

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

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Company data/ Capital composition

Number of Shares (Units)	Current Quarter 6/30/2021
Common - Paid-up Capital	275,355,447
Preferred - Paid-up Capital	-
Total - Paid-up Capital	275,355,447
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 6/30/2021	Prior Year 12/31/2020
1	Total Assets	3,644,791	3,932,729
1.01	Current Assets	786,197	1,119,073
1.01.01	Cash and Cash Equivalents	147,584	219,669
1.01.02	Short-Term Investments	359,359	601,124
1.01.02.01	Short-Term Investments at Fair Value	359,359	601,124
1.01.02.01.03	Marketable Securities	359,359	575,818
1.01.02.01.04	Restricted Marketable Securities	-	25,306
1.01.03	Accounts Receivable	96,425	107,188
1.01.04	Inventories	123,423	125,612
1.01.06	Taxes Recoverable	36,442	37,116
1.01.06.01	Current Taxes Recoverable	36,442	37,116
1.01.08	Other Current Assets	22,964	28,364
1.01.08.03	Others	22,964	28,364
1.01.08.03.02	Advances Paid	2,690	3,695
1.01.08.03.04	Other Receivables	20,274	24,669
1.02	Non-Current Assets	2,858,594	2,813,656
1.02.01	Long-Term Receivables	164,352	144,781
1.02.01.10	Other Non-Current Assets	164,352	144,781
1.02.01.10.03	Judicial Deposits	39,736	38,000
1.02.01.10.04	Other Receivables	6,814	9,548
1.02.01.10.05	Taxes Recoverable	117,802	97,233
1.02.03	Property and Equipment	1,190,519	1,195,664
1.02.04	Intangible Assets	1,503,723	1,473,211
1.02.04.01	Intangible Assets	1,503,723	1,473,211
1.02.04.01.02	Right-of-use asset	750,038	732,308
1.02.04.01.03	Others Intangible Assets	753,685	740,903

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

Account Code	Account Description	Current Quarter 6/30/2021	Prior Year 12/31/2020
2	Total Liabilities	3,644,791	3,932,729
2.01	Current Liabilities	606,574	564,505
2.01.01	Social and Labor Liabilities	83,631	86,147
2.01.01.01	Social Obligations	83,631	86,147
2.01.02	Trade Payables	151,945	217,616
2.01.03	Taxes Payable	33,259	31,561
2.01.04	Loans and Financing	143,275	53,612
2.01.05	Other Current Liabilities	194,464	175,569
2.01.05.02	Others	194,464	175,569
2.01.05.02.04	Other Payables	27,241	20,947
2.01.05.02.05	Deferred revenue, net	15,300	11,857
2.01.05.02.07	Corporate Payables	12,361	15,824
2.01.05.02.08	Lease liabilities	139,562	126,941
2.02	Non-Current Liabilities	1,455,843	1,529,765
2.02.01	Loans and Financing	681,748	777,164
2.02.02	Other Payables	720,137	706,795
2.02.02.02	Others	720,137	706,795
2.02.02.03	Taxes Payable	10,304	10,780
2.02.02.02.05	Other Payables	16,989	16,861
2.02.02.02.06	Deferred revenue, net	9,451	14,764
2.02.02.02.07	Lease liabilities	683,393	664,390
2.02.03	Deferred Taxes	29,986	22,643
2.02.03.01	Deferred income tax and social contribution	29,986	22,643
2.02.04	Provisions	23,972	23,163
2.02.04.01	Provisions for tax, social security, labor and civil claims	23,972	23,163
2.03	Equity	1,582,374	1,838,459
2.03.01	Capital	1,461,068	1,461,068
2.03.02	Capital reserves	692,327	688,057
2.03.02.01	Goodwill on the Issuance of Shares	716,541	712,271
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.05	Retained losses	-570,475	-310,966
2.03.08	Other comprehensive income	546	300

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

Account Code	Account Description	Current quarter 4/1/2021 to 6/30/2021	Current Year 1/1/2021 to 6/30/2021	Prior quarter 4/1/2020 to 6/30/2020	Prior Year 1/1/2020 6/30/2020
3.01	Revenue from Sale of Goods and/or Services	567,866	1,130,441	292,764	941,842
3.02	Cost of Sales and/or Services	-225,636	-459,018	-133,187	-398,606
3.03	Gross Profit	342,230	671,423	159,577	543,236
3.04	Operating Expenses/Income	-428,956	-884,076	-335,395	-789,948
3.04.01	Selling Expenses	-391,775	-801,546	-299,587	-711,445
3.04.02	General and Administrative Expenses	-37,181	-82,530	-35,808	-78,503
3.05	Profit Before Financial Income (Expenses) and Taxes	-86,726	-212,653	-175,818	-246,712
3.06	Financial Income (Expenses), Net	-12,399	-39,514	-10,962	-27,513
3.06.01	Financial Income	18,649	23,502	19,426	24,423
3.06.02	Financial Expenses	-31,048	-63,016	-30,388	-51,936
3.07	Loss Before Income Tax and Social Contribution	-99,125	-252,167	-186,780	-274,225
3.08	Income Tax and Social Contribution	2,037	-7,342	-	31,803
3.08.02	Deferred	2,037	-7,342	-	31,803
3.09	Profit/(Loss)from Continuing Operations	-97,088	-259,509	-186,780	-242,422
3.11	Profit/ (Loss) for the Period	-97,088	-259,509	-186,780	-242,422
3.99.01	Basic Earnings per Share				
3.99.01.01	Registered Common (ON)	-0.35416	-0.94665	-0.82324	-1.06849
3.99.02	Diluted Earnings per Share				
3.99.02.01	Registered Common (ON)	-0.35416	-0.94665	-0.82324	-1.06849

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

Account Code	Account Description	Current Quarter 4/1/2021 to 6/30/2021	Current Year 1/1/2021 to 6/30/2021	Prior Quarter 4/1/2020 to 6/30/2020	Prior Year 1/1/2020 to 6/30/2020
4.01	Profit for the Period	-97,088	-259,509	-186,780	-242,422
4.02	Other comprehensive income	-1,602	-846	431	1,270
4.03	Total Comprehensive Income for the Period	-98,690	-260,355	-186,349	-241,152

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

Account Code	Account Description	Current Year 1/1/2021 to 6/30/2021	Prior Year 1/1/2020 to 6/30/2020
6.01	Net Cash from Operating Activities	-115,895	-251,464
6.01.01	Cash Provided from Operating Activities	-3,272	-58,677
6.01.01.01	Loss Before Income Tax and Social Contribution	-252,167	-274,225
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	108,175	100,143
6.01.01.05	Interest, charges, exchange variation, monetary variation and APV on leases liabilities	36,688	33,732
6.01.01.06	Provision for lawsuits	11,605	13,537
6.01.01.07	Result on disposal of fixed and intangible assets	3,809	1,991
6.01.01.08	Provision for Impairment	-115	383
6.01.01.09	AFDA and write-off of non-financial assets	12,484	-
6.01.01.10	Stock Options Cost	4,299	5,474
6.01.01.11	Provision for inventory loss	1,903	1,206
6.01.01.12	Amortization of Lease	70,047	59,082
6.01.02	Changes in Assets and Liabilities	-112,623	-192,787
6.01.02.01	Trade Receivables, Net	-1,721	-5,835
6.01.02.02	Inventories	286	5,715
6.01.02.03	Taxes Recoverable	-19,895	-5,844
6.01.02.04	Advances Paid	1,005	14,074
6.01.02.06	Other Receivables	5,393	-8,179
6.01.02.07	Suppliers and rents payable	-65,671	-140,272
6.01.02.08	Trade Payables	-2,516	-11,575
6.01.02.09	Payroll and Social Charges	-3,463	-17,226
6.01.02.10	Corporate Payables	1,222	-12,499
6.01.02.11	Taxes Payable	-1,870	-3,318
6.01.02.14	Other Payable	6,343	11,923
6.01.02.15	Interest Expense on Loans and Financing	-20,940	-12,657
6.01.02.17	Legal Claims	-10,796	-7,094
6.02	Net Cash from Investing Activities	128,088	-377,090
6.02.03	Purchases of Property and Equipment	-91,519	-88,623
6.02.04	Purchases of Intangible Assets	-27,987	-30,968
6.02.06	Investment in Marketable Securities	247,594	-257,499
6.03	Net Cash from Financing Activities	-84,278	338,950
6.03.03	Borrowing and financing	-	420,000
6.03.04	Loans and Financings Raised	-	-12,952
6.03.05	Borrowing costs	-29	-
6.03.06	Payment of loans and financing (principal)	-	-10,054
6.03.07	Interest on Capital Paid	-84,249	-56,891
6.03.08	Share issue costs	-	-1,153
6.05	Increase (Decrease) in Cash and Cash Equivalents	-72,085	-289,604
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	219,669	325,276
6.05.02	Cash and Cash Equivalents at the End of the Period	147,584	35,672

Individual financial statements – Statement of changes in Equity 1/1/2021 to 6/30/2021
(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
5.01	Opening balances	1,461,068	688,057	-		-310,966	300	1,838,459
5.03	Adjusted Opening Balances	1,461,068	688,057	-		-310,966	300	1,838,459
5.04	Capital Transactions with Shareholders	-	4,270	-		-	-	4,270
5.04.02	Share Issue Cost	-	-29	-		-	-	-29
5.04.03	Options Granted Recognized	-	4,299	-		-	-	4,299
5.05	Total Comprehensive Income	-		-		-259,509	-846	-260,355
5.05.01	Profit for the Period	-	-	-		-259,509	-	-259,509
5.05.02	Other comprehensive income	-	-	-		-	846	-846
5.05.02.01	Financial Instruments Adjustments	-	-	-		-	-	-
5.07	Closing Balances	1,461,068	692,327	-		-570,475	-546	1,582,374

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 value added
(In thousands of reais)

Account Code	Account Description	Current Year 1/1/2021 to 6/30/2021	Prior Year 1/1/2020 to 6/30/2020
7.01	Revenues	1,239,549	1,046,723
7.01.01	Gross Sales of Goods and Services	1,232,090	1,036,149
7.01.02	Other Revenues	7,459	10,574
7.02	Inputs Purchased from Third Parties	-834,456	-735,084
7.02.01	Cost of Sales and Services	-459,018	-398,606
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-371,431	-333,623
7.02.03	Impairment of Assets	-3,694	-2,374
7.02.04	Others	-313	-481
7.03	Gross Value Added	405,093	311,639
7.04	Retentions	-178,222	-159,225
7.04.01	Depreciation, Amortization and Depletion	-178,222	-159,225
7.05	Wealth Created by the Company	226,871	152,414
7.06	Wealth Received in Transfer	24,163	24,936
7.06.02	Financial Income	24,163	24,936
7.07	Total Wealth for Distribution	251,034	177,350
7.08	Wealth Distributed	251,034	177,350
7.08.01	Personnel	258,894	237,202
7.08.01.01	Salaries and Wages	240,135	225,446
7.08.01.03	Unemployment Compensation Fund (FGTS)	18,759	11,756
7.08.02	Taxes, Fees and Contributions	155,453	102,753
7.08.02.01	Federal	118,446	64,544
7.08.02.02	State	30,521	30,191
7.08.02.03	Municipal	6,486	8,018
7.08.03	Lenders and Lessors	96,196	79,817
7.08.03.01	Interest	62,735	51,686
7.08.03.02	Rentals	33,461	28,131
7.08.04	Shareholders	-259,509	-242,422
7.08.04.03	Retained Earnings / Profit for the Period	-259,509	-242,422

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

Account Code	Account Description	Current Quarter 6/30/2021	Prior Year 12/31/2020
1	Total Assets	3,644,811	3,932,755
1.01	Current Assets	786,217	1,119,099
1.01.01	Cash and Cash Equivalents	147,585	219,670
1.01.02	Short-Term Investments	359,378	601,149
1.01.02.01	Short-Term Investments at Fair Value	359,378	601,149
1.01.02.01.03	Marketable Securities	359,378	575,843
1.01.02.01.04	Restricted Marketable Securities	-	25,306
1.01.03	Accounts Receivable	96,425	107,188
1.01.04	Inventories	123,423	125,612
1.01.06	Taxes Recoverable	36,442	37,116
1.01.06.01	Current Taxes Recoverable	36,442	37,116
1.01.08	Other Current Assets	22,964	28,364
1.01.08.03	Others	22,964	28,364
1.01.08.03.02	Advances Paid	2,690	3,695
1.01.08.03.04	Other Receivables	20,274	24,669
1.02	Non-Current Assets	2,858,594	2,813,656
1.02.01	Long-Term Receivables	164,352	144,781
1.02.01.10	Other Non-Current Assets	164,352	144,781
1.02.01.10.03	Judicial Deposits	39,736	38,000
1.02.01.10.04	Other Receivables	6,814	9,548
1.02.01.10.05	Taxes Recoverable	117,802	97,233
1.02.03	Property and Equipment	1,190,519	1,195,664
1.02.04	Intangible Assets	1,503,723	1,473,211
1.02.04.01	Intangible Assets	1,503,723	1,473,211
1.02.04.01.02	Right-of-use asset	750,038	732,308
1.02.04.01.03	Others Intangible Assets	753,685	740,903

