	113
Sale of stores (i)	-	28	5	-	-	33
Balance as at 12/31/2019	(67,523)	(17,490)	(14,395)	-	(52,127)	(151,535)
Balance as at 12/31/2019	(74,959)	(19,695)	(16,000)	-	(118,238)	(228,892)
Additions (Notes 25 and 26)	(9,446)	(2,801)	(2,427)	-	(63,835)	(78,509)
Write-offs	-	-	18	-	-	18
Balance as at 6/30/2020	(84,405)	(22,496)	(18,409)	-	(182,073)	(307,383)
Total intangible assets as at 6/30/2019	68,253	69,970	10,455	572,199	560,096	1,280,973
Total intangible assets as at 12/31/2019	68,645	76,626	11,264	572,199	660,986	1,389,720
Total intangible assets as at 6/30/2020	70,119	86,326	16,358	572,199	656,827	1,401,829

(i) Disposal of 1 store, in line with Management's strategy to focus on increase in profitability and return on invested capital and scrapped assets, generating a net capital gain of R\$ 242 in 2020 (Disposal of 1 store generated a net capital gain of R\$81 in 2019); (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

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

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

12. Loans and financings

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Loans and financings (Note 12.1)	430,106	8,094
Debentures and CRA (Agribusiness Receivables Certificate) (Note 12.2)	502,673	511,776
Total loans and financings (Notes 30 and 32)	932,779	519,870
Current	330,386	116,556
Non-current	602,393	403,314

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

12.1. Loans and financings

	Description	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
				6/30/2020	12/31/2019
Santander loan (i)	Working capital	100% of CDI + 0.37	March 2021	173,845	-
Itaú loan (ii)	Working capital	100% of CDI + 0.23%	April 2021	50,611	-
Bradesco loan (iii)	Working capital	100% of CDI + 0.30%	June 2023	150,615	-
Votorantim loan (iv)	Working capital	100% of CDI + 0.30%	June 2022	50,195	-
Fixed rate loan	Investment	0.89% p.m.	January 2026	7,099	8,094
Financial charges to be incurred (v)				(2,259)	-
Total loans and financings (Note 12)				430,106	8,094
Current				226,142	1,941
Non-current				203,964	6,153

- (i) On March 20, 2020, the Company contracted a new loan from Banco Santander, pursuant to Law No. 4,131 simultaneously with a swap transaction, to hedge against the fluctuations in exchange rates, in the amount of R\$ 170,000 with interest linked to CDI + 0.37% p.m., for working capital purposes. This loan has covenants similar those of the 8th issue of debenture with maturity in March 2021 and has no guarantees (*clean*), except for standby letter of credit linked to it.
- (ii) However, on April 9, 2020 the Company contracted a new loan from Banco Itaú through CCB without IOF in accordance with Decree 10,305/ 2020, in the amount of R\$ 50,000 with interest linked to CDI + 0.23% p.m. for working capital purposes. This loan has covenants similar to those of the 8th issue of debentures with maturity in April 2021 and has no guarantees (*clean*).
- (iii) On June 5, 2020 the Company contracted a new loan from Banco Itaú through CCB without IOF in accordance with Decree 10,305/ 2020, in the amount of R\$ 150,000 with interest linked to CDI + 0.30% p.m. for working capital purposes and lengthening of the debt profile. This loan has covenants similar to those of the 8th issue of debentures, and maturity in June 2023. The fiduciary assignment of the card banner representing 20% of the outstanding balance was pledged as collateral, in addition to a CDB of R\$ 25,000 for a specified period of 90 days.
- (iv) Also on June 5, 2020, the Company contracted a new loan from Banco Votorantim through CCB without IOF in accordance with Decree 10,305/ 2020, in the amount of R\$ 50,000 with interest linked to CDI + 0.30% p.m. for working capital purposes and lengthening of the debt profiles. This loan has covenants similar to those of the 8th issue of debentures with maturity in June 2022 and has no guarantees (*clean*).

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



12. Loans and financings--Continued

12.2. Debentures and Agribusiness Receivables Certificate (CRA)

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			6/30/2020	12/31/2019
Debentures 6 th issue (i)	100% of CDI + 0.24%	May 2020	-	12,373
Debentures 7 th issue (CRA)	100% of CDI + 0.07%	October 2020	101,984	102,371
Debentures 8 th issue	100% of CDI + 0.11%	October 2024	403,483	403,423
Financial charges to be incurred			(2,794)	(6,391)
Total debentures (Note 12)			502,673	511,776
Current			104,244	114,615
Non-current			398,429	397,161

(i) On May 4, 2020, the Company settled the Debentures 6th issue, according to the schedule stipulated in its issue.