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

Account Code	Account Description	Current Quarter 6/30/2021	Prior Year 12/31/2020
2	Total Liabilities	3,644,811	3,932,755
2.01	Current Liabilities	606,594	564,531
2.01.01	Social and Labor Liabilities	83,631	86,147
2.01.02	Trade Payables	151,945	217,616
2.01.03	Taxes Payable	33,259	31,561
2.01.04	Loans and Financing	143,275	53,612
2.01.05	Other Current Liabilities	194,484	175,595
2.01.05.02	Others	194,484	175,595
2.01.05.02.04	Other Payables	27,261	20,973
2.01.05.02.05	Deferred revenue, net	15,300	11,857
2.01.05.02.06	Corporate Payables	12,361	15,824
2.01.05.02.08	Lease liabilities	139,562	126,941
2.02	Non-Current Liabilities	1,455,843	1,529,765
2.02.01	Loans and Financing	681,748	777,164
2.02.02	Other Payables	720,137	706,795
2.02.02.02	Others	720,137	706,795
2.02.02.02.03	Taxes Payables	10,304	10,780
2.02.02.02.04	Other Payables	16,989	16,861
2.02.02.02.05	Deferred revenue, net	9,451	14,764
2.02.02.02.06	Lease liabilities	683,393	664,390
2.02.03	Deferred Taxes	29,986	22,643
2.02.03.01	Deferred income tax and social contribution	29,986	22,643
2.02.04	Provisions	23,972	23,163
2.02.04.01	Provisions for tax, social security, labor and civil claims	23,972	23,163
2.03	Equity	1,582,374	1,838,459
2.03.01	Capital	1,461,068	1,461,068
2.03.02	Capital reserves	692,327	688,057
2.03.02.01	Goodwill on the Issuance of Shares	716,541	712,271
2.03.02.05	Shares in treasury	-24,214	-24,214
2.03.05	Retained losses	-570,475	-310,966
2.03.08	Other comprehensive income	-546	300

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

Account Code	Account Description	Current Quarter 4/1/2021 to 6/30/2021	Current Year 1/1/2021 to 6/30/2021	Current Quarter 4/1/2020 to 6/30/2020	Prior Year 1/1/2020 to 6/30/2020
3.01	Revenue from Sale of Goods and/or Services	567,866	1,130,441	292,764	941,842
3.02	Cost of Sales and/or Services	-225,636	-459,018	-133,187	-398,606
3.03	Gross Profit	342,230	671,423	159,577	543,236
3.04	Operating Expenses/Income	-429,002	-884,181	-335,489	-790,131
3.04.01	Selling Expenses	-391,775	-801,546	-299,587	-711,445
3.04.02	General and Administrative Expenses	-37,227	-82,635	-35,902	-78,686
3.05	Profit Before Financial Income (Expenses) and Taxes	-86,772	-212,758	-175,912	-246,895
3.06	Financial Income (Expenses), Net	-12,353	-39,409	-10,868	-27,330
3.06.01	Financial Income	18,695	23,607	19,520	24,606
3.06.02	Financial Expenses	-31,048	-63,016	-30,388	-51,936
3.07	Loss Before Income Tax and Social Contribution	-99,125	-252,167	-186,780	-274,225
3.08	Income Tax and Social Contribution	2,037	-7,342	-	31,803
3.08.02	Deferred	2,037	-7,342	-	31,803
3.09	Profit/ (Loss) from Continuing Operations	-97,088	-259,509	-186,780	-242,422
3.11	Profit/ (Loss) for the Period	-97,088	-259,509	-186,780	-242,422
3.11.01	Attributable to Equity Holders of the Parent	-97,088	-259,509	-186,780	-242,422
3.99.01	Basic Earnings per Share				
3.99.01.01	Registered Common (ON)	-0.35416	-0.94665	-0.82324	-1.06849
3.99.02	Diluted Earnings per Share				
3.99.02.01	Registered Common (ON)	-0.35416	-0.94665	-0.82324	-1.06849

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

Account Code	Account Description	Current Quarter 4/1/2021 to 6/30/2021	Current Year 1/1/2021 to 6/30/2021	Prior Quarter 4/1/2020 to 6/30/2020	Prior Year 1/1/2020 to 6/30/2020
4.01	Profit for the Period	-97,088	-259,509	-186,780	-242,422
4.02	Other comprehensive income	-1,602	846	431	1,270
4.03	Total Comprehensive Income for the Period	-98,690	-260,355	-186,349	-241,152
4.03.01	Attributable to Parent Company Shareholders	-98,690	-260,355	-186,349	-241,152

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

Account Code	Account Description	Current Year 1/1/2021 to 6/30/2021	Prior Year 1/1/2020 to 06/30/2020
6.01	Net Cash from Operating Activities	-115,901	-251,464
6.01.01	Cash Provided from Operating Activities	-3,272	-58,677
6.01.01.01	Loss Before Income Tax and Social Contribution	-252,167	-274,225
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	108,175	100,143
6.01.01.04	Interest, Charges, Exchange Variation, Monetary Variation and APV on Lease Liabilities	36,688	33,732
6.01.01.05	Provision for lawsuits	11,605	13,537
6.01.01.06	Result on disposal of fixed and intangible assets	3,809	1,991
6.01.01.07	Provision for Legal Claims	-115	383
6.01.01.08	Share plan cost	4,299	5,474
6.01.01.09	PDD and write-off of non-financial assets	12,484	-
6.01.01.10	Provision for inventory loss	1,903	1,206
6.01.01.11	Amortization of Lease	70,047	59,082
6.01.02	Changes in Assets and Liabilities	-112,629	-192,787
6.01.02.01	Trade Receivables, Net	-1,721	-5,835
6.01.02.02	Inventories	286	5,715
6.01.02.03	Taxes Recoverable	-19,895	-5,844
6.01.02.04	Advances Paid	1,005	14,074
6.01.02.05	Other Receivables	5,393	-8,179
6.01.02.06	Suppliers and rents payable	-65,671	-140,272
6.01.02.07	Other Receivables	-2,516	-11,575
6.01.02.08	Trade Payables	-3,463	-17,226
6.01.02.09	Payroll and Social Charges	1,222	-12,499
6.01.02.11	Taxes Payable	-1,870	-3,318
6.01.02.13	Deferred Revenue, Net	6,337	11,923
6.01.02.14	Interest payments on loans and financing	-20,940	-12,657
6.01.02.15	Lawsuits	-10,796	-7,094
6.02	Net Cash from Investing Activities	128,094	-377,090
6.02.02	Acquisition of fixed assets	-91,519	-88,623
6.02.03	Purchases of Property and Equipment	-27,987	-30,968
6.02.05	(Applications) Redemption in bonds and securities	247,600	-257,499
6.03	Net Cash from Financing Activities	-84,278	338,950
6.03.01	Share Issue Cost	-29	-
6.03.04	Loans and Financings Raised	-	420,000
6.03.05	Borrowing costs	-	-12,952
6.03.06	Payment of loans and financing (principal)	-	-1,153
6.03.07	Interest on Capital Paid	-	-10,054
6.03.08	Share issue costs	-84,249	-56,891
6.05	Increase (Decrease) in Cash and Cash Equivalents	-72,085	-289,604
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	219,670	325,277
6.05.02	Cash and Cash Equivalents at the End of the Period	147,585	35,673

Consolidated financial statements – Statement of changes in Equity 1/1/2021 to 6/30/2021
(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
5.01	Opening balances	1,461,068	688,057	-	-310,966	300	1,838,459	
5.03	Adjusted Opening Balances	1,461,068	688,057	-	-310,966	300	1,838,459	
5.04	Capital Transactions with Shareholders	-	4,270	-	-	-	4,270	
5.04.02	Share Issue Cost	-	-29	-	-	-	-29	
5.04.03	Options Granted Recognized	-	4,299	-	-	-	4,299	
5.05	Total Comprehensive Income	-	-	-	-259,509	-846	-260,355	
5.05.01	Profit for the Period	-	-	-	-259,509	-	-259,509	
5.05.02	Other comprehensive income	-	-	-	-	-846	-846	
5.05.02.01	Financial Instruments Adjustments	-	-	-	-	-	-	
5.07	Closing Balances	1,461,068	692,327	-	-570,475	546	1,582,374	

Consolidated 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	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 value added
(In thousands of reais)

Account Code	Account Description	Current Year 1/1/2021 to 6/30/2021	Prior Year 1/1/2020 to 6/30/2020
7.01	Revenues	1,239,549	1,046,723
7.01.01	Gross Sales of Goods and Services	1,232,090	1,036,149
7.01.02	Other Revenues	7,459	10,574
7.02	Inputs Purchased from Third Parties	-834,561	-735,267
7.02.01	Cost of Sales and Services	-459,018	-398,606
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	-371,431	-333,623
7.02.03	Impairment of Assets	-3,694	-2,374
7.02.04	Others	-418	-664
7.03	Gross Value Added	404,988	311,456
7.04	Retentions	-178,222	-159,225
7.04.01	Depreciation, Amortization and Depletion	-178,222	-159,225
7.05	Wealth Created by the Company	226,766	152,231
7.06	Wealth Received in Transfer	24,268	25,119
7.06.02	Financial Income	24,268	25,119
7.07	Total Wealth for Distribution	251,034	177,350
7.08	Wealth Distributed	251,034	177,350
7.08.01	Personnel	258,894	237,202
7.08.01.01	Salaries and Wages	240,135	225,446
7.08.01.03	Unemployment Compensation Fund (FGTS)	18,759	11,756
7.08.02	Taxes, Fees and Contributions	155,453	102,753
7.08.02.01	Federal	118,446	64,544
7.08.02.02	State	30,521	30,191
7.08.02.03	Municipal	6,486	8,018
7.08.03	Lenders and Lessors	96,196	79,817
7.08.03.01	Interest	62,735	51,686
7.08.03.02	Rentals	33,461	28,131
7.08.04	Shareholders	-259,509	-242,422
7.08.04.03	Retained Earnings / Profit for the Period	-259,509	-242,422

MANAGEMENT REPORT

HIGHLIGHTS:

PERFORMANCE 2Q21 x 2Q20:

- **Net operating revenue** of R\$ 567.9 million, **up 94.0%**;
- **Comparable sales in the same restaurants** of **+6.9%** for BKB and **+48.8%** for Popeyes;
- **Revenue of digital channels (Delivery, Totem and App)** increases from **R\$107.0 million to R\$187.0 million, +75%**, reaching **33.3% of revenue**;
- **Loyalty program reaches 1.1 million users in 6 months**;
- **Adjusted EBITDA** of R\$ 10.6 million, an increase of R\$102.6 million versus 2Q20; **Adjusted EBITDA Margin** of 1.9%; versus Adjusted EBITDA Margin of -31.4% in the 2Q20;
- **Total 870 Burger King restaurants and 49 Popeyes restaurants** at the end of 2Q21, with the net opening of 8 stores (10 openings and 2 closures).

SUBSEQUENT EVENT:

- **Proposal for the merger of DOMINO'S PIZZA® on 07/09**, for entry into the pizza market, the second largest in QSR in Brazil.

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	2 Q21	2 Q20	VAR.	IH21	IH20	VAR.
NET OPERATING REVENUE	567.9	292.7	94.0%	1,130.4	941.8	20.0%
ADJUSTED EBITDA	10.6	(92.0)	-111.5%	(21.2)	(78.2)	-72.9%
% OF NET OPERATING REVENUE	1.9%	-31.4%	3330bps	-1.9%	-8.3%	640bps
NET INCOME (LOSS)	(97.1)	(186.8)	-48.0%	(259.5)	(242.4)	7.1%
GROSS DEBT	825.0	932.8	-11.6%	825.0	932.8	-11.6%
NET DEBT	318.1	353.2	-9.9%	318.0	353.2	-10.0%
SHAREHOLDERS' EQUITY	1,582.4	1,551.0	2.0%	1,582.4	1,551.0	2.0%
OPERATIONAL HIGHLIGHTS	2 Q21	2 Q20	VAR.	IH21	IH20	VAR.
# OF RESTAURANTS	919	909	10	919	909	10
OWNED RESTAURANTS						
# OWNED RESTAURANTS BEGINNING OF PERIOD	709	714	(5)	703	714	(11)
BURGER KING® RESTAURANT OPENINGS	5	1	4	8	1	7
BURGER KING® RESTAURANT CLOSINGS	-	(3)	3	-	(3)	3
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	(1)	-	(1)	(1)	-	(1)
POPEYES® RESTAURANT OPENINGS	4	-	4	5	-	5
# OWNED RESTAURANTS END OF PERIOD	717	712	5	715	712	3
FRANCHISEES RESTAURANTS						
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	202	199	3	202	198	4
BURGER KING® RESTAURANT OPENINGS	1	-	1	4	2	2
BURGER KING® RESTAURANT CLOSINGS	(2)	(2)	-	(3)	(3)	-
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	1	-	1	1	-	1
# FRANCHISEES RESTAURANTS END OF PERIOD	202	197	5	204	197	7
COMPARABLE SALES GROWTH IN SAME RESTAURANTS BKB	6.9%	-13.5%	2040bps	-4.6%	-5.8%	120bps

MESSAGE FROM MANAGEMENT

We started the second quarter of 2021 in a scenario where the pandemic still had an important impact in our country. The growing number of hospitalizations once again forced Brazil to adopt protective measures that limited urban mobility in all states. However, from April onwards, we began to see more significant progress in vaccination, a drop in hospital bed occupancy indicators and the gradual suspension of operational restrictions. As a direct consequence, we have seen a gradual and steady recovery in sales. The months of May and June outperformed April, and were also boosted by two important dates that mark this period of the year – Valentine's Day and Mother's Day. Despite the impacts still felt by the pandemic in the second quarter, we had significant progress not only compared to the same period last year, but also a significant operational improvement versus the first quarter of 2021.

We continue to observe the resilience of our Free Standing stores, which showed a slight growth versus 2Q20. Digital channels continued to show their strength and were fundamental to the quarter's results, both in terms of sales recovery and efficiency in our restaurants. **Our delivery sales continued to grow** when compared to 2Q20 and to 1Q21, which shows us the potential benefit that this channel can generate for us once the **on premise consumption gets back to normal**. In addition to delivery, the self-service totems, in which we have been investing over the past 2 years and which are now in almost 500 restaurants, had significant growth and already represent around 11% of all the Company's sales. This digitization movement, in line with the digital ecosystem vision that we are building, has already allowed us to reach the important mark of **22% of all identified sales**. This advance is essential for us to have an increasingly efficient CRM and interact in a personalized way with all our customers. Also, our loyalty program, pioneer in the QSR industry in Brazil, in 6 months has already reached the mark of **1.1 million users**. These initiatives have pointed to important results that will certainly be visible when the operational activity is back to normal.

Regarding Popeyes, we have been following an important maturation of the brand, which, even with its exclusive exposure to malls, has already managed to reach sales levels very similar to the level of 2019. As part of the nationalization plan, we expanded our units in Rio de Janeiro and sales levels for a new market are encouraging.

The combination of these initiatives contributed to the Company being able to use the technology to be more efficient in its main cost lines. The gross margin recovery, still in a challenging scenario of inflation in commodities, was possible thanks to the advancement of the CRM program, which reduces mass discounts in the app and the continuous revenue management work conducted by our team. In the other cost lines, still impacted by operational de-leveraging, we were able to perform movements, in line with our digitalization strategy, which allowed the Company to close the quarter in positive cash position generated by its operations.

In order to balance an operational context, which is still recovering, and the growth opportunities we see for our brands, we also concluded the opening of 10 restaurants in the quarter with a focus on the Free Standing format for Burger King and Food Courts for Popeyes.

Finally, as an event subsequent to the quarter, in July we announced our partnership with Domino's to become the brand's developers in the country. This combination places the Company as the main restaurant operator in Brazil, with a very strong presence in the 3 main segments within the QSR industry. We understand that this movement has the potential to generate significant value for the Company and that the synergies will certainly be significant. The transaction is still subject to approval by CADE (Brazilian antitrust agency) and shareholders at an Extraordinary General Meeting.

SUBSEQUENT EVENTS

On July 9, 2021, through a Material Fact, an agreement was announced between Vinci Capital Partners III A Fundo de Investimento em Participações Multiestratégia and Sorrento Investments LLC, for the merger by the Company of the shares of DP Brasil Participações Societárias S.A. which holds, in Brazil, the exclusive rights of the DOMINO'S PIZZA® master franchise.

In Brazil, within the Quick Service Restaurants (“QSR”) market, the pizza category is the second largest in the country, just behind hamburgers. In 2019 represented a slice of R\$ 4 billion and, between 2010 and 2019, the CAGR grew by 10.7% according to Euromonitor¹. This market is highly fragmented in the country, which represents a significant opportunity for growth and consolidation for the Company, through a leading brand in the segment in Brazil and in the world. The merger is subject to approval by CADE and the Company's shareholders at an Extraordinary General Meeting to be held in October this year.

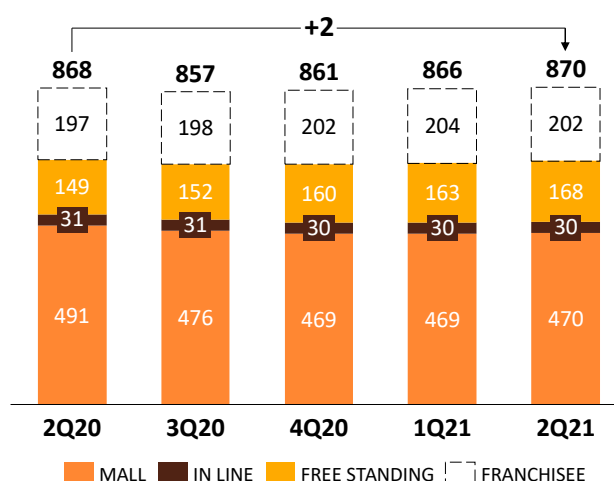
OPERATING PERFORMANCE

Restaurant chain

Throughout 2Q21, the Company’s net openings totaled 8 stores, with 10 openings (5 BK owned restaurants, 1 BK franchised restaurant and 4 Popeyes) and the closure of 2 franchises.

BURGER KING® system

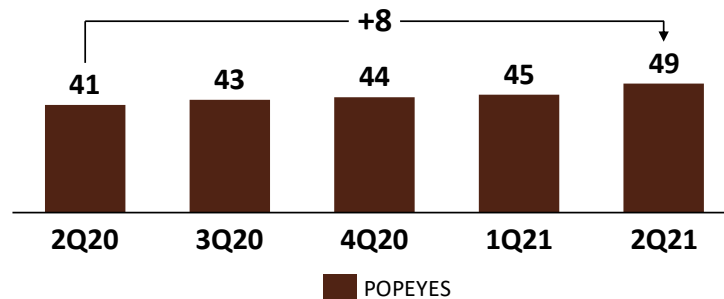
6 Burger King stores were opened (5 owned units and 1 franchise), all in the Free Standing format. In the quarter there were also the closure of 2 franchises and 1 transfer from owned restaurant to franchise, of the Burger King brand. With this, BURGER KING® ended the quarter with a total of 870 restaurants operating across the country.



¹ Company, based on data from Euromonitor International, Consumer Foodservice survey for 2019. Nominal values.

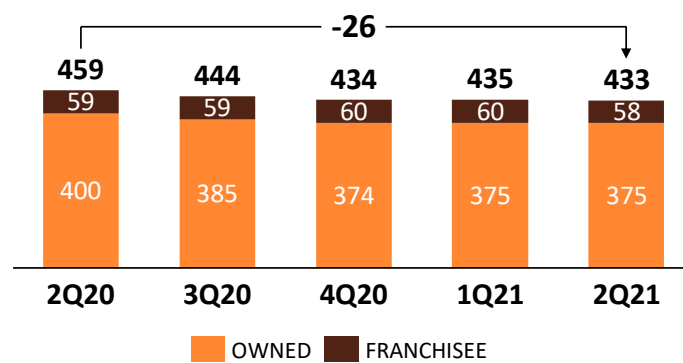
POPEYES® system

4 POPEYES® restaurants in the food court format were opened in Rio de Janeiro, ending the quarter with 49 units, all of which are owned and located in the states of São Paulo and Rio de Janeiro.



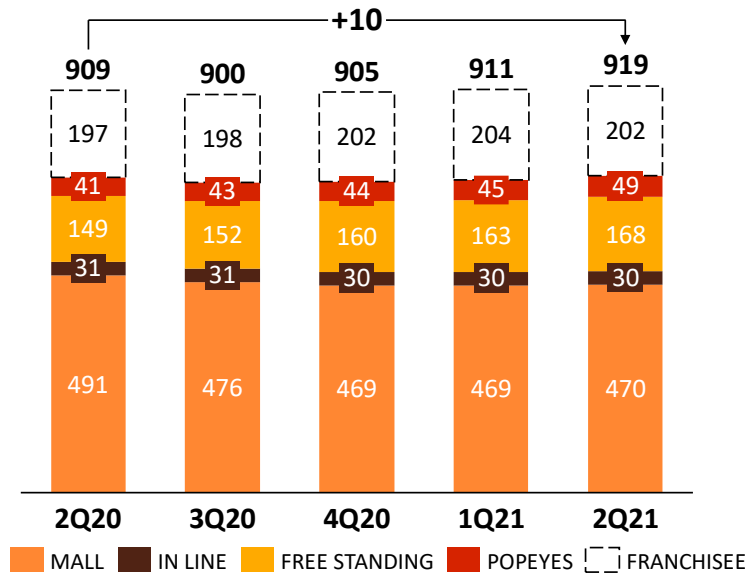
BURGER KING® dessert centers

In addition to the 870 restaurants, BURGER KING® ended the quarter with 433 dessert centers, a decrease of 26 units when compared to 2Q20.



Total restaurant chain

Therefore, the Company ended 2Q21 with a total of 919 restaurants, of which 717 are company-owned BURGER KING® and POPEYES® restaurants and 202 are BURGER KING® franchised restaurants.



FINANCIAL PERFORMANCE

Net operating revenue

In 2Q21, the Company's operating revenue reached R\$567.9 million, a 94.0% growth when compared to the same period of the previous year, when around 60% of the operations were closed. In 2Q21, the Company had around 40% of its restaurants closed in April, with reopening at levels close to 90% during May and June. When compared to 1Q21, net operating revenue increased 1.0%.

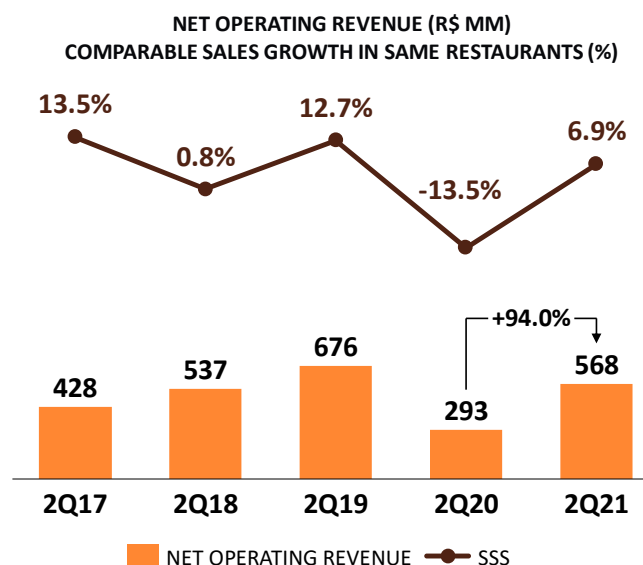
With the need for stricter restrictive measures during the months of March and April, the Company was significantly impacted with approximately 40% of the operations closed, leading the business to reach approximately 65% of sales in the pre-pandemic period in the second half of April, as shown in the 'Nominal Sales Variation' chart. In May and June, with

the partial relaxation of restrictive measures, the advances in the vaccination curve and the consequent improvement in urban mobility indicators, we saw an important acceleration in the sales curve, reaching a level of more than 80% in the pre-pandemic period, benefited by an improvement in the flow in malls where currently more than 60% of our restaurants are present. We also see that, as urban mobility increases due to the advance of vaccination in the country, especially in early July, the performance of restaurants reached 93% of the pre-pandemic period - which reinforces the rapid and consistent resumption as the situation generated by the pandemic in the country becomes more controlled.