The amounts of noncurrent loans, financings, debentures and CRAs, not deducting financial charges to be incurred, have the following original maturities as of June 30, 2020 and December 31, 2019:

Year	Parent company and Consolidated	
	6/30/2020	12/31/2019
2021	38,528	2,032
2022	127,081	2,081
2023	38,420	920
2024 onwards	401,074	401,074
	605,103	406,107

Covenants

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

Covenants are controlled annually by the financial institutions, and monthly by the Company. Considering the projections of results, cash generation in the current scenario and the worsening of the effects of the pandemic on its operating activities, the Company obtained indications that may limit the compliance with the covenants regarding its annual obligation.

Collaterals

As at June 30, 2020 and December 31, 2019, the Company has a letter of guarantee with banks amounting to R\$ 5,164 as collateral for the rental of stores.

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

13. Trade payables

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Suppliers of materials and services (i)	80,346	218,616
Agreement suppliers (ii)	52,161	58,116
Others	13,653	9,700
Total trade payables (Notes 30 and 32)	146,160	286,432

- (i) The balance decreased due to payments to suppliers in the period ended June 30, 2020 combined with the reduction in natural purchases in the period, still impacted by the reduced operation of the restaurants.
- (ii) The Company has financial liabilities with suppliers, through financial institutions, whose suppliers received in advance in the period ended June 30, 2020. We have evaluated the potential financial value embedded in the operations, in conjunction with the term and do not consider it significant for greater details.

14. Lease liabilities

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Lease liabilities	975,218	964,323
Adjustment to present value - APV	(264,890)	(271,114)
Total lease liabilities (Notes 3, 30 and 32)	710,328	693,209
Current (Note 3)	107,757	99,156
Non-current (Note 3)	602,571	594,053

The non-current lease liabilities have the following original maturities on June 30, 2020:

Aging list (i)	Parent company and Consolidated		
	6/30/2020		
	Lease Liabilities	(-) Adjustment to present value of lease liabilities	Total
Over 1 year and less than 3 years	315,851	(99,548)	216,303
Over 3 years and less than 5 years	234,538	(61,219)	173,319
Over 5 years	251,450	(38,501)	212,949
Total	801,839	(199,268)	602,571

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

15. Corporate payables

As at June 30, 2020, the Company had the balance of R\$ 6,534 related to royalties and franchise fee due to BKC and PLK (R\$ 23,760 as at December 31, 2019), as detailed in notes 20.1, 30 and 32.

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

16. Taxes payable

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	596	825
Corporate Income Tax (IRPJ)	-	4,243
Social Contribution on Profit (CSLL)	-	1,536
Social Integration Program (PIS)	-	26
Withholding Income Tax (IRRF)	339	1,999
State VAT (ICMS)	2,234	4,644
Contribution For Intervention in the Economic Domain (CIDE)	1,792	2,022
Taxes in installments (i)	11,420	12,129
Service Tax (ISS) withheld	4,743	5,895
Social Security Contribution (INSS) payable (ii)	2,432	2,432
Other	1,700	2,004
Total taxes payable (Note 30)	25,256	37,755
Current	13,581	25,150
Non-current	11,675	12,605

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

17. Deferred revenue, net

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Deferred revenue, net (i) – franchise fee	3,582	2,579
Deferred revenue, net (ii)	20,167	24,488
Total deferred revenue, net	23,749	27,067
Current	8,834	9,139
Non-current	14,915	17,928

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

18. Other payables

	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Provision for sundry expenses	18,888	6,981	18,888	6,981
Investments payable	15,239	15,242	15,239	15,242
(-) APV of investments payable	(1,639)	(2,043)	(1,639)	(2,043)
Advances from customers	1,159	1,523	1,159	1,523
Others	46	156	103	217
Total other payables	33,693	21,859	33,750	21,920
Current	16,424	4,622	16,481	4,683
Non-current	17,269	17,237	17,269	17,237



Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

19. Provision for legal claims

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

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

In addition, the Company is aware, as at June 30, 2020, of other tax, civil and labor lawsuits, and based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$ 41,890 (R\$ 39,371 as at December 31, 2019) in Parent company and Consolidated, as follows:

	Parent company and Consolidated			
	6/30/2020		12/31/2019	
	Probable	Possible (i)	Probable	Possible (i)
Labor lawsuits	19,219	22,651	15,626	19,780
Civil lawsuits	3,494	10,045	625	10,316
Tax lawsuits	5	9,194	24	9,275
Total provision for legal claims (Note 29)	22,718	41,890	16,275	39,371

(i) For lawsuits with a possible likelihood of loss, there is no provision to cover losses on these lawsuits.