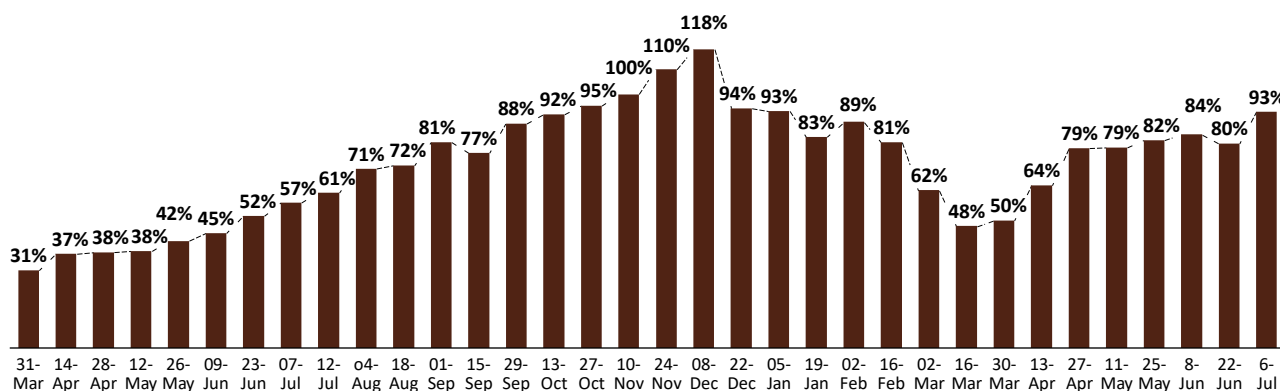
Digital sales represented by delivery, totem and App once again played an important role in the recovery and accounted for around 33% of the Company's sales, a growth of 75% against the same period of the previous year and 15% when compared to 1Q21, maintaining its growth trajectory, even with the gradual resumption of on premise consumption.

Combined with this growth, Free Standings maintained their resilience in sales, with an increase in the quarter when compared to 2Q20 and to 2Q19. On the other hand, stores located in malls, due to restrictions on operating hours and flow, had a more severe start of the quarter, but with a significant evolution over the subsequent two months. Considering the combination of these two formats, BKB's SSS reached 6.9% in the quarter. It is important to emphasize that, according to Burger King's global methodology, stores with more than 7 sequential days closed are removed from the SSS comparable base and that, therefore, specifically in this quarter, there is a greater difference between SSS and growth of total sales, albeit in the same-store concept.

At Popeyes, we remain consistent in building the brand, which has been consolidating well and, even with exclusive exposure to malls, same-store sales levels have virtually reached 2019 levels, with SSS in the 2-year concept in line. This maturation of the brand, in the face of a complex operating context, makes us very excited about the potential of the chicken business we are building.



NOMINAL SALES VARIATION VS PRE-PANDEMIC WEEKS²



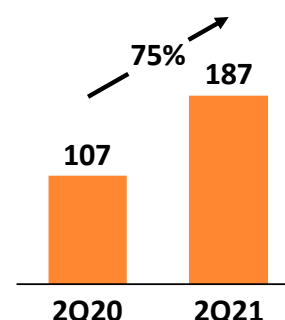
SALES EVOLUTION

Digitalization of Sales

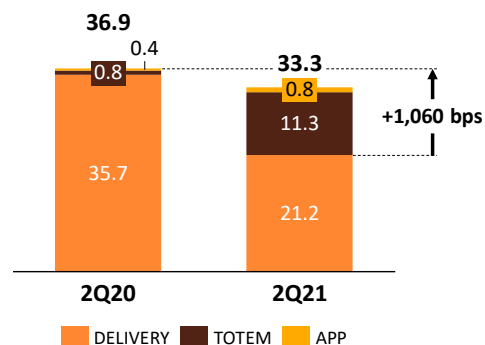
Digital sales, represented by delivery, totem and App (mobile), posted record in the quarter totaling R\$187.0 million, an increase of 75% compared to 2Q20, representing 33.3% of the Company's revenue against 36.9% in 2Q20. Compared to 1Q21, digital sales increased by 15.5%, with growth in all channels, highlighting the sales of self-service totems, present in 455 stores in 2Q21 against 269 stores in 2Q20.

Delivery posted, in total sales, an increase of 15% against 2Q20 and +1% against 1Q21, showing its resilience even amid the resumption of on premise sales. As mentioned above, it is worth mentioning that in 2Q20, over-the-counter sales were significantly impacted by the closures and flow restrictions, contributing to the increased share of the delivery channel in that period. This quarter, in line with the development of our own delivery, we brought in a new logistics partner specializing in food, through which we already serve 60 operations in our system in 20 cities. We continue to work to find cost-effective and scalable solutions to accelerate the growth of our own platform. Additionally, we have been continuously working to deliver the best experience in this channel. As a result, we have been able to consistently achieve the best consumer ratings in delivery app.

DIGITAL CHANNEL SALES (R\$)



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

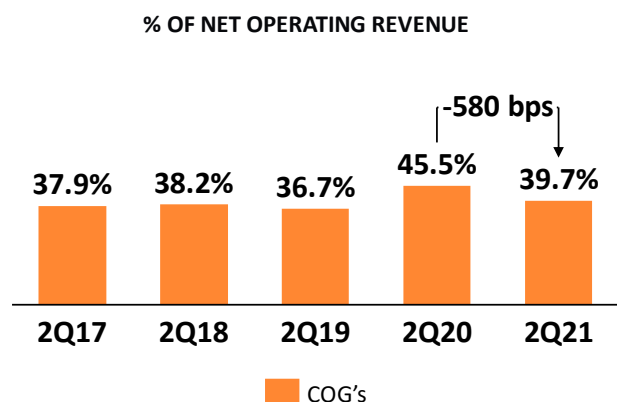


² Pre-pandemic period: from 03/01 to 03/15, 2020.

In order to improve, every day, the experience of our users, we launched a new version of the delivery website and new payment methods, such as PIX and e-wallet (AME and Mercado Pago), were made available within the app. Following the construction of our **digital ecosystem**, our app has a fundamental role and currently has almost 34 million downloads and more than 10 million registered customers, which has helped us to gain scale quickly, also feeding our database. We also did the roll out of QR Code coupons to 100% of in-app deals this quarter, and we launched the Popeyes brand app. Regarding CRM, our identified sales, which represented just over 10% of the Company's sales in 1Q21, **represented over 22% in 2Q21**. This growth is essential for the Company to enrich its database, being able to offer more and more personalized interactions, increasing the frequency of consumption, with larger tickets and consequently improving margins.

In our Clube BK Loyalty Program, we ended the quarter with **1.1 million registered users**, a rapid growth since its launch at the beginning of the year. The self-service totems were the highlight, with a 1040 bps share gain on total sales against 2Q20, reaching a revenue of R\$63.2 million. Compared to 1Q21, the channel grew 58.8%, a gain of 410 bps. This result demonstrates the efficiency of self-service in stores, improving the user experience during their purchase and allowing the Company to become more efficient. Additionally, our stores with Wi-Fi already add up to over 245 units, turning the experience in our restaurants even more complete.

Cost of goods sold and selling expenses

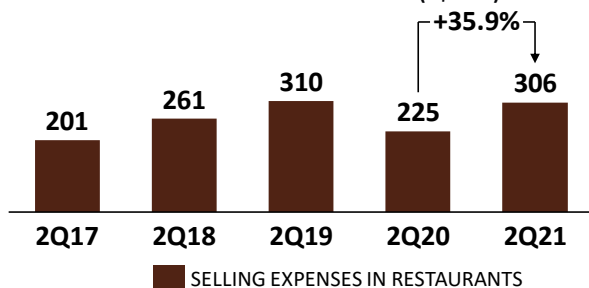


The cost of goods sold reached 39.7% of revenue in 2Q21, a decrease of 580 bps against 2Q20. When compared to 1Q21, the decline represented 180 bps. The pressure from the commodity scenario on our cost structure was partially mitigated by the adjustments made to our pricing platform, with the end, for example, of the 2xR\$16.90 platform during the second quarter, in addition to transfers made in the channel delivery. It is important to emphasize that the movements made in revenue management, based on the use of data and understanding of consumption habits, have been well absorbed by our customers

and we have consistently sought a good balance between volume and profitability.

Additionally, as part of the CRM strategy, the Company closed all its “open” coupon offers in the app, which favored the reduction of mass exposure to discounts.

SELLING EXPENSES IN RESTAURANTS (R\$ MM)



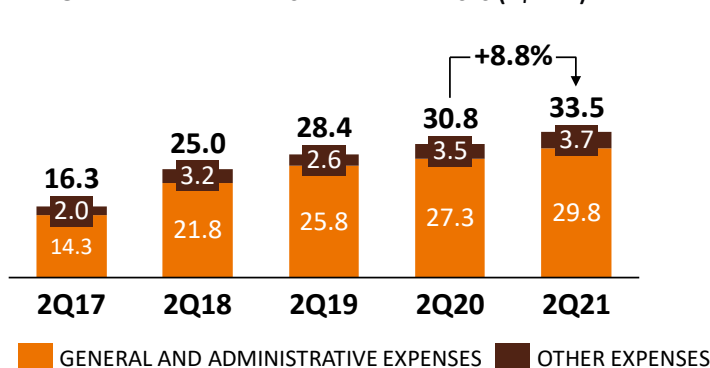
Restaurant selling expenses, excluding depreciation and amortization, reached R\$306 million in 2Q21. This result represents a decrease of approximately R\$25 million versus 1Q21, which is in line with the Company's strategy of digitizing operations, generating greater efficiency in restaurants. The 35.9% increase over 2Q20 is explained by the benefits of PM 936 and the number of restaurants closed for more than 60 days in that period, which generated significant savings in 2Q20. Also, compared to the 2Q19

performance, even with the strong growth of restaurants in operation and the increased share of delivery, the Company managed to reduce its selling expenses by 1%.

Total general and administrative expenses

General and administrative expenses, excluding depreciation and amortization, reached R\$33.5 million in the quarter, an increase of 8.8% when compared to 2Q20, due to the effects of PM 936 that year. Compared to 1Q21, general and administrative expenses decreased by 6.2%. The Company continues to strengthen its technology team with specialized profiles to support the pipeline of digital initiatives with greater speed in execution.

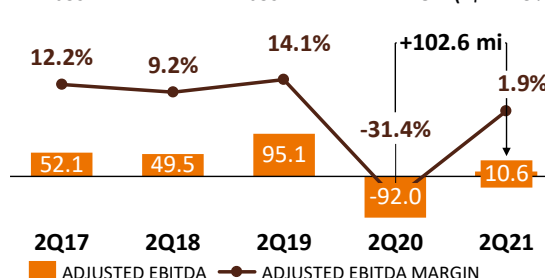
GENERAL AND ADMINISTRATIVE EXPENSES (R\$ MM)



Adjusted EBITDA

In 2Q21, adjusted EBITDA reached R\$10.6 million, an increase of R\$102.6 million when compared to 2Q20 and R\$42.4 million in relation to 1Q21, even with very similar sales levels. This result is due to the advance in operating activity, combined with the efficiency brought about by digital initiatives and the performance of these channels in the quarter, which enabled the Company to return to a positive EBITDA level.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN (R\$ mm e %)



EBITDA - R\$ MILLION	2Q21	2Q20	VAR %	IH21	IH20	VAR %
NET INCOME (LOSS) FOR THE PERIOD	(97.1)	(186.7)	-48.0%	(259.5)	(242.3)	7.1%
(+) FINANCIAL INCOME (LOSS)	12.4	10.9	13.8%	39.4	27.3	44.3%
(+) DEPRECIATION AND AMORTIZATION	89.8	79.6	12.8%	178.2	159.2	11.9%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	(2.0)	0.0	N/A	7.3	(31.8)	-123.0%
EBITDA	3.1	(96.3)	-103.2%	(34.5)	(87.7)	-60.7%
<i>EBITDA MARGIN</i>	<i>0.5%</i>	<i>-32.9%</i>	<i>3340bps</i>	<i>-3.1%</i>	<i>-9.3%</i>	<i>620bps</i>
(+) OTHERS EXPENSES	2.0	1.4	42.9%	3.5	1.5	133.3%
(+) COST OF STOCK OPTION PLAN	2.2	2.0	10.0%	4.3	5.5	-21.8%
(+) MERGE AND ACQUISITION EXPENSES	1.1	0.1	0.0%	1.1	0.1	0.0%
(+) PRE-OPERATING EXPENSES	2.2	0.8	175.0%	4.4	2.5	76.0%
ADJUSTED EBITDA	10.6	(92.0)	-111.5%	(21.2)	(78.2)	-72.9%
<i>ADJUSTED EBITDA MARGIN</i>	<i>1.9%</i>	<i>-31.4%</i>	<i>3330bps</i>	<i>-1.9%</i>	<i>-8.3%</i>	<i>640bps</i>

Net income (loss)

The operating recovery, combined with a strong reduction in costs throughout 2Q21, caused the Company's net loss to reach R\$97.1 million in 2Q21, an improvement of R\$89.7 million versus 2Q20.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that until June 30, 2021, the independent auditor (ERNST & YOUNG Auditores Independentes SS (EY)), in addition to of the external audit services, services were contracted to review tax credits in the amount equivalent to 14.06% of the fees for auditing the financial statements and also the contracting of an assurance service regarding the association of the Company with DP Brasil in the amount equivalent to 36.47% of the fees for auditing the financial statements.

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



1. Operations

BK Brasil Operação e Assessoria a Restaurantes S.A. (“BKB ” or “Company”) is a publicly-held corporation established in Brazil, with its head office at Alameda Tocantins, 350 - Alphaville - Barueri - SP, engaged in: (i) 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 twenty years, if the parties intend to (Note 17).

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

As at June 30, 2021 and December 31, 2020, the Company had, respectively, 668 and 659 company-owned stores, of which:

	<u>6/30/2021</u>	<u>12/31/2020</u>
State of Alagoas	4	4
State of Bahia	13	13
State of Ceará	14	14
Federal District	10	10
State of Espírito Santo	13	12
State of Goiás	22	22
State of Maranhão	5	5
State of Mato Grosso	5	5
State of Mato Grosso do Sul	4	4
State of Minas Gerais	48	48
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	97	96
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	39	38
State of Santa Catarina	4	4
State of Sergipe	6	6
State of São Paulo	312	306
Total Stores	<u>668</u>	<u>659</u>

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



1. Operations--Continued

b) Popeyes Operation

The right to operate restaurants with the “Popeyes” brand was obtained through a “Master Franchise” agreement entered into with Popeyes Louisiana Kitchen (PLK) on March 20, 2018. By signing these agreements, BKB acquired the exclusive right of developing and operating restaurants in Brazil through its own operation or franchisees under the POPEYES® brand for a twenty-year period, which may be renewed for an equal term, in the event the parties are interested (Note 17).

The Company obtained from RBI, owner of the Popeyes brand, a franchise for 20 years counted from each store’s opening date. In the opening of each store, the amount of US\$ 40 thousand is paid in a single installment as a Franchise Fee. Royalties are also paid at levels similar to those applicable to the BURGER KING® brand in Brazil.

As at June 30, 2021, the Company had 49 company-owned stores (44 company-owned stores as at December 31, 2020), of which 44 are located in the State of São Paulo (44 stores as at December 31, 2020) and 5 are located in the State of Rio de Janeiro.

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, 2020, 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, so does not include all the notes presented in the annual financial statements, as allowed by Circular Letter 03/2011 issued by the Securities and Exchange Commission of Brazil (CVM).

The Company’s individual and consolidated financial information, contained in the Quarterly Information Form (ITR) for the period ended June 30, 2021, 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.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



2. Accounting policies--Continued

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.

The Company's individual and consolidated interim financial information for the period ended June 30, 2021 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 5, 2021.

COVID-19 pandemic effects

CIRCULAR LETTER/CVM/SNC/SEP/02/2020 issued by CVM on March 10, 2020 discusses the potential effects that the pandemic caused by the New Coronavirus (COVID-19) may have on the Companies business and their effects on the financial statements. It also mentions 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.

Management has closely monitored the evolution of the impacts caused globally by the pandemic, as well as the measures adopted by the governments so far to support the maintenance of jobs and recovery of the economy. However, there are still uncertainties regarding the new measures, which makes it difficult to predict new direct and/or indirect impacts that could be caused by the pandemic. In addition, the effects mentioned herein may distort the Company's historical seasonality and impair the comparability of the information.

Faced with the worsening of the pandemic in the country during the first quarter of 2021, states decided to go back to more restrictive control phases to combat the evolution of COVID-19. This type of decision had a direct impact in the operation Company, as it caused several restaurants to be closed, or with sales limited to reduced opening hours. During the second quarter and with the progress of the vaccination curve, the measures of the restrictive phase were relaxed and the restaurants could reopen and extend their opening hours.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



2. Accounting policies--Continued

Loyalty Program - BK Club

In complement to item 2.16 - Deferred revenue, net, included in Note 2 to the individual and consolidated financial statements at December 31, 2020, the Company discloses its policy on the loyalty program, which was launched in 2021.

BK Club aims to retain the Company's customers by granting points for each purchase made, so that customers may accumulate points and exchange for rewards available in the program.

The obligation arising from the issue of points is measured based on the customer's compliance with the program and the consumption of branded products and is only fulfilled if the customer actually redeems the award in the store or after it has expired (6 months from the date of issue).

The recognition of revenue in the income for the period is presented net of their respective direct variable costs, when the performance obligation is exceeded by making the reward available to the participant, according to CPC 47/NBC TG 47/IFRS15 - Revenue from Customer Contracts

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 at December 31, 2020.

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

Right-of-use assets	Parent company and Consolidated	
	6/30/2021	12/31/2020
Opening balance (Note 10)	732,308	660,986
Additions and updates of leases recognized in the period (Note 10 (i) and (ii))	92,929	205,224
Amortization of right of use (rental) (Note 10) (ii)	(70,047)	(121,992)
Taxes levied on amortization of leases (Note 10) (ii)	(5,152)	(11,910)
Closing balance (Note 10)	750,038	732,308

Lease liabilities	Parent company and Consolidated	
	6/30/2021	12/31/2020
Opening balance	791,331	693,209
Additions and updates of leases recognized in the period (i) and (ii)	140,117	298,930
Payment of lease liabilities (ii)	(84,249)	(116,372)
Discounts obtained on lease payments (iii)	(10,542)	(47,033)
Taxes levied on lease payments (ii)	(7,448)	(16,834)
Additions of adjustment to present value (APV) recognized in the period (i) and (ii)	(47,188)	(93,706)
Write-off of accrued interest APV (ii)	38,636	68,213
Taxes levied on APV of leases (ii)	2,298	4,924
Closing balance (Note 27 and 29)	822,955	791,331

Current	139,562	126,941
Non-current	683,393	664,390

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



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

The amounts of lease liabilities have the following maturities on June 30, 2021:

Expiration period	Parent company and Consolidated		
	6/30/2021		
	Lease liabilities	(-) Adjustment to present value of lease liabilities	Total
Up to one year	216,450	(76,888)	139,562
Over 1 year and less than 3 years	192,681	(63,566)	129,115
Over 3 years and less than 5 years	319,447	(90,719)	228,728
Over 5 years	392,314	(66,764)	325,550
Total	1,120,892	(297,937)	822,955

Income from lease	Parent company and Consolidated	
	6/30/2021	6/30/2020
Expenses on stores - variable rental	(6,511)	(7,348)
Amortization of right of use (rental) (Notes 22 and 23) (ii)	(70,047)	(59,082)
Financial expenses – Accrued interest (APV) (Note 24) (ii)	(38,636)	(33,519)
Discounts obtained on lease payments COVID-19 (Note 25) (iii)	10,542	14,433
Closing balance	(104,652)	(85,516)

- (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 amounts in the statement of financial position.
- (ii) In compliance with CVM *Circular Ofício 02/2019*, the balances in the statement of financial position accounts are gross of taxes (Pis and Cofins) while the balances in the statement of profit or loss accounts are net of taxes (Pis and Cofins).
- (iii) Based on the Revision of Technical Pronouncements No.16 issued by CVM on July 7, 2020 and Revision of Technical Pronouncements No. 18 issued by CVM on July 21, 2021, which contained amendments to CPC 06 (R2) referring to Covid-19-Related Rent Concession (and extension), the Company elected to use the practical expedient of not remeasuring the operating lease agreements since the renegotiations made were in respect of benefits considered related to COVID-19, recognizing such benefits in profit or loss for the period (Note 25).

The other matters related to this note were not materially changed in relation to the disclosures in Note 3 to the individual and consolidated financial statements as at December 31, 2020.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



4. Cash and cash equivalents

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Cash	20,260	24,564	20,260	24,564
Banks	3,968	2,965	3,969	2,966
Financial investments	123,356	192,140	123,356	192,140
Total cash and cash equivalents	147,584	219,669	147,585	219,670

Type of investment	Annual yield	Parent company		Consolidated	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
CDB	100% to 105% of CDI	60,747	110,690	60,747	110,690
Repurchase agreement	80% of CDI	6,403	50,015	6,403	50,015
Automatic investment	10% to 60% of CDI	56,206	31,435	56,206	31,435
Total financial investments		123,356	192,140	123,356	192,140

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	
		6/30/2021	12/31/2020	6/30/2021	12/31/2020
Exclusive investment fund - XPA BK (i)	100% to 126% of CDI or IPCA	123,975	122,495	-	-
Federal Treasury Bills (LFT)	SELIC	-	-	58,298	44,244
Investment Funds	IPCA	-	-	21,680	41,710
CDB	100% to 106% of CDI	235,384	453,323	235,402	453,323
Investments in debentures	100% to 111% of CDI or IPCA	-	-	10,842	7,449
Financial bills (LF)	100% to 126% of CDI or IPCA	-	-	33,156	29,117
Repurchase agreements (ii)	102% of CDI	-	25,306	-	25,306
Total marketable securities		359,359	601,124	359,378	601,149
Current		359,359	601,124	359,378	601,149
Marketable securities		359,359	575,818	359,378	575,843
Restricted marketable securities		-	25,306	-	25,306

(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) Repurchase agreements given as collateral for loans contracted in 2020 whose contractual liabilities have already been overcome.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



6. Trade receivables, net

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Sales transactions	63,612	72,282
Sales transactions - <i>Delivery</i>	32,391	27,070
Service rendered with franchisees	9,871	5,536
Services rendered with related parties	268	645
Provision for expected credit losses (i)	(12,055)	(522)
Other receivables	2,338	2,177
Total trade receivables	96,425	107,188

(i) Provision for estimated losses on realization of credits (Note 22).

The provision for expected credit losses in the periods ended June 30, 2021 and December 31, 2020 are shown below:

Aging list	Parent company and Consolidated	
	6/30/2021	12/31/2020
Overdue		
From 91 to 179 days	(133)	-
180 to 364 days	(179)	-
Over 364 days	(10,499)	(522)
Due		
Expected losses	(1,244)	-
Total provision for expected credit losses	(12,055)	(522)

Based on CPC 48/NBC TG 48/IFRS 9 - Financial Instruments and in accordance with the Company's internal policy, which is based on the probability of realization, effective loss and predicts the allowance for doubtful accounts for securities overdue for more than 365 days, the Company recognized in its income the amount of R\$11,533 for the period ended June 30, 2021 (R\$522 for the year 2020). The amount provisioned is mainly due to amounts outstanding for more than 365 days, in addition to other amounts outstanding in accounts receivable with low expectation of receipt.

The other matters related to this note were not materially changed in relation to the disclosures in Note 6 to the individual and consolidated financial statements as at December 31, 2020.

7. Inventories

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Goods for resale	40,052	47,371
Distribution center - BKB	58,651	55,494
Gifts	12,204	14,277
Consumables	14,419	8,470
Allowance for inventory losses (Note 21)(i)	(1,903)	-
Total inventories	123,423	125,612

(i) Provision for write-off of Inputs not expected to be realized.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



8. Taxes recoverable

	Parent company and Consolidated	
	6/30/2021	12/31/2020
IRPJ (Income Tax)	1,973	1,973
CSLL (Social Contribution on Profit)	1,084	1,086
IRRF (Withholding Income Tax)	5,141	6,609
ICMS (State VAT)	55,089	48,482
Non-cumulative PIS (i)	18,975	17,011
Non-cumulative COFINS (i)	64,913	53,155
INSS (Social Security Contribution)	6,721	5,684
Other	348	349
Total taxes recoverable	154,244	134,349
Current	36,442	37,116
Non-current (ii)	117,802	97,233

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

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

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

In the period ended June 30, 2021, the Company with the support of its tax consultants recorded the amount of R\$8,901 for the period from January 2015 to February 2017, of which R\$6,139 was related to the principal and R\$2,762 to the monetary adjustment. The principal amount was recognized against Deductions from gross revenue (Note 20) and the amount related to monetary adjustment against Monetary adjustment (Note 25).

- (ii) The increase in the balances of taxes recoverable includes the recognition of untimely tax credits. The Company expects to offset these credits by 2025.

9. Property and equipment, net

	Average annual amortization rate	Parent company and Consolidated	
		6/30/2021	12/31/2020
Facilities, improvement and projects	(i)	628,797	608,550
Machinery and equipment	5% to 25%	307,846	293,613
Furniture and fixtures	6% to 20%	51,544	47,593
Computers and hardware	2 to 5%	81,948	80,581
Other assets	-	128,363	173,421
(-) Provision for impairment	-	(7,979)	(8,094)
Total property and equipment		1,190,519	1,195,664

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

In the period ended June 30, 2021, financial charges in the amount of R\$5,924 were capitalized (R\$6,098 in the period ended June 30, 2020).

The movements in property and equipment in the periods ended June 30, 2021 and 2020 were as follows:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



9. Property and equipment, net--Continued

	Parent company and Consolidated						Total
	Facilities, improvement and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (i)	(-) Provision for impairment (Note 26)	
Cost							
Balance as at December 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	(3,829)	(127)	(17)	(30)	506	-	(3,497)
Sales of stores	-	(503)	-	(35)	(904)	-	(1,442)
Impairment (Note 23)	-	-	-	-	-	(383)	(383)
Balances as at June 30, 2020	973,900	454,304	81,272	185,531	133,103	(10,723)	1,817,387
Balances as at December 31, 2020	1,034,836	442,398	85,360	183,342	173,421	(8,094)	1,911,263
Additions	14,088	-	-	-	77,431	-	91,519
Transfers	59,187	36,848	8,075	15,175	(119,285)	-	-
Write-offs	-	(216)	-	(3,173)	(2,756)	-	(6,145)
Sales of assets (Note 23)	-	-	-	-	(448)	-	(448)
Impairment (Note 23)	-	-	-	-	-	115	115
Balances as at June 30, 2021	1,108,111	479,030	93,435	195,344	128,363	(7,979)	1,996,304
Depreciation							
Balances as at December 31, 2019	(350,174)	(108,846)	(30,977)	(80,511)	-	-	(570,508)
Additions	(47,162)	(20,290)	(4,649)	(13,366)	-	-	(85,467)
Write-offs	2,638	2	-	1	-	-	2,641
Sales of stores	-	305	3	30	-	-	338
Balances as at June 30, 2020	(394,698)	(128,829)	(35,623)	(93,846)	-	-	(652,996)
Balances as at December 31, 2020	(426,286)	(148,785)	(37,767)	(102,761)	-	-	(715,599)
Additions	(53,028)	(22,565)	(4,124)	(13,253)	-	-	(92,970)
Write-offs	-	166	-	2,618	-	-	2,784
Balances as at June 30, 2021	(479,314)	(171,184)	(41,891)	(113,396)	-	-	(805,785)
Total property and equipment at 12/31/2020	608,550	293,613	47,593	80,581	173,421	(8,094)	1,195,664
Total property and equipment at 6/30/2021	628,797	307,846	51,544	81,948	128,363	(7,979)	1,190,519

(i) Stores built and / or remodeled substantially that will be reallocated to the fixed assets groups according to the Company's policy R\$7,749 (R\$35,990 as at December 31, 2020), works referring to stores under construction R\$42,414 (R\$43,125 as at December 31, 2020), new equipment in stock R\$55,641 (R\$48,849 as at December 31, 2020), maintenance equipment R\$4,065 (R\$4,222 as at December 31, 2020), and other assets in progress R\$18,494 (R\$41,235 as at December 31, 2020).

Considering the current information and data regarding the potential impacts of the COVID-19 pandemic on its activities to date, the Company has analysed and not identified the need to record a provision for impairment and continues attentive to any additional indication of impairment that may arise. Additionally, there was a partial reversal of the provision in the period ended June 30, 2021 due to the sale of assets that were previously provisioned at their recoverable amount.

The other matters related to this note were not materially changed in relation to the disclosures in Note 10 to the individual and consolidated financial statements as at December 31, 2020.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



10. Intangible assets, net

	Average annual amortization rate	Parent company and Consolidated	
		6/30/2021	12/31/2020
Commercial rights	(i)	65,262	67,687
Franchise fee	5%	83,881	84,522
Software licenses	20%	32,343	16,495
Right-of-use asset	(ii)	750,038	732,308
Goodwill	(iii)	572,199	572,199
Total intangible assets		1,503,723	1,473,211

- (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, 2021 and 2020 were as follows:

	Parent company and Consolidated					
	Commercial rights	Franchise fee (Note 17)	Software licenses	Right-of-use assets (Note 3)	Goodwill	Total
Cost						
Balance as at December 31, 2019	141,116	95,594	26,867	779,224	572,199	1,615,000
Additions	10,920	12,523	7,525	59,676	-	90,644
Write-offs	-	(22)	(22)	-	-	(44)
Balances as at June 30, 2020	152,036	108,095	34,370	838,900	572,199	1,705,600
Balances as at December 31, 2020	155,930	108,827	37,070	984,448	572,199	1,858,474
Additions	5,270	2,380	20,337	92,929	-	120,916
Balances as at June 30, 2021	161,200	111,207	57,407	1,077,377	572,199	1,979,390
Amortization						
Balances as at December 31, 2019	(72,471)	(18,968)	(15,603)	(118,238)	-	(225,280)
Additions	(9,446)	(2,801)	(2,427)	(63,835)	-	(78,509)
Write-offs	-	-	18	-	-	18
Balances as at June 30, 2020	(81,917)	(21,769)	(18,012)	(182,073)	-	(303,771)
Balances as at December 31, 2020	(88,243)	(24,305)	(20,575)	(252,140)	-	(385,263)
Additions	(7,695)	(3,021)	(4,489)	(75,199)	-	(90,404)
Balances as at June 30, 2021	(95,938)	(27,326)	(25,064)	(327,339)	-	(475,667)
Total intangible assets as at 12/31/2020	67,687	84,522	16,495	732,308	572,199	1,473,211
Total intangible assets as at 6/30/2021	65,262	83,881	32,343	750,038	572,199	1,503,723

Considering the current information and data regarding the potential impacts of the COVID-19 pandemic on its activities to date, the Company has analysed and not identified the need to record a provision for impairment, however continues attentive to any new additional indication of impairment that may arise.

The other matters related to this note were not materially changed in relation to the disclosures in Note 11 to the individual and consolidated financial statements as at December 31, 2020.

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Period ended June 30, 2021

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11. Loans and financings

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Loans and financings (Note 11.1)	422,907	430,002
Debentures (Note 11.2)	402,116	400,774
Total loans and financings	825,023	830,776
Current	143,275	53,612
Non-current	681,748	777,164

The loans and financings in local currency are represented by financings for the purchase of assets for new stores opened and for working capital and the non-current amounts, not discounted from the financial charges to be incurred, which are R\$1,714 as of June 30, 2021 (R\$1,490 as of December 31, 2020), have the following original maturities as at June 30, 2021 (and December 31, 2020):

Year	Parent company and Consolidated	
	6/30/2021	12/31/2020
2022	45,192	140,385
2023	120,885	120,885
2024	483,385	449,384
2025	34,000	68,000
Total	683,462	778,654

11.1. Loans and financings

Description	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			6/30/2021	12/31/2020
Loan - Working capital	0.22% to 0.30% + CDI	Jun/2022 to Mar/2025	423,755	430,391
Financial charges to be incurred			(848)	(389)
Total loans and financings (Note 11)			422,907	430,002
Current			139,975	51,417
Non-current			282,932	378,585

11.2. Debentures

Description	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			6/30/2021	12/31/2020
Debentures 8 th issue	100% of CDI + 0.11%	October 2024	403,826	402,721
Financial charges to be incurred			(1,710)	(1,947)
Total debentures (Note 11)			402,116	400,774
Current			3,300	2,195
Non-current			398,816	398,579

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11. Loans and financings--Continued

11.3. Covenants

Covenants are controlled annually by the financial institutions. The Company has monitored the projections of results, the cash consumption in the period and the development of the pandemic effects on its operating activities and, in the event of non-compliance, the need for a waiver from the debenture holders will be assessed.

Collaterals

As at June 30, 2021, the Company has a letter of guarantee with banks amounting to R\$3,024 (R\$4,573 as at December 31, 2020) 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 12 to the individual and consolidated financial statements as at December 31, 2020.

12. Trade payables

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Suppliers of materials and services (i)	117,980	164,643
Agreement with suppliers (ii)	7,954	39,645
Others	26,011	13,328
Total trade and rental payables	151,945	217,616

(i) The decrease in the balance of suppliers of materials and services in the quarter ended June 30, 2021 is due to the existing seasonality (Note 2), combined with the reduction in natural purchases during the period, partially impacted by the reduced operation of restaurants due to the COVID-19 pandemic.

(ii) The Company has financial liabilities with suppliers, through financial institutions, whose suppliers received in advance in the quarter ended June 30, 2021. As a potential financial value embedded in the operations, we inform that the average rate used in advances is 1.4% p.m., combined with the average term of 28 days in advance (as at December 31, 2020, the average rate used was 1.2% p.m., combined with the average term of 41 days in advance).

13. Taxes payable

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Withholding Income Tax (IRRF)	458	988
State VAT (ICMS)	19,320	17,696
Contribution For Intervention in the Economic Domain (CIDE)	2,168	2,548
Taxes in installments (i)	10,349	10,812
Service Tax (ISS) withheld	7,660	5,577
Social Security Contribution (INSS) withheld	302	862
Social Security Contribution (INSS) payable (ii)	2,432	2,432
Other	874	1,426
Total taxes payable	43,563	42,341
Current	33,259	31,561
Non-current	10,304	10,780

(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.

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14. Deferred revenue, net

	Parent company and Consolidated	
	6/30/2021	12/31/2020
	Deferred revenue	Deferred revenue
Deferred revenue, net - franchise fee (i)	4,011	3,942
Deferred revenue, net - trade payables(ii)	18,820	22,679
Deferred revenue, net - CLUBE BK (iii)	1,920	-
Total deferred revenue, net	24,751	26,621
Current	15,300	11,857
Non-current	9,451	14,764

- (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.
- (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.
- (iii) Loyalty program launched in 2021 with the recognition of revenue in accordance with CPC 47/NBC TG 47/IFRS15 - Revenue from Contracts with Customers (Note 2).

15. Other payables

	Parent company		Consolidated	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Provision for sundry expenses	27,810	22,495	27,810	22,495
Investments payable - King Food/Good Food and Fast Burger	15,554	15,393	15,554	15,393
(-) Adjustment to present value of investments payable - King Food/Good Food and Fast Burger	(620)	(1,120)	(620)	(1,120)
Advances from customers	1,161	930	1,161	930
Others	325	110	345	136
Total other payables	44,230	37,808	44,250	37,834
Current	27,241	20,947	27,261	20,973
Non-current	16,989	16,861	16,989	16,861

16. Provision for legal claims

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

In addition, the Company is aware, as at June 30, 2021, of other tax, civil and labor lawsuits, and based on the history of proceedings and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$103,895 (R\$46,635 as at December 31, 2020) Parent company and Consolidated, as follows:

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16. Provision for legal claims--Continued

	Parent company and Consolidated			
	6/30/2021		12/31/2020	
	Probable	Possible (i)	Probable	Possible (i)
Labor lawsuits (ii)	23,126	44,444	21,896	26,467
Civil lawsuits	843	10,908	1,265	10,690
Tax lawsuits (iii)	3	48,543	2	9,478
Total provision for legal claims	23,972	103,895	23,163	46,635

- (i) For lawsuits with a possible likelihood of loss, there is no provision to cover losses on these lawsuits.
- (ii) The increase in labor lawsuits with a possible likelihood of loss is due to the increase in lawsuits filed against the Company, as well as to lawsuits that were previously considered as remote likelihood of loss and that became possible.
- (iii) The increase in tax lawsuits with a possible likelihood of loss is mainly due to the disclosure of new lawsuits occurred in the quarter as a result of tax assessment notices related to collection of ICMS ST tax from the period from March 2019 to December 2019 and to a tax enforcement proceeding for collection of federal taxes (CIDE, PIS, COFINS, IR, CSLL and INSS) from October 2015 to October 2018. These lawsuits are being discussed in courts and the Company expects to reverse the situation.

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, 2021, the Company had a provision of R\$ 23,126 (R\$ 21,896 as at December 31, 2020) 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			
	12/31/2020	Additions	Payment	6/30/2021
Labor lawsuits	21,896	11,604	(10,374)	23,126
Civil lawsuits	1,265	-	(422)	843
Tax lawsuits	2	1	-	3
TOTAL	23,163	11,605	(10,796)	23,972

Judicial deposits

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Labor lawsuits	27,461	26,542
Civil lawsuits	704	697
Tax lawsuits	11,571	10,761
Total judicial deposits	39,736	38,000

The other matters related to this note were not materially changed in relation to the disclosures in Note 19 to the individual and consolidated financial statements as at December 31, 2020.

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17. Related parties

17.1 Franchise Fees, Royalties and Service Fee

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

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

In view of the agreements described above, the Company has recorded in its payables and receivables in the periods ended June 30, 2021 and December 31, 2020 the following amounts:

	<u>Burger King Corporation (BKC)</u>		<u>Popeyes Louisiana Kitchen (PLK)</u>	
	<u>6/30/2021</u>	<u>12/31/2020</u>	<u>6/30/2021</u>	<u>12/31/2020</u>
<u>Assets</u>				
Receivables (Note 6)	268	145	-	500
Additions of Franchise Fee (Note 10)	1,649	12,094	731	2,974
<u>Liabilities</u>				
Corporate payables	(11,958)	(15,381)	(403)	(443)
	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2020</u>
<u>Results</u>				
Service fee revenue	334	605	-	-
Royalties expenses	(53,350)	(45,240)	(1,808)	(1,086)

17.2 Corporate payables

As at June 30, 2021, the Company (Parent company and consolidated) had a balance of R\$12,361 related to royalties and franchise fee due to BKC and PLK (R\$15,824 as at December 31, 2020), as detailed in notes 17.1, 27 and 29.

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 at December 31, 2020.

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(Amounts in thousands of reais)



17. Related Parties--(Continued)

17.3 Management compensation

	6/30/2021		6/30/2020	
	Officers	Directors	Officers	Directors
Management fees	2,656	-	2,745	-
Direct and indirect benefits	214	-	277	-
Variable compensation	4,125	-	6,804	-
Fees	-	1,290	-	1,105
Others (INSS)	744	258	769	221
	7,739	1,548	10,595	1,326

On April 29, 2021, an Annual General Meeting was held, which approved the Company's global management compensation for 2021, in the amount of up to R\$26,142, of which R\$22,758 refer to the compensation provided for the Company's Statutory Officers and R\$3,384 to the compensation provided for the Board of Directors. 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 30.

18. Equity

Capital

As at June 30, 2021 and December 31, 2020, the Company's capital is R\$1,461,068 and is represented by 275,355,447 common shares, all of them registered, book-entry and without par value.

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, 2020.

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Period ended June 30, 2021

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19. Earnings (loss) per share

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

	Parent company and Consolidated			
	01/04/2021 à 30/06/2021	01/01/2021 à 30/06/2021	01/04/2020 à 30/06/2020	01/01/2020 à 30/06/2020
Basic numerator				
Loss for the period	(97,088)	(259,509)	(186,780)	(24,422)
Basic denominator				
Basic weighted average number of shares (net treasury) - in thousands	274,133	274,133	22,883	22,883
Basic loss per share	(0.35416)	(0.94665)	(0.82324)	(1.06849)
Diluted numerator				
Loss for the period	(97,088)	(25,509)	(186,780)	(242,422)
Diluted denominator				
Weighted average number of shares (net treasury) - in thousands	274,133	274,133	226,883	226,883
Stock options (Note 30) - in thousands	(68)	1,625	-	289
Anti-dilution effect - in thousands	68	(1,625)	-	(289)
Diluted weighted average number of shares	274,133	274,133	226,883	226,883
Diluted loss per share	(0.35416)	(0.94665)	(0.82324)	(1.06849)

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 at December 31, 2020.

20. Net operating revenue

	Parent company and Consolidated			
	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
Gross sales revenue	609,045	1,217,428	319,201	1,021,023
Sales revenue deductions (i)	(47,150)	(100,054)	(30,810)	(92,678)
Net sales revenue	561,895	1,117,374	288,391	928,345
Gross revenue from services rendered	6,924	14,662	4,826	15,126
Service revenue deductions	(953)	(1,595)	(453)	(1,629)
Net service revenue	5,971	13,067	4,373	13,497
Total net operating revenue	567,866	1,130,441	292,764	941,842

(i) As mentioned in Note 8, untimely PIS/COFINS tax credits of R\$6,139 were recognized.

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21. Cost of goods and products sold

	Parent company and Consolidated			
	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
Costs of food, beverages and packaging	(203,667)	(415,394)	(116,717)	(349,365)
Cost of services rendered and others	(20,844)	(41,721)	(16,218)	(48,035)
Allowance for inventory losses (i) (Note 7)	(1,125)	(1,903)	(252)	(1,206)
Total cost of sales and services (ii)	(225,636)	(459,018)	(133,187)	(398,606)

(ii) Provision for write-off of Inputs not expected to be realized.

(iii) The period ended June 30, 2021 was directly impacted by the global commodity scenario and invariably by total food inflation.

22. Selling expenses

	Parent company and Consolidated			
	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
Personnel expenses	(118,708)	(259,715)	(91,113)	(230,268)
Royalties	(27,621)	(55,158)	(14,407)	(46,327)
Occupancy and utilities expenses (i)	(52,759)	(113,383)	(35,337)	(99,033)
Depreciation and amortization (Notes 9 and 10)	(50,400)	(95,455)	(46,718)	(88,956)
Amortization of right of use (rental) (Note 3) (ii)	(35,726)	(69,379)	(27,782)	(58,472)
Preoperating expenses (iii)	(2,233)	(4,360)	(824)	(2,456)
Sundry services (iv)	(45,641)	(88,838)	(38,966)	(65,491)
Repairs and maintenances	(9,485)	(20,906)	(13,983)	(29,877)
Others (v)	(49,202)	(94,352)	(30,457)	(90,565)
Total selling expenses	(391,775)	(801,546)	(299,587)	(711,445)

(i) The effects of the adoption of CPC 06 (R2) / NBC TG 06 (R3) / IFRS16 positively impacted the line items of occupancy and utilities expenses by R\$83,217 as at June 30, 2021 (R\$56,413 as at June 30, 2020), net of Pis and Cofins, as the operating lease (fixed rent) is no longer recognized under this line item (Note 3).

(ii) In compliance with CVM Circular Letter 02/2019, the balances in the statement of financial position account Amortization of right of use (Notes 3 and 10) are gross of taxes (Pis and Cofins) and total R\$ 75,199 as at June 30, 2021, (R\$ 63,835 as at June 30, 2020), while the balances presented in the statement of profit or loss accounts Amortization of right of use (Notes 25 and 26) are net of taxes (Pis and Cofins) totaling R\$70,047 (R\$ 59,082 as at June 30, 2020).

(iii) 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.

(iv) 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.

(v) The other expenses consist mainly of provision for for estimated losses on realization of credits (Note 6), fees, uniforms, cleaning materials and kitchen supplies. Additionally, in view of the Master Franchise contracts mentioned in Note 1, the Company has an obligation to invest 5% of net revenues in marketing expenses for its brands.

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23. General and administrative expenses

	Parent company				Consolidated			
	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
Administrative personnel expenses	(23,885)	(49,776)	(23,644)	(50,894)	(23,885)	(49,776)	(23,644)	(50,894)
Occupancy and utilities expenses (i)	(582)	(1,127)	(363)	(701)	(582)	(1,127)	(363)	(701)
Depreciation and amortization (Notes 9 and 10)	(3,389)	(12,720)	(4,792)	(11,187)	(3,389)	(12,720)	(4,792)	(11,187)
Amortization of right of use (rental) (Note 3) (ii)	(334)	(668)	(279)	(610)	(334)	(668)	(279)	(610)
Expenses on acquisitions and mergers	(1,125)	(1,125)	(83)	(83)	(1,125)	(1,125)	(83)	(83)
Disposal of property and equipment (Notes 9 and 10)	(2,021)	(3,361)	(729)	(882)	(2,021)	(3,361)	(729)	(882)
Income from stores sold	-	163	867	867	-	163	867	867
Write-off of assets of stores sold	-	(448)	(1,109)	(1,109)	-	(448)	(1,109)	(1,109)
Gains on claims	(16)	(16)	-	43	(16)	(16)	-	43
Provision for impairment (Note 9)	-	115	(383)	(383)	-	115	(383)	(383)
Stock options cost (Note 30)	(2,150)	(4,299)	(2,037)	(5,474)	(2,150)	(4,299)	(2,037)	(5,474)
Other operating income (expenses), net (iii)	(3,679)	(9,268)	(3,256)	(8,090)	(3,725)	(9,373)	(3,350)	(8,273)
Total general and administrative expenses	(37,181)	(82,530)	(35,808)	(78,503)	(37,227)	(82,635)	(35,902)	(78,686)

- (i) The effects of the adoption of CPC 06 (R2) / NBC TG 06 (R3) / IFRS16 positively impacted the line items of occupancy and utilities expenses by R\$1,031 as at June 30, 2021 (R\$477 as at June 30, 2020), net of Pis and Cofins, as the operating lease (fixed rent) is no longer recognized under this line item (Note 3).
- (ii) In compliance with CVM Circular Letter 02/2019, the balances in the statement of financial position account Amortization of right of use (Notes 3 and 10) are gross of taxes (Pis and Cofins) and total R\$75,199 as at June 30, 2021, (R\$63,835 as at June 30, 2020), while the balances in the statement of profit or loss accounts Amortization of right of use (Notes 24 and 25) are net of taxes (Pis and Cofins) totaling R\$70,047 (R\$59,082 as at June 30, 2020).
- (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, travel expenses and services rendered.

24. Financial expenses

	Parent company and Consolidated			
	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
Interest on loans and financings	(7,509)	(13,949)	(6,938)	(10,622)
Banking expenses and sundry interest	(714)	(3,639)	(1,273)	(2,706)
Foreign exchange losses	(149)	(476)	-	(1,360)
Lease APV liability (Note 3)	(19,353)	(38,636)	(19,634)	(33,519)
Investment APV expense payable - BKCS	(234)	(500)	(226)	(404)
Derivatives expenses	(2,268)	(2,664)	-	-
Monetary adjustment	(131)	(199)	(104)	(261)
Others	(690)	(2,953)	(2,213)	(3,064)
Financial expenses	(31,048)	(63,016)	(30,388)	(51,936)

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25. Financial income

	Parent company				Consolidated			
	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
Financial investment interest and yield	3,908	7,183	3,218	6,041	3,954	7,288	3,312	6,224
Foreign exchange gains	337	676	1,654	1,654	337	676	1,654	1,654
Derivatives income	957	957	-	1,757	957	957	-	1,757
Lease discounts (Note 3) COVID-19 (i)	10,542	10,542	14,433	14,433	10,542	10,542	14,433	14,433
Taxes on financial income	(424)	(661)	(268)	(513)	(424)	(661)	(268)	(513)
Monetary adjustment (ii)	2,949	3,171	-	-	2,949	3,171	-	-
Others	380	1,634	389	1,051	380	1,634	389	1,051
Financial income	18,649	23,502	19,426	24,423	18,695	23,607	19,520	24,606

(i) Based on the Revision of Technical Pronouncements No.16 issued by CVM on July 7, 2020 and Revision of Technical Pronouncements No. 18 issued by CVM on July 21, 2021 which contained amendments to CPC 06 (R2), referring to Covid-19- Related Rent Concessions (and extension), the Company elected to use the practical expedient of not remeasuring the operating lease agreements since the renegotiations made were in respect of benefits considered related to COVID-19, recognizing such benefits in profit or loss for the period (Note 3).

(ii) As mentioned in Note 8, monetary adjustments on untimely PIS/COFINS tax credits of R\$2,762 were recognized.

26. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the six-month periods ended June 30, 2021 and 2020 is as follows:

	Parent company and Consolidated			
	4/1/2021 to 6/30/2021	1/1/2021 to 6/30/2021	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020
Current	-	-	-	-
Deferred	2,037	(7,342)	-	31,803
	2,037	(7,342)	-	31,803

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates with amounts recorded in profit or loss for the periods ended June 30, 2021 and 2020 is shown below:

	Parent company and Consolidated	
	6/30/2021	6/30/2020
Profit (loss) before income tax and social contribution	(252,167)	(274,225)
Income tax and social contribution expense at the combined statutory rate of 34%	85,737	93,237
Adjustments to reconcile the effective rate:		
Deferred taxes not recognized on tax losses	(89,368)	(63,313)
Payment of non-deductible bonus	(1,236)	-
Cash shortage	(182)	(170)
Tax and labor fines and infractions	(535)	(293)
Stock options costs	(1,462)	(1,861)
Interest on capital (IOC)	-	3,920
Other permanent differences	(296)	283
Income tax and social contribution	(7,342)	31,803

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



26. Income tax and social contribution--Continued

Deferred--Continued

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

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Deferred income tax and social contribution - assets	202,438	164,351
Deferred income tax and social contribution - liabilities	(232,424)	(186,994)
	(29,986)	(22,643)

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

	Parent company and Consolidated	
	6/30/2021	12/31/2020
Tax loss carryforwards	862,943	600,094
<u>Temporary differences</u>		
Provision for legal claims (Note 16)	23,972	23,163
Provision for bonuses	-	20,126
Provision for purchases	9,006	2,137
Provision for impairment (Note 9)	7,979	8,094
Pre-operating	26,656	26,961
Accrued expenses	19,918	19,956
Amortization of leases and APV on lease liabilities	468,281	359,597
Deferred revenue	5,931	3,942
Others	33,662	19,408
Tax base	1,458,348	1,083,478
Statutory rate	34%	34%
	495,838	368,383
(-) Unrecognized deferred taxes on tax loss carryforwards	(293,400)	(204,032)
Deferred income tax and social contribution - assets	202,438	164,351
Transitional Tax System (RTT)	(695)	(695)
Financial charges to be incurred	(2,558)	(2,336)
Tax amortization of goodwill	(284,981)	(246,378)
Payment of lease liabilities	(395,366)	(300,574)
Tax base	(683,600)	(549,982)
Combined rate	34%	34%
Deferred income tax and social contribution – liabilities	(232,424)	(186,994)
Deferred income tax and social contribution, net	(29,986)	(22,643)

In view of the uncertain and challenging scenarios caused by the COVID-19 pandemic and in a conservative manner, the Company decided not to recognize the deferred tax asset on tax losses for the period ended June 30, 2021. As for temporary differences, the Company recognized deferred taxes considering the expectation of their future realization.

The other matters related to this note were not materially changed in relation to the disclosures in Note 29 to the individual and consolidated financial statements as at December 31, 2020.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



27. 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 establishes policies for managing each of these risks that are presented below:

Market risk

The sensitivity analyses in the following sections relate to the position as at June 30, 2021 .

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	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
Financial assets				
Short-term investments (Note 4)	123,356	192,140	123,356	192,140
Marketable securities (Note 5)	359,359	601,124	359,378	601,149
Financial liabilities				
Loans and financings (Note 11)	(825,023)	(830,776)	(825,023)	(830,776)

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 2.78%.

Asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	-25%	-50%
Short-term investments (Notes 4 and 5)	482,734	DI variation	7,288	3,644	1,822	(1,822)	(3,644)
Loans and financings (Note 11)	(825,023)	DI variation	(13,949)	(6,975)	(3,487)	3,487	6,975

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



27. 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 at 6/30/2021	Parent company and Consolidated				
				I	II	III	IV	V
				Probable	50%	25%	-25%	-50%
Royalties/Franchise Fee (Note 17.2)	12,361	US dollar variation	4.9764	12,361	(6,181)	(3,090)	3,090	6,181

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	
	6/30/2021	12/31/2020	6/30/2021	12/31/2020
AAA	383,158	549,124	364,743	539,714
AA+	-	-	705	-
AA	99,477	243,879	111,226	253,314
AA-	-	-	5,905	-
A+	-	-	75	-
A	80	261	80	261
	482,715	793,264	482,734	793,289

Liquidity risk

The following table presents the liquidity risks of the main financial instruments by maturity and reflects the Company's undiscounted cash flows as at June 30, 2021:

Asset exposure	Carrying amount	Financial flow	Consolidated			Total
			Less than 3 months	from 3 months to 1 year	from 1 to 5 years	
Assets						
Cash and cash equivalents (Note 4)	147,584	147,584	147,584	-	-	147,584
Marketable securities (Note 5)	359,359	359,359	-	359,359	-	359,359
Trade receivables (Note 6)	96,425	96,425	96,425	-	-	96,425
Liabilities						
Loans and financings (Note 11)	825,023	1,030,269	7,465	192,549	830,255	1,030,269
Trade payables (Note 12)	151,945	151,945	151,945	-	-	151,945
Corporate payables (Note 17.2)	12,361	12,361	12,361	-	-	12,361
Taxes payable (Note 13)	43,563	43,563	8,315	24,944	10,304	43,563
Lease liabilities (Note 3)	822,955	1,120,892	54,619	161,831	904,442	1,120,892

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



27. 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	
	6/30/2021	12/31/2020
Equity	1,582,374	1,838,459
Cash and cash equivalents (Note 4)	(147,585)	(219,670)
Marketable securities (Note 5) (i)	(359,378)	(601,149)
Loans and financings (Note 11) (i)	825,023	830,776
Net debt	318,060	9,957
Lease liabilities (Note 3) (i)	822,955	791,331
Total capital	2,723,389	2,639,747

(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.

Sensitivity analysis

Parity - R\$ x EUR		Current Scenario	Scenario I 25% Appreciation	Scenario II 50% Appreciation	Scenario III 25% Depreciation	Scenario IV 50% Depreciation
Operation/Instrument	Risk					
Designated as hedge accounting						
NDF	R\$ depreciation	(546)	(768)	(922)	(461)	(307)
Import (item)	R\$ appreciation	546	768	922	461	307
Net effect		-	-	-	-	-

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 at December 31, 2020.

BK Brasil Operação e Assessoria a Restaurantes S.A.

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Period ended June 30, 2021

(Amounts in thousands of reais)



28. Derivative financial instruments

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

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated				
			6/30/2021		12/31/2020		
			Notional	Fair value	Notional	Fair value	
	<u>(Designated as cash flow hedge)</u>						
NDF	01/2021	Euro	-	-	1,375	49	
NDF	02/2021	Euro	-	-	1,338	31	
NDF	03/2021	Euro	-	-	1,147	22	
NDF	04/2021	Euro	-	-	887	35	
NDF	05/2021	Euro	-	-	956	83	
NDF	06/2021	Euro	-	-	764	77	
NDF	07/2021	Euro	367	(194)	191	3	
NDF	08/2021	Euro	687	(352)	-	-	
			<u>1,054</u>	<u>(546)</u>	6,658	300	

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 at December 31, 2020.

BK Brasil Operação e Assessoria a Restaurantes S.A.

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(Amounts in thousands of reais)



29. 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					
	6/30/2021			12/31/2020		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Assets						
Amortized cost						
Cash and cash equivalents (Note 4)	24,229	24,229	2	27,530	27,530	2
Trade receivables, net (Note 6)	96,425	96,425	2	107,188	107,188	2
Fair value through profit or loss						
Cash and cash equivalents (Note 4)	123,356	123,356	2	192,140	192,140	2
Marketable securities (Note 5)	359,378	359,378	2	601,149	601,149	2
Liabilities						
Amortized cost (with fair value disclosed)						
Loans and financings (Note 11)	825,023	865,271	2	830,776	868,901	2
Trade payables (Note 12)	151,945	151,945	2	217,616	217,616	2
Corporate payables (Note 17)	12,361	12,361	2	15,824	15,824	2
Lease liabilities (Note 3)	822,955	822,955	2	791,331	791,331	2

The other matters related to this note were not materially changed in relation to the disclosures in Note 32 to the individual and consolidated financial statements as at December 31, 2020.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



30. Share-based compensation plan

In the six-month period ended June 30, 2021, the Company recognized the amount of R\$4,299 (R\$5,474 as at June 30, 2020) of expenses arising from the stock option plans, recorded in line item General and administrative expenses (Note 23).

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

Third Plan

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

	Third Plan								Total
	Tranches Prior	First tranche	Second tranche	Third tranche	Fourth tranche	Fifth tranche	Sixth tranche	Seventh tranche	
Issue date	6/22/2017	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	7/14/2019	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	-	11.92	11.92	11.92	11.92	11.92	11.92	11.92	11.92
Risk-free interest rate %	-	9.87%	10.24%	5.40%	4.42%	4.70%	5.19%	5.64%	N/A
Contractual period by tranche	-	1 year	2 years	N/A	1 year	2 years	3 years	4 years	N/A
Expected return of dividend	-	0%	0%	0.40%	0.40%	0.40%	0.40%	0.40%	N/A
Volatility of shares in the market %	-	14.91%	14.91%	23.47%	23.47%	23.47%	23.47%	23.47%	N/A
Total number of options granted	2,119,036	1,467,064	1,532,800	112,990	112,990	112,990	112,990	112,989	5,683,849
Number of options vested	2,119,036	1,467,064	2,500	112,990	112,990	-	-	-	3,814,580
Number of options lost/expired	148,700	478,129	520,400	26,200	26,200	26,200	26,200	26,200	1,278,229
Number of options exercised	1,871,542	68,236	2,500	-	-	-	-	-	1,942,278
Number of options to be vested	98,794	920,699	1,009,900	86,790	86,790	86,790	86,790	86,789	2,463,342
Estimated fair value (R\$/share)	-	1.08	1.53	7.88	7.62	7.45	7.49	7.64	N/A

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)

**30. Share-based compensation plan--(Continued)**Fourth Plan

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

	Fourth Plan				
	First Program	First Program	Second Program	Second Program	Total
Issue date	3/22/2019	3/22/2019	3/22/2019	3/22/2019	N/A
Vesting date	1/01/2022	1/01/2023	1/01/2023	1/01/2024	N/A
Price on granting	18.70	18.70	18.70	18.70	18.70
Total number of restricted shares	611,360	611,360	308,593	308,593	1,839,906
Total number of restricted shares granted	547,390	547,382	272,094	272,092	1,638,958
Number of restricted shares vested	-	-	-	-	-
Number of restricted shares lost/expired	146,993	146,991	71,343	71,342	436,669
Number of restricted shares exercised	-	-	-	-	-
Number of restricted shares to be exercised	400,397	400,391	200,751	200,750	1,202,289

Fifth Plan

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

	Fifth Plan				
	First Program	First Program	Second Program	Second Program	Total
Issue date	7/31/2020	7/31/2020	7/31/2020	7/31/2020	N/A
Vesting date	1/01/2024	1/01/2025	1/01/2025	1/01/2026	N/A
Price on granting	11.18	11.18	-	-	N/A
Total number of restricted shares	464,228	464,228	464,358	464,358	1,857,172
Total number of restricted shares granted	296,989	296,997	-	-	593,986
Number of restricted shares vested	-	-	-	-	-
Number of restricted shares lost/expired	-	-	-	-	-
Number of restricted shares exercised	-	-	-	-	-
Number of restricted shares to be exercised	296,989	296,997	-	-	593,986

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



30. Share-based compensation plan--(Continued)

Below we present the movement of the options of the third, fourth and fifth plans:

	<u>Third Plan</u>	<u>Fourth Plan</u>	<u>Fifth Plan</u>	<u>Total</u>
Outstanding as at December 31, 2019	3,741,572	1,638,958	-	5,380,529
Granted	-	-	593,986	593,986
Canceled	(475,704)	-	-	(475,704)
Exercised	-	-	-	-
Outstanding as at December 31, 2020	<u>3,265,868</u>	<u>1,638,958</u>	<u>593,986</u>	<u>5,498,811</u>
Granted	-	-	-	-
Canceled	(802,525)	(436,669)	-	(1,239,194)
Exercised	-	-	-	-
Outstanding as at June 30, 2021	<u>2,463,342</u>	<u>1,202,289</u>	<u>593,986</u>	<u>4,259,617</u>
Exercisable as at June 30, 2021 (vested) (Note 19)	<u>1,624,808</u>	<u>-</u>	<u>-</u>	<u>1,624,808</u>

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 at December 31, 2020.

31. Insurance

As at June 30, 2021, 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)	90,000
General Civil Liability (POS)	40,000
Property (RO) – Average	10,216
Professional Civil Liability (E&O)	15,000

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information

Period ended June 30, 2021

(Amounts in thousands of reais)



32. Events after the reporting period

32.1 Association between BK Brasil and Domino's Pizza

As disclosed in a material fact on July 9, 2021, the Company entered into an association agreement with the holders of the exclusive rights of Master Franchise of the DOMINO'S PIZZA franchise in the country, DP Brasil. When the transaction is completed, the Company will become the holder of 100% of the shares issued by DP Brasil.

The Company estimates that the expenses for carrying out the merger of shares at approximately R\$12,000 and expects to complete the transaction by the end of 2021.

The materialization of the transaction is conditioned to certain usual conditions in this type of operation, such as:

- i. the obtainment of approval from the shareholders of the Company and of DP Brasil, in extraordinary general meetings, of the merger of shares and related matters;
- ii. the approval of the transaction by the CADE (Brazilian antitrust agency);
- iii. the approval of the transaction by the franchisees of the BURGER KING®; POPEYES® and DOMINO'S® brands;
- iv. the carrying out of a capital increase in DP Brasil prior to the completion of the transaction, in the amount of R\$206,837;
- v. other usual conditions in this type of operation.

A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with NBC TG 21 and IAS 34 – Interim Financial Reporting and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

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, 2021, comprising the statement of financial position as of June 30, 2021 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 includes the individual and consolidated statement of value added (SVA) for the six-month period ended June 30, 2021, 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 5, 2021.

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

Luciano Ferreira da Cunha
Accountant CRC-1SP210861/O-2

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, 2021.

Barueri, August 5, 2021

Iuri de Araújo Miranda Chief
Executive Officer

Gabriel Magalhães da Rocha Guimarães
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 conclusions expressed in the report of the independente auditors of Ernst & Young Auditores Independentes S.A., referring to the Company's Interim Financial Information for the period ended June 30, 2021.

Barueri, August 5, 2021

Iuri de Araújo Miranda Chief
Executive Officer

Gabriel Magalhães da Rocha Guimarães
Chief Financial Officer