19. Provision for legal claims--Continued

Probable labor claims

The Company and its investees are parties to labor lawsuits, mainly regarding employee terminations in the normal course of business. As at June 30, 2020, the Company had a provision of R\$ 19,219 (R\$ 15,626 as at December 31, 2019) in the Parent company and Consolidated, for the contingencies related to lawsuits.

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

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

	Parent company and Consolidated			
	12/31/2019	Additions	Payments	6/30/2020
Labor lawsuits	15,626	10,613	(7,020)	19,219
Civil lawsuits	625	2,920	(51)	3,494
Tax lawsuits	24	4	(23)	5
Total provision for legal claims	16,275	13,537	(7,094)	22,718

Judicial deposits

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Labor lawsuits	23,529	24,289
Civil lawsuits	659	659
Tax lawsuits	9,393	8,486
Total judicial deposits	33,581	33,434

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

20. Related parties

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

20.1 Franchise Fees and Royalties

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

In view of the agreements described above, the Company has recorded in its payables and receivables in the periods ended June 30, 2020 and December 31, 2019 the following amounts:

	<u>Burger King Corporation (BKC)</u>		<u>Popeyes Louisiana Kitchen (PLK)</u>	
	<u>6/30/2020</u>	<u>12/31/2019</u>	<u>6/30/2020</u>	<u>12/31/2019</u>
Assets				
Trade receivables (Note 6)	159	438	-	-
Additions of Franchise Fee (Note 11)	10,277	17,940	2,246	2,768
Liabilities				
Corporate payables (Note 15)	(6,418)	(22,246)	(116)	(1,514)
Results				
Royalties expenses	<u>(45,241)</u>	<u>(64,493)</u>	<u>(1,086)</u>	<u>562</u>

20.2 Management compensation

	<u>6/30/2020</u>		<u>6/30/2019</u>	
	<u>Officers</u>	<u>Directors</u>	<u>Officers</u>	<u>Directors</u>
Management fees	2,745	-	2,396	-
Direct and indirect benefits	277	-	412	-
Variable compensation	6,804	-	9,056	-
Fees	-	1,105	-	-
Others (INSS)	769	221	670	-
	<u>10,595</u>	<u>1,326</u>	<u>12,534</u>	<u>-</u>

On July 31, 2020, an Annual General Meeting was held, which approved the Company's global management compensation for 2020, in the amount of up to R\$23,982, of which R\$21,170 refer to the compensation provided for the Company's Statutory Officers and R\$2.812 to the compensation provided for the Board of Directors, as detailed in the Management Proposal. The calculated amounts are recorded in general and administrative expenses.

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

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



21. Equity

Capital

As at June 30, 2020 and December 31, 2019, the Company's capital is R\$ 950,768 and is represented by 228,105,447 registered common shares, book-entry and without par value.

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

On March 30, 2020, the government issued the provisional measure *MP 931/2020* which allows flexible date for the AGM. In view of this, the Company opted to postpone the AGM until July 31, 2020, when the allocation of the result for 2019 as well as the audited financial statements for 2019 was submitted for approval.

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

22. Earnings (loss) per share

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

	<u>Parent company and Consolidated</u>	
	<u>6/30/2020</u>	<u>6/30/2019</u>
<u>Basic numerator</u>		
Profit for the year	(242,422)	1,784
<u>Basic denominator</u>		
Basic weighted average number of shares - in thousand	226,883	226,042
<u>Basic earnings per share</u>	(1.068489)	0.007892
<u>Diluted numerator</u>		
Profit for the year	(242,422)	1,784
<u>Diluted denominator</u>		
Weighted average number of shares - in thousand	226,883	226,042
Stock options (Note 33) - in thousand	289	901
Anti-dilution effect - in thousand	(289)	-
Diluted weighted average number of shares	226,883	226,943
<u>Diluted earnings per share</u>	(1.068489)	0.007861

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

23. Net operating revenue

	Parent company and Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Gross sales revenue	319,201	1,021,023	723,426	1,436,328
Sales revenue deductions	(30,810)	(92,678)	(51,760)	(103,565)
Net sales revenue	288,391	928,345	671,666	1,332,763
Gross revenue from services rendered	4,826	15,126	4,738	9,504
Service revenue deductions	(453)	(1,629)	(493)	(1,031)
Net service revenue	4,373	13,497	4,245	8,473
Total net operating revenue	292,764	941,842	675,911	1,341,236

24. Cost of goods and products sold

	Parent company				Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Costs of food, beverages and packaging	(116,717)	(349,365)	(227,610)	(450,867)	(116,717)	(349,365)	(227,669)	(451,596)
Allowance for inventory losses (i) (Note 7)	(252)	(1,206)	-	-	(252)	(1,206)	-	-
Cost of services rendered and others	(16,218)	(48,035)	(20,095)	(50,675)	(16,218)	(48,035)	(20,095)	(50,675)
Total cost of sales and services	(133,187)	(398,606)	(247,705)	(501,542)	(133,187)	(398,606)	(247,764)	(502,271)

- (i) As a result of the COVID-19 pandemic, the cost of food, beverages and packaging was impacted by R\$ 7,560, represented by expired perishable items and additional freight when transferring products between stores.
- (ii) The provision set up refers to perishable items that are not expected to be realized due to their expiry dates. This provision is an impact caused by the combat against COVID-19, since the operation of the restaurants is reduced in this period.

25. Selling expenses

	Parent company				Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Personnel expenses	(91,113)	(230,268)	(128,006)	(255,820)	(91,113)	(230,268)	(128,006)	(255,820)
Royalties and marketing fund	(34,540)	(98,307)	(62,128)	(123,712)	(34,540)	(98,307)	(62,128)	(123,712)
Occupancy and utilities expenses	(35,337)	(99,033)	(54,228)	(109,505)	(35,337)	(99,033)	(54,228)	(109,554)
Depreciation and amortization (Notes 10 and 11)	(46,718)	(88,956)	(41,841)	(79,043)	(46,718)	(88,956)	(43,977)	(83,495)
Amortization of right of use (lease) (Note 3)								
(i)	(27,782)	(58,472)	(25,560)	(51,460)	(27,782)	(58,472)	(25,560)	(51,460)
Preoperating expenses (ii)	(824)	(2,456)	(2,808)	(4,690)	(824)	(2,456)	(2,808)	(4,690)
Sundry services (iii)	(38,966)	(65,491)	(20,446)	(38,764)	(38,966)	(65,491)	(20,446)	(38,764)
Repairs and maintenances	(13,983)	(29,877)	(15,709)	(29,585)	(13,983)	(29,877)	(15,709)	(29,640)
Others (iv)	(10,324)	(38,585)	(26,666)	(48,725)	(10,324)	(38,585)	(26,680)	(48,761)
Total expenses with stores	(299,587)	(711,445)	(377,392)	(741,304)	(299,587)	(711,445)	(379,542)	(745,896)

- (i) In compliance with CVM *Circular Ofício 02/2019*, the balance in the balance sheet account Amortization of right of use (Notes 3 and 11) is gross of taxes (Pis and Cofins) and totals R\$ 63,835, while the balances in the statement of income accounts Amortization of right of use (Notes 25 and 26) are net of taxes (Pis and Cofins) totaling R\$ 59,082.
- (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.
- (iii) The variation in sundry services is mainly due to the increase in delivery platform services, which are directly linked to the sales generated by this channel.
- (iv) As a result of combating against COVID-19 pandemic, the Company recognized additional expenses in general and administrative expense related mainly to on alcohol, masks and soaps for employees of stores that continued to sell, even with the reduced operation.

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

26. General and administrative expenses

	Parent company				Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Administrative personnel expenses	(23,644)	(50,894)	(29,041)	(56,703)	(23,644)	(50,894)	(29,041)	(56,703)
Occupancy and utilities expenses	(363)	(701)	(419)	(580)	(363)	(701)	(419)	(593)
Depreciation and amortization (Notes 10 and 11)	(4,792)	(11,187)	(4,110)	(10,294)	(4,792)	(11,187)	(4,110)	(10,294)
Amortization of right of use (lease) (Note 3) (i)	(279)	(610)	(333)	(667)	(279)	(610)	(333)	(667)
Expenses on acquisitions and mergers (ii)	(83)	(83)	(1,769)	(2,497)	(83)	(83)	(1,769)	(2,497)
Disposal of property and equipment (Notes 10 and 11)	(729)	(882)	(218)	(1,631)	(729)	(882)	(218)	(1,631)
Income from stores sold	867	867	689	689	867	867	689	689
Write-off of assets of stores sold	(1,109)	(1,109)	(608)	(608)	(1,109)	(1,109)	(608)	(608)
Gains on claims	-	43	-	-	-	43	-	-
Provision for impairment (Note 10)	(383)	(383)	-	117	(383)	(383)	-	117
Stock options cost (Note 33)	(2,037)	(5,474)	(661)	(1,322)	(2,037)	(5,474)	(661)	(1,322)
Other operating income (expenses), net (iii)/(iv)	(3,256)	(8,090)	2,701	3,335	(3,350)	(8,273)	3,656	3,790
Total general and administrative expenses	(35,808)	(78,503)	(33,769)	(70,161)	(35,902)	(78,686)	(32,814)	(69,719)

- (i) In compliance with CVM *Circular Officio 02/2019*, the balances in the balance sheet account Amortization of right of use (Notes 3 and 11) are gross of taxes (Pis and Cofins) and totals R\$ 63,835, while the balances in the statement of income accounts Amortization of right of use (Notes 25 and 26) are net of taxes (Pis and Cofins) totaling R\$ 59,082.
- (ii) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the period.
- (iii) Refer to the income from the premium on the initial supply agreement, reversal of costs on the construction of stores, expenses with provisions for legal claims, services taken and travel expenses and services rendered in the subsidiaries.
- (iv) As a result of combating against COVID-19 pandemic, the Company recognized additional expenses in general and administrative expenses in the total amount of R\$ 1,239, related mainly to donation made to SUS (*Sistema Único de Saúde* - National Health Service).

27. Financial expenses

	Parent company				Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Interest on loans and financings	(6,938)	(10,622)	(2,978)	(7,679)	(6,938)	(10,622)	(2,978)	(7,679)
Banking expenses and sundry interest	(1,273)	(2,706)	(1,549)	(2,478)	(1,273)	(2,706)	(1,569)	(2,522)
Foreign exchange losses	-	(1,360)	(199)	(756)	-	(1,360)	(199)	(756)
Lease APV expense payable (Note 3)	(19,634)	(33,519)	(14,384)	(29,175)	(19,634)	(33,519)	(14,384)	(29,175)
Investment APV expense payable - BKCS	(226)	(404)	(100)	(427)	(226)	(404)	(100)	(427)
Inflation adjustment	(104)	(261)	(235)	(1,064)	(104)	(261)	(1,141)	(1,970)
Others	(2,213)	(3,064)	(528)	(1,358)	(2,213)	(3,064)	(547)	(1,387)
Financial expenses	(30,388)	(51,936)	(19,973)	(42,937)	(30,388)	(51,936)	(20,918)	(43,916)

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

28. Financial income

	Parent company				Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Short-term investments interest and yield	3,218	6,041	5,441	11,623	3,312	6,224	5,575	11,890
Foreign exchange gains	1,654	1,654	239	744	1,654	1,654	239	744
Derivatives income	-	1,757	-	-	-	1,757	-	-
Lease discounts - COVID19 (i)	14,433	14,433	-	-	14,433	14,433	-	-
Taxes on financial income	(268)	(513)	(282)	(596)	(268)	(513)	(287)	(603)
Other financial income	389	1,051	372	424	389	1,051	372	424
Financial income	19,426	24,423	5,770	12,195	19,520	24,606	5,899	12,455

- (i) Based on the Revision of Technical Pronouncements No.16 issued by CVM on July 7, 2020, which contained amendments to CPC 06 (R2), referring to Benefits Related to Covid-19 Granted to Lessees under Lease Agreements, the Company elected to use the practical expedient of not remeasuring the operating lease agreements since the renegotiations made were in respect of benefits related to COVID-19, recognizing such benefits in profit or loss for the period (Note 3).

29. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended June 30, 2020 and 2019 is as follows:

	Parent company				Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Current	-	-	-	-	-	-	-	-
Deferred	-	31,803	(794)	10,424	-	31,803	(1,323)	9,895
	-	31,803	(794)	10,424	-	31,803	(1,323)	9,895

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates with amounts recorded in the statement of income for the periods ended June 30, 2020 and 2019 is shown below:

	Parent company		Consolidated	
	1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019	1/1/2020 to 6/30/2020	1/1/2019 to 6/30/2019
Profit (loss) before income tax and social contribution	(274,225)	(8,640)	(274,225)	(8,111)
Income tax and social contribution expense at the combined statutory rate of 34%	93,237	2,938	93,237	2,758
Adjustments to reconcile the effective rate:				
Equity pickup	-	(2,083)	-	-
Deferred taxes recognized (not recognized) on tax losses carryforwards	(63,313)	6,738	(63,313)	6,738
Payment of non-deductible bonus	-	(3,079)	-	(3,079)
Cash shortage	(170)	(151)	(170)	(151)
Tax and labor fines and infractions	(293)	(245)	(293)	(245)
Stock options costs	(1,861)	(449)	(1,861)	(449)
Interest on capital (IOC)	3,920	6,753	3,920	6,753
Other permanent differences	283	4	283	(2,429)
Income tax and social contribution	31,803	10,424	31,803	9,895
Effective rate	12%	121%	12%	122%

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

29. Income tax and social contribution--Continued

Deferred

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

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Deferred income tax and social contribution - assets	160,804	95,551
Deferred income tax and social contribution - liabilities	(137,453)	(104,003)
	23,351	(8,452)

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

	Parent company and Consolidated	
	6/30/2020	12/31/2019
Tax loss carryforwards	408,543	119,056
<u>Temporary differences</u>		
Provision for legal claims (Note 19)	22,718	16,275
Provision for bonuses (PLR)	590	25,175
Provision for impairment (Note 10)	10,723	10,340
Pre-operating	28,558	31,137
Accrued expenses	22,352	8,990
Amortization of leases and APV on lease liabilities	261,993	169,392
Others	12,169	9,147
Tax base	767,646	389,512
Statutory rate	34%	34%
	261,000	132,434
(-) Unrecognized deferred taxes	(100,196)	(36,883)
Deferred income tax and social contribution - assets	160,804	95,551
Transitional Tax System (RTT)	(695)	(1,506)
Financial charges to be incurred	(5,053)	(6,391)
Tax amortization of goodwill	(204,465)	(160,826)
Payment of lease liabilities	(194,060)	(137,169)
Tax base	(404,272)	(305,892)
Combined rate	34%	34%
Deferred income tax and social contribution – liabilities	(137,453)	(104,003)
Deferred income tax and social contribution, net	23,351	(8,452)

In view of the expectations of future taxable profit the Company elected to provide for the balance of deferred income tax and social contribution assets, up to the expected limit of utilization until 2025.

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



30. Financial risk management objectives and policies

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

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

Market risk

The sensitivity analyses in the following sections relate to the position as of June 30, 2020 .

Interest rate risk

Interest rate sensitivity

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

Variable rate instruments	Parent company		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Financial assets				
Short-term investments (Note 4)	15,255	293,722	15,255	293,722
Marketable securities (Note 5)	543,824	280,121	543,880	280,182
Financial liabilities				
Loans and financings (Note 12)	(932,779)	(519,870)	(932,779)	(519,870)

The following table demonstrates the possible impacts on profit or loss in the event of the respective scenarios presented, and for the probable scenario we used the average CDI of 4.60%.

Consolidated asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	(25%)	(50%)
Short-term investments (Notes 4 and 5)	559,135	DI variation	6,224	3,112	1,556	(1,556)	(3,112)
Loans and financings (Note 12) (i)	(925,680)	DI variation	(10,622)	(5,311)	(2,656)	2,656	5,311

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


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

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

Asset exposure	Exposure	Risk	Exchange rate as of 6/30/2020	Parent company and Consolidated				
				I	II	III	IV	V
				Probable	50%	25%	(25%)	(50%)
Royalties/Franchise Fee (Note 15)	6,534	US dollar variation	5.4754	6,534	(3,267)	(1,634)	1,634	3,267

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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
AAA+	-	1,228	-	1,228
AAA	402,108	570,665	380,633	553,684
AA+	-	-	9,145	9,999
AA	155,588	1,633	167,523	1,633
AA-	-	-	451	7,043
A+	-	317	-	317
A	1,383	-	1,383	-
	559,079	573,843	559,135	573,904

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of June 30, 2020:

	Consolidated					Total
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	Over 1 year	
Assets						
Cash and cash equivalents (Note 4)	35,673	35,673	35,673	-	-	35,673
Marketable securities (Note 5)	543,880	543,880	-	542,501	1,379	543,880
Trade receivables (Note 6)	66,196	66,196	66,196	-	-	66,196
Liabilities						
Loans and financings (Note 12)	932,779	1,099,470	1,380	367,028	731,062	1,099,470
Trade payables (Note 13)	146,160	146,160	146,160	-	-	146,160
Lease payables (Note 14)	710,328	975,218	43,784	129,595	801,839	975,218
Corporate payables (Note 15)	6,534	6,534	6,534	-	-	6,534
Taxes payable (Note 16)	25,256	25,256	3,395	10,186	11,675	25,256



30. Financial risk management objectives and policies--Continued

Capital management

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

	Consolidated	
	6/30/2020	12/31/2019
Equity	1,550,950	1,786,629
Cash and cash equivalents (Note 4)	(35,673)	(325,277)
Marketable securities (Note 5) (i)	(543,880)	(280,182)
Loans and financings (Note 12) (i)	932,779	519,870
Net debt	353,226	(85,589)
Lease payables (Note 14)	710,328	693,209
Total capital	2,614,504	2,394,249

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

Hedge accounting

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

The Company makes the formal designation of its hedge accounting relationship, as provided for in CVM Resolution 763/16/IFRS 9 and with its Risk Policy. The relationships used by the Company, as at June 30, 2020, are described below:

i. Cash flow hedge

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

ii. Gains and losses on hedge accounting instruments

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



30. Financial risk management objectives and policies--Continued

Hedge accounting--Continued

iii. Sensitivity analysis

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

Parity - R\$ x EUR			Scenario I	Scenario II	Scenario III	Scenario IV
Operation/Instrument	Risk	Current Scenario	25% Appreciation	50% Appreciation	25% Depreciation	50% Depreciation
Designated as hedge accounting						
NDF	R\$ depreciation	1,287	6,082	12,165	(6,082)	(12,165)
Import (item)	R\$ appreciation	(1,287)	(6,082)	(12,165)	6,082	12,165
Net effect		-	-	-	-	-

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

31. Derivative financial instruments

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			6/30/2020		12/31/2019	
			Notional	Fair value	Notional	Fair value
<i>(Designated as cash flow hedge)</i>						
NDF	January 2020	Euro	-	-	319	17
NDF	July 2020	Euro	2,765	(88)	-	-
NDF	August 2020	Euro	737	66	-	-
NDF	September 2020	Euro	1,447	473	-	-
NDF	October 2020	Euro	983	337	-	-
NDF	November 2020	Euro	819	269	-	-
NDF	December 2020	Euro	737	230	-	-
			7,488	1,287	319	17

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



32. Fair value

Methodology for calculation of fair value of financial instruments

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

	Consolidated		Fair value hierarchy level
	Carrying amount	Fair value	
Assets			
Cash and cash equivalents (Note 4)	35,673	35,673	2
Marketable securities (Note 5)	543,880	543,880	2
Trade receivables, net (Note 6)	66,196	66,196	2
Liabilities			
Loans and financings (Note 12)	932,779	981,451	2
Trade payables (Note 13)	146,160	146,160	2
Lease payables (Note 14)	710,328	710,328	2
Corporate payables (Note 15)	6,534	6,534	2

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

Notes to the interim financial information
 Period ended June 30, 2020
 (Amounts in thousands of reais)

33. Share-based compensation plan

In the period ended June 30, 2020, the Company recognized the amount of R\$ 5,474 (R\$ 1,322 as at June 30, 2019) of expenses arising from the stock options plans, recorded in line item General and administrative expenses (Note 26).

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

Third Plan

	Third Plan							Total
	First tranche	Second tranche	Third tranche	Fourth tranche	Fifth tranche	Sixth tranche	Seventh tranche	
Grant date	6/22/2017	6/22/2017	10/30/2019	10/30/2019	10/30/2019	10/30/2019	10/30/2019	N/A
Vesting date	7/14/2020	7/14/2021	10/30/2019	7/14/2020	7/14/2021	7/14/2022	7/14/2023	N/A
Strike price	10.82	10.82	10.82	11.37	12.14	12.95	13.82	N/A
Strike price (estimated) at the reporting period	11.44	11.44	11.44	11.44	11.44	11.44	11.44	11.44
Risk-free interest rate%	9.87%	10.24%	5.40%	4.42%	4.70%	5.19%	5.64%	N/A
Contractual period by tranche	1 year	2 years	N/A	1 year	2 years	3 years	4 years	N/A
Expected return of dividend	-	-	0.40%	0.40%	0.40%	0.40%	0.40%	N/A
Volatility of shares in the market %	14.91%	14.91%	23.47%	23.47%	23.47%	23.47%	23.47%	N/A
Total number of options outstanding	1,467,064	1,532,800	112,990	112,990	112,990	112,990	112,990	3,564,814
Number of options vested	176,758	-	112,990	-	-	-	-	289,748
Number of options lost/expired	-	-	26,776	-	-	-	-	26,776
Number of options exercised (2018 and 2019)	1,942,278	-	-	-	-	-	-	1,942,278
Number of options to be vested	1,643,822	1,532,800	86,214	112,990	112,990	112,990	112,990	3,714,796
Estimated fair value (R\$/share)	1.08	1.53	7.88	7.62	7.45	7.49	7.64	N/A

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

	First Plan	Second Plan	Third Plan	Total
Outstanding as at December 31, 2017	2,662,000	1,262,100	4,943,400	8,867,500
Granted	-	-	175,500	175,500
Canceled	(39,100)	-	-	(39,100)
Exercised	(194,350)	(5,251)	(48,051)	(247,652)
Outstanding as at December 31, 2018	2,428,550	1,256,849	5,070,849	8,756,248
Granted	-	-	564,950	564,950
Canceled	-	-	(26,776)	(26,776)
Exercised	(2,428,550)	(1,256,849)	(1,894,227)	(5,579,626)
Outstanding as at June 30, 2020 and December 31, 2019	-	-	3,714,796	3,714,796
Vested as at June 30, 2020 and December 31, 2019 (Note 22)	-	-	289,748	289,748



Notes to the interim financial information
Period ended June 30, 2020
(Amounts in thousands of reais)

33. Share-based compensation plan— Continued

Fourth Plan

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

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

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

34. Insurance

As at June 30, 2020, the Company had the following insurance policies in effect:

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



35. Events after the reporting period

35.1. Consumer Defense Agency (Procon) - São Paulo State. Infraction Notice

At the beginning of July 2020, the Company was served an infraction notice issued by Procon São Paulo in the amount of R\$ 5,240, due to alleged irregularities during the “Black Friday 2019” campaign.

This campaign was based on the availability of discount coupons in partnership with Mercado Pago for purchase of the products that were part of the promotion.

During the month, the Company presented its defense and is currently awaiting the administrative decision at the lower level court. The likelihood of loss is remote.

35.2 Ordinary General Meeting

On July 31, 2020, the shareholders at Ordinary General Meeting approved:

- (i) the management report, management accounts, financial statements of the Company and the independent auditors' report for the fiscal year ended December 31, 2019;
- (ii) the Company's capital budget, pursuant to Article 196 of the Brazilian Corporation Law;
- (iii) the allocation of net income for the fiscal year ended December 31, 2019; and
- (iv) the global compensation of the Company's managers for the fiscal year of 2020.

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

Review report on Interim Financial Information

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

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of BK Brasil Operação e Assessoria a Restaurantes S.A. ("Company") for the quarter ended June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the related statements of profit or loss and of comprehensive income (loss), for the three and six-months periods then ended, and of changes in equity and of cash flows for the six-months period then ended, including the explanatory notes.

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

Scope of the review

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

Conclusion on the individual and the consolidated interim financial information

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

Other matters

Statement of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, August 4, 2020.

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

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

Officer's Statement on the Financial Statements

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the City of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, 350, 11o floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's Interim Financial Information for the period ended June 30, 2020.

Barueri, August 4, 2020

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

Officer's Statement on the Independent Auditor's Report

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the City of Alphaville – Barueri, State of São Paulo, at Alameda Tocantins, 350, 11o floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's Interim Financial Information for the period ended June 30, 2020.

Barueri, August 4, 2020

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer