



BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.

Publicly-Held Company with Authorized Capital

CNPJ/ME no. 13.574.594/0001-96

NIRE 35.300.393.180

MANAGEMENT PROPOSAL

ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING

DATE: APRIL 29, 2021

TIME: 10:00 AM

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MANAGEMENT PROPOSAL

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Corporate Taxpayer's ID (CNPJ/MF) No. 13.574.594/0001-96
State Registry (NIRE) No. 35.300.393.180

MANAGEMENT PROPOSAL FOR THE ANNUAL GENERAL MEETING AND EXTRAORDINARY GENERAL MEETING OF APRIL 29, 2021

Dear shareholders,

The management ("**Management**") of BK Brasil Operação e Assessoria a Restaurantes S.A. ("**Company**") presents to the shareholders its proposal on the matters to be submitted to your approval at the Annual General Meeting and Extraordinary General Meeting ("**AGM**" and "**EGM**"), convened for April 29, 2021, at 10:00 am, to be held exclusively in a virtual manner, pursuant to article 4, paragraph 2, item I and article 21-C, paragraphs 2 and 3 of the Brazilian Securities and Exchange Commission ("**CVM**") Instruction No. 481, of December 17, 2009, as amended ("**CVM Instruction 481**").

At the Annual General Meeting:

1. Examination, discussion and resolution about the management's accounts and the company's financial statements, accompanied by the Management report, the Independent Auditors' report and the summary of the report and audit committee's opinion, referring to the year ended December 31, 2020;

Management proposes the approval of the accounts of the Company's Management and the individual and consolidated financial statements of the Company, accompanied by the Management report, the report and opinion of the Independent Auditors and the summary of the report and opinion of the Audit Committee, referring to the year ended December 31, 2020 and duly approved by the Board of Directors, at a meeting held on February 25, 2021.

It is worth noting that (i) Ernst & Young Auditores Independentes S.S., the Company's specialized accounting firm, issued an unqualified opinion on the Company's individual and consolidated financial statements for the year ended December 31, 2020; and (ii) the Audit Committee expressed itself in favor of the approval of the aforementioned audited financial statements.

Moreover, Management recommends you to examine in detail the individual and consolidated financial statements of the Company, the management and Audit Committee's reports, the explanatory notes and the independent auditors' report, which were duly made available for consultation to you on the Company (www.burgerking.com.br), CVM (www.cvm.gov.br) and B3 S.A. – Brazil, Bolsa, Balcão ("**B3**") (www.b3.com.br) websites, on February 25, 2021, and published, on February 25, 2021, in the Valor Econômico newspaper and in the Official Gazette of the State of São Paulo.

In accordance with the provisions of article 9, item III, of CVM Instruction 481, the Company informs the shareholders that the management's comments on the Company's financial position, referring to the year ended December 31, 2020, pursuant to item 10 of the Reference Form, are provided for in the **Attachment I** of this Proposal and were made available to the Shareholders at the Company's headquarters, on its website (www.riburgerking.riweb.com.br) and on CVM (www.gov.br/cvm) and B3 (www.b3.com.br) websites.

2. Approval of the allocation of the profit for the year ended December 31, 2020.

The Company's Management proposes that the determination of loss for the year ended December 31, 2020 in the amount of R\$ 445,607,079.61 (four hundred and forty-five million, six hundred and seven thousand and seventy-nine reais and sixty-one cents) be recorded as contained in the Company's individual and consolidated financial statements for the year ended December 31, 2020.

Additionally, the Company's Management proposes the total balance of the retained earnings reserve and legal reserve set up by the Company, in the amount of R\$ 134,641,702.64 (one hundred and thirty-four million, six hundred and forty-one thousand, seven hundred and two reais and sixty-four cents), to be used to absorb part of the loss determined in the year, pursuant to article 189, sole paragraph of Law No. 6,404, of December 15, 1976, as amended ("**Brazilian Corporation Law**"), with the remaining amount of losses (that is, R\$ 310,965,376.97 (three hundred and ten million, nine hundred and sixty-five thousand, three hundred and seventy-six reais and ninety-seven cents)) to be kept in the accumulated losses of the Company.

Considering that the Company recorded a loss for the year ended December 31, 2020, there will be no distribution of dividends and other earnings to shareholders, pursuant to article 201 of the Brazilian Corporation Law.

Pursuant to Circular Letter CVM/SEP/No. 1/2021 and the decision of the CVM Board of September 27, 2011, issued in the context of CVM Proceeding RJ2010/14687, the Company will not present the information indicated in Attachment 9-1-II of IN CVM 481 due to the determination of losses for the year.

3. Definition of the number of members for the composition of the Company's Board of Directors.

Respecting the limitation on the number of seats in the Board of Directors, as provided in the head of article 15 of the Company's Bylaws, the Management Proposal is that the composition of the Company's Board of Directors for the term of office ending at the Annual General Meeting that resolves on the financial statements for the year ending December 31, 2022 is 7 (seven) effective members and 1 (one) alternate member.

It is clarified that, considering that the Company is listed on B3's Novo Mercado and, under the terms of the Novo Mercado Regulation and the Company's Bylaws, the Board of Directors must be composed of at least 2 (two) independent directors or 20% (twenty percent), whichever is greater.

4. Election of the members of the Company's Board of Directors.

Considering the number of members of the Company's Board of Directors indicated in item 3 above, the Management proposes the election of the list below for the composition of the Board of Directors, observing that the candidates, if elected, will serve a term of office until the annual general meeting that resolves on the financial statements for the year ending December 31, 2022.

Effective	Holder	Alternate
Anna Andrea Votta Alves Chaia	Independent Member of the Board of Directors	-
Henrique José Fernandes Luz	Independent Member of the Board of Directors	-
Marcos Grodetzky	Member of the Board of Directors	
Paula Alexandra de Oliveira Gonçalves Bellizia	Independent Member of the Board of Directors	-
Pedro Fernandes Drevon	Independent Member of the Board of Directors	-
Ricardo Schenker Wajnberg	Independent Member of the Board of Directors	-
Thiago Temer Santelmo	Member of the Board of Directors	Joshua Arthur Kobza

The election of the members of the Company's Board of Directors will take place by the majority voting system by list, unless shareholders representing at least 5% (five percent) of the Company's capital require the adoption of the multiple voting process, with a minimum of 48 hours prior to the meeting (article 141 of the Brazilian Corporation Law and CVM Instruction 165/91).

If the multiple voting procedure is regularly required, the number of votes necessary to guarantee the election of at least one member of the Board of Directors will be disclosed at the Meeting, based on the number of shares held by the shareholders present at the Meeting. Each share will be attributed to as many votes as there are seats to be filled in the Board of Directors by the multiple voting procedure, with each shareholder being able to freely allocate their votes among the candidates, and the candidates who receive the highest number of votes are elected. The positions that, due to a tie, are not filled, will be the object of a new voting, by the same process, adjusting the number of votes that will be held by each Shareholder according to the number of positions to be filled.

The Management clarifies to the shareholders that, due to the Company's shareholding composition being dispersed, the right to vote separately provided for in article 141, paragraphs 4 and 5, of the Brazilian Corporation Law, is not applicable.

The information indicated in items 12.5 to 12.10 of the Reference Form, in accordance with the provisions of article 10, item I, of CVM Instruction 481, are provided for in **Attachment II** of this Proposal.

5. Definition if the candidates for the position of member of the Board of Directors are independent

Pursuant to article 17 of the Novo Mercado Regulations and article 15, paragraph 7 of the Company's Bylaws, the characterization of those appointed to the Board of Directors as independent members must be the subject of resolution by the Company's General Meeting.

The candidates for the positions of independent directors indicated above, namely, Anna Andrea Votta Alves Chaia, Henrique José Fernandes Luz, Paula Alexandra de Oliveira Gonçalves Bellizia, Pedro Fernandes Drevon and Ricardo Schenker Wajnberg, attested that they meet the independence criteria, presenting statements attesting to their classification in relation to the independence criteria established in article 16 of the Novo Mercado Regulation, also observing the provisions of article 15, paragraphs 4 and 5 of the Company's Bylaws.

After prior internal analysis by the Company as to the fulfillment – of the applicable requirements for characterizing the independence of the nominees to independent members of the Board of Directors, the Board of Directors expressed itself in favor of the inclusion of the candidates below in the independence criteria and, therefore, recommends the approval, within the scope of the AGM and EGM, of such classification.

Candidates meeting the independence criteria
Anna Andrea Votta Alves Chaia
Henrique José Fernandes Luz
Paula Alexandra de Oliveira Gonçalves Bellizia
Pedro Fernandes Drevon
Ricardo Schenker Wajnberg

6. Approval of the global compensation of the Company's management for the year 2021.

The Board of Directors proposes the approval of the annual global compensation of the Company's management (Board of Directors and Executive Board), for the year 2021, in the amount of up to R\$ 26,142,266.90 (twenty-six million, one hundred and forty-two thousand, two hundred and sixty-six reais and ninety cents), including fixed and variable fees (considering the achievement of 100% of the goals set for the current year of 2021, which may be increased by up to R\$ 4,387,873.50 (four million, three hundred and eighty-seven thousand, eight hundred and seventy-three reais and fifty cents), in case of reaching 150% of such goals). Such amounts include applicable benefits, net of social security charges that are the responsibility of the employer, as stated by the CVM Board at a meeting held on 12/08/2020 (CVM Proceeding No. 19957.007457/2018-10) reflected in Circular Letter CVM/SEP 01/2021.

Of the global compensation amount, R\$ 22,758,266.90 (twenty-two million, seven hundred and fifty-eight thousand, two hundred and sixty-six reais and ninety cents) corresponds to the compensation provided for the Company's Statutory Board and R\$ 3,384,000.00 (three million, three hundred and eighty-four thousand reais) corresponds to the compensation foreseen for the Board of Directors.

Of this global value: (i) R\$ 20,020,586.90 (twenty million and twenty thousand five hundred and eighty-six reais and ninety cents) corresponds to the fixed compensation, variable

compensation and termination of office; and (ii) R\$ 6,121,680.00 (six million, one hundred and twenty-one thousand, six hundred and eighty reais) correspond to the recognition of the fair value of the share-based compensation program and/or stock options of the Company.

The amount proposed for the global compensation of the Directors for the year 2021 (R\$ 26,142,266.90) represents an increase of approximately 9% (nine percent) compared to the amount proposed for the global compensation of the Directors in 2020 and approved at the Company's Annual General Meeting and Extraordinary General Meeting held on July 31, 2020 ("**AGM and EGM 2020**") (R\$ 23,982,169.89). It is worth mentioning that, if the amount of R\$ 24,676,490.61 (twenty-four million, six hundred and seventy-six thousand, four hundred and ninety reais and sixty-one cents) is considered, corresponding to the compensation effectively incurred in 2020, according to the resolution proposed for the extraordinary meeting below, the increase is of approximately 8.7% (eight point seven percent).

The variation mainly reflects the change in the practice of approving the value of the variable compensation corresponding to the effective attainment of goals from the previous year, so that the global compensation approved at the shareholders' meeting encompasses the variable compensation expected for the current year, if there is full achievement of predicted goals (i.e., if 100% of the goals are reached), an increase in such value may occur due to the percentage of exceeding the goals, observing the maximum limit of up to 150% of the goals. Such variation in variable compensation does not, therefore, mean an automatic increase in management compensation, which depends, as it always has, on the achievement of previously stipulated goals.

In addition to the variation in the variable compensation explained above, there was: (i) the reduction in compensation for termination of office; (ii) the reduction in share-based and options compensation; (iii) an increase in fixed compensation, considering that: (i) in 2020, due to the Covid-19 pandemic, wage reduction measures, already known and reflected in the preparation of the compensation proposal for the fiscal year 2020, had been applied, as approved in the AGM and EGM 2020; (ii) in 2021, 2 (two) new members for the Advisory Committees of the Board of Directors are expected to be hired.

See table below for comparison of the proposed values for 2020, as approved in the AGM and EGM 2020, and for the fiscal year 2021.

(R\$ in thousand)				
Compensation	Description	2021	2020	Difference
Fixed	Salary or officers' fees and Participation in Committees	R\$ 8,099,939.00	R\$ 6,507,692.14	R\$ 1,592,246.86
	Direct and indirect benefits	R\$ 512,064.48	R\$ 783,268.52	- R\$ 271,204.04
	Others	R\$ 2,449,503.09	R\$ 1,774,653.80	R\$ 674,849.29
Variable	Profit sharing and bonuses	R\$ 8,773,747.00	R\$ 6,804,083.20	R\$ 1,969,663.80
	Termination of office	R\$ 185,333.33	R\$ 500,000.00	- R\$ 314,666.67
Share-based (including options)	Share-based (including options)	R\$ 6,121,680.00	R\$ 7,612,472.23	- R\$ 1,490,792.23
Total (considering the achievement of 100% of the targets foreseen for 2021)		R\$ 26,142,266.90	R\$ 23,982,169.89	R\$ 2,160,097.01

In compliance with the provisions of article 12 of CVM Instruction 481, in addition to the management compensation proposal, the Company presents the information in item 13 of the Reference Form in **Attachment III** of this Proposal.

At the Extraordinary General Meeting:

1. Rectification of the overall compensation of the Company's management for the fiscal year 2020.

Management proposes the rectification of the global compensation of the Company's management for the year ended December 31, 2020, approved at the AGM and EGM 2020, which will increase from the total amount of R\$ 23,982,169.89 (twenty-three million, nine hundred and eighty-two thousand, one hundred and sixty-nine reais and eighty-nine cents) to the total amount of R\$ 24,764,618.61 (twenty-four million, seven hundred and sixty-four thousand, six hundred and eighteen reais and sixty-one cents). The amendment proposed herein results in an increase in the overall compensation of the managers by R\$ 782,448.72 (seven hundred and eighty-two thousand, four hundred and forty-eight reais and seventy-two cents).

It is clarified that, despite the Company's cost reduction measures taken in the context of the Covid-19 pandemic, the Company incurred extra costs related to extraordinary termination expenses in the scope of changes in senior management that impacted the overall compensation.

2. Amendment to the Company's Bylaws to (i) include the possibility for the Company to enter into indemnity contracts, under terms and conditions previously approved by the Board of Directors; and (ii) update the Company's capital considering the capital increase carried out within the authorized capital limit, as well as consolidating the Bylaws.

The Administration proposes the amendment of articles 14 and 19 of the Company's Bylaws, in order to enable the Company to enter into indemnity contracts with its managers, members

of advisory committees, and members of the Audit Committee, observing that the terms and conditions of such contracts must be previously approved by the Board of Directors.

The Company understands that the signing of indemnity contracts may represent an important instrument for attracting and retaining senior executives, in the best interest of the Company.

The statutory provision now proposed is in line with CVM Guidance Opinion No. 38, item 4, which recommends that shareholders participate in the decision on the execution of indemnity contracts with the objective of safeguarding their interests and providing greater transparency to such instruments.

In addition, Management proposes the amendment of the head of Article 5 to reflect the capital increase approved by the Company's Board of Directors, within the authorized capital limit, in a meeting held on November 17, 2020.

Finally, Management proposes the approval of the consolidation of the Company's Bylaws to reflect the changes in the head of article 5, article 14 and 19, as described above.

A copy of the Company's Bylaws, highlighting the changes proposed by the Management, as well as the report detailing the origin and justification of the proposed changes and analyzing their legal and economic effects, in accordance with the provisions of article 11 of CVM Instruction 481, are provided for in **Attachments IV and V** of this Proposal.

Participation of shareholders in the AGM and EGM

Considering the recent updates of COVID-19 (coronavirus) cases in Brazil, mainly due to the currently existing restrictions on the circulation and gathering of people, the AGOE will be held exclusively in a virtual manner, which is why the Shareholder's participation may only be:

(a) via remote voting ballot ("Ballot"). The detailed instructions about the documentation required for remote voting are provided in item 12.2 of the Company's Reference Form and the Ballot, which can be accessed on the websites of the Company (www.burgerking.com.br) and CVM (www.cvm.gov.br); and

(b) via the Digital Teams Platform, in person or by a duly constituted proxy pursuant to article 21-C, paragraphs 2 and 3 of CVM Instruction 481, in which case the shareholder may: (i) simply participate in the AGM and EGM, whether or not the Ballot is sent; or (ii) participate and vote in the AGM and EGM, observing that, with regard to the shareholder who has already sent the Ballot and who, if they wish, votes at the AGM and EGM, all voting instructions received through the Ballot will be disregarded.

Detailed information on the deadlines, procedures and documents required for participation in the AGM and EGM can be found in the Call Notice and in the Manual for Participation referring to the AGM and EGM.

ATTACHMENT I - Management Comments on the Company's Financial Position

Item 10 of the Reference Form

10.1 - General Financial and Equity Conditions

The Company was incorporated on April 6, 2011, under the corporate name CMNPAR Seventeen Participações S.A., whose corporate purpose was to participate in other companies, as a partner or shareholder, in the Brazil or abroad.

The right to operate the BURGER KING® brand restaurants was obtained through a “Master Franchise” agreement entered into with Burger King Corporation on July 13, 2011. The restaurant operation right has a term of 20 years for each store, counted from the celebration of each “Unit Addendum”, renewable for additional twenty years, if the parties so wish.

The right to operate the POPEYES® brand restaurants was obtained through a “Master Franchise” agreement entered into with Popeyes Louisiana Kitchen, Inc. on March 20, 2018. The restaurant operation right has a term of 20 years for each store, counted from the celebration of each “Unit Addendum”, renewable for additional twenty years, if the parties so wish.

For more information on the “*Master Franchise*” agreements, see item 7.9 of this Reference Form.

As at December 31, 2020, we had 905 restaurants in operation in Brazil, consisting of 44 company-owned POPEYES® restaurants and 861 BURGER KING® restaurants, with 659 company-owned restaurants and 202 restaurants operated by BURGER KING® franchisees.

In units	As at December 31,		
	2020	2019	2018
<i>Mall</i>	513	534	492
<i>In line</i>	30	32	32
<i>Free Standing</i>	160	148	115
Franchisee	202	198	162
Total restaurants	905	912	801

In addition, considering the 659 company-owned restaurants of the BURGER KING® brand, we have operations in all five regions of the country and presence in the main Brazilian states, as shown in the table below:

In units	As at December 31,		
	2020	2019	2018
State of São Paulo	306	318	297
State of Rio de Janeiro	96	97	89
State of Minas Gerais	48	51	49
State of Paraná	40	40	36
State of Rio Grande do Sul	38	38	36
State of Goiás	22	23	20
State of Ceará	14	15	15
State of Pernambuco	15	15	14
State of Bahia	13	12	11
State of Espírito Santo	12	11	12
Federal District	10	10	16
State of Pará	7	7	6
State of Sergipe	6	6	5
State of Maranhão	5	5	5
State of Mato Grosso	5	5	5
State of Paraíba	5	5	5
State of Alagoas	4	4	4

In units	As at December 31,		
	2020	2019	2018
State of Rio Grande do Norte	3	3	3
State of Mato Grosso do Sul	4	3	1
State of Santa Catarina	4	3	-
State of Piauí	2	2	2
Total Stores	659	673	631

We own all the 44 POPEYES® restaurants in the state of São Paulo.

The financial information contained in this Reference Form, except when expressly stated, was extracted from our consolidated financial statements for the years ended December 31, 2020, 2019 and 2018.

The Directors' analysis clarifying the results obtained and the reasons for the fluctuation in the values of our equity accounts constitute an opinion on the impacts or effects of the data presented in our financial statements on the financial position. Our Executive Board cannot guarantee that the financial position and results obtained in the past will be reproduced in the future.

The terms "AH" and "AV" in the columns of certain tables below mean "Horizontal Analysis" and "Vertical Analysis", respectively.

(a) Directors' comments on general financial and equity conditions

Below, we present information about our financial and equity structure on the dates below:

(in R\$ thousands)	As at December 31,		
	2020	2019	2018
Equity	1,838,459	1,786,629	1,716,960
Current assets	1,119,099	862,378	819,715
Total debt(1)	830,776	519,870	279,113
Net Debt (Cash)(2)	9,957	(85,589)	(323,833)

⁽¹⁾ Total Debt corresponds to the sum of the balances of loans and financing, current and non-current, see reconciliation in item 3.2 of this Reference Form.

⁽²⁾ The Net Debt (Cash) corresponds to the Total Debt less the balances of cash and cash equivalents, marketable securities and restricted marketable securities, recorded in our current assets, and restricted marketable securities, recorded in our non-current assets, see reconciliation in item 3.2 of this Reference Form.

As at December 31, 2020, we had a net debt of R\$ 10.0 million, which represents an increase of R\$ 95.5 million when compared to December 31, 2019, when we had a net cash position of R\$ 85.6 million. This reduction in net cash reflects the raising of working capital loans in response to the economic impacts of COVID-19 in Brazil, which culminated in the reduction of operating cash generation, influenced by the closing of physical commerce and the great limitation of circulation of people in this period, partially offset by the inflow of resources from the capital increase through the follow-on.

As at December 31, 2019, we had a net cash position of R\$ 85.6 million, which represents a reduction of R\$ 238.2 million when compared to December 31, 2018, when we had a net cash position of R\$ 323.8 million. This reduction in net cash reflects the opening of restaurants of the brands operated by the Company, in addition to reinvestments and remodeling of restaurants.

As at December 31, 2018, we had a net cash position of R\$ 323.8 million, which represents a reduction of R\$ 382.5 million when compared to December 31, 2017, when we had a net cash position of R\$ 706.3 million. This reduction in net cash reflects the acquisition of franchise restaurants in April 2018, which was partially offset by our income generation as well as active cash flow management.

Due to the consistent evolution of our operating results during the past years and the comfortable situation of liquidity and capital, the Executive Board understands, despite the impacts of COVID-19, that we have sufficient financial and equity conditions to conduct the company's operation, and meet its short and long-term financial obligations. Moreover, the Executive Board believes that our cash generation is sufficient to meet the financing of its activities and cover its need for operational resources.

(b) Directors' comments on the capital structure

In recent years, we have presented a capital structure balanced between equity and third-party capital, and consistent, in the Executive Board's view, with our activities, in the proportion shown in the table below:

(in R\$ thousands, except %)	As at December 31,		
	2020	2019	2018
Current and non-current liabilities (third-party capital)	2,094,296	1,741,431	808,672
Equity (equity capital)	1,838,459	1,786,629	1,716,960
Total liabilities and equity (third-party capital + equity capital)	3,932,755	3,528,060	2,525,632
Third-party capital(1)	53.3%	49.4%	32.0%
Equity capital(2)	46.75%	50.6%	68.0%

⁽¹⁾ Third-party capital corresponds to current liabilities plus non-current liabilities divided by total liabilities and equity.

⁽²⁾ Equity capital corresponds to the quotient of dividing equity by total liabilities and equity.

As at December 31, 2019, our equity was R\$ 1,786.7 million, increasing to R\$ 1,838.5 million as at December 31, 2020. This increase of R\$ 51.8 million was chiefly due to the capital increase resulting from the *follow-on*, partially offset by the net loss recorded in the year.

As at December 31, 2018, our equity was R\$ 1,717.0 million, increasing to R\$ 1,786.7 million as at December 31, 2019. This increase of R\$ 69.7 million was chiefly due to the exercise of stock options by the managers during the year and the profit recorded for the year, partially offset by dividends and interest on capital for the year.

As at December 31, 2017, our equity was R\$ 1,617.2 million, increasing to R\$ 1,717.0 million as at December 31, 2018. This increase of R\$ 99.8 million was chiefly due to the exercise of stock options by the managers carried out on August 28, 2018 and the profit recorded for the year, partially offset by dividends and interest on capital for the year.

The Executive Board believes that our current capital structure is adequate to meet the short and long term demands and the needs of its operations.

(c) Directors' comments regarding the ability to pay in relation to the financial commitments assumed

The table below shows the main financial indicators related to our payment capacity:

(in R\$ thousands, except %)	As at December 31,		
	2020	2019	2018
Net Debt (Cash)(1)	9,957	(85,589)	(323,833)
Adjusted EBITDA(2)	(17,502)	465,420	287,952
Total Debt Ratio(3)	(0.57)	(0.18)	(1.12)
Current liquidity ratio(4)	1.98	1.28	1.37
Overall liquidity ratio(5)	0.60	0.56	1.09

(1) Net Debt (Cash) corresponds to the sum of the balances of loans and financing, current and non-current, less the balances of cash and cash equivalents, marketable securities and restricted marketable securities, recorded in our current assets, and restricted marketable securities, recorded in our non-current assets. For the reconciliation of net debt (cash), see item 3.2 of this Reference Form.

(2) Adjusted EBITDA is a non-accounting measurement prepared by the Company, which consists of EBITDA, calculated in accordance with CVM Instruction 527, adjusted by pre-operating expenses, expenses on acquisition and merger and other expenses, which include gain (loss) on disposal of property and equipment, gain (loss) on claims, provision (reversal) for impairment, capital gain from sale of assets and cost with stock plans. For the reconciliation of the profit (loss) for the year to EBITDA or Adjusted EBITDA, see item 3.2 of this Reference Form.

(3) The Total Debt Ratio corresponds to the quotient of the Net Debt (Cash) division at the end of the year by the adjusted EBITDA for the same year.

(4) The current liquidity ratio corresponds to the quotient of the division of current assets by the Company's current liabilities.

(5) The general liquidity ratio corresponds to the quotient of the division (i) of the result of the sum of current and non-current assets (except for property and equipment and intangible assets); (ii) the result of the sum of the Company's current and non-current liabilities.

Liquidity: as at December 31, 2020, our current assets were R\$ 1,119.1 million, R\$ 554.6 million higher than current liabilities, which was R\$ 564.5 million, representing a current liquidity ratio of 1.98. As at December 31, 2019, the current liquidity ratio was 1.28 and as at December 31, 2018 it was 1.37. Moreover, as at December 31, 2020, our general liquidity ratio was 0.60; as at December 31, 2019, our general liquidity ratio was 0.56, and as at December 31, 2018 it was 1.09.

Debt: as at December 31, 2020, our Total Debt Ratio was negative 0.57. As at December 31, 2019 and 2018, our Total Debt Ratio was negative 0.18 and negative 1.12, respectively.

In view of the resumption of operating cash generation and the ability to raise local resources, the Executive Board believes that it has full conditions to honor the financial commitments assumed until the date of this Reference Form and is able to generate and/or raise funds in the market to implement its business and investment plans and meet its short and long-term financial obligations. In addition, the Executive Board believes that we have comfortable levels of liquidity, especially when looking at the last fiscal years. In the current year, the Company had to raise working capital loans in response to the economic impacts of COVID-19 in Brazil, which culminated in the reduction of operating cash generation, influenced by the closing of physical commerce and the great limitation of circulation of people in this period. For additional information on the impact of COVID-19, see items 10.1(h) and 10.9 below.

(d) financing sources used for working capital and for investments in non-current assets

Over the last three years, our needs for working capital and investments have been financed through a combination of our own resources and those of third parties.

Thus, according to our needs, we raise funds in the local capital market and/or obtain loans and financing to meet our cash needs. Our main source for investments in current and non-current assets is our equity capital and debentures.

(e) financing sources for working capital and for investments in non-current assets intended to be used to cover liquidity deficiencies

As at the date of this Reference Form, the Executive Board does not envisage needs for resources that cannot be supported with current or future resources that we may have. If additional funds are needed to cover liquidity deficiencies in the short term, we intend to raise funds from the Brazilian capital market and/or financial institutions.

(f) debt levels and the characteristics of such debts

In thousands of Reais, unless otherwise stated	Interest rates (p.m.)	Maturity	As at December 31,		
			2020	2019	2018
Debentures 2 nd issue	100% CDI + 0.20%	March 2019	-	-	6,689
Debentures 3 rd issue	100% CDI + 0.20%	December 2019	-	-	26,666
Debentures (CRA) - 4th and 5th issues	100% CDI + 0.09%	February 2019	-	-	105,145
Debentures 6 th issue	100% CDI + 0.24%	May 2020	-	12,373	37,164
Debentures 7 th issue (CRA)	100% CDI + 0.07%	October 2020	-	102,371	102,638
Debentures 8 th issue	100% CDI + 0.11%	October 2024	402,721	403,423	-
Fixed rate loan	0.89%	January 2026	-	8,094	9,668
Loan - Working capital	100%CDI + 0.23% to 0.37%	March 2021 to June 2023	430,391	-	-
Others	0.86% to 100% CDI + 0.80%	September 2019	-	-	6
Financial charges to be incurred			(2,336)	(6,391)	(8,863)
Total debt			830,776	519,870	279,113
Current			53,612	116,556	161,581
Non-current			777,164	403,314	117,532

(i) relevant loan and financing agreements

The description below presents the main characteristics of our relevant loan and financing agreements as at December 31, 2020, as well as at December 31, 2018 and December 31, 2019. The balances presented below, as at December 31, 2020, correspond to the principal and interest, gross of expenses with the issuance of debentures and CRA, in the amount of R\$ 830.8 million.

Credit Opening Agreement No. 71.2015.26.99: On March 23, 2016, we contracted financing from Banco do Nordeste do Brasil, in the amount of R\$ 44.7 million, in order to meet our management business, with maturity scheduled for March 23, 2023. Finance charges are fixed at an interest rate of 11.18% per annum calculated and capitalized monthly and payable quarterly on the 23rd of each month, during the period from March 23, 2016 to March 23, 2018, and monthly during the amortization period from April 23, 2018, together with the installments falling due from the principal, and on the maturity and settlement of the debt, on the average daily debit balance of the calculation period. This contract was settled by the Company on September 3, 2020.

Credit Opening Agreement No. 192.2014.75.3887: On January 31, 2014, BGNE Restaurantes e Comércio de Alimentos, later merged by us, contracted financing from Banco do Nordeste do Brasil, in the amount of R\$ 5.2 million, in order to meet our management business, with expected maturity on January 31, 2026. Financial charges are fixed at an interest rate of 5.3% per year on R\$ 0.7 million and 6.48% per year on R\$ 4.5 million, calculated and capitalized monthly and payable quarterly on the 31st of each month, during the period from January 31, 2014 to January 31, 2016, and monthly during the amortization period from February 29, 2016, together with the installments of principal falling due, and on the maturity and settlement of the debt, on the average daily debit balance of the calculation period. This contract was settled by the Company on September 3, 2020.

2nd Issue of Debentures: On March 14, 2014, we made the 2nd public issue of simple debentures, not convertible into shares, in a single series, in the total amount of R\$ 100.0 million, maturing on March 14, 2019. Compensation interest on debentures is 100% of the DI Rate plus a 0.20% surcharge per month. The 2nd issue debentures were paid off by the Company on March 14, 2019.

3rd Issue of Debentures: On December 30, 2014, we made the 3rd public issue of simple debentures, non-convertible into shares, in a single series, in the total amount of R\$ 100.0 million, maturing on December 30, 2019. Compensation interest on debentures is 100% of the DI Rate plus a 0.20% surcharge per month. The 3rd issue debentures were paid off by the Company on December 30, 2019.

4th and 5th Issue of Debentures: On August 31, 2015, we made the 4th private issue of simple debentures, non-convertible into shares, in a single series, in the total amount of R\$ 51.4 million, maturing on February 28, 2019. Compensation interest on debentures is 100% of the DI Rate plus a 0.09% surcharge per month. On August 31, 2015, the Company carried out the 5th private issue of simple debentures, non-convertible into shares, in a single series, in the total amount of R\$ 51.4 million, maturing on February 28, 2019. Compensation interest on debentures is 100% of the DI Rate plus a 0.09% surcharge per month. The debentures of the 4th and 5th issues were paid off by the Company on February 28, 2019.

6th Issue of Debentures: On May 4, 2016, we carried out the 6th private issue of simple debentures, non-convertible into shares, in a single series, in the total amount of R\$ 80.0 million, maturing on May 4, 2020. Compensation interest on debentures is 100% of the DI Rate plus a 0.24% surcharge per month. The debentures of the 6th issue were paid off by the Company on May 4, 2020.

7th Issue of Debentures: On October 20, 2016, we carried out the 7th private issue of simple debentures, non-convertible into shares, in a single series, in the total amount of R\$ 202.5 million, maturing on October 20, 2020. Compensation interest on debentures is 100% of the DI Rate plus a 0.07% surcharge per month. On October 20, 2020, the Company paid off the 7th issue of Debentures (CRA), according to the schedule stipulated in its issue.

8th Issue of Debentures: At a meeting of the Company's Board of Directors held on October 4, 2019, the 8th issue of 400,000 simple unsecured debentures, non-convertible into shares, in 2 series for public distribution with restricted distribution efforts, pursuant to CVM Instruction 476 of January 16, 2009, as amended ("Issue" and "Debentures", respectively). The issue date of the Debentures was October 15, 2019 ("Issue Date"), having been settled on November 7, 2019. As at December 31, 2020, the outstanding balance of these debentures was R\$ 402.7 million.

On October 31, 2019, the Company's Board of Directors approved the change in the remuneration of the 1st Series and the 2nd Series of Debentures, which are now: (i) accumulated variation of the DI Rate plus a spread or surcharge of at least 1.20% and, at most, 1.40% per year; and (ii) 100% of the DI Rate plus a spread or surcharge of at least 1.35% and, at most, 1.50% per year, with the first amendment to the Debentures deed formalized.

Subsequently, on November 1, 2019, the bookbuilding procedure was completed, through which were defined: (i) the allocation of the Debentures in a single series, with the consequent cancellation of the 2nd Series, with all 400,000 Debentures being allocated in this single series; and (iii) the remuneration of the single series of the Issue, equivalent to 100% of the DI Rate increased exponentially by a spread or surcharge of 1.35% per year, with the second amendment to the Debentures deed formalized.

The maturity of the Debentures is 5 years from the Issue Date, maturing, therefore, on October 15, 2024, observing the hypotheses of early maturity and early redemption provided for in the Debenture deed of issue.

The amounts obtained as a result of the Issue were used in the Company's ordinary business, including, without limitation, cash flow and/or capital expenditures (CAPEX).

For a detailed description of the debentures issued by the Company, see item 18.5 of this Reference Form.

Bank Credit Note 1024853: On March 20, 2020, we contracted a loan, pursuant to Law No. 4,131 simultaneously with a swap transaction, to hedge against the fluctuations in exchange rates, in the amount of R\$ 170 million with interest linked to CDI + 0.37% p.m., for working capital purposes. This loan has covenants similar to those of the 8th issue of debenture with maturity in March 2021 and has no guarantees (clean), except for standby letter of credit linked to it. On December 22, 2020, the contract was amended to extend the maturity of the debt immediately after its maturity, with a new maturity in March 2025 with a renegotiated rate of CDI + 0.22% p.m. As at December 31, 2020, the outstanding balance of this CCB was R\$ 179.6 million.

Bank Credit Note 10227604: On April 9, 2020, we contracted a loan through CCB without IOF in accordance with Decree 10,305/2020, in the amount of R\$ 50 million with interest linked to CDI + 0.23% p.m. for working capital purposes. This loan has covenants similar to those of the 8th issue of debentures with maturity in April 2021, but has no clause of financial leverage (net debt/adjusted EBITDA) and guarantees (clean). On December 16, 2020, the contract was added to extend the maturity of the debt to December 2024 with a renegotiated rate of CDI + 0.25% p.m. As at December 31, 2020, the outstanding balance of this CCB was R\$ 50.1 million.

Bank Credit Note 237/2372/8066/001: On June 5, 2020, we contracted a new loan through CCB without IOF in accordance with Decree 10,305/2020, in the amount of R\$ 150 million with interest linked to CDI + 0.30% p.m. for working capital purposes and lengthening of the debt profile. This loan has covenants similar to those of the 8th issue of debentures, and maturity in June 2023. The fiduciary assignment of the card banner representing 20% of the outstanding balance was pledged as collateral, in addition to a CDB of R\$ 25,000 for a specified period of 90 days. As at December 31, 2020, the outstanding balance of this CCB was R\$ 150.6 million.

Bank Credit Note 101120040004700: On June 5, 2020 we contracted a new loan through CCB without IOF in accordance with Decree 10,305/2020, in the amount of R\$ 50 million with interest linked to CDI + 0.30% p.m. for working capital purposes and lengthening of the debt profile. This loan has covenants similar to those of the 8th issue of debentures with maturity in June 2022, but has no clause of financial leverage (net debt/adjusted EBITDA) and guarantees (clean). As at December 31, 2020, the outstanding balance of this CCB was R\$ 50.2 million.

(ii) other long-term relationships with financial institutions

As at the date of submission of this Reference Form, we have no other long-term relationships with financial institutions other than those already described in the previous item.

(iii) degree of subordination between the Company's debts

None of the Company's financial debts existing as at December 31, 2020, 2019 and 2018 have a specific subordination contractual clause, therefore there is no preference relationship between them. Thus, the degree of subordination between the Company's financial debts follows the amount determined in the legislation in force and in the guarantees constituted. For more information, see also item 3.8 of this Reference Form.

(iv) restrictions imposed on the Company, in particular, in relation to debt limits and contracting of new debts, the distribution of dividends, the sale of assets, the issue of new securities and the sale of corporate control, as well as whether the issuer has been complying with these restrictions.

We have certain negotiable restrictions imposed on our loan agreements in force on the date of presentation of this Reference Form, in particular, regarding debt limits and contracting of new debts, the distribution of dividends, the sale of assets, the issue of new securities and the sale of corporate control.

The contracts described above have restrictions that may cause the debt to mature in the event of: (a) change of the direct or indirect control of the Company; (b) except for the payment of the minimum mandatory dividend provided for in article 202 of the Brazilian Corporation Law, the realization of any payment of dividends by the Company, interest on capital or any type of profit sharing, if the Company is overdue in relation to the contracted obligations; and (c) non-compliance with certain consolidated financial indexes measured annually, as described below.

8th Issue of Debentures: The Company must observe the following financial index: net debt/Adjusted EBITDA (covenants) at a limit equal to or less than 3.0x in the year ended and subsequent years – for this calculation they do not consider the effects of CPC06 (R2)/IFRS16 as criteria and determinations established in the contract. The Company intends to call a general debenture holders' meeting of the 8th Issue of Unsecured Simple Debentures, non-convertible into shares, in a single series ("GDM"), to resolve on the granting of prior consent in the event of any breach of the Financial Index (as defined in the Deed of Issue), to be verified based on the Company's consolidated annual financial statements as at December 31, 2020. There is no certainty about the occurrence of non-compliance with the referred index and, therefore, the GDM has a preventive character. Thus, in the event of non-compliance with the Financial Index, once the prior consent of the debenture holders has been obtained, any configuration of a Default Event or declaration of the early maturity date of the Issue will not occur. For more information about the potential impact on the Company in the event of non-compliance with said financial covenant in the future, see Risk Factor "*The Company is subject to compliance with specific obligations in financial contracts and debt instruments, as well as limitations on the ability to contract additional debt.*"

Bank Credit Note 1024853: The Company must observe the following financial index: net debt/Adjusted EBITDA (covenants) at a limit equal to or less than 3.0x in the year ended and subsequent years – for this calculation they do not consider the effects of CPC06 (R2)/IFRS16 as criteria and determinations established in the contract.

Bank Credit Note 237/2372/8066/001: The Company must observe the following financial index: net debt/Adjusted EBITDA (covenants) at a limit equal to or less than 3.0x in the year ended and subsequent years – for this calculation they do not consider the effects of CPC06 (R2)/IFRS16 as criteria and determinations established in the contract.

As at December 31, 2020, 2019 and 2018, the Company was in compliance with all financial restrictions and indexes established in the financial contracts in force at the time.

(g) limits for the use of contracted financing and percentages already used

As at the date of submission of this Reference Form, there were no financing lines that were contracted and not used.

(h) significant changes in each item of the financial statements

The numbers and analyses presented below are derived from the Company's audited consolidated financial statements for the years ended December 31, 2020, 2019 and 2018.

Statements of Profit or Loss

Comparison between the years ended as at December 31, 2020 and 2019:

	Year ended December 31, 2020	AV (%)	Year ended December 31, 2019	AV (%)	AH (%)
(in R\$ thousands, except %)					
Net operating revenue	2,238,127	100	2,867,990	100	(22.0)
Cost of goods and products sold	(913,957)	(40.8)	(1,082,869)	(37.8)	(15.6)
Gross profit	1,324,170	59.2	1,785,121	62.2	(25.8)
Operating expenses					
Expenses with stores	(1,531,876)	(68.4)	(1,518,274)	(53.7)	0.9
General and administrative expenses	(179,459)	(8.0)	(142,417)	(5.0)	26.0
Profit (loss) before financial income (expenses) and taxes	(387,165)	(17.3)	124,430	3.3	(411.2)
Financial expenses	(114,675)	(5.1)	(93,281)	(2.1)	22.9
Financial income	70,424	3.1	22,617	2.6	211.4
Financial income (expenses), net	(44,251)	(2.0)	(70,664)	0.5	(37.4)
Profit (loss) before income tax and social contribution	(431,416)	(19.3)	53,766	3.8	(902.4)
Income tax and social contribution	(14,191)	(0.6)	(5,223)	(1.1)	171.7
Profit for the year	(445,607)	(19.9)	48,543	2.7	(1,018.0)

Net Operating Revenue

In a comparison between the year ended December 31, 2020 and 2019, the Company's net operating revenue decreased by 22.0% or R\$ 629.9 million, from R\$ 2,868.0 million, to R\$ 2,238.1 million, in the same period of 2020. This reduction reflected the effects of the COVID-19 pandemic, as the operation of the restaurants was reduced for a certain time over the period of 2020.

(in R\$ thousands, except %)	Year ended December 31, 2020	AV (%)	Year ended December 31, 2019	AV (%)	AH (%)
Gross sales revenue	2,433,203	108.7	3,069,758	107.0	(20.7)
Sales revenue deductions	(221,130)	(9.9)	(228,100)	(8.0)	(3.1)
Net sales revenue	2,212,073	98.8	2,841,658	99.1	(22.2)
Gross revenue from services rendered	29,222	1.3	29,507	1.0	(1.0)
Service revenue deductions	(3,168)	(0.1)	(3,175)	(0.1)	(0.2)
Net revenue from services rendered	26,054	1.2	26,332	0.9	(1.1)
Net operating revenue	2,238,127	100	2,867,990	100	(22.0)

Cost of goods and products sold

The cost of goods and products sold decreased by 15.6% or R\$ 168.9 million, from R\$ 1,082.9 million in 2019, to R\$ 914.0 million in 2020.

The reduction was mainly a reflection of the decrease in sales, a reflection of the effects of the COVID-19 pandemic, as the operation of the restaurants was reduced for a certain time throughout 2020.

Gross Profit

The Company's gross profit decreased by 25.8% or R\$ 461.0 million, from R\$ 1,785.1 million in 2019 to R\$ 1,324.2 million in 2020. The decrease in gross profit mainly reflects the reduction in sales caused by the COVID-19 pandemic, losses of perishable items without expected use and also impacted by the increase in sales in the Delivery and Drive channels with margins lower than over-the-counter sales. Moreover, the year 2020 was directly impacted by the global commodity scenario and invariably by total food inflation.

The Company's gross margin decreased 3.1 p.p. compared to the previous period, from 62.2% in 2019 to 59.2% in 2020. The reduction in gross margin was chiefly due to the increase in sales in the Delivery and Drive channels with margins lower than over-the-counter sales.

Expenses with stores

The Company's expenses with stores increased by R\$ 13.6 million (or 0.9%), reaching R\$ 1,531.9 million, equivalent to 68.4% of net operating revenue in 2020, compared to R\$ 1,518.3 million, equivalent 52.9% of net operating revenue in 2019. This variation mainly reflects an increase in (i) amortization of leases, due to leasing contracts that started after December 31, 2019 and (ii) an increase in sundry services, mainly reflected in higher cleaning expenses (facing the pandemic) and also delivery rates, since sales by app aggregators grew exponentially. This increase was partially offset by (i) the existing reduction in personnel expenses, due to the maintenance of jobs in the use of the Provisional Measure (MP) 936; (ii) reduction in royalties and marketing fund, due to lower net sales in the compared period and (iii) reduction in expenses with occupancy and utilities, since the Company renegotiated rental contracts due to stores being closed during the most critical period of the pandemic so far.

(in R\$ thousands, except %)	Year ended December 31, 2020	AV (%)	Year ended December 31, 2019	AV (%)	AH (%)
Personnel expenses	(481,608)	31.4	(498,939)	32.9	(3.5)
Royalties and marketing fund	(232,277)	15.2	(262,658)	17.3	(11.6)
Occupancy and utilities expenses	(197,830)	12.9	(223,896)	14.7	(11.6)
Depreciation and amortization	(189,480)	12.4	(176,293)	11.6	7.5
Amortization of lease	(121,064)	7.9	(106,067)	7.0	14.1
Preoperating expenses (1)	(5,851)	0.4	(18,084)	1.2	(67.6)
Sundry services	(161,305)	10.5	(85,947)	5.7	87.7
Repairs and maintenances	(57,262)	3.7	(58,723)	3.9	(2.5)
Others	(85,199)	5.6	(87,667)	5.8	(2.8)
Expenses with stores	(1,531,876)	100	(1,518,274)	100	0.9

⁽¹⁾ 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.

General and Administrative Expenses

The Company's general and administrative expenses increased by R\$ 37.0 million or 26%, reaching R\$ 179.5 million, equivalent to 8% of net operating revenue in 2020, compared to R\$ 142.4 million, or 5.0% of net operating revenue in 2019.

Such increase occurred mainly as a result of (i) increase in the gain (loss) on disposal of property and equipment; (ii) increase in costs with stock plans; (iii) increase in provisions for labor and civil legal claims; (iv) donations made to the Centralized Health System (SUS) to combat COVID-19; and (v) expenses with adaptation, prevention and security in the office for the return of our employees due to COVID-19. This increase was partially offset by the reduction in expenses on acquisitions and mergers and reversal for impairment during the 2020 period.

(in R\$ thousands, except %)	Year ended December 31, 2020	AV (%)	Year ended December 31, 2019	AV (%)	AH (%)
Personnel expenses	(119,273)	66.5	(115,001)	80.7	3.7
Occupancy and utilities expenses	(1,290)	0.7	(673)	0.5	91.7
Depreciation and amortization	(20,610)	11.5	(19,587)	13.8	5.2
Expenses on acquisitions and Merger (1)	(158)	0.1	(3,144)	2.2	(95.0)
Amortization of lease	(928)	0.5	(1,234)	0.9	(24.8)
Gain (loss) on disposal of property and equipment	(24,438)	13.6	(9,224)	6.5	165.0
Income from stores sold	3,772	(2.1)	12,948	(9.1)	(70.9)
Write-off of assets of stores sold	(3,341)	1.9	(13,144)	9.2	(74.6)
Gains (losses) on claims	13	(0.0)	(39)	0.0	(133.3)
Reversal (provision) for impairment	2,246	(1.3)	(2,807)	2.0	(180.0)
Stock Options Cost	(9,824)	5.5	(4,315)	3.0	127.7
Other operating income (expenses), net (2)	(5,628)	3.1	13,803	(9.7)	(140.8)
Total general and administrative expenses	(179,459)	100	(142,417)	100.0	26.0

(1) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the period.

(2) Refer to the income from the premium on the initial supply agreement and reversal of costs on the construction of stores, expenses with provision for legal claims, services taken and travel expenses.

Financial income (expenses), net

The Company's financial income (costs), net changed by R\$ 26.4 million, from a net expense of R\$ 70.7 million in 2019, to a net expense of R\$ 44.3 million in 2020. This change mainly reflected the discounts obtained due to the renegotiation of payments for occupancy costs during the COVID-19 pandemic, partially offset by the increase in interest on working capital loans, which were raised after September 30, 2019, and also the increase in the AVP of leases payable, since the base of lease contracts increased at the end of 2019.

(in R\$ thousands, except %)	Year ended December 31, 2020	AV (%)	Year ended December 31, 2019	AV (%)	AH (%)
Interest on loans and financing	(26,823)	23.4	(14,941)	16.0	79.5
Banking expenses and sundry interest	(9,821)	8.6	(5,737)	6.2	71.2
Foreign exchange losses	(2,335)	2.0	(2,107)	2.3	10.8
Lease APV expense payable	(68,213)	59.5	(62,091)	66.6	9.9
Investment APV expense payable – BKCS	(923)	0.8	(698)	0.7	32.2
Expense with Derivatives	(2,230)	1.9	-	-	-
Monetary adjustment	(370)	0.3	(2,369)	2.5	(84.4)
Others	(3,960)	3.5	(5,338)	5.7	(25.8)
Financial expenses	(114,675)	100	(93,281)	100	22.9

(in R\$ thousands, except %)	Year ended December 31, 2020	AV (%)	Year ended December 31, 2019	AV (%)	AH (%)
Financial investment interest and yield	11,568	16.4	18,732	82.8	(38.2)
Foreign exchange gains	3,223	4.6	2,128	9.4	51.5
Derivatives income	2,040	2.9	-	-	-
Lease Discounts - COVID19	47,033	66.8	-	-	-
Taxes on financial income	(1,120)	(1.6)	(1,092)	(4.8)	2.6
Monetary adjustment	5,382	7.6	-	-	-
Others	2,298	3.3	2,849	12.6	(19.3)
Financial income	70,424	100	22,617	100	211.4

Profit (loss) for the year

The Company's profit (loss) for the year decreased from R\$ 48.5 million in profit for the year ended 2019 to R\$ 445.6 million in losses for the year ended 2020. In addition to the impacts described above, the Company chose not to recognize deferred taxes on income tax and social contribution losses until it has a more likely scenario of realization of these tax credits, in the light of accounting pronouncements – CPC 32/IAS12.

Comparison between the Years Ended December 31, 2019 and 2018

(in R\$ thousands, except %)	Year ended December 31, 2019	AV (%)	Year ended December 31, 2018	AV (%)	AH (%)
Net operating revenue	2,867,990	100.0	2,348,333	100.0	22.1
Cost of goods and products sold	(1,082,869)	(37.8)	(891,292)	(38.0)	21.5
Gross profit	1,785,121	62.2	1,457,041	62.0	22.5
Operating expenses					
Expenses with stores	(1,518,274)	(52.9)	(1,219,711)	(51.9)	24.5
General and administrative expenses	(142,417)	(5.0)	(110,510)	(4.7)	28.9
Profit (loss) before financial income (expenses) and taxes	124,430	4.3	126,820	5.4	(1.9)
Financial expenses	(93,281)	(3.3)	(44,608)	(1.9)	(109.1)
Financial income	22,617	0.8	55,505	2.4	(59.3)
Financial income (expenses), net	(70,664)	(2.5)	10,897	0.5	(748.5)
Profit (loss) before income tax and social contribution	53,766	1.9	137,717	5.9	(61.0)
Income tax and social contribution	(5,223)	(0.2)	(9,681)	(0.4)	(46.0)
Profit for the year	48,543	1.7	128,036	5.5	(62.1)

Net Operating Revenue

In comparison with the year ended December 31, 2018, the Company's net operating revenue increased by 22.1% or R\$ 519.7 million, from R\$ 2,348.3 million, in the year ended December 31, 2018, to R\$ 2,868.0 million, in the year ended December 31, 2019. This increase reflected the opening of 33 company-owned POPEYES® restaurants, the net opening of 78 new BURGER KING® restaurants in 2019 and the maturation of restaurants opened in 2018, sales channels such as *delivery*, and the 4.9% increase in Comparable Sales in the Same Restaurants in the period. The continuous increase of Comparable Sales in the Same Restaurants was due to the solid positioning of the BURGER KING® brand in the country, supported by a consistent marketing strategy and sales innovations on our product platforms.

(in R\$ thousands, except %)	Year ended December 31, 2019	AV (%)	Year ended December 31, 2018	AV (%)	AH (%)
Gross sales revenue	3,069,758	107.0	2,541,794	108.2	20.8
Sales revenue deductions	(228,100)	(8.0)	(206,106)	(8.8)	10.7
Net sales revenue	2,841,658	99.1	2,335,688	99.5	21.7
Gross revenue from services rendered	29,507	1.0	14,327	0.6	106.0
Service revenue deductions	(3,175)	(0.1)	(1,682)	(0.1)	88.8
Net revenue from services rendered	26,332	0.9	12,645	0.5	108.2
Net operating revenue	2,867,990	100.0	2,348,333	100.0	22.1

Cost of goods and products sold

The cost of goods and products sold increased by 21.5% or R\$ 191.6 million, from R\$ 891.3 million in the year ended December 31, 2018, to R\$ 1,082.9 million in the year ended December 31, 2019.

The increase was mainly a reflection of the increase in sales, given that marginally the gross margin remains practically stable in 2019 against 2018.

Gross Profit

The Company's gross profit increased by 22.5% or R\$ 328.1 million, from R\$ 1,457.0 million, in the year ended December 31, 2018, to R\$ 1,785.1 million, in the year ended December 31, 2019. The increase in gross profit mainly reflects the growth in net operating revenue, the opening of new restaurants during 2019 and 2018, and the growth of Comparable Sales in the Same Restaurants.

The Company's gross margin increased by 0.2 pp. compared to the previous period, from 62.0% (in the year ended December 31, 2018) to 62.2% (in the year ended December 31, 2019). The growth in gross margin was chiefly due to the more favorable product mix, the development of new sales channels such as *delivery* and the Company's efficient cost control.

Expenses with stores

The Company's expenses with stores increased by R\$ 298.6 million (or 24.5%), reaching R\$ 1,518.3 million, equivalent to 52.9% of net operating revenue in the year ended December 31, 2019, compared to R\$ 1,219.7 million, equivalent to 51.9% of net operating revenue, in the year ended December 31, 2018. This change mainly reflects the following items:

- (i) Personnel expenses (expenses with stores) increased 23.4% compared to the previous period – from R\$ 404.5 million, in the year ended December 31, 2018, to R\$ 499.0 million, in the year ended December 31, 2019, chiefly due to the opening of new restaurants. These expenses represented 32.9% of net operating revenue in the year ended December 31, 2019.
- (ii) Repair and maintenance expenses (expenses with stores) increased by 22.3% compared to the previous period, from R\$ 48.0 million in the year ended

December 31, 2018 to R\$ 58.7 million in the year ended December 31, 2019. This increase is chiefly due to the preventive maintenance of restaurants in order to increase the availability of our chain, as well as maintenance in the chain of acquired restaurants, which are, on average, older than the Company's restaurants.

(iii) Royalties and marketing fund (expenses with stores) increased 21.7% in the year ended December 31, 2019, from R\$ 215.8 million in the year ended December 31, 2018 to R\$ 262.7 million in the year ended December 31, 2019. This increase was chiefly due to the growth of Comparable Sales in the Same Restaurants, as well as the opening of new stores and the acquisition of franchisees.

(iv) Depreciation and amortization grew 40.9% in the year ended December 31, 2019, from R\$ 125.1 million as at December 31, 2018, to R\$ 176.3 million as at December 31, 2019. This change was chiefly due to the increased investment in the construction of new restaurants.

(v) Preoperating expenses increased by 86.9%, from R\$ 9.7 million as at December 31, 2018 to R\$ 18.1 million as at December 31, 2019, leveraged mainly by the increase in the number of Free Standing restaurants during the year 2019 with a longer construction time.

(vi) In addition to the changes mentioned above, we had the adoption of CPC 06 (R2)/NBC TG 06 (R3)/IFRS16, so that the fixed rental expense was replaced by the amortization of the right of use, generating a reduction of 20.1% in the occupancy line item in 2019 as compared with 2018 and the recognition of R\$ 106.1 million of lease amortization in 2019.

(in R\$ thousands, except %)	Year ended December 31, 2019	AV (%)	Year ended December 31, 2018	AV (%)	AH (%)
Personnel expenses	(498,939)	32.9	(404,463)	33.2	23.4
Royalties and marketing fund	(262,658)	17.3	(215,794)	17.7	21.7
Occupancy and utilities expenses	(223,896)	14.7	(280,234)	23.0	(20.1)
Depreciation and amortization	(176,293)	11.6	(125,113)	10.3	40.9
Amortization of lease	(106,067)	7.0	-	-	-
Preoperating expenses ⁽¹⁾	(18,084)	1.2	(9,678)	0.8	86.9
Sundry services	(85,947)	5.7	(54,494)	4.5	57.7
Repairs and maintenances	(58,723)	3.9	(48,001)	3.9	22.3
Others	(87,667)	5.8	(81,934)	6.7	7.0
Expenses with stores	(1,518,274)	100.0	(1,219,711)	100.0	24.5

⁽¹⁾ 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.

General and Administrative Expenses

The Company's general and administrative expenses increased by R\$ 31.9 million or 28.9%, reaching R\$ 142.4 million, equivalent to 5.0% of net operating revenue, in the year ended December 31, 2019, compared to R\$ 110.5 million, or 4.7% of net operating revenue, in the year ended December 31, 2018.

Such increase occurred chiefly due to the increase in personnel expenses (general and administrative expenses), which grew 15.3% in the year ended December 31, 2019, in relation to the previous year, due to the hiring of employees at the main office to support new projects and the growth of the Company, as well as the increase in depreciation and amortization that went from R\$ 8.0 million as at December 31, 2018 to R\$ 19.6 million as at December 31, 2019, caused mainly by investment in the new main office.

Moreover, other net operating income (expenses) were reduced by 22.9% in the year ended December 31, 2019, from R\$ 17.9 million in the year ended December 31, 2018 to R\$ 13.8

million in the year ended December 31, 2019, reflecting expenses related to the management of acquired franchisees service, as well as lower revenues from supply agreements (including rebates).

(in R\$ thousands, except %)	Year ended December 31, 2019	AV (%)	Year ended December 31, 2018	AV (%)	AH (%)
Personnel expenses	(115,001)	80.7	(99,774)	90.3	15.3
Occupancy and utilities expenses	(673)	0.5	(2,299)	2.1	(70.7)
Depreciation and amortization	(19,587)	13.8	(8,031)	7.3	143.9
Expenses on acquisitions and Merger (1)	(3,144)	2.2	(6,711)	6.1	(53.2)
Amortization of lease	(1,234)	0.9	-	-	-
Gain (loss) on disposal of property and equipment	(9,224)	6.5	(6,832)	6.2	35.0
Income from stores sold	12,948	(9.1)	8,591	(7.8)	50.7
Write-off of assets of stores sold	(13,144)	9.2	(4,671)	4.2	181.4
Gains (losses) on claims	(39)	0.0	4	0.0	(1,075.0)
Reversal (provision) for Impairment	(2,807)	2.0	(4,205)	3.8	(33.2)
Stock Options Cost	(4,315)	3.0	(4,486)	4.1	(3.8)
Other operating income (expenses) (2)	13,803	(9.7)	17,904	(16.2)	(22.9)
Total general and administrative expenses	(142,417)	100.0	(110,510)	100.0	28.9

⁽¹⁾ Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the year.

⁽²⁾ Refer to the income from the premium on the initial supply agreement and reversal of costs on the construction of stores, expenses with provision for legal claims, services taken and travel expenses.

Financial income (expenses), net

The Company's financial income (expenses), net changed by R\$ 81.6 million, from a net income of R\$ 10.9 million in the year ended December 31, 2018, to a net cost of R\$ 70.7 million in the year ended December 31, 2019. This change mainly reflected:

(i) Financial expenses increased 109.1%, or R\$ 48.7 million, from R\$ 44.6 million in the year ended December 31, 2018 to R\$ 93.3 million in the year ended December 31, 2019. This increase was due to the recognition of the Adjustment to Present Value on leases payable in the total amount of R\$ 62.1 million in the year ended December 31, 2019, partially offset by lower interest on loans from R\$ 32.0 million in the year ended December 31, 2018 to R\$ 14.9 million in the year ended December 31, 2019.

(ii) Financial income decreased 59.3%, or R\$ 32.9 million, from R\$ 55.5 million in the year ended December 31, 2018 to R\$ 22.6 million in the year ended December 31, 2019, reflecting lower financial yields and interest on financial investments due to a lower average balance in the Company's marketable securities.

(in R\$ thousands, except %)	Year ended December 31, 2019	AV (%)	Year ended December 31, 2018	AV (%)	AH (%)
Interest on loans and financing	(14,941)	16.0	(31,971)	71.7	(53.3)
Banking expenses and sundry interest	(5,737)	6.2	(6,153)	13.8	(6.8)
Foreign exchange losses	(2,107)	2.3	(2,004)	4.5	5.1
Lease APV expense payable	(62,091)	66.6	-	-	-
Investment APV expense payable - BKCS	(698)	0.7	-	-	-
Monetary adjustment	(2,369)	2.5	-	-	-
Others	(5,338)	5.7	(4,480)	10.0	19.2
Financial expenses	(93,281)	100.0	(44,608)	100.0	109.1

(in R\$ thousands, except %)	Year ended December 31, 2019	AV (%)	Year ended December 31, 2018	AV (%)	AH (%)
Financial investment interest and yield	18,732	82.8	53,142	95.7	(64.8)
Foreign exchange gains	2,128	9.4	1,176	2.1	81.0
Taxes on financial income	(1,092)	(4.8)	(2,545)	(4.6)	(57.1)
Others	2,849	12.6	3,732	6.7	(23.7)
Financial income	22,617	100.0	55,505	100.0	(59.3)

Profit for the year

The Company's profit for the year decreased from R\$ 128.0 million in the year ended December 31, 2018 to R\$ 48.5 million in the year ended December 31, 2019. In addition to the factors described above, there was also an increase in the effective income tax and social contribution rate of 270 bps, from 7.0% in the year ended December 31, 2018 to 9.7% in the year ended December 31, 2019. This increase in the effective rate in 2019 was partially offset by the recognition in the year ended December 31, 2019 of deferred tax assets on tax loss up to their recoverable amount projected for the next year in the amount of R\$ 3.6 million.

Comparison between the Years Ended December 31, 2018 and 2017

(in R\$ thousands, except %)	Year ended December 31, 2018	AV (%)	Year ended December 31, 2017	AV (%)	AH (%)
Net operating revenue	2,348,333	100.0	1,783,838	100.0	31.6
Cost of goods and products sold	(891,292)	(38.0)	(687,871)	(38.6)	29.6
Gross profit	1,457,041	62.0	1,095,967	61.4	32.9
Operating expenses					
Expenses with stores	(1,219,711)	(51.9)	(935,209)	(52.4)	30.4
General and administrative expenses	(110,510)	(4.7)	(95,450)	(5.4)	15.8
Profit (loss) before financial income (expenses) and taxes	126,820	5.4	65,308	3.7	94.2
Financial expenses	(44,608)	(1.9)	(84,689)	(4.7)	(47.3)
Financial income	55,505	2.4	28,425	1.6	95.3
Financial income (expenses), net	10,897	0.5	(56,264)	(3.2)	-
Profit (loss) before income tax and social contribution	137,717	5.9	9,044	0.5	1,422.7
Income tax and social contribution	(9,681)	(0.4)	(5,225)	(0.3)	85.3
Profit for the year	128,036	5.5	3,819	0.2	3,252.6

Net Operating Revenue

In comparison with the year ended December 31, 2017, the Company's net operating revenue increased 31.6% or R\$ 564.5 million, from R\$ 1,783.8 million, in the year ended December 31, 2017, to R\$ 2,348.3 million, in the year ended December 31, 2018. This increase reflected the acquisition of 51 restaurants from franchisees, in April 2018, the opening of 8 company-owned POPEYES® restaurants, the net opening of 65 new BURGER KING® restaurants in 2018 and the maturation of restaurants opened in 2017, development of new sales channels such as delivery, and 6.5% increase in Comparable Sales in the Same Restaurants in the period. The continuous growth of Comparable Sales in the Same Restaurants was due to the solid positioning of the BURGER KING® brand in the country, supported by a consistent marketing strategy and innovations in our product platforms, with emphasis on the launches of the Mega Stacker family and the Caramel Cream flavor on the cold dessert platform, the Emojis on the Kids platform's toy line, in addition to the Unicorn Shake, which celebrated diversity, and the unusual Pizza Burger.

However, net service revenues, which are mainly comprised of revenues from franchisees, decreased 11.3% in the year ended December 31, 2018, when compared to the same period in 2017, chiefly due to the acquisition of 51 restaurants from franchisees, which was partially offset by the net opening of 36 franchised restaurants in 2018. The breakdown of sales is shown in the table below:

(in R\$ thousands, except %)	Year ended December 31, 2018	AV (%)	Year ended December 31, 2017	AV (%)	AH (%)
Gross sales revenue	2,541,794	108.2	1,917,672	107.5	32.5
Sales revenue deductions	(206,106)	(8.8)	(148,082)	(8.3)	39.2
Net sales revenue	2,335,688	99.5	1,769,590	99.2	32.0
Gross revenue from services rendered	14,327	0.6	15,089	0.8	(5.1)
Service revenue deductions	(1,682)	(0.1)	(841)	0.0	100.0
Net revenue from services rendered	12,645	0.5	14,248	0.8	(11.3)
Net operating revenue	2,348,333	100.0	1,783,838	100.0	31.6

Cost of goods and products sold

The cost of goods and products sold increased by 29.6% or R\$ 203.4 million, from R\$ 687.9 million in the year ended December 31, 2017, to R\$ 891.3 million in the year ended December 31, 2018.

The increase was mainly a reflection of the increase in sales, higher costs with logistics and freight due to the migration of stores from new states to the scenario of purchasing through our own distribution center, and an increase in the costs of food and toys, partially reflecting national inflation of 3.75% (according to the IBGE).

Gross Profit

The Company's gross profit increased by 32.9%, or R\$ 361.0 million, from R\$ 1,096.0 million, in the year ended December 31, 2017, to R\$ 1,457.0 million, in the year ended December 31, 2018. The increase in gross profit mainly reflects the strong growth in net operating revenue, resulting from the acquisition of franchised restaurants, the opening of new restaurants during 2018 and 2017, and the strong growth in Comparable Sales in the Same Restaurants.

The Company's gross margin increased by 0.6 p.p. compared to the previous period, from 61.4% (in the year ended December 31, 2017) to 62.0% (in the year ended December 31, 2018). The growth in gross margin was chiefly due to the more favorable product mix, the development of new sales channels such as delivery and the Company's efficient cost control.

Expenses with stores

The Company's expenses with stores increased by R\$ 284.5 million (or 30.4%), reaching R\$ 1,219.7 million, equivalent to 51.9% of net operating revenue in the year ended December 31, 2018, compared to R\$ 935.2 million, equivalent to 52.4% of net operating revenue, in the year ended December 31, 2017. This change mainly reflects the following items:

(iii) Personnel expenses (expenses with stores) increased by 31.2% compared to the previous period, from R\$ 308.2 million in the year ended December 31, 2017 to R\$ 404.5 million in the year ended December 31, 2018. These expenses represented 17.2% of net operating revenue in the year ended December 31, 2018, a drop of 0.1 p.p. compared to 2017. This reduction is chiefly due to the operational leverage caused by the continuous growth of Comparable Sales in the Same Restaurants of 6.5% in 2018, higher than the inflation recorded in the period.

(iv) Repair and maintenance expenses (expenses with stores) increased by 73.4% compared to the previous period, from R\$ 27.7 million in the year ended December 31, 2017 to R\$ 48.0 million in the year ended December 31, 2018. This increase is chiefly due to the preventive maintenance of restaurants in order to increase the availability of our chain, as well as maintenance in the chain of acquired restaurants, which are, on average, older than the Company's restaurants.

(v) Royalties and marketing fund (expenses with stores) increased by 34.8% in the year ended December 31, 2018, from R\$ 160.1 million in the year ended December 31, 2017 to R\$ 215.8 million in the year ended December 31, 2018. This increase was chiefly due to the strong growth of Comparable Sales in the Same Restaurants, as well as the opening of new stores and the acquisition of franchisees. Moreover, expenses with *royalties* and marketing fund in 2017 were positively impacted, on a non-recurring basis, by the recognition of retroactive tax credits.

(in R\$ thousands, except %)	Year ended December 31, 2018	AV (%)	Year ended December 31, 2017	AV (%)	AH (%)
Personnel expenses	(404,463)	33.2	(308,198)	33.0	31.2
Royalties and marketing fund	(215,794)	17.7	(160,078)	17.1	34.8
Occupancy and utilities expenses	(280,234)	23.0	(221,930)	23.7	26.3
Depreciation and amortization	(125,113)	10.3	(110,197)	11.8	13.5
Preoperating expenses(1)	(9,678)	0.8	(6,138)	0.7	57.7
Sundry services	(54,494)	4.5	(39,127)	4.2	39.3
Repairs and maintenances	(48,001)	3.9	(27,678)	3.0	73.4
Others	(81,934)	6.7	(61,863)	6.6	32.4
Expenses with stores	(1,219,711)	100.0	(935,209)	100.0	30.4

⁽¹⁾ 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.

General and Administrative Expenses

The Company's general and administrative expenses increased by R\$ 15.1 million or 15.8%, reaching R\$ 110.5 million, equivalent to 4.7% of net operating revenue, in the year ended December 31, 2018, compared to R\$ 95.5 million, or 5.4 % of net operating revenue, in the year ended December 31, 2017.

Such increase occurred chiefly due to the increase in personnel expenses (general and administrative expenses), which grew 16.2% in the year ended December 31, 2018, in relation to the previous year, due to the hiring of employees at the main office to support new projects and the growth of the Company. Moreover, other net operating income were reduced by 13.0% in the year ended December 31, 2018, from R\$ 20.6 million in the year ended December 31, 2017 to R\$ 17.9 million in the year ended December 31, 2018, reflecting expenses related to the management of acquired franchisees service, as well as lower revenues from supply agreements (including rebates).

(in R\$ thousands, except %)	Year ended December 31, 2018	AV (%)	Year ended December 31, 2017	AV (%)	AH (%)
Personnel expenses	(99,774)	90.3	(85,845)	89.9	16.2
Occupancy and utilities expenses	(2,299)	2.1	(1,135)	1.2	102.6
Depreciation and amortization	(8,031)	7.3	(9,500)	10.0	(15.5)
Expenses on acquisitions and mergers (1)	(6,711)	6.1	(2,098)	2.2	219.9
Gain (loss) on disposal of property and equipment	(6,832)	6.2	(17,912)	18.8	(61.9)
Income from stores sold	8,591	(7.8)	10,155	(10.6)	(15.4)
Write-off of assets of stores sold	(4,671)	4.2	(9,113)	9.5	(48.7)
Gains (losses) on claims	4	0.0	309	(0.3)	(98.7)
Reversal (provision) for Impairment	(4,205)	3.8	4,627	(4.8)	(190.9)
Stock Options Cost	(4,486)	4.1	(5,518)	5.8	(18.7)
Other operating income (expenses), net (2)	17,904	(16.2)	20,580	(21.6)	(13.0)
Total general and administrative expenses	(110,510)	100.0	(95,450)	100.0	15.8

(1) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the year.

(2) Refer to the income from the premium on the initial supply agreement and reversal of costs on the construction of stores, expenses with provision for legal claims, services taken and travel expenses.

Financial income (expenses), net

The Company's net financial income (expense) changed by R\$ 67.2 million, from a net cost of R\$ 56.3 million in the year ended December 31, 2017, to a net income of R\$ 10.9 million in the year ended December 31, 2018. This change mainly reflected:

- (i) The financial expense decreased by 47.3%, or R\$ 40.1 million, from R\$ 84.7 million in the year ended December 31, 2017 to R\$ 44.6 million in the year ended December 31, 2018. This decrease was due to lower interest rates on loans (due to the reduction in the Company's total debt) and the update of the balance payable related to the contingent portions of past acquisitions, which negatively impacted the year ended December 31, 2017 in the amount of R\$ 9.5 million.
- (ii) The financial income increased by 95.3%, or R\$ 27.1 million, from R\$ 28.4 million in the year ended December 31, 2017 to R\$ 55.5 million in the year ended December 31, 2018, reflecting higher financial income from interest and income from financial investments due to a higher average balance in the Company's marketable securities.

(in R\$ thousands, except %)	Year ended December 31, 2018	AV (%)	Year ended December 31, 2017	AV (%)	AH (%)
Interest on loans and financing	(31,971)	71.7	(63,190)	74.6	(49.4)
Banking expenses and sundry interest	(6,153)	13.8	(4,960)	5.9	24.1
Foreign exchange losses	(2,004)	4.5	(582)	0.7	244.3
Swap expenses	-	0.0	(438)	0.5	(100.0)
Adjustment of balance payable referring to the contingent portion	-	0.0	(9,527)	11.2	(100.0)
Others	(4,480)	10.0	(5,992)	7.1	(25.2)
Financial expenses	(44,608)	100.0	(84,689)	100.0	(47.3)

(in R\$ thousands, except %)	Year ended December 31, 2018	AV (%)	Year ended December 31, 2017	AV (%)	AH (%)
Financial investment interest and yield	53,142	95.7	26,373	92.8	101.5
Foreign exchange gains	1,176	2.1	2,093	7.4	(43.8)
Swap income	-	0.0	4	0.0	(100.0)
Taxes on financial income	(2,545)	(4.6)	(1,260)	(4.4)	102.0
Others	3,732	6.7	1,215	4.3	207.2
Financial income	55,505	100.0	28,425	100.0	95.3

Profit for the year

The Company's profit for the year presented a strong growth, from R\$ 3.8 million in the year ended December 31, 2017 to R\$ 128.0 million in the year ended December 31, 2018. In addition to the factors described above, there was also a reduction in the effective income tax and social contribution rate, from 57.8% in the year ended December 31, 2017 to 7.0% in the year ended December 31, 2018. The main factor that led to this reduction was the recognition of deferred taxes in the amount of R\$ 36.6 million in the year ended December 31, 2018, chiefly due, but not limited to, the recognition of deferred taxes on temporary differences.

Statement of financial position

Comparison between balance sheet accounts as at December 31, 2020 and December 31, 2019

(in R\$ thousands, except %)	As at December 31, 2020	AV (%)	As at December 31, 2019	AV (%)	AH (%)
Assets					
Current assets					
Cash and cash equivalents	219,670	5.6	325,277	9.2	(32.5)
Marketable securities	575,843	14.6	265,683	7.5	116.7
Related marketable securities	25,306	0.6	13,133	0.4	92.7

(in R\$ thousands, except %)	As at December 31, 2020	AV (%)	As at December 31, 2019	AV (%)	AH (%)
Trade receivables, net	107,188	2.7	60,361	1.7	77.6
Inventories	125,612	3.2	99,041	2.8	26.8
Taxes recoverable	37,116	0.9	27,558	0.8	34.7
Advances paid	3,695	0.1	46,115	1.3	(92.0)
Other receivables	24,669	0.6	25,210	0.7	(2.1)
Total current assets	1,119,099	28.5	862,378	24.4	29.8
Non-current assets					
Restricted marketable securities	-	-	1,366	0.0	(100.0)
Taxes recoverable	97,233	2.5	73,120	2.1	33.0
Judicial deposits	38,000	1.0	33,434	0.9	13.7
Other receivables	9,548	0.2	4,464	0.1	113.9
Property and equipment, net	1,195,664	30.4	1,163,578	33	2.8
Intangible assets, net	1,473,211	37.5	1,389,720	39.4	6.0
Total non-current assets	2,813,656	71.5	2,665,682	75.6	5.6
Total assets	3,932,755	100	3,528,060	100	11.5
Liabilities					
Current liabilities					
Loans and financing	53,612	1.4	116,556	3.3	(54.0)
Trade payables	217,616	5.5	286,432	8.1	(24.0)
Lease liabilities	126,941	3.2	99,156	2.8	28.0
Payroll and social charges	86,147	2.2	96,637	2.7	(10.9)
Corporate payables	15,824	0.4	23,760	0.7	(33.4)
Taxes payable	31,561	0.8	25,150	0.7	25.5
Deferred revenue, net	11,857	0.3	9,139	0.3	29.7
Dividends and Interest on Capital Payable	-	-	10,054	0.3	(100.0)
Other payables	20,973	0.5	4,683	0.1	347.9
Total current liabilities	564,530	19.7	671,567	19	15.5
Non-current liabilities					
Loans and financing	777,164	19.8	403,314	11.4	92.7
Provision for legal claims	23,163	0.6	16,275	0.5	42.3
Taxes payable	10,780	0.3	12,605	0.4	(14.5)
Deferred revenue, net	14,764	0.4	17,928	0.5	(17.6)
Lease liabilities	664,390	16.9	594,053	0.2	11.8
Deferred taxes	22,643	0.6	8,452	0.2	167.9
Other payables	16,861	0.4	17,237	0.5	(2.2)
Total non-current liabilities	1,529,765	38.9	1,069,864	30.3	43.0
Equity					
Capital	1,461,068	37.2	950,768	26.9	53.7
Capital reserve and stock option plan	712,271	18.1	725,417	20.6	(1.8)
Treasury shares	-24,214	(0.6)	-24,214	-0.7	-

(in R\$ thousands, except %)	As at December 31, 2020	AV (%)	As at December 31, 2019	AV (%)	AH (%)
Other comprehensive income	300	0.0	17	0.0	1,664.7
Profit reserves	-	-	134,641	3.8	(100.0)
Accumulated losses	-310,966	(7.9)	-	-	(100.0)
Total equity	1,838,459	46.7	1,786,629	50.6	2.9
Total liabilities and equity	3,932,755	100	3,528,060	100	11.5

Assets

As at December 31, 2020, the Company's total assets increased by R\$ 404.7 million, or 11.5%, from R\$ 3,528.1 million as at December 31, 2019 to R\$ 3,932.8 million as at December 31, 2020.

Current Assets

The Company's current assets increased by R\$ 256.7 million or 29.8%, from R\$ 862.4 million as at December 31, 2019 to R\$ 1,119.1 million as at December 31, 2020. This change reflects:

- (i) Cash and cash equivalents, marketable securities and restricted marketable securities and financial investments, which went from R\$ 604.1 million as at December 31, 2019 to R\$ 820.8 million as at December 31, 2020. The increase was mainly due to new investments arising from loans and also resulting from the capital increase. This increase was partially offset by the use of resources for debt amortization, payment of suppliers and the lower cash generation resulting from the drop in revenue due to the COVID-19 pandemic;
- (ii) Trade receivables, net, which increased from R\$ 60.4 million as at December 31, 2019 to R\$ 107.2 million as at September 30, 2020. This change was chiefly due to the increase in delivery sales and the non-anticipation of receivables from card operators in 2020.
- (iii) Inventories, which increased from R\$ 99.0 million as at December 31, 2019 to R\$ 125.6 million as at December 31, 2020. The change was chiefly due to the increase in safety stock at the Distribution Centers;
- (iv) Prepayments, which decreased from R\$ 46.1 million as at December 31, 2019 to R\$ 3.7 million as at December 31, 2020. The decrease was mainly due to the amortization of annual media placements contracted in advance, decrease in advances to Capex suppliers and revision of the policy for granting advances to suppliers.

Non-Current Assets

The Company's non-current assets increased by 5.6%, from R\$ 2,665.7 million as at December 31, 2019 to R\$ 2,813.7 million as at December 31, 2020, representing an increase of R\$ 148.0 million. This increase was chiefly due to:

- (i) Increase in recoverable taxes of R\$ 24.1 million, which increased from R\$ 73.1 million as at December 31, 2019 to R\$ 97.2 million as at December 31, 2020. Increase due to the recognition of untimely credits;
- (ii) Property and equipment, net: the Company's property and equipment, net increased by R\$ 32.1 million or 2.8%, reaching R\$ 1,195.7 million as at December 31, 2020, compared to R\$ 1,163.6 million as at December 31, 2019. This increase was due to investments in new restaurants and reinvestments in renovations of existing and acquired restaurants.
- (iii) Intangible assets, net: the Company's intangible assets, net increased by R\$ 83.5 million or 6%, reaching R\$ 1,473.2 million as at December 31, 2020, compared to R\$ 1,389.7 million as at December 31, 2019, due to investments in new restaurants, investments in new software and increase in lease contracts.

Liabilities and Equity

As at December 31, 2020, the Company's total liabilities and equity increased by R\$ 404.7 million, or 11.5%, from R\$ 3,528.1 million as at December 31, 2019 to R\$ 3,932.8 million as at December 31, 2020.

Current Liabilities

The Company's current liabilities decreased by 15.9% or R\$ 107.0 million, from R\$ 671.6 million as at December 31, 2019 to R\$ 564.5 million as at December 31, 2020. This change was chiefly due to:

- (i) Decrease in loans and financing of R\$ 62.9 million, from R\$ 116.6 million as at December 31, 2019 to R\$ 53.6 million as at December 31, 2020, after the amortization of part of the debentures according to the stipulated flow and also the extension of the maturity of working capital loans.
- (ii) Suppliers, which recorded a decrease of R\$ 68.9 million or 24%, reaching R\$ 217.6 million as at December 31, 2020, compared to R\$ 286.4 million as at December 31, 2019. This change is mainly related to the reduction in purchases of inputs due to the drop in sales due to COVID 19 and the decrease in purchases and contracting of services with Capex suppliers.
- (iii) Increase in other trade payables of R\$ 16.3 million, which increased from R\$ 4.7 million as at December 31, 2019 to R\$ 21.0 million as at December 31, 2020. This change was mainly due to the increase in liabilities payable with delivery and cleaning of restaurants.

Non-Current Liabilities

The Company's non-current liabilities increased by 43% or R\$ 459.9 million, from R\$ 1,069.9 million as at December 31, 2019 to R\$ 1,529.8 million as at December 31, 2020. This change was chiefly due to:

- (i) Loans and financing, which recorded an increase of R\$ 373.9 million as at December 31, 2020 when compared to the balance as at December 31, 2019, due to the raising of new loans and the extension of the maturity of working capital loans.

Equity

As at December 31, 2020, the Company's equity increased by 2.9%, from R\$ 1,786.6 million as at December 31, 2019 to R\$ 1,838.5 million as at December 31, 2020, representing an increase of R\$ 51.8 million. This change occurred chiefly due to the capital increase, offset by the loss for the year in 2020.

Comparison between equity accounts as at December 31, 2019 and 2018

(in R\$ thousands, except %)	As at December 31, 2019	AV (%)	As at December 31, 2018	AV (%)	AH (%)
Assets					
Current assets					
Cash and cash equivalents	325,277	9.2	174,963	6.9	85.9
Marketable securities	265,683	7.5	413,136	16.4	(35.7)
Restricted marketable securities	13,133	0.4	2,486	0.1	428.3

(in R\$ thousands, except %)	As at December 31, 2019	AV (%)	As at December 31, 2018	AV (%)	AH (%)
Trade receivables, net	60,361	1.7	59,603	2.4	1.3
Derivative financial instruments	-	-	90	0.0	(100.0)
Inventories	99,041	2.8	81,276	3.2	21.9
Taxes recoverable	27,558	0.8	40,393	1.6	(31.8)
Advances paid	46,115	1.3	26,622	1.1	73.2
Other receivables	25,210	0.7	21,146	0.8	19.2
Total current assets	862,378	24.4	819,715	32.5	5.2
Non-current assets					
Restricted marketable securities	1,366	0.0	12,361	0.5	(88.9)
Taxes recoverable	73,120	2.1	15,551	0.6	370.2
Judicial deposits	33,434	0.9	30,903	1.2	8.2
Other receivables	4,464	0.1	4,561	0.2	(2.1)
Property and equipment, net	1,163,578	33	928,225	36.8	25.4
Intangible assets, net	1,389,720	39.4	714,316	28.3	94.6
Total non-current assets	2,665,682	75.6	1,705,917	67.5	56.3
Total assets	3,528,060	100	2,525,632	100.0	39.7
Liabilities					
Current liabilities					
Loans and financing	116,556	3.3	161,581	6.4	(27.9)
Trade payables	286,432	8.1	241,243	9.6	18.7
Lease liabilities	99,156	2.8	-	-	-
Payroll and social charges	96,637	2.7	95,163	3.8	1.5
Corporate payables	23,760	0.7	17,961	0.7	32.3
Taxes payable	25,150	0.7	33,781	1.3	(25.5)
Deferred revenue, net	9,139	0.3	9,091	0.4	0.5
Dividends and Interest on Capital Payable	10,054	0.3	26,726	1.1	(62.4)
Other payables	4,683	0.1	14,129	0.6	(66.9)
Total current liabilities	671,567	19.0	599,675	23.7	12.0
Non-current liabilities					
Loans and financing	403,314	11.4	117,532	4.7	243.2
Provision for legal claims	16,275	0.5	10,730	0.4	51.7
Taxes payable	12,605	0.4	21,753	0.9	(42.1)
Deferred revenue, net	17,928	0.5	26,396	1.0	(32.1)
Lease liabilities	594,053	16.8%	-	-	-
Deferred income tax and social contribution	8,452	0.2	12,492	0.5	(32.3)
Other payables	17,237	0.5	20,094	0.8	(14.2)
Total non-current liabilities	1,069,864	30.3	208,997	8.3	411.9
Equity					
Capital	950,768	26.9	898,233	35.6	5.8
Capital reserve and stock option plan	725,417	20.6	721,102	28.6	0.6
Treasury shares	(24,214)	(0.7)	-	-	-

(in R\$ thousands, except %)	As at December 31, 2019	AV (%)	As at December 31, 2018	AV (%)	AH (%)
Other comprehensive income (loss)	17	0.0	(2)	0.0	(950.0)
Profit reserves	134,641	3.8	97,627	3.9	37.9
Total equity	1,786,629	50.6	1,716,960	68.0	4.1
Total liabilities and equity	3,528,060	100	2,525,632	100.0	39.7

Assets

As at December 31, 2019, the Company's total assets increased by R\$ 1,002.4 million, or 39.7%, from R\$ 2,525.6 million as at December 31, 2018 to R\$ 3,528.1 million as at December 31, 2019.

Current Assets

The Company's current assets increased by R\$ 42.7 million or 5.2%, from R\$ 819.7 million as at December 31, 2018 to R\$ 862.4 million as at December 31, 2019. This change mainly reflects the increase in the line items:

- (i) Cash and cash equivalents, marketable securities and restricted marketable securities, which increased from R\$ 590.6 million as at December 31, 2018 to R\$ 604.1 million as at December 31, 2019, as a result of the funding of debentures.
- (ii) Inventories, which increased from R\$ 81.3 million as at December 31, 2018 to R\$ 99.0 million as at December 31, 2019. The increase in the balance is chiefly due to the opening of new restaurants.

Non-Current Assets

The Company's non-current assets increased by 56.3%, from R\$ 1,705.9 million as at December 31, 2018 to R\$ 2,665.7 million as at December 31, 2019, representing an increase of R\$ 959.8 million. This increase was chiefly due to the following items:

- (i) Property and equipment, net: the Company's property and equipment, net increased by R\$ 235.4 million or 25.4%, reaching R\$ 1,163.6 million as at December 31, 2019, compared to R\$ 928.2 million as at December 31, 2018. This increase was due to investments in new restaurants and the reinvestments and renovations in existing and acquired restaurants.
- (ii) Intangible assets, net: the Company's intangible assets, net increased by R\$ 675.4 million or 94.6%, reaching R\$ 1,389.7 million as at December 31, 2019, compared to R\$ 714.3 million as at December 31, 2018, due to the impacts of adopting IFRS16/CPC 06 (R2), and investments in new restaurants.

Liabilities and Equity

As at December 31, 2019, the Company's total liabilities and equity increased by R\$ 1,002.4 million, or 39.7%, from R\$ 2,525.6 million as at December 31, 2018 to R\$ 3,528.1 million as at December 31, 2019.

Current Liabilities

The Company's current liabilities increased by 12.0% or R\$ 71.9 million, from R\$ 599.7 million as at December 31, 2018 to R\$ 671.6 million as at December 31, 2019. This change was chiefly due to the line item:

Trade payables, which recorded an increase of R\$ 45.2 million or 18.7%, reaching R\$ 286.4 million as at December 31, 2019, compared to R\$ 241.2 million as at December 31, 2018. This change is mainly related to the increase in sales volume of the

Company, more openings of free standing restaurants which demand greater investment and thus increase the balance payable to service providers and the increase in the average period of payment to suppliers, as well as the accounting records of leases payable, arising from the initial adoption of IFRS 16 in the period, which as at December 31, 2019 was R\$ 99.1 million. This increase was partially offset by a R\$ 45.0 million reduction in loans and financing due to debt amortization.

Non-Current Liabilities

The Company's non-current liabilities increased by 411.9% or R\$ 860.9 million, from R\$ 209.0 million as at December 31, 2018 to R\$ 1,069.9 million as at December 31, 2019. This change occurred chiefly due to the line item:

(i) Loans and financing, which recorded an increase of R\$ 285.8 million as at December 31, 2019, when compared to the balance as at December 31, 2018, due to the funding of debentures in the period partially offset by the segregation of long-term to short-term for amortization purposes.

(ii) Accounting records of leases payable, arising from the initial adoption of IFRS 16 in the period, which, as at December 31, 2019, was R\$ 594.1 million.

Equity

As at December 31, 2019, the Company's equity increased by 4.1%, from R\$ 1,717.0 million as at December 31, 2018 to R\$ 1,786.6 million as at December 31, 2019, representing an increase of R\$ 69.7 million, due to the factors described below:

(i) Profit reserve: the Company's profit reserve increased from R\$ 97.6 million as at December 31, 2018 to R\$ 134.6 million as at December 31, 2019, reflecting the generation of profit from the Company's dividends in the year ended December 31, 2019.

(ii) Capital: the Company's capital increased from R\$ 898.2 million as at December 31, 2018 to R\$ 950.8 million as at December 31, 2019, reflecting the capital increases that occurred in the year ended December 31, 2019.

Comparison between balance sheet accounts as at December 31, 2018 and 2017

(in R\$ thousands, except %)	As at December 31, 2018	AV (%)	As at December 31, 2017	AV (%)	AH (%)
Assets					
Current assets					
Cash and cash equivalents	174,963	6.9	102,345	4.2	71.0
Marketable securities	413,136	16.4	1,073,900	44.5	(61.5)
Restricted marketable securities	2,486	0.1	2,484	0.1	0.1
Trade receivables, net	59,603	2.4	60,958	2.5	(2.2)
Derivative financial instruments	90	0.0	127	0.0	(29.1)
Inventories	81,276	3.2	39,743	1.6	104.5
Taxes recoverable	40,393	1.6	24,993	1.0	61.6
Advances paid	26,622	1.1	24,762	1.0	7.5
Other receivables	21,146	0.8	9,136	0.4	131.5
Total current assets	819,715	32.5	1,338,448	55.4	(38.8)
Non-current assets					

Restricted marketable securities	12,361	0.5	13,285	0.5	(7.0)
Taxes recoverable	15,551	0.6	17,282	0.7	(10.0)
Judicial deposits	30,903	1.2	26,566	1.1	16.3
Other receivables	4,561	0.2	4,218	0.2	8.1
Property and equipment, net	928,225	36.8	699,642	29.0	32.7
Intangible assets, net	714,316	28.3	316,114	13.1	126.0
Total non-current assets	1,705,917	67.5	1,077,107	44.6	58.4
Total assets	2,525,632	100.0	2,415,555	100.0	4.6
Liabilities					
Current liabilities					
Loans and financing	161,581	6.4	209,987	8.7	(23.1)
Trade and rental payables	241,243	9.6	138,997	5.8	73.6
Payroll and social charges	95,163	3.8	69,830	2.9	36.3
Corporate payables	17,961	0.7	13,966	0.6	28.6
Taxes payable	33,781	1.3	20,272	0.8	66.6
Deferred revenue, net	9,091	0.4	-	-	-
Dividends and Interest on Capital Payable	26,726	1.1	-	-	-
Other payables	14,129	0.6	19,946	0.8	(29.2)
Total current liabilities	599,675	23.7	472,998	19.6	26.8
Non-current liabilities					
Loans and financing	117,532	4.7	275,720	11.4	(57.4)
Provision for legal claims	10,730	0.4	6,221	0.3	72.5
Taxes payable	21,753	0.9	5,113	0.2	325.4
Deferred revenue, net	26,396	1.0	-	-	-
Deferred income tax and social contribution	12,492	0.5	38,309	1.6	(67.4)
Other payables	20,094	0.8	-	-	-
Total non-current liabilities	208,997	8.3	325,363	13.5	(35.8)
Equity					
Capital	898,233	35.6	895,836	37.1	0.3
Capital reserve and stock option plan	721,102	28.6	(915,722)	37.9	(21.3)
Other comprehensive income (loss)	(2)	0.0	-	-	-
Profit reserves	97,627	3.9	-	-	-
Accumulated losses	-	0.0	(194,364)	(8.0)	-
Total equity	1,716,960	68.0	1,617,194	66.9	6.2
Total liabilities and equity	2,525,632	100.0	2,415,555	100.0	4.6

Assets

As at December 31, 2018, the Company's total assets increased by R\$ 110.0 million or 4.6%, from R\$ 2,415.6 million as at December 31, 2017 to R\$ 2,525.6 million as at December 31, 2018.

Current Assets

The Company's current assets decreased by R\$ 518.7 million, or 38.8%, from R\$ 1,338.4 million as at December 31, 2017 to R\$ 819.7 million as at December 31, 2018. This change mainly reflects the reduction in the item:

Marketable securities, which decreased from R\$ 1,073.9 million as at December 31, 2017 to R\$ 413.1 million as at December 31, 2018, as a result of the acquisition of franchisees in April 2018 and investments in new restaurants made by the Company in the period.

Non-Current Assets

The Company's non-current assets increased by 58.4%, from R\$ 1,077.1 million as at December 31, 2017 to R\$ 1,705.9 million as at December 31, 2018, representing an increase of R\$ 628.8 million. This increase was chiefly due to the following items:

(iii) Property and equipment, net: the Company's property and equipment, net increased by R\$ 228.6 million or 32.7%, reaching R\$ 928.2 million as at December 31, 2018, compared to R\$ 699.6 million as at December 31, 2017. This increase was due to investments in new restaurants and reinvestments and renovations in existing and acquired restaurants.

(iv) Intangible assets, net: the Company's intangible assets, net increased by R\$ 398.2 million or 126%, reaching R\$ 714.3 million as at December 31, 2018, compared to R\$ 316.1 million as at December 31, 2017, due to the goodwill related to the acquisition of franchisees realized in April 2018, and the investment in the right to use the brand and assignments of real property rights in new restaurants. Specifically, the amount of goodwill increased by R\$ 372.9 million, to R\$ 574.9 million as at December 31, 2018 when compared to R\$ 202.0 million as at December 31, 2017.

Liabilities and Equity

As at December 31, 2018, the Company's total liabilities and equity increased by R\$ 110.0 million, or 4.6%, from R\$ 2,415.6 million as at December 31, 2017 to R\$ 2,525.6 million as at December 31, 2018.

Current Liabilities

The Company's current liabilities increased by 26.8% or R\$ 126.7 million, from R\$ 473.0 million as at December 31, 2017 to R\$ 599.7 million as at December 31, 2018. This change was chiefly due to the line item.

(i) Trade and rental payables, which recorded an increase of R\$ 102.2 million or 73.6%, reaching R\$ 241.2 million as at December 31, 2018, compared to R\$ 139.0 million as at December 31, 2017. This change is mainly related to the increase in the Company's sales volume, to more openings of free standing restaurants, which demand greater investment and thus increase the balance payable to service providers, and the increase in the average payment term to suppliers.

Non-Current Liabilities

The Company's non-current liabilities decreased by 35.8% or R\$ 116.4 million, from R\$ 325.4 million as at December 31, 2017 to R\$ 209.0 million as at December 31, 2018. This change was chiefly due to the line item

Loans and financing, which decreased by R\$ 158.2 million as at December 31, 2018, when compared to the balance as at December 31, 2017, due to the transfer of long-term to short-term obligations as a result of debt payment flows.

Equity

As at December 31, 2018, the Company's equity increased by 6.2%, from R\$ 1,617.2 million as at December 31, 2017 to R\$ 1,717.0 million as at December 31, 2018, representing an increase of R\$ 99.8 million due to the factors described below:

(v) Profit reserve: the Company's profit reserve increased to R\$ 97.6 million as at December 31, 2018, reflecting the generation of profit from the Company's dividends in the year ended December 31, 2018.

(vi) Accumulated losses: as approved at the Annual General Meeting and Extraordinary General Meeting held on April 27, 2018, the total amount of accumulated losses, of R\$ 194.4 million as at December 31, 2017, was absorbed by using a portion of the capital reserve balance.

Statements of Cash Flows

Comparison between the Years Ended December 31, 2020 and 2019

(in R\$ thousands, except %)	Year ended December 31, 2020	Year ended December 31, 2019
Net cash generated by (used in) operating activities	(172,293)	370,712
Net cash generated by (used in) investing activities	(589,830)	(313,102)
Net cash generated by (used in) financing activities	656,516	92,704
Net increase (decrease) in cash and cash equivalents	(105,607)	150,314

Operating activities

The net cash generated by (used in) operating activities presented a change of R\$ 543.0 million in the year ended December 31, 2020, when compared to the year ended December 31, 2019, from R\$ 370.7 million in net cash generated in the year ended December 31, 2019 to R\$ 172.3 million of net cash used in the year ended December 31, 2020. This change occurred chiefly due to the following factors:

- (i) The decrease of R\$ 485.2 million in profit (loss) before income tax and social contribution, from a profit of R\$ 53.8 million in the year ended December 31, 2019 to a loss of R\$ 431.4 million in the year ended December 31, 2020;
- (ii) Increase of R\$ 9.1 million in payments for legal claims, from R\$ 9.5 million in the year ended December 31, 2019 to R\$ 18.6 million in the year ended December 31, 2020;
- (iii) The change in the balance of trade receivables, net, which went from a decrease of R\$ 0.7 million as at December 31, 2019 to a decrease of R\$ 46.8 million as at December 31, 2020;
- (iv) The change in the balance of inventories, which went from a decrease of R\$ 17.8 million as at December 31, 2019 to a decrease of R\$ 26.6 million as at December 31, 2020;
- (v) The change in the balance of recoverable taxes, which went from a decrease of R\$ 44.7 million as at December 31, 2019 to a decrease of R\$ 33.7 million as at December 31, 2020;
- (vi) Increase in the variation of advances paid of R\$ 61.9 million in 2020, from a reduction of R\$ 19.5 million as at December 31, 2019 to an increase of R\$ 42.4 million as at December 31, 2020;
- (vii) The change in the balance of trade and rental payables, which went from an increase of R\$ 45.2 million as at December 31, 2019 to a reduction of R\$ 68.8 million as at December 31, 2020;
- (viii) The change in taxes payable, in the amount of R\$ 27.6 million, from a reduction of R\$ 23.0 million as at December 31, 2019 to an increase of R\$ 4.6 million as at December 31, 2020.

Investment activities

The net cash used in investing activities presented a change of R\$ 276.7 million, from a net cash used of R\$ 313.1 million in the year ended December 31, 2019 to a net cash used of R\$ 589.8 million in the year ended December 31, 2020.

This change is chiefly due to:

- (i) Decrease in the acquisition of property and equipment, in the amount of R\$ 188.3 million, from an acquisition of R\$ 426.0 million in the year ended December 31, 2019 to an acquisition of R\$ 237.6 million in the year ended December 31, 2020.
- (ii) The increase in investments in marketable securities in the amount of R\$ 561.0 million, from R\$ 569.8 million in the year ended December 31, 2019 to R\$ 1,130.8 million in the year ended December 31, 2020; and
- (iii) More redemption of securities, which increased R\$ 90.6 million, from R\$ 730.2 million in the year ended December 31, 2019 to R\$ 820.8 million in the year ended December 31, 2020.

Financing activities

The net cash generated by (used in) financing activities increased by R\$ 563.8 million in the year ended December 31, 2020 compared to the year ended December 31, 2019, from a net cash used of R\$ 92.7 million in 2019 to a net cash generated of R\$ 656.6 million in 2020.

This increase is chiefly due to:

- (i) Payment of capital in 2020 in the amount of R\$ 510.3 million, against a payment of capital in 2019 in the amount of R\$ 52.3 million;
- (ii) Decrease in interest on capital paid, in the amount of R\$ 16.6 million, from R\$ 26.7 million in 2019 to R\$ 10.1 million in 2020;
- (iii) Decrease in the payment of principal of loans and financing from R\$ 169.5 million in 2019 to R\$ 123.2 million in 2020.

Comparison between the Years Ended December 31, 2019 and 2018

(in R\$ thousands, except %)	Year ended December 31, 2019	Year ended December 31, 2018
Net cash from operating activities	370,712	304,671
Net cash generated by (used in) investing activities	(313,102)	6,012
Net cash generated by (used in) financing activities	92,704	(238,065)
Net increase (decrease) in cash and cash equivalents	150,314	72,618

Operating activities

The net cash generated by operating activities presented a change of R\$ 66.0 million in the year ended December 31, 2019, when compared to the year ended December 31, 2018, from R\$ 304.7 million in the year ended December 31, 2018 to R\$ 370.7 million in the year ended December 31, 2019.

This change was chiefly due to the following factors:

- (i) The reduction of R\$ 83.9 million in profit (loss) before income tax and social contribution in 2019, from R\$ 137.7 million in the year ended December 31, 2018 to R\$ 53.8 million in the year ended December 31, 2019;
- (ii) Increase of R\$ 62.8 million in the year ended December 31, 2019, compared to 2018, in depreciation and amortization of property and equipment and intangible assets, from R\$ 133.1 million in the year ended December 31, 2018 to R\$ 195.9 million

in the year ended December 31, 2019;

(iii) The impacts of amortization of right-of-use assets (arising from the initial adoption of IFRS 16/CPC 06 (R2) on January 1, 2019) in the total amount of R\$ 107.3 million in the year ended December 31, 2019;

(iv) The R\$ 77.3 million increase in Interest, Charges, Exchange Variation, Monetary Variation and APV on Lease Liabilities, from a revenue of R\$ 7.6 million in the year ended December 31, 2018, to an expense of R\$ 69.7 million in the year ended December 31, 2019;

(v) The increase in the result of the disposal of property and equipment, intangible assets and sale of stores – the gain (loss) on disposal of property and equipment, intangible assets and sales of stores in the year ended December 31, 2018 was R\$ 11.5 million, while the same line item in the year ended December 31, 2019 was R\$ 22.4 million;

(vi) The increase in the change in recoverable taxes, from a R\$ 12.0 million reduction as at December 31, 2018 to a R\$ 44.7 million reduction as at December 31, 2019;

(vii) The decrease in the change in inventory balance, which went from a decrease of R\$ 39.4 million as at December 31, 2018 to a decrease of R\$ 17.8 million as at December 31, 2019;

(viii) The change in the balance of trade payables, which went from an increase of R\$ 96.6 million as at December 31, 2018 to an increase of R\$ 45.2 million as at December 31, 2019;

(ix) The decrease in income tax and social contribution paid, in the amount of R\$ 19.7 million, from R\$ 24.9 million in the year ended December 31, 2018 to R\$ 5.2 million in the year ended December 31, 2019.

(x) The decrease in payments of interest on loans and financing, in the amount of R\$ 22.7 million, from R\$ 30.8 million in the year ended December 31, 2018 to R\$ 8.1 million in the year ended December 31, 2019.

Investment activities

The net cash used in investing activities presented a change of R\$ 319.1 million, from a net cash generated of R\$ 6.0 million in the year ended December 31, 2018 to a net cash used of R\$ 313.1 million in the year ended December 31, 2019.

This change is due to:

(i) Increase of R\$ 134.6 million in the acquisition of property and equipment and intangible assets, which went from R\$ 339.0 million in the year ended December 31, 2018 to R\$ 473.6 million in the year ended December 31, 2019;

(ii) The decrease in investments in marketable securities in the amount of R\$ 153.1 million, from R\$ 722.9 million in the year ended December 31, 2018 to R\$ 569.8 million in the year ended December 31, 2019; and

(iii) Less redemption of securities, which decreased R\$ 698.5 million, from R\$ 1,428.7 million in the year ended December 31, 2018 to R\$ 730.2 million in the year ended December 31, 2019.

Financing activities

The net cash generated by financing activities changed by R\$ 330.8 million in the year ended December 31, 2019 compared to the year ended December 31, 2018, from a net cash used of R\$ 238.1 million in the year ended December 31, 2018 to a net cash generated of R\$ 92.7 million in the year ended December 31, 2019.

This increase is chiefly due to:

(i) the payment of capital increase, which went from R\$ 2.4 million in the year ended

- December 31, 2018 to R\$ 52.5 million in the year ended December 31, 2019;
- (ii) the funding from debentures in the year ended December 31, 2019 of R\$ 400.0 million (there were no loans and financing in the year ended December 31, 2018);
 - (iii) payment of interest on capital payable of R\$ 26.7 million in the year ended December 31, 2019 (there was no payment of interest on capital payable in the year ended December 31, 2018);
 - (iv) reduction in the payment of principal of loans and financing from R\$ 235.7 million in the year ended December 31, 2018 to R\$ 169.5 million in the year ended December 31, 2019; and
 - (v) impacts of lease liability payments in the amount of R\$ 137.2 million in the year ended December 31, 2019 (arising from the initial adoption of IFRS 16/CPC 06 (R2) on January 1, 2019).

Comparison between the Years Ended December 31, 2018 and 2017

(in R\$ thousands, except %)	Year ended December 31, 2018	Year ended December 31, 2017
Net cash generated by operating activities	304,671	166,527
Net cash generated by (used in) investing activities	6,012	(1,208,395)
Net cash generated by (used in) operating activities	(238,065)	887,293
Net increase (decrease) in cash and cash equivalents	72,618	(154,575)

Operating activities

The net cash generated by operating activities presented a change of R\$ 138.1 million in the year ended December 31, 2018, when compared to the year ended December 31, 2017, from R\$ 166.5 million in the year ended December 31, 2017 to R\$ 304.7 million in the year ended December 31, 2018.

This change was chiefly due to the following factors:

- (i) The increase in profit (loss) before income tax and social contribution - the profit before income tax and social contribution calculated in the year ended December 31, 2017 was R\$ 9.0 million, while the same line item in the year ended December 31, 2018 was R\$ 137.7 million;
- (ii) The change in the balance of trade and rental payable, which went from an increase of R\$ 58.6 million compared to the balance as at December 31, 2016 to an increase of R\$ 96.6 million compared to the balance as at December 31 2017;
- (iii) The change in deferred net income, which went from a decrease of R\$ 9.0 million compared to the outstanding balance as at December 31, 2016 to an increase of R\$ 35.5 million compared to the outstanding balance as at December 31, 2017, due to the advance of funds as a result of exclusivity contracts signed with specific suppliers; and
- (iv) The decrease in payments of interest on loans and financing, in the amount of R\$ 37.4 million, from R\$ 68.2 million in the year ended December 31, 2017 to R\$ 30.8 million in the year ended December 31, 2018.

Investment activities

The net cash used in investing activities presented a change of R\$ 1,214.4 million, from an cash used of R\$ 1,208.4 million in the year ended December 31, 2017 to a cash generated of R\$ 6.0 million in the year ended December 31, 2018.

This change is due to:

- (i) The decrease in investments in marketable securities in the amount of R\$ 582.0 million, from R\$ 1,304.9 million in the year ended on December 2017 to R\$ 722.9 million in the year ended December 31, 2018; and

- (ii) More redemption of securities, which increased R\$ 1,134.3 million, from R\$ 294.4 million in the year ended December 31, 2017 to R\$ 1,428.7 million in the year ended December 31, 2018 (the increase in the volume of redemptions and investments in marketable securities are basically derived from our initial public offering that took place at the end of 2017), which was offset by the increase in the acquisition of property and equipment in the amount of R\$ 149.2 million, from R\$ 172.2 million in the year ended December 31, 2017 to R\$ 321.4 million in the year ended December 31, 2018 and the amount paid in the acquisition of investments, net of cash acquired, occurred in the year ended December 31, 2018, in the amount of R\$ 360.9 million related to King Food, Good Food and Fast Burger.

Financing activities

The net cash generated by financing activities presented a variation of R\$ 1,125.4 million in the year ended December 31, 2018 compared to the year ended December 31, 2017, from a cash generated of R\$ 887.3 million in the year ended December 31, 2017 to a cash used of R\$ 238.1 million in the year ended December 31, 2018.

This reduction is chiefly due to:

- (i) the decrease in paid-in capital, which went from R\$ 890.1 million, in the year ended December 31, 2017, to R\$ 2.4 million in the year ended December 31, 2018, since in December 2017 there was a capital increase as a result of an initial public offering (IPO); which was offset by
- (ii) a reduction in the share issue costs that went from R\$ 48.6 million in the year ended December 31, 2017 to R\$ 4.7 million in the year ended December 31, 2018;
- (iii) the goodwill on the issue of shares in the amount of R\$ 178.8 million in the year ended December 31, 2017;
- (iv) the increase in the volume of payments of loans and financing (principal) in the amount of R\$ 114.4 million, compared to the year ended December 31, 2017.

10.2- Operating Result and Financial Income (Expenses)

(a) results of the Company's operations

(i) description of any important revenue components

In the years ended December 31, 2020, 2019 and 2018, 98.8%, 99.1% and 99.5% of the Company's net operating revenue, respectively, came from the sale of food and beverages in our restaurants.

(ii) factors that materially affected the operating results

Revenue is measured at the fair value of the consideration received or receivable and is deducted from taxes, customer returns, chargebacks and other estimated similar rebates. Revenue from the sale of goods is recognized when all of the following conditions are met:

- revenue is recognized to the extent it is probable that economic benefits will be transferred to the Company and when it can be reliably measured; and
- when the significant risks and rewards of ownership of the products are transferred to the buyer, which generally occurs at the product's delivery.

Our net revenue is mainly generated by sales of food and beverages.

Our main expenses include costs with food sales, selling expenses (mainly expenses with personnel, occupation and utilities, royalties, marketing fund and others), administrative expenses (mainly related to personnel expenses, third-party services, information technology services and general expenses) and financial expenses.

The following description presents the main components and drivers of our operating results.

Net revenue

Our operating revenue comes mainly from the sale of food, beverages, products and services (mainly related to sub-franchisees and franchisees), and they are all made in local currency. Net sales are gross sales less estimated returns, discounts and other similar provisions and taxes applicable to our business according to the location where the revenues are generated and the products and services are sold.

We have strong management and control over the prices of our products, which take into account prices charged by the industry and possible variations in the cost of goods sold. Our prices vary according to our industry vision and strategy, which include specific campaigns, and promotional discounts such as physical and online coupons.

The Company's net operating revenue presented a CAGR equivalent to a negative 22.0% between 2019 and 2020, from R\$ 2,868.0 million to R\$ 2,238.1 million, a negative 2.4% between 2018 and 2020, from R\$ 2,348.3 million in the year ended December 31, 2018 to R\$ 2,238.1 million in the year ended December 31, 2020. The Executive Board emphasizes that the reduction in net operating revenue in 2020 is mainly due to the closing, in whole or in part, of stores in the lockdown period in Brazil.

Seasonality

Our sales and, consequently, our operating results are subject to seasonal variations, such as school holidays and the availability of 13th month pay in the market (our sales are higher in July and December) and holidays (our revenues are lower in February and March, reflecting national holidays like Carnival). During the year ended December 31, 2020, 42.1% of our

annual revenues were recorded in the first half of the year and the remaining 57.9% in the second half.

Cost of Goods and Products Sold and Gross Profit

The cost of goods and products sold is recognized when we sell a product, and comprises the purchase price and the cost incurred for the products to be offered in restaurants. Additionally, the cost of sales and service also includes operating expenses directly related to the activities of each restaurant, including equipment, materials and maintenance expenses.

Our gross profit is calculated by subtracting net operating revenue from the cost of goods and products sold.

Our pricing policy and product mix affect our gross profit and we generally target our food and beverage offerings to reinforce our higher margin product categories.

Selling Expenses

Selling expenses comprise expenses with personnel, royalties and marketing fund, expenses with occupation and utilities, among other expenses.

General and Administrative Expenses

General and administrative expenses comprise personnel expenses, mainly employees of our main office, office rental, expenses with third-party services, among others. We negotiate with suppliers and service providers not only regarding the price and payment terms related to store costs, but also regarding expenditures related to administrative functions (sundry operating expenses, insurance, information technology, communication, among others).

Financial income (expenses), net

Financial income (expenses), net includes interest expenses on third-party loans, debentures, foreign exchange gains (losses) and other bank charges. Financial income results from the additional cash allocated to financial investments, as well as financial discounts obtained.

Income tax

Income tax and social contribution expenses depend on the taxation of the profit of our subsidiaries and certain expenses and revenues that may or may not be considered deductible. The Company benefits from significant tax credits related to tax losses from previous years. Therefore, there are significant differences between income tax and social contribution expenses calculated at the effective statutory tax rates and the amounts recorded in the statement of profit or loss for the years ended December 31, 2020, 2019 and 2018. The current tax rate is 25% for income tax and 9% for social contribution.

Comparable Sales in the Same Restaurants

The change in Comparable Sales in the Same Restaurants is an operational indicator used in the retail market as an indication of the performance of strategies and commercial initiatives implemented and also represents the trends of the local economy and customers.

The increases or decreases in Comparable Sales in the Same Restaurants correspond to the percentage change in sales in a period in relation to the same period in the previous year for all stores that maintained operations in comparable periods for a minimum period of 12 months.

Some of the reasons for the temporary closure of our stores include maintenance, operational problems of our own or of third parties.

(b) changes in revenues attributable to changes in prices, exchange rates, inflation, changes in volumes and the introduction of new products and services

In the years ended December 31, 2020, 2019 and 2018, around 0.03%, 0.04% and 0.07% respectively, of our sales were made in currencies other than the Real, reflecting services provided to Burger King Corporation mainly related to the management of franchisees. As it is of low amount when compared to the total of the Company's operations, the Executive Board considers the impact related to the exchange rate variation on net operating revenues to be immaterial.

Our sales were also impacted by inflation in the country. The Company reviews prices frequently, considering changes in our costs and the pricing adopted by the industry and main competitors.

(c) impact of inflation, price variance of main inputs and products, foreign exchange rate and the interest rate on the Company's operating and financial results, when relevant

Our results are impacted by inflation. However, the Executive Board considers that the Company has an effective and diligent pricing, which compensates for the implications arising from the aforementioned generalized price increase.

We are exposed to risks of changes in interest rates (CDI rate) related to our loans, debts and short-term investments in local currency. The Company's policy is to manage its interest cost using a mix of fixed and variable rate debt.

With respect to the exchange rate, approximately 89% of the costs of goods sold are realized in the same currency as the sales, and, therefore, we consider the impact of exchange rate variation to be immaterial.

For a sensitivity analysis of the interest rate and exchange rate variation used by the Company, see item 4.2 of this Reference Form.

In addition, we purchase our main raw materials, including meat, chicken, agricultural products, cheese, beverages and dairy products, based on contracts with our suppliers, who define the respective purchase prices. Accordingly, we do not consider external risks, such as changes in prices of commodities, to be relevant.

10.3 - Events with Occurred and Expected Significant Effects in the Financial Statements

10.3 - Events with Occurred and Expected Significant Effects in the Financial Statements

(a) introduction or sale of operating segment

The Company's Directors inform that, in the last year, there was no introduction or sale of any operating segment of the Company.

(b) constitution, acquisition or sale of equity interests

All information on the constitution, acquisition or sale of equity interests involving the Company and the companies in its economic group has already been made available in item 15.7 of this Reference Form. The effects of the acquisitions made by the Company are described in item 10.1.f of this Reference Form.

(c) unusual events or operations

There were no unusual events or operations with occurred and expected significant effects, and significant changes in accounting practices in 2020, 2019 and 2018.

10.4 - Significant Changes in Accounting Practices - Qualifications and Emphasis in the Auditor's Opinion

(a) significant changes in accounting practices

There were no significant changes in accounting practices in 2020, 2019 and 2018, except for the initial adoption of IFRS16 on 01/01/2019.

New standards, amendments to and interpretations of accounting standards

The Company elected not to early adopt any other standards, interpretations or amendments that have been issued but are not yet effective. The description and effective period of each of the new standards and amendments are described below:

Adoption of IFRS 16 – Leases (CPC 06 (R2))

In January 2016, IFRS 16 – Leases was issued and in December 2017 CPC 06 (R2)/NBC TG 06 (R3) – Lease Operations was issued, effective from January 1, 2019. The Company adopted CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16 – Leases as from January 1st, 2019 since early adoption is not permitted in Brazil.

IFRS 16/CPC 06 (R2)/NBC TG 06 (R3) introduces a single model to account for leases in the balance sheet of lessee. The lessee recognizes a right-of-use asset that represents its right to use the leased asset and a lease liability that represents its obligation to make lease payments. Exemptions are available for short-term leases and leases of low-value assets.

IFRS 16/ CPC 06(R2)/NBC TG 06 (R3) replaces the existing lease standards, including CPC 06/IAS 17 Lease Operations and ICPC 03/IFRIC 4, SIC 15 and SIC 27 Complementary Aspects of Lease Transactions.

IFRS 2 – Share-based Payment Transactions (CPC 10)

IFRS 2 addresses three major groups: (i) the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; (ii) the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and (iii) accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled, and is effective on January 1, 2018.

Management assessed the changes brought by the standard and concluded that its adoption has not brought significant impacts to the Company.

IFRS 9 - Financial Instruments (CPC 48)

IFRS 9/CPC 48 replaced, as from January 1, 2018, the standard in effect IAS 39/CPC

38 - Financial Instruments - Recognition and Measurement and has the main changes: classification and measurement of financial assets; impairment (replacement of the “incurred loss” model for a prospective model of “expected credit loss”); and hedge accounting.

Management assessed the changes brought by the standard and concluded that its adoption has not brought significant impacts to the Company regarding the measurement of financial instruments when compared to the guidelines of IAS 39. Moreover, the Company considers the impacts on credit losses to be immaterial due to its commercial activity and the card operators with whom it has a relationship.

IFRS 15 - Revenue from Contracts with Customers (CPC 47)

IFRS 15/CPC 47 introduces a comprehensive structure to determine if and when a revenue is recognized, and how revenue is measured. IFRS 15 replaces the current revenue recognition standards, including CPC 30 (IAS 18) Revenues, CPC 17 (IAS 11) Construction Contracts and CPC 30 Interpretation A (IFRIC 13) Customer Loyalty Programs, effective as from January 1, 2018.

The adoption of IFRS15/CPC 47 in 2018 did not significantly change the accounting policies and practices adopted and used in the year ended December 31, 2017. The impact of this pronouncement was the recognition of revenue of franchise fee, previously recognized in their entirety at the time the franchise agreement is entered into, and recognized in accordance with the stipulated term of the brand to remain with the franchisee - 20 years from the adoption of the pronouncement.

(b) significant effects of changes in accounting practices

There were no significant changes in accounting practices in 2020, 2019 and 2018, except for the initial adoption of IFRS16 on 01/01/2019, mentioned in item 10.4(a) of this same form.

Leases in which Company is a lessee

The Company recognized an asset ("right of use asset") for its lease agreements related to lease of administrative and operational properties (stores). What was previously treated as rental expense is now recorded as amortization of "rights of use" and interest on rental obligations, disclosed as "Lease Liabilities". Consequently, EBITDA and operating results were affected.

Transition

The Company applied CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16, using the modified retrospective approach, which does not require the presentation of information from prior comparative periods.

On transition, lease liabilities were measured at the present value of the remaining payments, discounted at the incremental borrowing rate of the lessee (nominal rate).

The lease agreements have an average term of 10 years and the Company made use of late perception, such as when determining the lease term, whether the contract contains options to extend or terminate, among others. The Company has a policy of delaying the perception at least one year before the expiration of the lease.

Actual payment flows (excluding inflation estimated in 2021 - 5.0%, 2022 - 4.0%, 2023 - 3.0%, after 2023 at 3.0% for the next 7 years) were estimated gross of taxes and right-of-use assets were measured at the value equal to the lease liability at present value. In accordance with CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16, in measuring and remeasuring its lease liabilities and right of use, the Company used

the discounted cash flow technique without considering projected future inflation in the flows to be discounted.

The Company applied the practical expedient regarding the definition of a lease agreement in the transition. This means that it applied CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16 to all contracts entered into prior to January 1, 2019 that were identified as leases in accordance with CPC 06 (R1)/IAS 17 and ICPC 03/IFRIC 4.

The incremental borrowing rate (discount) used to measure the present value of the data was calculated on the projected CDI + spread (nominal rate).

The Company recognized the assets and liabilities for its lease agreements related to the lease of administrative and operational properties, according to the interpretation disclosed by the Brazilian Securities and Exchange Commission (CVM) in Circular Letter CVM/SNC/SEP 02/2019 on CPC 06 (R2)/NBC TG 06 (R3)/IFRS 16, which impacted mainly the tax matter, due to the gross recognition of taxes. As a result, the balance of Leases payable considers the amount equivalent to approximately 9.25% of PIS/COFINS.

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

Right-of-use assets (in R\$ thousands, except %)	As at December 31, 2020	As at December 31, 2019
Opening balance	660,986	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	612,223
Additions and updates of leases recognized in the year	205,224	167,001
Amortization of right of use (rental)	(121,992)	(107,301)
Taxes levied on the amortization of leases	(11,910)	(10,937)
Closing balance	732,308	660,986

Lease liabilities (in R\$ thousands, except %)	As at December 31, 2020	As at December 31, 2019
Opening balance	693,209	-
Leases recognized in the transition to CPC 06 (R2) NBC TG 06 (R3)/IFRS 16	-	859,815
Additions and updates of leases recognized in the year (i)	298,930	255,658
Payment of lease liabilities	(116,372)	(137,169)
Discounts obtained on lease payments	(47,033)	-
Taxes levied on lease payments	(16,834)	(13,981)
Adjustment to present value recognized in the transition to CPC 06 (R2)/NBC TG 06 (R3)/IFRS16	-	(247,592)
Additions of adjustment to present value (APV) recognized in the year	(93,706)	(88,657)
Write-off of accrued interest (APV)	68,213	62,091
Taxes levied on AVP of leases	4,924	3,044
Closing balance	791,331	693,209
Current	126,941	99,156
Non-current	664,390	594,053

Income from lease	As at December 31, 2020	As at December 31, 2019
(in R\$ thousands, except %)		
Expenses on stores - variable rental	(15,862)	(19,066)
Amortization of right of use (rental)	(121,992)	(107,301)
Financial expenses – Accrued interest (APV)	(68,123_)	(62,091)
Lease Discounts - COVID19	47,033	-
Total	(159,034)	(188,458)

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 year, only the balance sheet figures.

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

(c) qualifications and emphasis in the auditor's opinion

The financial statements for the years ended December 31, 2020, 2019 and 2018 do not contain a modified opinion or emphasis of matter paragraphs.

10.5 - Critical accounting policies

The individual and consolidated financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil (BR GAAP), which include the provisions of the Brazilian Corporation Law and accounting standards and procedures approved by the Securities and Exchange Commission of Brazil (CVM)) and issued by the Brazilian Accounting Pronouncements Committee (CPC), which are in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

In the application of the Company's accounting policies, assumptions and variables from previous experiences and several other factors and subjective factors considered reasonable and relevant are adopted. As a result, the preparation of the Company's individual and consolidated financial statements and interim financial information include judgments and estimates, among others, related to impairment of non-financial assets, transactions with share-based payments, taxes, fair value of financial instruments, provisions for legal and administrative claims. The actual results of these carrying amounts may differ from these estimates, therefore, in order to better adapt the reality of the Company to the provisions above, the Company reviews its assumptions continuously and the possible effects arising from these reviews are recognized in the year or period in which the estimates are revised.

In order to provide an understanding of how the Company forms its judgments about future events, including regarding the variables and assumptions used in the estimates, the main critical accounting policies involving these management judgments were summarized, including the assumptions and variables on which these policies are based:

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling shareholder in the acquiree. For each business combination, the acquirer elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Company acquires a business, it determines the fair value of the assets acquired and liabilities assumed in order to allocate them according to the contractual terms, economic circumstances and applicable conditions on the acquisition date, which includes the segregation, by the acquiree, of embedded derivatives existing in host contracts in the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition-date fair value, and any resulting gain or loss is recognized in the statement of profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration considered as an asset or a liability shall be recognized in accordance with CPC 48/NBC TG 48/IFRS 9 - Financial Instruments in the statement of profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until its subsequent settlement is accounted for within equity.

Initially, goodwill is measured as the excess of the consideration transferred in relation to the net assets acquired. If the consideration is lower than the fair value of the net assets acquired, the difference is recognized as a gain in the statement of profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree being assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation in that unit is disposed of, the goodwill associated with the disposed operation shall be included in the transaction cost when calculating the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the disposed of operation and the portion of the cash-generating unit retained.

Provisions for lawsuits, contingent assets and liabilities

The assessment of contingent liabilities, except for those arising from claims, is carried out in compliance with the provisions of CPC 25 - Provisions, Contingent Liabilities and Contingent Assets issued by the Brazilian Accounting Pronouncements Committee ("CPC").

Provisions for risks are set up taking into account: the opinion of legal advisors; the cause of the proceedings; similarity with previous proceedings; complexity and positioning of the judiciary system, whenever the loss may cause an outflow of resources to settle the obligations and when the amounts involved are measurable with sufficient security. Contingent liabilities classified as probable losses are provisioned.

Legal obligations arise from administrative or legal discussions whose object of challenge of their legality or constitutionality, which regardless of the assessment of the likelihood of success, has their amounts fully recognized in the individual and consolidated financial statements, in accordance with the applicable legislation.

Contingent liabilities are disclosed if there is a possible future obligation, resulting from past events or if there is a present obligation resulting from a past event, and its payment is not probable or its amount cannot be reliably estimated.

Contingent assets are recognized in the books only when there are real guarantees or definitive favorable legal decisions, over which no more appeals can be made, characterizing the gain as practically certain. Contingent assets having a probable likelihood of success are only disclosed.

Impairment of tangible and intangible assets, excluding goodwill

Property and equipment items are tested for impairment, annually or when there is evidence of impairment, considering the current cash flows of each restaurant at a date close to the reporting date, taking into account their maturity period (from 24 months of their inauguration), in order to identify any indication of impairment. Once the restaurants with indication of impairment are identified, the Company assesses the perspective of resumption of cash generation or their discontinuance. Once the restaurants with an indication of discontinuance are identified and individually assessed by Management, a provision for the assets of these restaurants should be made.

Intangible assets with an indefinite useful life or not yet available for use are tested for impairment at least annually and whenever there is any indication that the asset may be impaired.

Recoverable amount is the fair value less costs to sell or the value in use, whichever is greater. In assessing value in use, estimated future cash flows are discounted to present value at the discount rate, before taxes, which reflects a current market assessment of the time value of money and the specific risks for the asset for which the estimated future cash flow has not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is less than its book value, the book value of the asset (or cash-generating unit) is impaired. Impairment is immediately recognized in profit or loss for the year.

When the impairment is reversed in a subsequent period, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount so that this amount does not exceed the carrying amount that would have been determined if impairment had not been recognized for the asset (or cash-generating unit) in previous years. The reversal of an impairment is immediately recognized in profit or loss for the year.

Income tax and social contribution

Income tax and social contribution expenses represent the sum of current and deferred taxes.

Current tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recoverable from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred taxes are provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- (i) Where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit (tax losses); and

Deferred tax assets are recognized for all deductible temporary differences, including the carry-forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized, except:

- (i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilized.

10.6 - Material Items Not Evidenced In The Financial Statements

(a) the assets and liabilities directly or indirectly held by the Company that do not appear on its statement of financial position (off-balance sheet items)

(i) operating leases, assets and liabilities

As at December 31, 2020, the Company directly or indirectly did not hold assets or liabilities that do not appear on its statement of financial position.

As at December 31, 2018, the Company was part of operating lease agreements to operate 631 stores. These leases usually have a ten-year term on average, with lease renewal option after this period. Lease payments are adjusted annually, in accordance with market rents. Some leases provide additional rental payments, which are based on changes in local price index.

In the year ended December 31, 2018, the amount of R\$ 123.7 million was recognized as expense in profit or loss with respect to operating leases.

(ii) portfolios of receivables written off on which the entity maintains risks and responsibilities, indicating the respective liabilities

The Company's Directors clarify that there are no portfolios of receivables written-off on which the entity maintains risks and responsibilities not evidenced in the Company's statements of financial position in the last three years.

(iii) contracts for the future purchase and sale of products or services

The Company's Directors clarify that there are no contracts for the future purchase and sale of products or services not shown in the Company's statements of financial position in the last three years.

(iv) unfinished construction contracts

The Company's Directors clarify that there is no unfinished construction not shown in the Company's statements of financial position in the last three years.

(v) contracts for future financing receivables

The Company's Directors clarify that there are no contracts for future financing receivables not shown in the Company's statements of financial position in the last three years.

(b) other items not evidenced in the financial statements

The Directors inform that there are no other items not evidenced in the Company's financial statements for the last three years.

10.7 - Comments on Items Not Evidenced in the Financial Statements

(a) how such items change or may change revenues, expenses, operating results, financial expenses or other items in the issuer's financial statements

On the date of submission of this Reference Form, there are no assets or liabilities held by the Company that could have a material impact on its activities.

(b) the nature and purpose of the transaction

In relation to this item, see item 10.6 of this Reference Form.

(c) nature and amount of obligations assumed and rights generated in favor of the issuer as a result of the transaction

In relation to this item, see item 10.6 of this Reference Form.

10.8 - Relevant Business Plan

(a) Investments

(i) quantitative and qualitative description of investments in progress and planned investments

The Company's main investments are aimed at opening its own restaurants. In addition to restaurant openings in 2020, 2019 and 2018, in 2018 we had relevant acquisitions of franchised restaurants, as shown below:

<i>(in R\$ thousands)</i>	Year ended December 31,		
	2020	2019	2018
Purchase of intangible assets and property and equipment	279,878	473,567	338,955
Consideration paid on the acquisition of investments, net of cash acquired	-	-	360,884
Total	279,878	473,567	699,839

(ii) investment financing sources

The main sources of capital investment financing that the Company usually makes are: (i) cash generation from the Company's operations; (ii) obtaining long-term credit in the local market with the issuance of debentures, including within the scope of agribusiness credit rights securitization operations; and (iii) use of funds raised through the initial public offering (IPO).

(iii) material divestments in progress and divestments planned

There are no material divestments in progress or planned.

(b) provided it has already been disclosed, indicate the acquisition of plants, equipment, patents or other assets that are expected to materially influence the Company's production capacity

There was no acquisition of any plants, equipment, patents or other assets that could significantly influence the Company's production capacity.

(c) new products and services

Not applicable, given that the Company does not have new products and services.

(i) description of ongoing research already disclosed

Not applicable, given that the Company does not have new products and services.

(ii) total amounts spent on research to develop new products or services

Not applicable, given that the Company does not have new products and services.

(iii) projects under development already disclosed

Not applicable, given that the Company does not have new products and services.

(iv) total amounts spent on the development of new products or services

Not applicable, given that the Company does not have new products and services.

10.9 - Comment on other factors that significantly influenced operational performance and that have not been identified or commented on in the other items of this section

On January 31, 2020, the World Health Organization (WHO) announced the Coronavirus (COVID-19) as a global health emergency and, on March 11, 2020, the outbreak was declared by the WHO as a pandemic since the virus has spread over all continents. During 2020, the global scenario was marked by developments in the COVID-19 pandemic and, since then, Management has been constantly evaluating the effects of the outbreak on operations in the financial statements.

Main impacts of COVID-19 for the Company's activities and the measures taken

As described in item 4.1 - *“The outbreak of communicable diseases in Brazil and/or in the world, like the pandemic declared by the World Health Organization (WHO) due to the spread of the new coronavirus (COVID-19), caused and may continue to cause an adverse effect on our operations, including completely or partially paralyzing our sales channels. The extent of the COVID-19 pandemic, federal government responses and actions, the perception of its effects, or how the pandemic will impact on our business depends on future developments, which are highly uncertain and unpredictable, and may result in a significant adverse effect to our business, financial condition, results of operations and cash flows and, finally, our ability to continue operating our business”*. Our operations suffered a material impact due to the measures adopted to restrict the circulation of people as a result of the COVID-19 pandemic. In addition, we believe that the new Coronavirus pandemic will continue to affect our business, financial condition, results of operations, liquidity and cash flows. We also believe that the extent of the impacts of the pandemic will depend on future developments, which are highly uncertain and unpredictable.

We will continue to assess the evolution of the effects of the current pandemic on our revenues, assets, results, business and prospects, including any possible changes in our ability to continue operating our business. Our analyses were carried out in line with CVM/SNC/SEP Circular Letter No. 02/2020, issued by the Securities and Exchange Commission of Brazil on March 10, 2020, which instructed managers and independent auditors of publicly-held companies to carefully consider the impacts of the COVID-19 on their businesses and report in the financial statements the main risks and uncertainties arising from this analysis, in line with the applicable accounting standards.

That said, 2020 was marked by a significant decrease in sales, as quantified below, as well as in the holding of events by the Company, in view of the closing of the halls of the Burger King and Popeyes Louisiana Kitchen brands in the country from March 23, 2020 and intensified in the second quarter of 2020. As of the third quarter, we began to see a relaxation of restrictive measures, which favored the gradual opening of our operations, especially in the third and fourth quarters. However, this temporary closure of stores, which are mostly located in shopping malls, had a direct and significant impact on our operations and financial results. Moreover, stores located in several states were subject to a restricted schedule, as well as the possibility of closing again in case the scenario of the spread of COVID-19 returns in certain locations.

After the WHO statement, the Company's priority was to ensure the health and safety of its employees and customers. Despite the closings of the halls, the Company continued to operate and serve its products to the population through Delivery, DriveThru and Take Away, with labor measures to preserve the jobs of its employees. Management was quick in adapting to the measures required by public health agencies, having adopted the following measures:

a) **Safety:** The more than 900 restaurants of the Company's chain in the country have a strict hygiene protocol. The first and most fundamental procedure is that of constant hand washing, which is indicated by an alarm that sounds hourly inside the kitchens. The Company intensified care and this alarm started to sound every 30 minutes in all units. In the kitchen, no one touches the food directly and all the employees responsible for assembling the sandwiches use disposable gloves after washing their hands. In addition, the Company intensified the cleaning of self-service kiosks, counters, beverage areas, tables, bathrooms and circulation areas, using internationally certified disinfectant products.

b) **Orders:** For delivery, the Company increased the offer and started to serve the main aggregators available on the market. A series of specific packages was also developed exclusively for delivery, ensuring that the products maintain temperature and freshness, offering the same experience of the restaurant at the comfort of your home. On the BK App, it was also possible to find promotions that can be purchased and taken out in a simple way through the drive thru restaurants.

c) **Society:** With the objective of providing further help and knowing the enormous challenges that the public health system had, the Company allocated R\$ 1.0 million to SUS (Sistema Único de Saúde/Universal Health Care System) for the purchase of PPE in the most affected regions. Additionally, the Company donated more than 60 metric tons of sandwiches, bringing food to more than 300 thousand people from communities in need.

COVID-19 impacts on the Company's financial results

As a result, in the year ended December 31, 2020, the Company's net sales revenue was R\$ 2,238.1 million, while in the same period in 2019 it was R\$ 2,868.0 million, that is, the Company had a decrease of 22.0% in net revenue, and the loss was R\$ 445.6 million in 2020, while in 2019 net profit was R\$ 48.5 million, representing a decrease of R\$ 494.2 million, especially due to the greater impact seen from March to December 2020. Furthermore, the Company identified a significant increase in sales through the aggregators available on the market. Delivery's participation in our sales increased from 4.8% in 2019 to 17.5% in 2020, an increase of 188.0%.

Considering the projections of results, cash consumption in the scenario faced and the worsening effects of the pandemic on its operating activities, in 2020 the Company conducted renegotiations with creditors, and with that it extended its short-term debts, taken at the beginning of the pandemic, so that it could postpone commitments close to maturity. Consequently, in December 2020, the Company's total gross debt amounted to R\$ 830.8 million, which, combined with a total cash available of R\$ 820.8 million, resulted in a net debt of R\$ 10.0 million. For more information, see the risk factor *"The Company is subject to compliance with specific obligations in financial contracts and debt instruments, as well as limitations on the ability to contract additional debt."* in the item 4.1 of the Reference Form.

The Company continues to carefully monitor the impacts of the COVID-19 pandemic in the world markets and in the Brazilian market and continues to monitor all possible short, medium and long-term impacts, taking appropriate measures in relation to its operation and maintaining the soundness of its financial position.

Even though COVID-19 significantly impacts on Brazil's economic growth and, consequently, on the average income of the Company's customers, we do not expect adverse impacts on the Company in the long term considering the historical resilience shown by the sector during periods of crisis.

**Attachment II -
Information on candidates for the Board of Directors**

Items 12.5 to 12.10 of the Reference Form

12.5/6 - Composition and Professional Experience of the Management and Audit Committee

Name	Date of birth	Administrative Body	Date of election	Term of office	Number of Consecutive Terms
CPF (Individual Taxpayer Number)	Profession	Elective position held	Date of inauguration	Was elected by the controlling shareholder	Percentage of participation in meetings
Other positions and functions at the issuer		Description of another position/function			
Anna Andrea Votta Alves Chaia	12/04/1968	Belongs only to the Board of Directors	04/29/2021	2023 AGM	1
107.966.418-11	Advertising Professional	27 - Independent Board of Directors (Sitting Member)	04/29/2021	No	100%
Member of the People and Compensation Committee					
Henrique José Fernandes Luz	06/08/1955	Belongs only to the Board of Directors	04/29/2021	2023 AGM	1
343.629.917-00	Auditor	27 - Independent Board of Directors (Sitting Member)	04/29/2021	No	100%
Coordinator of the Audit Committee					
Ricardo Schenker Wajnberg	11/30/1978	Belongs only to the Board of Directors	04/29/2021	2023 AGM	1
080.990.127-71	Engineer	27 - Independent Board of Directors (Sitting Member)	04/29/2021	No	100%
Coordinator of the Finance Committee					
Joshua Arthur Kobza	05/13/1986	Belongs only to the Board of Directors	04/29/2021	2023 AGM	6
000.000.000-00	Economist	22 - Board of Directors (Alternate Member)	04/29/2021	No	100%
Coordinator of the People and Compensation Committee					
Marcos Grodetzky	11/24/1956	Belongs only to the Board of Directors	04/29/2021	2023 AGM	2
425.552.057-72	Economist	20 - Chairman of the Board of Directors	04/29/2021	No	100%
Finance Committee Member					

12.5/6 - Composition and Professional Experience of the Management and Audit Committee

Name	Date of birth	Administrative Body	Date of election	Term of office	Number of Consecutive Terms
CPF	Profession	Elective position held	Date of inauguration	Was elected by the controlling shareholder	Percentage of participation in meetings
Other positions and functions at the issuer		Description of another position/function			
Thiago Temer Santelmo	05/09/1984	Belongs only to the Board of Directors	04/29/2021	2023 AGM	1
325.791.648-55	Manager	23 - Board of Directors (Sitting Member)	04/29/2021	No	100%
Member of the Audit Committee					
Paula Alexandra de Oliveira Gonçalves Bellizia	12/07/1971	Belongs only to the Board of Directors	04/29/2021	2023 AGM	1
121.252.928-66	Systems Analyst	27 - Independent Board of Directors (Sitting Member)	04/29/2021	No	100%
Pedro Fernandes Drevon	07/14/1982	Belongs only to the Board of Directors	04/29/2021	2023 AGM	1
095.449.267-63	Engineer	27 - Independent Board of Directors (Sitting Member)	April 29, 2021	No	100%

Professional experience/Independence Criteria

Anna Andrea Votta Alves Chaia 107.966.418-11

Independent member of the Board of Directors and member of the People and Compensation Committee of the Company since January 2020. Ms. Chaia has served as the Chief Executive Officer at Samsonite Mercosul for the past 4 years, where she developed and implemented an aggressive expansion plan in Brazil, Argentina and Uruguay. With 30 years of experience, she has a long history with global companies. Moreover, she

was also CEO of L'Occitane and responsible for all the growth of the French company in Brazil, including the creation of the L'Occitane au Brésil brand, which today is exported to more than 10 countries. She also demonstrated excellent performances with a focus on innovation at Natura, Whirlpool Corporation, Unilever and American Express. Since 2019, she has served as Endeavor mentor for scale-up companies and is a member of Vivara's Board of Directors. Since January 2021, he has also become a member of the Board of Directors at Espaço Laser and PuraVida. Ms. Chaia has a degree in Marketing from Escola Superior de Propaganda e Marketing - ESPM, with a postgraduate degree in business administration from Fundação Getúlio Vargas (FGV). She has a specialization in General Management from Harvard Business School and Corporate Governance from Columbia University.

The criterion for determining independence is that of the Novo Mercado Listing Regulation, effective as of January 2, 2018. The director stated, for all legal purposes, that: (i) she meets the independence criteria provided for in the Novo Mercado Regulation; (ii) over the last 5 years, she has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against her, whether in the judicial or administrative level, which has prevented her from exercising professional or commercial activity; and (iii) she is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Henrique José Fernandes Luz - 343.629.917-00

Independent member of the Board of Directors and Coordinator of the Company's Audit Committee since November 2019. Mr. Luz is an independent member of the Boards of Directors of Oi S.A., Grupo Maringa and IRB RE where he also coordinates their audit committees. Chairman of the Board of Directors of the Brazilian Institute of Corporate Governance (IBGC), where he is certified as a Board Member (CCA+) and member of Audit Committees (CCoAud+). Vice President of the Boards of Directors of MAM Museum of Modern Art of São Paulo, Dorina Nowill Foundation for the Blind and IBEF São Paulo. 43-year career (1975-2018) as a partner at PwC, where he was a member of its Executive Committee for 24 years, in Brazil and South America, and representative of his region on global committees. Leader of its Retail and Consumer Products practices. Permanent columnist for the magazines Capital Aberto and Plurale. Speaker on topics related to corporate governance, compliance, risks, controls and behavioral standards in group dynamics for boards of directors. Mr. Luz holds a BA in Accounting with graduate and/or extension courses at the universities of Harvard, Darden, Ivey, Buenos Aires and Singularity University. Full member of Chair 59 of the Brazilian Academy of Accounting Sciences.

The criterion for determining independence is that of the Novo Mercado Listing Regulation, effective as of January 2, 2018. The committee member stated, for all legal purposes, that: (i) he meets the independence criteria provided for in the Novo Mercado Regulation; (ii) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (iii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Ricardo Schenker Wajnberg - 080.990.127-71

Independent member of the Company's Board of Directors since February 2020 and Member of the Company's Finance Committee since January 2020. Ricardo Wajnberg is a founding partner of Modulo Capital, was a partner at Gávea Investimentos from 2004 to 2011, where he joined in 2003. During this period, he was the manager responsible for the variable income desk until 2008 and co-responsible for the Private investment in public equity and private equity area until 2011. Previously, from 2000 to 2003, he worked at Banco CR2 de Investimentos at the variable income desk. He started his professional career as an intern at Banco BBM from 1998 to 2000. He was a member of the Boards of Directors at Multiterminais, Lojas Americanas, OR, Santos Brasil Participações and Simpress. He is currently a member of the Board of Directors of CBO Group.

The criterion for determining independence is that of the Novo Mercado Listing Regulation, effective as of January 2, 2018. The director stated, for all legal purposes, that: (i) he meets the independence criteria provided for in the Novo Mercado Regulation; (ii) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (iii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Joshua Arthur Kobza - 000.000.000-00

Alternate member of the Company's Board of Directors since April 2013, member of the Company's People and Compensation Committee since September 2017 and Coordinator of the Company's People and Compensation Committee since August 2018. He is currently the Chief Operating Officer of Restaurant Brands International, where he also served as Chief Financial Officer from 2013 to 2017 and as Chief Technology and Development Officer in 2018, in addition to being a director at Burger King France SA, a Burger King franchisee, since 2013. Prior to that, he served as Investor Relations Officer and Global Senior Vice President of Finance for Burger King Worldwide (from 2012 to 2013) and director at Burger King SEE, a Burger King franchisee (from 2013 to 2014). Before joining Burger King, Mr. Kobza worked at SIP Capital (from January 2011 to June 2012) and was a Private Equity analyst at Blackstone Group in New York (from July 2008 to December 2010). He is graduated in Economics from Harvard College.

The director stated, for all legal purposes, that: (i) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (ii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Professional experience/Independence Criteria

Marcos Grodetzky - 425.552.057-72

Chairman of the Board of Directors and member of the Company's Finance Committee since November 2019. He is a member of our Board of Directors since September 2017. With more than 30 years of experience in the Financial Industry, Mr. Grodetzky held high-level positions at banks (Citibank, Nacional/Unibanco, Safra, HSBC and UBS), private equity/venture capital funds and in the credit card sector. His activities involved the Corporate & Investment Banking, Trade Finance, Asset Management and Products segments, with exposure to sales, distribution, credit and risks, among others. He is a founding partner of Mediator Assessoria Empresarial Ltda., a company that since 2011 has acted as mediation between companies and shareholders, in addition to offering strategic and financial consulting services. He has also served as an independent board member at Oi S.A. since 2017 (term until 2021), as Vice Chairman of the Board and also a board member of Constellation Oil Services Holding S.A., headquartered in Luxembourg, and Celleria Farmacêutica S.A. He served as an independent director at Eneva S.A. and Smiles S.A. He was CFO and investor relations officer at Telemar (from 2002 to 2006), Aracruz/Fibra (from 2008 to 2010) and Cielo (from 2010 to 2011). From 2012 to October 2013, Mr. Grodetzky was Executive President of DGB S.A., a holding company belonging to Grupo Abril S.A. and parent company of Dinap, Magazine Express, Entrega Fácil Logística, Treelog S.A. and TEX Courier (Total Express). Mr. Grodetzky graduated in Economics from the Federal University of Rio de Janeiro in 1978 and participated in the Senior Management Program at INSEAD/FDC in 1993.

The director stated, for all legal purposes, that: (i) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (ii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Paula Alexandra de Oliveira Gonçalves Bellizia - 121.252.928-66

Independent member of the Company's Board of Directors since April 2019. Ms. Paula Alexandra de Oliveira Gonçalves Bellizia is Vice President of Marketing for Latin America at Google, having held the position of Vice President of Sales, Marketing and Operations for Microsoft Latin America between 2019 and 2020, and as President of Microsoft Brazil since July 2015. With more than 28 years of experience in the market, Ms. Bellizia started her marketing career at Whirlpool in 1992, worked at Telefônica for four years and, in 2002, joined Microsoft Brasil, where she held different positions for ten years. Ms. Bellizia led Facebook's Sales Office for Small and Medium Enterprises in Latin America and was President of Apple's Brazil operation for two years. Ms. Bellizia is a member of the Board of Directors at Anima Educação, and has served on the Boards of Directors at Brasscom - Brazilian Association of Information and Communication Technology Companies, the American Chamber of Commerce for Brazil and Arezzo Indústria e Comércio S.A. Ms. Bellizia holds a Bachelor's degree in Technology from FATEC/Unesp and an MBA in Marketing from Fundação Instituto de Administração – FIA, having also completed the Senior Management Program at Fundação Dom Cabral in partnership with INSEAD, in 2011.

The criterion for determining independence is that of the Novo Mercado Listing Regulation, effective as of January 2, 2018. The director stated, for all legal purposes, that: (i) she meets the independence criteria provided for in the Novo Mercado Regulation; (ii) over the last 5 years, she has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against her, whether in the judicial or administrative level, which has prevented her from exercising professional or commercial activity; and (iii) she is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Thiago Temer Santelmo - 325.791.648-55

Alternate member of the Company's Board of Directors since April 2019 and member of the Company's Audit Committee since November 2019. Mr. Santelmo was appointed as Regional President of Burger King Latin America & Caribbean in March 2019. He served as Vice President of Finance and Development for Burger King in Europe, Middle East and Africa (from October 2016 to February 2019), as Vice President of Global Development for RBL (from January to September 2016), as Senior Director/General Manager, Central Region, of Burger King Latin America & Caribbean (from July 2014 to December 2015), and as Chief Finance and Development Officer for Burger King Latin America & Caribbean (from July 2013 to May 2014). Mr. Santelmo holds a Bachelor's degree in Business Administration from Fundação Getúlio Vargas and an MBA from Harvard Business School.

The director stated, for all legal purposes, that: (i) in the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable conviction, whether in the judicial or administrative sphere, which has prevented her from exercising professional or commercial activity; and (iii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Pedro Fernandes Drevon - 095.449.267-63

Independent alternate member of the Company's Board of Directors since February 2021. Mr. Drevon is graduated in Electrical Engineering from PUC-Rio, and is currently a partner at Sperss Capital. Previously, he served as President for Latin America at Kraft Heinz, from October 2017 to December 2019, and as President of Kraft Heinz Brasil since August 2015. From 2008 to 2015, Mr. Drevon held several positions at 3G Capital, and before that he worked at Banco BBM

The criterion for determining independence is that of the Novo Mercado Listing Regulation, effective as of January 2, 2018. The director stated, for all legal purposes, that: (i) he meets the independence criteria provided for in the Novo Mercado Regulation; (ii) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (iii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Type of sentence	Description of the sentence
Anna Andrea Votta Alves Chaia - 107.966.418-11 N/A	N/A
Henrique José Fernandes Luz - 343.629.917-00 N/A	N/A
Ricardo Schenker Wajnberg - 080.990.127-71 N/A	N/A
Joshua Arthur Kobza - 000.000.000-00 N/A	N/A
Marcos Grodetzky - 425.552.057-72 N/A	N/A
Paula Alexandra de Oliveira Gonçalves Bellizia - 121.252.928-66 N/A	N/A
Thiago Temer Santelmo - 325.791.648-55 N/A	N/A
Pedro Fernandes Drevon - 095.449.267-63 N/A	N/A

12.7/8 - Composition of the Committees

Name	Type of Committee	Type of Audit	Position held	Date of birth	Date of inauguration	Term of office
CPF	Description of other committees	Profession	Description of other positions held	Date of election	Number of Consecutive Terms of Office	Percentage of participation in meetings
Other positions/functions at the issuer						
Thiago Temer Santelmo	Audit Committee	Non-statutory Audit Committee	Committee Member (Full member)	05/09/1984	11/08/2019	2021 AGM
325.791.648-55		Manager		11/08/2019	0	100.00%
Member of the Board of Directors						
Jorge Roberto Manoel	Audit Committee		Committee Member (Full member)	05/05/1953	10/01/2020	2021 AGM
638.490.708-91		Business Administrator	Specialist External Member	10/01/2020	0	100.00%
N/A						
Henrique José Fernandes Luz	Audit Committee	Non-statutory Audit Committee	Committee Member (Full member)	06/08/1955	11/08/2019	2021 AGM
343.629.917-00		Auditor	Committee Coordinator	11/08/2019	0	100.00%
Independent Member of the Board of Directors						
Luis Fellipe Reis Maia	Financial Committee		Committee Member (Full member)	01/04/1989	11/08/2019	2021 AGM
090.815.676-67		Business Administrator	External Member	11/08/2019	0	100.00%
N/A						
Marcos Grodetzky	Financial Committee		Committee Member (Full member)	11/24/1956	11/08/2019	2021 AGM
425.552.057-72		Economist		11/08/2019	0	100.00%
Chairman of the Board of Directors						
Ricardo Schenker Wajnberg	Financial Committee		Committee Member (Full member)	11/30/1978	01/17/2020	2021 AGM
080.990.127-71		Engineer	Committee Coordinator	01/17/2020	0	100.00%
Independent Member of the Board of Directors						
Anna Andrea Votta Alves Chaia	Compensation Committee		Committee Member (Full member)	12/04/1968	01/17/2020	2021 AGM
107.966.418-11		Advertising Professional		01/17/2020	0	0.00%
Independent Member of the Board of Directors						
Iuri de Araújo Miranda	Compensation Committee		Committee Member (Full member)	11/08/1968	05/09/2019	2021 AGM
422.741.175-00		Manager		05/09/2019	1	100.00%
Chief Executive Officer						

12.7/8 - Composition of the Committees

Name	Type of Committee	Type of Audit	Position held	Date of birth	Date of inauguration	Term of office
CPF	Description of other committees	Profession	Description of other positions held	Date of election	Number of Consecutive Terms of Office	Percentage of participation in meetings
Other positions/functions at the issuer						
Joshua Arthur Kobza	Compensation Committee		Member (Full member)	05/13/1986	05/09/2019	2021 AGM
00.00.00-0		Economist	Committee Coordinator	05/09/2019	1	100.00%
Members of the Board of Directors (Alternate)						

Professional experience/Independence Criteria

Thiago Temer Santelmo - 325.791.648-55

Member of the Company's Board of Directors since April 2019 and member of the Company's Audit Committee since November 2019. Mr. Santelmo was appointed as Regional President of Burger King Latin America & Caribbean in March 2019. He served as Vice President of Finance and Development for Burger King in Europe, Middle East and Africa (from October 2016 to February 2019), as Vice President of Global Development for RBI (from January to September 2016), as Senior Director/General Manager, Central Region, of Burger King Latin America & Caribbean (from July 2014 to December 2015), and as Chief Finance and Development Officer for Burger King Latin America & Caribbean (from July 2013 to May 2014). Mr. Santelmo holds a Bachelor's degree in Business Administration from Fundação Getúlio Vargas and an MBA from Harvard Business School.

The director stated, for all legal purposes, that: (i) in the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable conviction, whether in the judicial or administrative sphere, which has prevented her from exercising professional or commercial activity; and (iii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Jorge Roberto Manoel - 638.490.708-91

External member of the audit committee since October 2020. Mr. Manoel holds a bachelor's degree in Accounting and Business Administration, with an MBA in Finance and Controllershship (UFMG) and in Knowledge, Technology and Innovation (USP), and has specialization courses in Corporate Governance from the Yale School of Management, Technology and Innovation Summit from Singularity University and Master's degree in Corporate Governance from FMU (Laureate Education Group). He has worked in Corporate Governance throughout his career and is currently coordinator of IBGC's Finance and Accounting Committee, where he is certified as a Board Member (CCA+), Audit Committee (CCoAUD+) and Audit Board Member (CCF). He was a section president at Ibracon-MG and director of Professional Development at Ibracon Brazil. He has served on the Board of Directors, Advisory and Audit Committees, at entities such as Caixa Econômica Federal, United Way Brasil, Board of Directors of the CPC Support Foundation (FACPC) respectively, as well as in different business commissions and committees of the Board, such as in the Audit Committee at Natura Cosméticos S.A., Grupo Médico Latino Americano Biotoscana (GBT), SulAmérica Group, coordinating the Audit Committee at Previ, Chairman of the Audit Committee of YDUQS and Investigation Commission of BRF. He is an active participant in events, lectures and classes at entities such as IBGC, INSPER, CRC, Accounting Academy of São Paulo, the latter where he is a full member of a Chair at the Academy. At PwC, he developed his career, working for 4 years in the United States and around 30 years as a partner at PwC Brasil where he led, among others, the Operations area (COO), the Assurance area (Audit, Capital Markets, Compliance and Risk) in South America, having been a member of the Global Forum of the PwC Network of Firms in these areas representing South America. In these roles, he worked on the development of methodology, on regulatory, quality and risk and compliance and professional training issues, in addition to serving a portfolio of clients operating in the domestic and foreign market.

Mr. Manoel declared, for all legal purposes, that: (i) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (ii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Henrique José Fernandes Luz - 343.629.917-00

Independent member of the Board of Directors and Coordinator of the Company's Audit Committee since November 2019. Mr. Luz is an independent member of the Boards of Directors of Oi S.A., Grupo Maringa and IRB RE where he also coordinates their audit committees. Chairman of the Board of Directors of the Brazilian Institute of Corporate Governance (IBGC), where he is certified as a Board Member (CCA+) and member of Audit Committees (CCoAud+). Vice President of the Boards of Directors of MAM Museum of Modern Art of São Paulo, Dorina Nowill Foundation for the Blind and IBEF São Paulo. 43-year career (1975-2018) as a partner at PwC, where he was a member of its Executive Committee for 24 years, in Brazil and South America, and representative of his region on global committees. Leader of its Retail and Consumer Products practices. Permanent columnist for the magazines Capital Aberto and Plurale. Speaker on topics related to corporate governance, compliance, risks, controls and behavioral standards in group dynamics for boards of

directors. Mr. Luz holds a BA in Accounting with graduate and/or extension courses at the universities of Harvard, Darden, Ivey, Buenos Aires and Singularity University. Full member of Chair 59 of the Brazilian Academy of Accounting Sciences.

The criterion for determining independence is that of the Novo Mercado Listing Regulation, effective as of January 2, 2018. The committee member stated, for all legal purposes, that: (i) he meets the independence criteria provided for in the Novo Mercado Regulation; (ii) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (iii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Luis Felipe Reis Maia - 090.815.676-67

External member of our Finance Committee since November 2019. Mr. Maia has been Head of Finance and Development at Burger King since January 2019. He held several positions at Restaurant Brads International, including Global Finance Director at Burger King in 2018 and Treasury Director between 2016 and 2017. Previously, he worked at Machado Meyer Advogados between 2009 and 2011, was a partner at Viva Capital between 2011 and 2013 and an executive partner at BTS Properties S.A. between 2013 and 2015. Mr. Maia holds a Law degree from the Federal University of Minas Gerais and an MBA (Master of Business Administration) in business administration from Columbia Business School.

The committee member stated, for all legal purposes, that: (i) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (ii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Marcos Grodetzky - 425.552.057-72

Chairman of the Board of Directors and member of the Company's Finance Committee since November 2019. He is a member of our Board of Directors since September 2017. With more than 30 years of experience in the Financial Industry, Mr. Grodetzky held high-level positions at banks (Citibank, Nacional/Unibanco, Safra, HSBC and UBS), private equity/venture capital funds and in the credit card sector. His activities involved the Corporate & Investment Banking, Trade Finance, Asset Management and Products segments, with exposure to sales, distribution, credit and risks, among others. He is a founding partner of Mediator Assessoria Empresarial Ltda., a company that since 2011 has acted as mediation between companies and shareholders, in addition to offering strategic and financial consulting services. He has also served as an independent board member at Oi S.A. since 2017 (term until 2021), as Vice Chairman of the Board and also a board member of Constellation Oil Services Holding S.A., headquartered in Luxembourg, and Celleria Farmacêutica S.A. He served as an independent director at Eneva S.A. and Smiles S.A. He was CFO and investor relations officer at Telemar (from 2002 to 2006), Aracruz/Fibra (from 2008 to 2010) and Cielo (from 2010 to 2011). From 2012 to October 2013, Mr. Grodetzky was Executive President of DGB S.A., a holding company belonging to Grupo Abril S.A. and parent company of Dinap, Magazine Express, Entrega Fácil Logística, Treelog S.A. and TEX Courier (Total Express). Mr. Grodetzky graduated in Economics from the Federal University of Rio de Janeiro in 1978 and participated in the Senior Management Program at INSEAD/FDC in 1993.

The director stated, for all legal purposes, that: (i) over the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable judgment against him, whether in the judicial or administrative level, which has prevented him from exercising professional or commercial activity; and (ii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Ricardo Schenker Wajnberg - 080.990.127-71

Independent member of the Company's Board of Directors since February 2020 and Coordinator of the Company's Finance Committee since January 2020. Ricardo Wajnberg is a founding partner of Modulo Capital, was a partner at Gávea Investimentos from 2004 to 2011, where he joined in 2003. During this period, he was the manager responsible for the variable income desk until 2008 and co-responsible for the Private investment in public equity and private equity area until 2011. Previously, from 2000 to 2003, he worked at Banco CR2 de Investimentos at the variable income desk. He started his professional career as an intern at Banco BBM from 1998 to 2000. He was a member of the Boards of Directors at Multiterminais, Lojas Americanas, OR, Santos Brasil Participações and Simpress. He is currently a member of the Board of Directors of CBO Group.

The director stated, for all legal purposes, that: (i) in the last 5 years, he has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and unappealable conviction, whether in the judicial or administrative sphere, which has prevented her from exercising professional or commercial activity; and (iii) he is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Anna Andrea Votta Alves Chaia - 107.966.418-11

Independent member of the Board of Directors and member of the People and Compensation Committee of the Company since January 2020. Ms. Chaia served as President Director of Samsonite Mercosul for the past 4 years, where she developed and implemented an aggressive expansion plan in Brazil, Argentina and Uruguay. With 30 years of experience, she has a long history with global companies. Moreover, she was also CEO of L'Occitane and responsible for all the growth of the French company in Brazil, including the creation of the L'Occitane au Brésil brand, which today is exported to more than 10 countries. She also demonstrated excellent performances with a focus on innovation at Natura, Whirlpool Corporation, Unilever and American Express. Since 2019, she has served as Endeavor mentor for scale-up companies and is a member of Vivara's Board of Directors. Since January 2021, he has also become a member of the Board of Directors at Espaço Laser and PuraVida. Ms. Chaia has a degree in Marketing from Escola Superior de Propaganda e Marketing - ESPM, with a postgraduate degree in business administration from Fundação Getúlio Vargas (FGV). She has a specialization in General Management from Harvard Business School and Corporate Governance from Columbia University.

The criterion for determining independence is that of the Novo Mercado Listing Regulation, effective as of January 2, 2018. The committee member stated, for all legal purposes, that: (i) she meets the independence criteria provided for in the Novo Mercado Regulation; (ii) over the last 5 years, she has not been subject to the effects of any criminal conviction, no administrative proceeding or penalty applied by CVM, no final and

unappealable judgment against her, whether in the judicial or administrative level, which has prevented her from exercising professional or commercial activity; and (iii) she is not considered a politically exposed person, under the terms of CVM Instruction No. 617, of December 5, 2019.

Professional experience/Independence Criteria

Iuri de Araújo Miranda - 422.741.175-00

Chief Executive Officer of the Company since July 2011 and member of the Company's People and Compensation Committee since July 2014. From May 2010 to July 2011, Mr. Miranda served as Managing Officer of Brazil at Burger King Corporation. As a previous experience, he worked for 20 years for ExxonMobil Corporation, responsible for the retail operation of the company's Gas Stations and Convenience Stores in Brazil, Latin America and the Caribbean. He holds a Bachelor's degree in Business Administration from Universidade Católica de Salvador, an MBA (Master of Business Administration) in Economic and Business Law from Fundação Getúlio Vargas - Rio de Janeiro, and participated in executive training programs at Kenan-Flagler Business School (North Carolina, USA) and the Thunderbird School of Global Management (Phoenix, USA). He has no criminal conviction or administrative sentence preventing him from holding management positions.

He has no criminal conviction or judgment against him as a result of a CVM administrative proceeding, and/or any final and unappealable judgment against him, whether at the judicial or administrative level, which has suspended or disqualified him from practicing any professional or commercial activity, and declares that he is not considered a politically exposed person, pursuant to CVM Instruction No. 617, of December 5, 2019.

Joshua Arthur Kobza - 000.000.000-00

Alternate member of the Company's Board of Directors since April 2013, member of the Company's People and Compensation Committee since September 2017 and Coordinator of the Company's People and Compensation Committee since August 2018. He is currently the Chief Operating Officer of Restaurant Brands International, where he also served as Chief Financial Officer from 2013 to 2017 and as Chief Technology and Development Officer in 2018, in addition to being a director at Burger King France SA, a Burger King franchisee, since 2013. Prior to that, he served as Investor Relations Officer and Global Senior Vice President of Finance for Burger King Worldwide (from 2012 to 2013) and director at Burger King SEE, a Burger King franchisee (from 2013 to 2014). Before joining Burger King, Mr. Kobza worked at SIP Capital (from January 2011 to June 2012) and was a Private Equity analyst at Blackstone Group in New York (from July 2008 to December 2010). He is graduated in Economics from Harvard College.

He has no criminal conviction or judgment against him as a result of a CVM administrative proceeding, and/or any final and unappealable judgment against him, whether at the judicial or administrative level, which has suspended or disqualified him from practicing any professional or commercial activity, and declares that he is not considered a politically exposed person, pursuant to CVM Instruction No. 617, of December 5, 2019.

Type of sentence	Description of the sentence
Thiago Temer Santelmo - 325.791.648-55 N/A	N/A
Jorge Roberto Manoel - 638.490.708-91 N/A	N/A
Henrique José Fernandes Luz - 343.629.917-00 N/A	N/A
Luis Fellipe Reis Maia - 090.815.676-67 N/A	N/A
Marcos Grodetzky - 425.552.057-72 N/A	N/A
Ricardo Schenker Wajnberg - 080.990.127-71 N/A	N/A
Anna Andrea Votta Alves Chaia - 107.966.418-11 N/A	N/A
Iuri de Araújo Miranda - 422.741.175-00 N/A	N/A
Joshua Arthur Kobza - 000.000.000-00	

N/A

N/A

12.9 - Existence of marital relationship, cohabitation or kinships up to 2nd degree of officers of issuer, subsidiaries and controlling shareholders

Justification for not filling in the table:

Not applicable, as, on the date of this Reference Form, there is no marital relationship, cohabitation or kinships up to the 2nd degree of the managers of the Company, subsidiaries or controlling shareholders.

12.10 - Subordination, Service Provision or Control Relationships Among Officers And Subsidiaries, Controlling Shareholders And Others

Justification for not filling in the table:

Not applicable, as, on the date of this Reference Form, there is no relationship of subordination, service provision or control among administrators and subsidiaries, controllers and others.

Attachment III – Management Compensation Proposal

Item 13 of the Reference Form

13.1 - Description of the Compensation Policy or Practice, Including the Non-Statutory Board, the Fiscal Council, the Statutory Committees and the Audit, Risk, Financial and Compensation Committees

(a) objectives of the compensation policy or practice, informing whether the compensation policy was formally approved, the body responsible for its approval, the date of approval and, if the issuer discloses the policy, locations on the world wide web where the document can be consulted

The Company's wage compensation practice has as main principles, objectives and guidelines:

- (i) the application of uniform criteria and ethical and technical principles for valuing and managing the different functional structures of the company; and
- (ii) ensure the maintenance of internal and external balance standards, compatible with the responsibilities of each position and competitive to the job market, regulating criteria and establishing administrative controls capable of responding to the various needs of the Company.

Our business model has enabled us to achieve high growth rates in conjunction with the constant improvement of our profitability indexes. Between the years ended December 31, 2014 and December 31, 2019, our net operating revenue grew at a CAGR of 34%. In relation to EBITDA, our Adjusted EBITDA grew at a CAGR of 50% between the years ended December 31, 2014 and December 31, 2019. Considering the fiscal year 2020, our result was impacted by the effects related to the closing of stores as a result of COVID-19. As a result, our net operating revenue reached R\$ 2,238.1 million and adjusted EBITDA R\$ -17.5 million, both with a decline when compared to the same period in 2019.

We believe we have a group of talented and experienced professionals, with a strong reputation in the market. Our management team led our growth process and fostered a culture of innovation, entrepreneurship and teamwork. Moreover, six out of a total of seven of the Company's current statutory directors have been with us since the foundation in 2011, forming a cohesive team with an effective ability to work together successfully.

We believe that the specialized experience of our management and their deep knowledge of the Company contribute to the efficiency of our operations.

Recognizing the importance of our managers to our success, we have implemented long-term retention plans for our key executives, always linked to the basic pillars of meritocracy and “owner's vision” that are applied at all levels of the Company, representing an incentive to grow, generate results and retain talent.

(b) compensation composition

(i) description of the elements of the compensation and the objectives of each one of them

Board of Directors

The members of the Board of Directors are entitled to a fixed monthly compensation allocated to reward them for the professional services provided and for the commitment to the Company with their duties and responsibilities inherent to the position held, which is distributed by the Board of Directors based on the global compensation approved by the Annual General Meeting for a given year.

The compensation of the Board of Directors reflects market practices, especially those verified in companies of the same size, also taking into account the roles and responsibilities of such board members.

Statutory Board and Non-Statutory Board

The members of the both statutory and non-statutory Boards receive a fixed compensation, as defined in their employment contracts, and are eligible to a variable annual compensation subject to the achievement of individual and collective goals.

In addition, some members of the statutory and non-statutory Boards are beneficiaries of stock option plans and stock plans. Officers are also entitled to medical assistance, dental assistance, life insurance and meal vouchers.

The fixed component of the compensation received by the Company's managers aims to directly compensate for the services provided, in line with market practices.

The variable compensation paid to the Company's managers, in turn, aims to direct the actions of the executives towards the fulfillment of the Company's strategic objectives, aiming to meet the interests of its investors, customers and others stakeholders of the Company, subject to the achievement of individual and collective goals.

The benefits package received by our statutory and non-statutory Boards aims to offer the Company's executives an attractive package that is compatible with market practice.

Finally, the share-based compensation to which certain managers of the Company are entitled aims to promote the Company's long-term growth and profitability, providing people who are or will be involved in the growth of the Company the opportunity to acquire a property right in the Company, thereby encouraging these individuals to contribute and participate in the Company's success.

Like the Board of Directors, the total compensation of the executive board reflects market practices, especially those verified in companies of the same size, also taking into account their roles and responsibilities.

Committees

The Company currently has 3 (three) Supporting Committees to the Board of Directors (all non-statutory), namely: (i) Audit Committee; (ii) People and Compensation Committee; and (iii) Finance Committee.

Except for the members of the committees that are part of the Executive Board or that are compensated within the global compensation platform of their respective shareholder, all other members (including those that are also part of the Board of Directors) are compensated by the Company reflecting market practices, especially those verified in companies of the same type, also taking into account the roles and responsibilities of such managers.

(ii) in relation to the last 3 fiscal years, what is the proportion of each element in the total compensation

The table below shows the proportion of each element in the composition of total compensation in the last three years:

Year ended December 31, 2020					
% in relation to total compensation					
Fixed compensation (except Benefits)		Direct and indirect benefits	Variable Compensation	Stock-based, including options	Total
Board of Directors	100%	N/A	N/A	N/A	100%
Statutory Board	31 %	3%	31%	35%	100%
Non-Statutory Board	56%	4%	16%	24%	100%
Committees	100%	N/A	N/A	N/A	100%

Year ended December 31, 2019					
% in relation to total compensation					
Fixed compensation (except Benefits)		Direct and indirect benefits	Variable Compensation	Stock-based, including options	Total
Board of Directors	100%	N/A	N/A	N/A	100%
Statutory Board	34 %	4%	45%	17%	100%
Committees	100%	N/A	N/A	N/A	100%

Year ended December 31, 2018					
% in relation to total compensation					
Fixed compensation (except Benefits)		Direct and indirect benefits	Variable Compensation	Stock-based, including options	Total
Board of Directors	N/A	N/A	N/A	N/A	N/A
Statutory Board	24 %	5%	51%	20%	100%
Committees	100%	N/A	N/A	N/A	100%

It is clarified that, in 2018 and 2019, the Company did not have a non-statutory board, and this position was created at the beginning of 2020 after an internal reorganization in the Company's career structure.

In addition, for the purposes of this item, only the amount received by the members who are not members of the Board of Directors was considered in the compensation of the Committees, observing that the members of the committees that are part of the Executive Board or that are compensated within the global compensation platform of their respective shareholder are not entitled to the compensation. The compensation received by the

members of the Committees who are also members of the Board of Directors is included only in the Board of Directors item, in order to avoid duplication, and can be identified in item 13.2 of this Reference Form, as applicable.

(iii) calculation and adjustment methodology for each of the compensation elements

The Company's compensation policies and incentive plans were created based on market research prepared by specialized consultants and at the discretion of the Company's administrators, and provide for fixed and variable compensation, as well as short and long-term incentives (i.e. stock options), which are established through performance and achievement of goals.

The amounts can be adjusted annually according to: (i) meritocracy, (ii) official inflation indexes, and (iii) analysis of the salary movement of companies in the retail sector whose size is comparable to that of the Company, according to salary and benefits surveys.

(iv) reasons that justify the composition of the compensation

The reasons that justify the composition of the compensation paid to the Company's managers are incentives to improve their management and retain its executives, aiming to have gains due to the commitment to short and long-term results.

(v) the existence of members not paid by the issuer and the reason for it

Until 2018, the members of the Company's Board of Directors were not compensated. As of 2019, the members of the Board of Directors who eventually waive the receipt of compensation by the Company are not entitled to compensation, since they are compensated within the global compensation platform of their respective shareholders, and not by the companies that compose their investment portfolio.

The members of the committees that are part of the Executive Board or that are compensated within the global compensation platform of their respective shareholder are not entitled to compensation.

(c) key performance indicators that are taken into account in determining each compensation element

The key indicators for the definition of the variable compensation, which is applicable only to the statutory and non-statutory Boards, are the following: (i) the Company's EBITDA target; and (ii) individual goals, which are based on achieving results and goals agreed in advance.

The goals are specific, measurable, realistic and express the final impact expected by the organization with regard to the effort undertaken by each director.

(d) how compensation is structured to reflect the evolution of the performance indicators

The variable portion of the statutory and non-statutory directors is linked to the performance of the Company itself in the period in question (collective goal) and the achievement of the individual goals of such directors.

The payment of the variable portion is calculated proportionally to the goals achieved by the directors, and the target value of the variable compensation corresponds to the achievement of 100% (one hundred percent) of the goals, which may be increased, in the case of exceptional fulfillment of pre-established goals, defined at the time of the agreement, in accordance with the Company's strategic focus, up to the limit of 150%

(one hundred and fifty percent).

(e) how the compensation policy or practice aligns with the issuer's interests in the short, medium and long term

The compensation practice described above seeks to encourage the Company's employees to seek the best profitability from the projects developed by the Company, in order to align their interests with those of the Company.

From a short, medium and long-term perspective, the Company seeks to achieve such alignment through wages and benefit packages compatible with the market.

(f) existence of compensation supported by subsidiaries, controlled companies or direct or indirect controlling shareholders

Not applicable, considering that there is no compensation supported by subsidiaries, controlled companies or direct or indirect controlling shareholders.

(g) existence of any compensation or benefit linked to the occurrence of a certain corporate event, such as the sale of the issuer's corporate control

Participants in the Company's Stock Option Plans, approved at general meetings held on March 22, 2019 and July 31, 2020, may be entitled to receive shares of the Company in the event of (i) a public offering of Shares ("OPA") for registration cancellation; (ii) OPA for an increase in the controlling shareholder's interest; (iii) OPA for the sale of control of a publicly-held company; and (iv) Voluntary OPA for the acquisition of control of a publicly-held company (including any competing OPAs), as such terms are defined by CVM Instruction 361/2002. For more information, see item 13.4 of the Reference Form.

(h) practices and procedures adopted by the board of directors to define the individual compensation of the board of directors and the executive board

The Company has guidelines that must be observed regarding the compensation of its managers in order to align their interests and the objectives of the Company.

The reasons that justify the composition of the compensation paid to the administrators are incentives to improve their management and retain its executives, aiming to gain through established result goals and short and long-term operating goals.

(i) bodies and committees that participate in the decision-making process and how they participate

The following bodies participate in the decision-making process to define the individual compensation of the Company's managers: People and Compensation Committee and Board of Directors, determining the proportion of each compensation component. At the discretion of the Board of Directors and the People and Compensation Committee, the Company may hire specialized companies for compensation consultancy, in order to structure the competitive compensation framework.

(ii) criteria and methodology used to determine individual compensation, indicating whether studies are used to verify market practices, and, if so, the comparison criteria and the scope of these studies

The determination of the individual compensation of the Company's managers is carried out using uniform criteria and ethical and technical principles for valuing and managing its different functional structures, ensuring the maintenance of internal and external balance standards, compatible with the responsibilities of each position and competitive in the labor market, regulating criteria and establishing administrative controls capable of

responding to the various needs of the Company.

In addition, the Company uses studies to evaluate and compare the position to be compensated with the market, taking into account companies of the same size in the segment in which it operates, as well as other segments that are competitors for the purposes of hiring executives.

(iii) frequency and form of assessment of the board of directors to adjust the compensation policy

The Board of Directors and People and Compensation Committee assess the adequacy of their internal guidelines on an annual basis. To this end, they use a salary survey carried out by an external consultancy, which considers companies of the same size in the segment in which the Company operates, as well as other segments that are competitors for the purposes of hiring executives.

13.2 - Total compensation of the Board of Directors, Statutory Board and Supervisory Board

Total compensation expected for the current year 12/31/2021 - Annual Values

	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.00	7.00	0.00	14.00
No. of paid members	6.00	7.00	0.00	13.00
Fixed annual compensation				
Salary or management fees	1,800,000.00	5,279,939.00	0.00	7,079,939.00
Direct and indirect benefits	0.00	512,064.48	0.00	512,064.48
Participation in committees	1,020,000.00	0.00	0.00	1,020,000.00
Others	564,000.00	1,885,503.09	0.00	2,449,503.09
Description of other fixed compensations	Social Charges shouldered by the manager	Social Charges shouldered by the manager		
Variable compensation				
Bonus	0.00	3,620,604.00	0.00	3,620,604.00
Profit sharing	0.00	5,153,143.00	0.00	5,153,143.00
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation				
Post-employment	0.00	0.00	0.00	0.00
Termination of office	0.00	185,333.33	0.00	185,333.33
Share-based (including options)	0.00	6,121,680.00	0.00	6,121,680.00
Note	As established in CIRCULAR LETTER/CVM/SEP/No. 1/2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.	As established in CIRCULAR LETTER/CVM/SEP/No. 1/ 2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. The variable compensation refers to the achievement of 100% goals established for the fiscal year 2021. This amount can be increased, under the terms of item 13.3 below, in case of exceeding the referred goals, up to the level of 150% of the goals. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.		
Total compensation	3,384,000.00	22,758,266.90	0.00	26,142,266.90

Total compensation for the year at 12/31/2020 - Annual Values				
	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.00	7.08	0.00	14.08
No. of paid members	6.00	7.08	0.00	13.08
Fixed annual compensation				
Salary or management fees	1,620,167.00	4,482,768.00	0.00	6,102,935.00
Direct and indirect benefits	0.00	616,399.00	0.00	616,399.00
Participation in committees	731,250.00	0.00	0.00	731,250.00
Others	470,283.00	1,832,914.00	0.00	2,303,197.00
Description of other fixed compensations	Social Charges shouldered by the manager	Social Charges shouldered by the manager		
Variable compensation				
Bonus	0.00	2,382,689.68	0.00	2,382,689.68
Profit sharing	0.00	4,421,393.52	0.00	4,421,393.52
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation				
Post-employment	0.00	0.00	0.00	0.00
Termination of office	0.00	443,714.00	0.00	443,714.00
Share-based (including options)	0.00	7,763,040.41	0.00	7,763,040.41
Note	As established in CIRCULAR LETTER/CVM/SEP/No. 1/2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.	As established in CIRCULAR LETTER/CVM/SEP/No. 1/ 2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. The share-based compensation (including options) reported herein considered only the restricted options and shares granted to the members of the Statutory Board (without including the amounts related to the options and restricted shares granted to the Company's employees). The variable compensation refers to the achievement of goals established for the fiscal year 2019, having been paid in 2020. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.		
Total compensation	2,821,700.00	21,942,918.61	0.00	24,764,618.61

Total compensation for the year at 12/31/2019 - Annual Values

	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.00	8.00	0.00	15.00
No. of paid members	4.00	8.00	0.00	12.00
Fixed annual compensation				
Salary or management fees	553,499.95	5,267,021.40	0.00	5,820,521.35
Direct and indirect benefits	0.00	871,533.98	0.00	871,533.98
Participation in committees	0.00	0.00	0.00	0.00
Others	110,699.99	1,474,765.99	0.00	1,585,465.98
Description of other fixed compensations	Social Charges shouldered by the manager	Social Charges shouldered by the manager		
Variable compensation				
Bonus	0.00	3,180,936.36	0.00	3,180,936.36
Profit sharing	0.00	5,875,253.68	0.00	5,875,253.68
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation				
Post-employment	0.00	0.00	0.00	0.00
Termination of office	0.00	0.00	0.00	0.00
Share-based (including options)	0.00	3,313,292.29	0.00	3,313,292.29
Note	As established in CIRCULAR LETTER/CVM/SEP/No. 1/2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.	As established in CIRCULAR LETTER/CVM/SEP/No. 1/2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. The share-based compensation (including options) reported herein considered only the restricted options and shares granted to the members of the Statutory Board (without including the amounts related to the options and restricted shares granted to the Company's employees). The variable compensation refers to the achievement of goals established for the fiscal year 2018, having been paid in 2019. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.	As established in CIRCULAR LETTER/CVM/SEP/No. 1/2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places.	
Total compensation	664,199.94	19,982,803.70	0.00	20,674,003.64

Total compensation for the year at 12/31/2018 - Annual Values				
	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.00	8.00	0.00	15.00
No. of paid members	0.00	8.00	0.00	8.00
Fixed annual compensation				
Salary or management fees	0.00	4,874,083.33	0.00	4,874,083.33
Direct and indirect benefits	0.00	973,140.87	0.00	973,140.87
Participation in committees	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other fixed compensations				
Variable compensation				
Bonus	0.00	4,261,083.33	0.00	4,261,083.33
Profit sharing	0.00	6,261,194.69	0.00	6,261,194.69
Participation in meetings	0.00	0.00	0.00	0.00
Commissions	0.00	0.00	0.00	0.00
Others	0.00	0.00	0.00	0.00
Description of other variable compensation				
Post-employment	0.00	0.00	0.00	0.00
Termination of office	0.00	0.00	0.00	0.00
Share-based (including options)	0.00	4,017,704.99	0.00	4,017,704.99
Note	As established in CIRCULAR LETTER/CVM/SEP/No. 1/2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.	As established in CIRCULAR LETTER/CVM/SEP/No. 1/ 2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places. The share-based compensation (including options) reported herein considered only the compensation of the members of the Statutory Board (without including the amounts related to the options and restricted shares granted to the Company's employees). The variable compensation refers to the achievement of goals established for the fiscal year 2017, having been paid in 2018. According to the understanding of the CVM Board at a meeting held on 12.8.2020 (Proc. No. 19957.007457/2018-10) the employer's social security charges were not considered.	As established in CIRCULAR LETTER/CVM/SEP/No. 1/ 2021, the number of members of the Board of Directors, Statutory Board and Supervisory Board (letter "b") was calculated according to the annual average number of members of each body calculated monthly, with two decimal places.	
Total compensation	0.00	20,387,207.21	0.00	20,387,207.21

13.3 - Variable compensation of the Board of Directors, Statutory Board and Supervisory Board

Scheduled for 12/31/2021	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7	7	0.00	14
No. of paid members	6	7	0.00	13
Bonus				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00
Maximum value provided for in the compensation plan	0.00	5,430,906.00 ⁽²⁾	0.00	5,430,906.00
Amount provided for in the compensation plan - goals achieved	0.00	3,620,604.00 ⁽¹⁾	0.00	3,620,604.00
Profit sharing				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00
Maximum value provided for in the compensation plan	0.00	7,729,714.50 ⁽²⁾	0.00	7,729,714.50
Amount provided for in the compensation plan - goals achieved	0.00	5,153,143.00 ⁽¹⁾	0.00	5,153,143.00

(1) Considering 100% of the goals achieved.

(2) Considering 150% of the goals achieved.

12/31/2020	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7	7.08	0.00	14.08
No. of paid members	6	7.08	0.00	13.08
Bonus				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00
Maximum value provided for in the compensation plan	0.00	4,802,422.32	0.00	4,802,422.32
Amount provided for in the compensation plan - goals achieved	0.00	2,382,689.68	0.00	2,382,689.68
Amount effectively recognized in profit or loss for the year	0.00	2,382,689.68	0.00	2,382,689.68
Profit sharing				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00
Maximum value provided for in the compensation plan	0.00	5,494,510.80	0.00	5,494,510.80

Amount provided for in the compensation plan - goals achieved	0.00	4,421,393.52	0.00	4,421,393.52
Amount effectively recognized in profit or loss for the year	0.00	4,421,393.52	0.00	4,421,393.52

12/31/2019	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.0	8.0	0.0	15.0
No. of paid members	4.0	8.0	0.0	12.0
Bonus				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00
Maximum value provided for in the compensation plan	0.00	4,885,519.00	0.00	4,885,519.00
Amount provided for in the compensation plan - goals achieved	0.00	3,335,434.00	0.00	3,335,434.00
Amount effectively recognized in profit or loss for the year	0.00	3,180,936.36	0.00	3,180,936.36
Profit sharing				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00
Maximum value provided for in the compensation plan	0.00	8,509,928.00	0.00	8,509,928.00
Amount provided for in the compensation plan - goals achieved	0.00	5,807,461.00	0.00	5,807,461.00
Amount effectively recognized in profit or loss for the year	0.00	5,875,253.68	0.00	5,875,253.68

12/31/2018	Board of Directors	Statutory Board	Supervisory Board	Total
Total number of members	7.00	8.00	0.00	15.00
No. of paid members	0.00	8.00	0.00	8.00
Bonus				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00

Maximum value provided for in the compensation plan	0.00	4,290,000.00	0.00	4,290,000.00
Amount provided for in the compensation plan - goals achieved	0.00	2,860,000.00	0.00	2,860,000.00
Amount effectively recognized in profit or loss for the year	0.00	4,261,083.33	0.00	4,261,083.33
Profit sharing				
Minimum value provided for in the compensation plan	0.00	0.00	0.00	0.00
Maximum value provided for in the compensation plan	0.00	7,294,950.00	0.00	7,294,950.00
Value predicted in the compensation plan – goals achieved	0.00	4,863,300.00	0.00	4,863,300.00
Amount effectively recognized in profit or loss for the year	0.00	6,261,194.69	0.00	6,261,194.69

13.4 - Share-based Compensation Plan for the Board of Directors and Statutory Board

First Stock Option Plan

The first stock option plan issued by the Company was approved on July 7, 2014 and amended on June 22, 2017 (“**First plan**”). Under the First Plan, 6,756,800 (six million, seven hundred and fifty-six thousand and eight hundred) options were granted for the benefit of the participants, including members of the management and employees of the Company. Each option gave its holder the right to acquire 1 (one) share issued by the Company.

Second Stock Option Plan

The Company's second stock option plan was approved on June 22, 2017 and amended on October 9, 2017 (“**Second plan**”). Under the Second Plan, 2,524,400 (two million, five hundred twenty-four thousand and four hundred) options were granted for the benefit of the participants, including members of the management and employees of the Company. Each option gave its holder the right to acquire 1 (one) share issued by the Company.

Third Stock Option Plan

The third stock option plan issued by the Company was approved on June 22, 2017 (“**Third Plan**”). Under the Third Plan, up to December 31, 2020, 5,683,849 (five million, six hundred and eighty-three thousand, eight hundred and forty-nine) options were granted to the participants, including members of the management and employees of the Company, remaining 61,051 (sixty-one thousand and fifty-one) options that may be granted. Each option gives its holder the right to acquire 1 (one) share issued by the Company.

First Stock Plan (Fourth Plan)

The Company's first stock plan was approved on March 22, 2019 (“**First Stock Plan**” or “**Fourth Plan**”). Under the Fourth Plan, until December 31, 2020, 1,638,958 (one million, six hundred and thirty-eight thousand, nine hundred and fifty-eight) virtual restricted shares (the “**Virtual Restricted Shares**”) were granted for the benefit of the Company's managers and employees, with a remaining 200,947 (two hundred thousand, nine hundred and forty-seven) Virtual Restricted Shares that can be granted. The number of shares issued by the Company to be transferred to the holder of the Virtual Restricted Shares, upon compliance with the conditions of the Fourth Plan, will correspond (i) to the number of Virtual Restricted Shares granted to them, *less* (ii) the total amount of income tax withheld at source and social security contributions then due by the aforementioned holder arising from the transfer of shares.

Second Stock Plan (Fifth Plan)

The Company's second stock plan was approved on July 31, 2020 (“**Second Stock Plan**” or “**Fifth Plan**” and, together with the First Stock Plan, simply “**Stock Plans**”, and with the First Plan, Second Plan, Third Plan and Fourth Plan, simply “**Plans**”). Under the Fifth Plan, until December 31, 2020, 678,519 (six hundred and seventy-eight thousand, five hundred and nineteen) Virtual Restricted Shares were granted for the benefit of the Company's managers and employees, with 1,178,651 (one million, one hundred and seventy-eight thousand, six hundred and fifty-one) remaining Virtual Restricted Shares that can be granted. The number of shares issued by the Company to be transferred to the holder of the Virtual Restricted Shares, upon compliance with the conditions of the Fifth Plan, will correspond (i) to the number of Virtual Restricted Shares granted to them, *less* (ii) the total amount of income tax withheld at source and social security contributions then due by the aforementioned holder arising from the transfer of shares.

(a) general terms and conditions

First Plan, Second Plan and Third Plan

The First Plan, Second Plan and Third Plan are managed by the People and Compensation Committee, subject to the decisions of the Board of Directors. Except for the members of the People and Compensation Committee who are Directors (and, therefore, will be able to participate in the Third Plan), the other members of the People and Compensation Committee will not be able to receive options. The Board of Directors, observing the suggestions of the People and Compensation Committee, may establish precedent terms and/or conditions, as well as specific rules, applicable to one or more participants, for the exercise of the options, vesting term, anticipation of vesting term, anticipation and/or extension of the term for exercising the options, among others, subject to the provisions of the general meeting and in the First Plan, in the Second Plan and in the Third Plan. The Board of Directors, observing the suggestions of the People and Compensation Committee and respecting the provisions of the general meeting, in the respective Plans and in the grant agreement, may determine additional restrictions on the transfer of the shares acquired with the exercise of the options, and may also reserve repurchase options or preemptive rights to the Company in the event of the sale of shares by the participant.

The Board of Directors, subject to the suggestions of the People and Compensation Committee, may periodically create Stock Option Programs (“**Programs**”), in which the following will be defined (i) the terms and conditions of each grant of options, (ii) the people to whom the options will be granted, (iii) the number, percentage and type of shares of the Company that the Participants will have the right to subscribe with the exercise of the option, (iv) the terms (minimum and maximum) for the exercise of the option, (v) the eventual scheduling of the options granted in lots subject to minimum terms, and (vi) any restrictions to the shares received by the exercise of options and provisions on penalties that may be applicable, observing the basic lines established in the Plan and at the General Meeting. The contracts will be individually prepared for each participant, and the Board of Directors, observing the suggestions of the People and Compensation Committee, may establish different terms and conditions for each contract, within the general limits set by the referred Plans, by the Annual General Meeting and by the respective Program.

For purposes of clarification, until December 31, 2020, the options of the First Plan and the Second Plan have already been granted and exercised in their entirety, leaving only part of the Third Plan options that can be granted.

The members of the management and employees of the Company and its affiliates are eligible to said Plans (except members of the People and Compensation Committee who are not Directors). The People and Compensation Committee may, at its sole discretion, define the levels of employees eligible for the First Plan, the Second Plan and the Third Plan, as well as expand the scope of the aforementioned Plans to other employee position levels, when creating each Program. In each Program, the People and Compensation Committee will indicate the participants to whom options will be offered. The appointment of certain participants in a given Program does not give them the right to be appointed as participants in any future Program.

As long as they are not exercised and converted into shares, the options will not be entitled to dividends, interest on capital or receipt of amounts due to capital reduction or bonus, among others. Likewise, as long as the options are not exercised and converted into shares, they will not have the right to vote or any other equity or political right in the Company.

Only for the First Plan

Within the scope of the First Plan Programs, the Company's managers and employees were granted 6,756,800 (six million, seven hundred and fifty-six thousand and eight hundred) options, of which: (i) 6,717,700 (six million, seven hundred and seventeen thousand and seven hundred) options were exercised and the respective shares were delivered to the beneficiaries of the First Plan, with (a) 6,433,833 (six million, four hundred and thirty-three, eight hundred and thirty-three) options exercised by the then managers of the Company; and (b) 283,900 (two hundred and eighty-three thousand nine hundred) options exercised by the then employees of the Company; and (ii) 39,100 (thirty-nine thousand one hundred) options were

lost or expired, so the beneficiary was not entitled to exercise their options. For clarification purposes, to the extent that there is no option within the scope of the First Plan that can be exercised by any participant, the First Plan is closed.

Only for the Second Plan

Within the scope of the Second Plan Programs, 2,524,400 (two million, five hundred and twenty-four thousand and four hundred) options were granted to the Company's managers and employees, with the totality of such options having already been exercised and the respective shares delivered to the Second Plan beneficiaries, observing that (i) 2,429,600 (two million, four hundred and twenty-nine thousand and six hundred) options were exercised by the then managers of the Company; and (ii) 94,800 (ninety-four thousand and eight hundred) options were exercised by the then employees of the Company. For clarification purposes, to the extent that there is no option within the scope of the Second Plan that can be exercised by any participant, the Second Plan is closed.

Only for the Third Plan

Within the scope of the Third Plan Programs, until December 31, 2020, the Company's managers and employees were granted 5,683,849 (five million, six hundred and eighty-three thousand, eight hundred and forty-nine) options, of which: (i) 1,942,278 (one million, nine hundred and forty-two, two hundred and seventy-eight) options were exercised and the respective shares delivered to the beneficiaries of the Third Plan, with (a) 1,688,442 (one million, six hundred and eighty-eight thousand and four hundred and forty-two) options exercised by current or former managers of the Company; and (b) 223,936 (two hundred and twenty-three thousand, nine hundred and thirty-six) options exercised by current or former employees of the Company, disregarding the employees who became administrators and were computed in item (a); (ii) 1,657,198 (one million, six hundred and fifty-seven thousand, one hundred and ninety-eight) options had their respective vesting period completed or anticipated, but have not yet been exercised, being (a) 1,588,038 (one million, five hundred and eighty-eight thousand and thirty-eight) options held by the Company's current managers; and (b) 69,160 (sixty-nine thousand, one hundred and sixty) options held by employees of the Company; (iii) 475,704 (four hundred and seventy-five thousand, seven hundred and four) were lost or expired, so that the beneficiaries were not entitled to exercise such options; and (iv) 1,608,669 (one million, six hundred and eight thousand, six hundred and sixty-nine) options have not yet had their respective vesting period completed, which will be (a) 1,407,890 (one million, four hundred and seven thousand, eight hundred and ninety) options on July 14, 2021, of which 1,318,490 (one million, three hundred and eighteen thousand, four hundred and ninety) options held by managers of the Company and 89,400 (eighty-nine thousand and four hundred) options held by employees of the Company, (b) 100,390.00 (one hundred thousand, three hundred and ninety) options on July 14, 2022, of which 92,790 (ninety-two thousand, seven hundred and ninety) options held by managers of the Company and 7,600 (seven thousand and six hundred) options held by the employees of the Company, and (c) 100,389 (one hundred thousand, three hundred and eighty-nine) options on July 14, 2023, of which 92,789 (ninety-two thousand, seven hundred and eighty-nine) options are held by managers of the Company and 7,600 (seven thousand and six hundred) options held by employees of the Company. Within the scope of the Third Plan Programs, the Company has 61,051 (sixty-one thousand and fifty-one) options that can be granted.

Stock Plans (Fourth Plan and Fifth Plan)

The Stock Plans are managed by the Board of Directors, observing the suggestions of the People and Compensation Committee. The Board of Directors will have broad powers to take all necessary and appropriate measures for the management of the Stock Plans including: (i) creating each of the Programs; (ii) selecting participants from among the eligible persons (as defined in the Stock Plans); (iii) determining the number of Virtual Restricted Shares to be granted to each participant; (iv) approving the model of the concession contract; (v) to analyzing exceptional cases, deciding omitted cases and interpreting the Stock Plans; (vi) establishing the specific terms, conditions and rules, applicable to one or more participants, whenever the Stock Plans contain an express provision of discretion on the part of the Board of Directors or the People and Compensation Committee; and (vii) proposing amendments to the Stock Plans for approval by the General Meeting.

The decision of making an eligible individual (as defined in the Stock Plans) a participant will be at the discretion of the Board of Directors, subject to the suggestions of the People and Compensation Committee. The appointment of a certain participant in a certain Program does not give them the right to be nominated as a participant in any other Program.

Each of the Stock Plans is composed of 2 (two) Virtual Restricted Share Programs, created by the Board of Directors or by the People and Compensation Committee, subject to the guidelines of the Board of Directors. In each Program, the following were defined: (i) the terms and conditions for the granting of Virtual Restricted Shares related to the Program in question; (ii) the participants of the Program in question; (iii) the number of Virtual Restricted Shares object of the Program in question; (iv) the number of Virtual Restricted Shares that each participant will be entitled to under the Program in question; and (v) the respective periods that the participant must remain connected to the Company in order to be entitled to transfer the shares under the terms and conditions established in the Stock Plans, in the respective Program and in the concession contract. Until they are converted into shares, the Virtual Restricted Shares will not be entitled to dividends, interest on capital or receipt of amounts due to capital reduction or bonus, among others. Likewise, as long as they are not converted into shares, the Virtual Restricted Shares will not have the right to vote or any other equity or political right in the Company.

Only for the First Stock Plan (Fourth Plan)

Within the scope of the 1st Stock Concession Program of the Fourth Plan, 1,094,772 (one million, ninety-four thousand, seven hundred and seventy-two) were granted to the Company's managers and employees until December 31, 2020, of which (i) 165,339 (one hundred and sixty-five thousand, three hundred and thirty-nine) were lost, so that the beneficiaries were not entitled to exercise such options; (ii) 464,720 (four hundred and sixty-four thousand, seven hundred and twenty) will have their vesting period completed on January 1, 2022, of which 374,243 (three hundred and seventy-four thousand, two hundred and forty-three) Virtual Restricted Shares are held by managers of the Company and 90,477 (ninety thousand, four hundred and seventy-seven) Virtual Restricted Shares are held by Company employees, and (iii) 464,713 (four hundred and sixty-four thousand, seven hundred and thirteen) will have their vesting period completed on January 1, 2023, of which 374,241 (three hundred and seventy-four thousand, two hundred and forty-one) Virtual Restricted Shares are held by administrators of the Company and 90,472 (ninety thousand, four hundred and seventy-two) Virtual Restricted Shares are held by Company's employees. Within the scope of the 2nd Stock Program of the Fourth Plan, until December 31, 2020, 544,186 (five hundred and forty-four thousand, one hundred and eighty-six) Virtual Restricted Shares were granted to the Company's managers and employees, of which (i) 82,000 (eighty-two thousand) were lost, so that the beneficiaries were not entitled to exercise such options; (ii) 231,094 (two hundred and thirty-one thousand and ninety-four) will have their vesting period completed on January 1, 2023, of which 154,501 (one hundred and fifty-four thousand, five hundred and one) Virtual Restricted Shares are held by the managers of the Company and 76,593 (seventy-six thousand, five hundred and ninety-three) Virtual Restricted Shares are held by Company's employees, and (ii) 231,092 (two hundred and thirty one thousand and ninety two) will have their vesting period completed on January 1, 2024, of which 154,500 (one hundred and fifty-four thousand five hundred) Virtual Restricted Shares are held by administrators of the Company and 76,592 (seventy-six thousand, five hundred and ninety-two) Virtual Restricted Shares are held by Company's employees.

Within the scope of the Fourth Plan, the Company has 200,947 (two hundred thousand, nine hundred and forty-seven) Virtual Restricted Shares that can be granted.

Only for the Second Stock Plan (Fifth Plan)

Within the scope of the 1st Stock Program of the Fifth Plan, up to December 31, 2020, 678,519 (six hundred and seventy-eight thousand, five hundred and nineteen) Virtual Restricted Shares were granted to the Company's managers and employees, of which (i) 339,255 (three hundred and thirty-nine thousand, two hundred and fifty-five) will have their vesting period completed on January 1, 2024, of which 208,959 (two hundred and eight thousand, nine hundred and fifty-nine) Virtual Restricted Shares are held by the Company's managers and 130,296 (one hundred and thirty thousand, two hundred and ninety-six) Virtual Restricted Shares are held by Company's employees, and (ii) 339,264 (three hundred and thirty-nine thousand, two hundred and sixty-four) will have their vesting period completed on January 1, 2025, of which 208,961 (two hundred and eight thousand, nine hundred and sixty-one) Virtual Restricted Shares are held by Company's managers and 130,303 (one hundred and thirty thousand, three hundred and three) Virtual Restricted Shares are held by Company's employees.

Within the scope of the Fifth Plan, the Company has 1,178,651 (one million, one hundred and seventy-eight thousand, six hundred and fifty-one) Virtual Restricted Shares that can be granted.

(b) main objectives of the plan

The Plans are designed to promote the Company's long-term growth and profitability, providing people who are or will be involved in the growth of the Company the opportunity to acquire a property right in the Company, thereby encouraging these people to contribute and participate the Company's success.

(c) how the plan contributes to these objectives

The Plans give its participants the possibility of becoming shareholders of the Company. By enabling participants to become shareholders of the Company, they are expected to have strong incentives to effectively commit to the creation of value and exercise their functions in a way that integrates with the interests of shareholders, social objectives and growth plans of the Company, thus maximizing its profits. The Plans also encourage participants, through the commitment of their own resources, if applicable, to seek the immediate appreciation of the shares issued by the Company, without, however, compromising the growth and future appreciation of the shares, which are equally relevant as a result of the model adopted. The model adopted expects to be effective as a mechanism for retaining managers and employees, chiefly due to the sharing of the appreciation of the Company's shares.

(d) how the plan fits into the issuer's compensation policy

The Company has a policy of enhancing meritocracy, establishing specific goals for current and future directors, employees, consultants and individual advisors of the Company, which must be met in exchange for additional compensation at the end of the period. The Company believes that the Plans are adapted to its compensation practice, encouraging its respective beneficiaries to pursue better results for the Company, which has a direct impact on the compensation of current and future directors, employees, consultants and individual advisors of the Company.

(e) how the plan aligns the interests of managers and the issuer in the short, medium and long term

The Plans align the interests of the Company, its current and future directors, employees, consultants and individual advisors insofar as it seeks to optimize management and the maintenance of its main current and future directors, employees, consultants and individual advisors, whose commitment and dedication in the development of their attributions will positively impact the results of the Company in the short and long term.

(f) maximum number of shares covered

First Plan

The First Plan is limited to a maximum number of 6,756,800 (six million, seven hundred and fifty-six thousand, eight hundred) options, of which: (i) 6,717,700 (six million, seven hundred and seventeen thousand and seven hundred) options were exercised and the respective shares were delivered to the beneficiaries of the First Plan, with (a) 6,433,833 (six million, four hundred and thirty-three, eight hundred and thirty-three) options exercised by the then managers of the Company; and (b) 283,900 (two hundred and eighty-three thousand nine hundred) options exercised by the then employees of the Company; and (ii) 39,100 (thirty-nine thousand one hundred) options were lost or expired, so the beneficiary was not entitled to exercise his options. For clarification purposes, to the extent that there is no option within the scope of the First Plan that can be exercised by any participant, the First Plan is closed.

Second Plan

The Second Plan is limited to a maximum number of 2,524,400 (two million, five hundred and twenty-four thousand and four hundred) options, with the totality of such options already being exercised and the respective shares delivered to the beneficiaries of the Second Plan, observed that (i) 2,429,600 (two million, four hundred twenty-nine thousand and six hundred) options were exercised by the then administrators of the Company; and (ii) 94,800 (ninety-four thousand and eight hundred) options were

exercised by the then employees of the Company. For clarification purposes, to the extent that there is no option within the scope of the Second Plan that can be exercised by any participant, the Second Plan is closed.

Third Plan

The Third Plan is limited to a maximum number of 5,744,900 (five million, seven hundred and forty-four thousand and nine hundred) options, and had, until December 31, 2020, a total of (i) 3,265,867 (three million, two hundred and sixty-five thousand, eight hundred and sixty-seven) options not exercised (disregarding the options lost), of which (a) 3,092,107 (three million, ninety-two thousand, one hundred and seven) options are held by the managers of the Company and (b) 173,760 (one hundred and seventy-three thousand, seven hundred and sixty) options are held by Company's employees; and (ii) 61,051 (sixty-one thousand and fifty-one) options were not granted. If the remaining options are granted and exercised, it would represent a total of 1.19% of the Company's capital, as at December 31, 2020.

First Stock Plan (Fourth Plan)

The First Stock Plan is limited to a maximum number of 1,839,905 (one million, eight hundred and thirty-nine thousand, nine hundred and five) Virtual Restricted Shares (the "**Quantitative Limit of the Fourth Plan**") and had, until December 31, 2020, a total of (i) 1,391,619 (one million, three hundred and ninety one thousand, six hundred and nineteen) Virtual Restricted Shares granted to participants in the First Stock Plan and that did not have their vesting period completed (disregarding the Virtual Restricted Shares lost); and (ii) 200,947 (two hundred thousand, nine hundred and forty-seven) Virtual Restricted Shares still pending concession to participants of the First Stock Plan. If all the Virtual Restricted Shares of the Fourth Plan, granted or not, were converted into shares of the Company (disregarding the Virtual Restricted Shares lost), it would represent an approximate total of 0.58% of the Company's capital as at December 31, 2020.

Second Stock Plan (Fifth Plan)

The Second Stock Plan is limited to a maximum number of 1,857,170 (one million, eight hundred and fifty-seven thousand, one hundred and seventy) Virtual Restricted Shares (the "**Quantitative Limit of the Fifth Plan**") and had, until December 31, 2020, a total of (i) 678,519 (six hundred and seventy-eight thousand, five hundred and nineteen) Virtual Restricted Shares granted to participants of the Second Stock Plan and who did not have their vesting period completed; and (ii) 1,178,651 (one million, one hundred and seventy-eight thousand, six hundred and fifty-one) Virtual Restricted Shares still pending concession to participants of the Second Stock Plan.

If all the Virtual Restricted Shares of the Fifth Plan, whether granted or not, were converted into shares of the Company, it would represent an approximate total of 0.67% of the Company's capital as at December 31, 2020.

(g) maximum number of options to be granted

First Plan

The First Plan is limited to a maximum number of 6,756,800 (six million, seven hundred and fifty-six thousand, eight hundred) options, of which: (i) 6,717,700 (six million, seven hundred and seventeen thousand and seven hundred) options were granted and exercised and (ii) 39,100 (thirty-nine thousand and one hundred) options were lost or expired.

Second Plan

The Second Plan is limited to a maximum number of 2,524,400 (two million, five hundred and twenty-four thousand and four hundred) options, all of which have already been fully granted and exercised.

Third Plan

The Third Plan is limited to a maximum number of 5,744,900 (five million, seven hundred and forty-four thousand and nine hundred) options, of which 61,051 (sixty-one thousand and fifty-one) options can still be granted.

Stock Plans (Fourth Plan and Fifth Plan)

The Stock Plans do not cover the granting of stock options.

(h) conditions for the acquisition of shares

First Plan

By virtue of the exercise of the option and until the date informed by the Company, the participant must pay to the Company the exercise price determined in each Program (i) as payment of the subscribed shares, when the exercise occurs through a capital increase, or (ii) as payment of the acquisition price, when the exercise occurs through the acquisition of shares held in treasury by the Company. The payment of the exercise price must always be in cash, by depositing in a current account held by the Company, as indicated by the latter.

If the participant does not pay the exercise price under the conditions provided, he will not receive the corresponding shares and the relevant options will be immediately expired and canceled, for all intents and purposes. Without prejudice to the provisions above, even if the Company exceptionally authorizes the acquisition by the participant of shares not yet paid, while the exercise price corresponding to them has not been paid in full, the shares cannot be sold to third parties, except with the prior authorization of the Board of Directors. Management, subject to the suggestion of the People and Compensation Committee, in which case the proceeds from the sale will be used primarily to settle the participant's debt to the Company.

Second Plan

By virtue of the exercise of the option and until the date informed by the Company, the participant must pay to the Company the exercise price determined in each Program (i) as payment of the subscribed shares, when the exercise occurs through a capital increase, or (ii) as payment of the acquisition price, when the exercise occurs through the acquisition of shares held in treasury by the Company. The payment of the exercise price must always be in cash, by depositing in a current account held by the Company, as indicated by the latter.

If the participant does not pay the exercise price under the conditions provided, he will not receive the corresponding shares and the relevant options will be immediately expired and canceled, for all intents and purposes. Without prejudice to the provisions above, even if the Company exceptionally authorizes the acquisition by the participant of shares not yet paid, while the exercise price corresponding to them has not been paid in full, the shares cannot be sold to third parties, except with the prior authorization of the Board of Directors. Management, subject to the suggestion of the People and Compensation Committee, in which case the proceeds from the sale will be used primarily to settle the participant's debt to the Company.

Participants appointed to participate in the Second Plan who also participate in the First will not be able to exercise or pay any options granted under the Second Plan before exercising and paying all, and no less than all, the options granted under the First Plan.

Third Plan

Unless otherwise decided by the People and Compensation Committee or unless the participant decides to proceed otherwise, the participant will use at least 25% (twenty-five percent) of the value of profit sharing, performance bonuses or any other modality of variable annual compensation to which they are entitled, net of income tax and other charges ("**RV**"- **Minimum Investment**"), for the payment of the exercise price of the remaining options and/or of the options that become exercisable until July 31 of the same year in which the RV was paid.

If the resources corresponding to the use of the RV are not sufficient for the participant to exercise all the options that are already exercisable until the receipt of the RV ("**Remaining Options**"), such Remaining Options will remain valid and exercisable. In addition to the Minimum Investment, the participant will use all the dividends and interest on capital received due to the ownership of any of the Company's shares that the participant has already received due to previous exercise of stock options of the Company shares for the payment of the exercise of the Remaining Options.

The participant who does not perform the Minimum Investment in the manner and for the purposes set out in the Third Plan will have the amount of their options in the respective lot reduced proportionately to the percentage of their RV that was not used, unless the participant has already subscribed and paid in, until that date (that is, until the date of payment of the RV to the participant), at least an identical number of shares with own resources (excluding those shares computed for the same purpose in previous years).

The Minimum Investment mechanics indicated above was only applicable until the year ended as at December 31, 2019.

By virtue of the exercise of the option and until the date informed by the Company, the participant must pay to the Company the exercise price determined in each Program (i) as payment of the subscribed shares, when the exercise occurs through a capital increase, or (ii) as payment of the acquisition price, when the exercise occurs through the acquisition of shares held in treasury by the Company. The payment of the exercise price must always be in cash, by depositing in a current account held by the Company, as indicated by the latter.

If the participant does not pay the exercise price under the conditions provided, he will not receive the corresponding shares and the relevant options will be immediately expired and canceled, for all intents and purposes. Without prejudice to the provisions above, even if the Company exceptionally authorizes the acquisition by the participant of shares not yet paid, while the exercise price corresponding to them has not been paid in full, the shares cannot be sold to third parties, except with the prior authorization of the Board of Directors. Management, subject to the suggestion of the People and Compensation Committee, in which case the proceeds from the sale will be used primarily to settle the participant's debt to the Company.

Participants appointed to participate in the Third Plan who also participate (i) in the First Plan; and/or (ii) the Second Plan will not be able to exercise or pay any options granted under the Third Plan before exercising and paying all, and no less than the all, the options granted under the First Plan and Second Plan, in that order.

Stock Plans (Fourth Plan and Fifth Plan)

The Company's obligation to grant Virtual Restricted Shares to the participant in the Stock Plans is subject to the signing of the concession contract with each of the referred participants.

Moreover, the Company only has the obligation to grant shares issued by the Company to the participant of the Stock Plans upon verification of all the requirements, conditions and procedures established in the referred Plans, in the respective Program and concession contract, including, but not limited to the fulfillment of the grace period, that is, the period that the participant must remain connected to the Company in order to be entitled to transfer the Shares ("**Grace Period**").

Only for the First Stock Plan (Fourth Plan)

The Grace Period of each Fourth Plan Program must observe the dates and proportions below, unless otherwise determined by the Board of Directors, subject to the suggestion of the People and Compensation Committee:

- (i) In relation to the first program, (i) the Grace Period will end on January 1, 2022 in relation to 50% (fifty percent) of the Virtual Restricted Shares granted in said Program; and (ii) the Grace Period will end on January 1, 2023 in relation to the remaining 50% (fifty percent) of the Virtual Restricted Shares granted under the same Program;
- (ii) In relation to the second program, (i) the Grace Period will end on January 1, 2023 in relation to 50% (fifty percent) of the Virtual Restricted Shares granted in said Program; and (ii) the Grace Period will end on January 1, 2024 in relation to the remaining 50% (fifty percent) of the Virtual Restricted Shares granted under the same Program.

Only for the Second Stock Plan (Fifth Plan)

The Grace Period of each Fifth Plan Program must observe the dates and proportions below, unless otherwise determined by the Board of Directors, subject to the suggestion of the People and Compensation Committee:

- (i) In relation to the first Program, (i) the Grace Period will end on January 1, 2024 in relation to 50% (fifty percent) of the Virtual Restricted Shares granted in said Program; and (ii) the Grace Period will end on January 1, 2025 in relation to the remaining 50% (fifty percent) of the Virtual Restricted Shares granted under the same Program;
- (ii) In relation to the second Program, (i) the Grace Period will end on January 1, 2025 in relation to 50% (fifty percent) of the Virtual Restricted Shares granted in said Program; and (ii) the Grace Period will end on January 1, 2026 in relation to the remaining 50% (fifty percent) of the Virtual Restricted Shares granted under the same Program.

(i) criteria for setting the acquisition or strike price

First Plan

The strike price of the options to be paid by the participants when the shares are paid in or acquired, as applicable, will be R\$ 8.01 (eight reais and one cent) per share, to be adjusted for inflation from June 14, 2016 in accordance with the variation of the Extended National Consumer Price Index (IPCA), disclosed by the Brazilian Statistics Institute (IBGE) ("**IPCA**"), plus 5.0% (five percent) per year, until the effective payment date.

The strike price will be reduced by the same amount of dividends or interest on capital per share that may be paid by the Company as of the date of execution of the grant agreement with the participant and up to the date of exercise of the options, and will also be reduced by the same amount paid per share as a capital decrease whenever such reduction does not occur through the cancellation of shares.

Second Plan

The strike price of the options to be paid by the participants when the shares are paid in or acquired, as applicable, will be R\$ 6.48 (six reais and forty-eight cents) per share, to be adjusted for inflation from June 14, 2016 in accordance with the variation of the Extended National Consumer Price Index (IPCA), disclosed by the IBGE ("**IPCA**"), up to the date of actual payment.

The strike price will be reduced by the same amount of dividends or interest on capital per share that may be paid by the Company as of the date of execution of the grant agreement with the participant and up to the date of exercise of the options, and will also be reduced by the same amount paid per share as a capital decrease whenever such reduction does not occur through the cancellation of shares.

Third Plan

The strike price of the options to be paid by the participants when the shares are paid in or acquired, as applicable, will be R\$ 9.67 (nine reais and sixty-seven cents) per share, to be adjusted for inflation from June 14, 2016 in accordance with the variation of the Extended National Consumer Price Index (IPCA), disclosed by the IBGE ("**IPCA**"), up to the date of actual payment.

The strike price will be reduced by the same amount of dividends or interest on capital per share that may be paid by the Company as of the date of execution of the grant agreement up to the date of exercise of the options, and will also be reduced by the same amount paid per share as a capital decrease whenever such reduction does not occur through the cancellation of shares.

Stock Plans (Fourth Plan and Fifth Plan)

The granting of Virtual Restricted Shares, as well as the transfer of shares by the Company to the participants in the Stock Plans, will be carried out at no cost to the participants, subject to the terms and conditions of the respective Stock Plans and the Concession Programs and Contracts, in particular the Grace Period (as defined in item (h) above).

(j) criteria for setting the exercise period

First Plan

The first batch of options in the First Plan can be exercised as of July 14, 2014 (“**Initial Batch**” or “**Initial Vesting**”, as applicable), with the right to exercise the other batches acquired successively (“**Subsequent Batches**” or “**Subsequent Vestings**”). Within the scope of the First Plan programs, there are no options that have not yet had their respective vesting period completed or advanced.

The options of the Initial Batch and Subsequent Batches of the First Plan will not expire and may be exercised at any time after the respective vesting, observing, however, the participant's termination hypotheses (item “n”). Without prejudice, the Board of Directors, following the suggestion of the People and Compensation Committee, may, in each program or individual contract, establish different vesting conditions. The Board of Directors, following the suggestion of the People and Compensation Committee, may, at its sole discretion, at any time, advance the vesting period of the participants' options.

Second Plan

The Initial Batch of options in the Second Plan can be exercised from July 14, 2017, with the right to exercise the other batches acquired successively. Within the scope of the Second Plan programs, there are no options that have not yet had their respective vesting period completed or advanced.

The options of the Initial Batch and Subsequent Batches of the Second Plan will not expire and may be exercised at any time after the respective vesting, observing, however, the participant's termination hypotheses (item “n”). Without prejudice, the Board of Directors, following the suggestion of the People and Compensation Committee, may, in each program or individual contract, establish different vesting conditions. The Board of Directors, following the suggestion of the People and Compensation Committee, may, at its sole discretion, at any time, advance the vesting period of the participants' options.

Third Plan

The Initial Batch of options in the Third Plan can be exercised from July 14, 2017, with the right to exercise the other batches acquired successively. The following batches of options have not yet had their respective vesting period completed

	7/14/2021	7/14/2022	7/14/2023
Options held by managers	1,318,490	92,790	92,789
Options held by employees	89,400	7,600	7,600
TOTAL	1,407,890	100,390	100,389

The options of the Initial Batch and Subsequent Batches of the Third Plan will not expire and may be exercised at any time after the respective vesting observed, however, the participant's termination hypotheses (item “n”). Without prejudice, the Board of Directors, following the suggestion of the People and Compensation Committee, may, in each program or individual contract, establish different vesting conditions. The Board of Directors, following the suggestion of the People and Compensation Committee, may, at its sole discretion, at any time, anticipate the vesting period of the participants' options.

Stock Plans (Fourth Plan and Fifth Plan)

Once the respective Grace Period (indicated in item 13.4 “h”) and the other conditions established in the Stock Plans, Concession Programs and Contracts are satisfied, the participant who is interested in converting their Virtual Restricted Shares into Shares must send to the Board of Directors or the People and Compensation Committee a written notification to that effect, within 6 (six) months counted from the respective fulfillment of the conditions, and, after said period, the Virtual Restricted Shares will automatically be extinguished, in full, regardless of prior notice or indemnity. The Shares will be transferred by the Company to the participant within 60 (sixty) days from the date of receipt of the notification mentioned in the item above.

The Grace Periods for the Virtual Restricted Shares in the Fourth Plan already granted end on the following dates:

	01/01/2022	01/01/2023	01/01/2024
Virtual Restricted Shares held by managers	374,243	528,742	154,500
Virtual Restricted Shares held by employees	90,447	167,065	76,592
TOTAL	464,720	695,807	231,092

The Grace Periods for the Virtual Restricted Shares in the Fifth Plan already granted end on the following dates:

	01/01/2024	01/01/2025
Virtual Restricted Shares held by managers	208,959	208,961
Virtual Restricted Shares held by employees	130,296	130,303
TOTAL	339,225	339,264

(k) settlement method

First Plan, Second Plan and Third Plan

By virtue of the exercise of the option, the participant must pay to the Company the strike price determined in each Program (i) as payment of the subscribed shares, when the exercise occurs through a capital increase, or (ii) as payment of the acquisition price, when the exercise occurs through the acquisition of shares held in treasury by the Company. The payment of the strike price must always be in cash, by depositing in a current account held by the Company.

Stock Plans (Fourth Plan and Fifth Plan)

Once the conditions established in the Stock Plans and in the respective Concession Programs and Contracts are satisfied and as long as the applicable legal and regulatory requirements are observed, the Company will choose to (i) transfer shares held in treasury to the participant, by means of a private operation, pursuant to CVM Instruction 567/2015, or (ii) issue new shares within the authorized capital limit.

Alternatively to the granting of Shares, the Company, by decision of the Board of Directors, observing the suggestion of the People and Compensation Committee, may choose to pay in cash and in full the amount corresponding to the average closing price of the Shares in the last 60 (sixty) trading sessions prior to the actual payment to the participant.

(l) restrictions on the transfer of shares

First Plan, Second Plan and Third Plan

The shares held by the participant, when they leave the Company voluntarily or due to lay-off or termination, with or without cause (“**Termination Events**”) may not be sold, assigned or transferred by the participant, for whatever reason, to any person or third party, from the date of communication of the Termination Event and during the period of 1 (one) year from the formalization of such Termination Event (“**Lock Up Term**”).

If, within the Lock Up Term, the participant (i) is to enter, act, participate and/or invest in any business

competing with the Company, in the national territory, for any purpose, whether as a partner, shareholder, employee, consultant or in any other manner; and/or (ii) by themselves or by third parties, hire, offer employment or request the services of any employee, director, executive or exclusive consultant of the Company; and/or (iii) by themselves or by third parties, adopt any behavior that interferes or may adversely interfere in the relationship of the Company with its suppliers, service providers and/or customers, the Company may exercise, at its sole discretion, a purchase option under such shares.

Stock Plans (Fourth Plan and Fifth Plan)

The Stock Plans do not contain any possibility of restricting the transfer of the shares acquired by the participants. Nevertheless, the Board of Directors, following the suggestion of the People and Compensation Committee, may establish the specific terms, conditions and rules applicable to one or more participants within the scope of the Stock Plans.

(m) criteria and events that, when verified, will cause the suspension, change or extinction of the plan

First Plan, Second Plan and Third Plan

The First Plan, the Second Plan and the Third Plan may be extinguished, suspended or changed, at any time, by a decision of the General Meeting.

The rights conferred on a particular participant in the referred Plans may also be extinguished or changed in the event of the participant's dismissal due to resignation or termination, with or without cause, or retirement, or in the event of the participant's death or permanent disability, according to item 13.4 (n) below.

Stock Plans (Fourth Plan and Fifth Plan)

The Stock Plans will remain in effect for an indefinite period, until it is expressly extinguished by resolution of the General Meeting or of the Board of Directors, or until the Quantitative Limit (indicated in item 13.4 (f) above) is reached and the totality of shares is effectively transferred to the participants.

The Stock Plans may be extinguished, suspended or changed, at any time, by decision of the General Meeting, without any right to shares not effectively transferred to the participants until the date of the respective extinction, suspension or change.

Moreover, a Program may be extinguished, suspended or changed, at any time, by decision of the Board of Directors, subject to the suggestion of the People and Compensation Committee, in the interest of the Company, without any right to shares not effectively transferred to the participants until the date of the respective extinction, suspension or change.

The Grace Periods for the Virtual Restricted Shares (as defined in item 13.4(h) above) will be fully anticipated and the respective shares may be promptly transferred at the request of the participant in the event of (i) a public tender offer for registration cancellation; (ii) public tender offer for an increase in the controlling shareholder's interest; (iii) public tender offer for the sale of control of a publicly-held company; and (iv) Voluntary public tender offer for the acquisition of control of a publicly-held company (including any competing public tender offers), as such terms are defined by CVM Instruction 361/2002. The Board of Directors, following the suggestion of the People and Compensation Committee, may establish, at its sole discretion, new hypotheses for the anticipation of the Grace Period.

Moreover, in the event of (i) dissolution, transformation, merger, business combination or spin-off or any reorganization of the Company in which the Company is not the remaining company, or (ii) the Company ceases to have its shares admitted for trading at B3 S.A. - Brazil, Bolsa, Balcão, the Board of Directors, subject to the suggestion of the People and Compensation Committee, may decide, at its sole discretion, to anticipate the Grace Periods, to cancel any restrictions on the transfer of shares (if any) and/or to recommend that the general meeting of the successor/resulting company approves the continuity and adoption of the Stock Plans.

(n) effects of the manager's departure from the issuer's bodies on their rights provided for in the share-based compensation plan

First Plan, Second Plan and Third Plan

In the event of the participant's dismissal due to resignation or termination, with or without cause, or retirement, the rights granted to them according to the grant agreement may be extinguished or changed, subject to the following provisions:

If, at any time during the term of the First Plan, Second Plan and Third Plan, the participant leaves the Company voluntarily, either by resigning from their job or resigning their position as manager or as a result of an optional or compulsory retirement request: (i) options that are not yet exercisable on the date of their dismissal ("**Non-Vested Options**") will automatically be extinguished, in full, regardless of prior notice or indemnity; and (ii) the options already exercisable on the date of their dismissal ("**Vested Options**") may be exercised, within up to 15 (fifteen) days from the date of termination, after which they will automatically be extinguished, in full, regardless of prior notice or indemnity.

If, at any time during the term of the First Plan, Second Plan and Third Plan, the participant is dismissed from the Company upon resignation or removal from office (or not reelected), without cause or there is termination in the event of Indirect Termination: (i) Non-Vested Options will automatically be exercisable, anticipating the grace period, so that they can be exercised by the participant, for a period of 90 (ninety) days from the date of termination, after which they will automatically be extinct, in full, regardless of prior notice or indemnity; and (ii) Vested Options may be exercised, within up to 90 (ninety) days from the date of termination, after which they will automatically be extinguished, in full, regardless of prior notice or indemnity. These exercise conditions may be changed by the Board of Directors, subject to the suggestion of the People and Compensation Committee when creating each Program.

If, at any time during the term of the First Plan, Second Plan and Third Plan, the participant is dismissed from the Company upon resignation or removal from office with cause, all options that have been granted to them, whether Vested or Non- Vested, will be automatically extinguished, in full, regardless of prior notice or indemnity, without prejudice to any exercise by the Company of the right to repurchase the shares held by such participant, under the terms of the contract.

In the event of the participant's death or permanent disability, the rights arising from the options will be extended to their heirs and successors and the options may be exercised subject to the following provisions: (i) Non-Vested Options will automatically be exercisable, with the grace period anticipated, so that they can be exercised by the participants or by the participant's heirs or successors, as applicable, for a period of 1 (one) year from the date of death or termination due to permanent disability; and (ii) Vested Options on the date of death or termination due to permanent disability will remain unchanged, and may be exercised for a period of 36 (thirty-six) months, after which they will automatically be extinguished, in full, independently.

Stock Plans (Fourth Plan and Fifth Plan)

In the event of the participant's dismissal for any reason, including (i) resignation/termination at the initiative of the Company (with or without cause) or at the initiative of the participant, (ii) resignation or removal from the position of manager, or (iii) retirement, the rights granted to the participant within the scope of the Stock Plans, of any Program and/or concession agreement will be automatically extinguished if the respective Grace Period has not elapsed (as defined in item 13.4(h) above), except otherwise decided by the Board of Directors, following the suggestion of the People and Compensation Committee.

In the event of the participant's termination after the Grace Period has elapsed, but before the 6 (six) month period for sending a notification requesting the transfer of shares (as indicated in item 13.4(j) above) has expired, the rights to the participant within the scope of the Stock Plans, of any Program and/or concession agreement will remain valid until (i) the participant sends the referred notification and receives the shares; or (ii) the period of 6 (six) months expires, in which case the rights conferred on the participant under the Stock Plans, of any Program and/or concession agreement will be automatically extinguished, whichever occurs first between "i" and "ii". Specifically for cases of permanent disability or death of the participant, the Grace Periods will be brought forward, so that all shares related to the permanently disabled or deceased participant be immediately received by the participant or by the participant's heirs or successors, as applicable, without being necessary, in this case, for the participant and/or heirs or successors to send a notification to the Company.

13.5 - Share-Based Compensation of the Board of Directors and Executive Board

Scheduled for 12/31/2021 ⁽¹⁾		
	Board of Directors	Statutory Board
Total number of members	7.00	7.00
No. of paid members	0.00	7.00
Weighted average strike price:		
a. Outstanding options at the beginning of the year	N/A	SOP 3: R\$ 9.67 to be adjusted for inflation from June 14, 2016.
b. Options lost during the year	N/A	N/A
c. Options exercised during the year	N/A	SOP 3: R\$ 9.67 to be adjusted for inflation from June 14, 2016.
d. Options expired during the year	N/A	N/A
Potential dilution in case all options granted are exercised	N/A	1.03%

⁽¹⁾ This amended table contains information only related to the Third Plan, since the First Plan and the Second Plan have already ended and the Stock Plans are not comparable to a stock option plan, so they should not be considered for purposes of this item 13.5.

12/31/2020 ⁽¹⁾		
	Board of Directors	Statutory Board
Total number of members	7.00	7.08
No. of paid members	0.00	7.08
Weighted average strike price:		
a. Outstanding options at the beginning of the year	N/A	SOP 3: R\$ 9.67 to be adjusted for inflation from June 14, 2016.

b. Options lost during the year	N/A	SOP 3: R\$ 9.67 to be corrected since June 14, 2016
c. Options exercised during the year	N/A	N/A
d. Options expired during the year	N/A	N/A
Potential dilution in case all options granted are exercised	N/A	1.17%

(1) Amended table to reflect what actually occurred in 2020 and to include only the Third Plan, since the First Plan and the Second Plan have already ended and the Stock Plans are not comparable to a stock option plan, so they should not be considered for purposes of this item 13.5.

12/31/2019 ⁽¹⁾		
Board of Directors		Statutory Board
Total number of members	7.00	8.00
No. of paid members	0.00	8.00
Weighted average strike price:		
a. Outstanding options at the beginning of the year	N/A	SOP 1: R\$ 8.01 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per year. SOP 2: R\$ 6.48 to be adjusted for inflation from June 14, 2016 according to the IPCA variation. SOP 3: R\$ 9.67 to be adjusted for inflation from June 14, 2016.
b. Options lost during the year	N/A	SOP 1: R\$ 8.01 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per year. SOP 2: R\$ 6.48 to be adjusted for inflation from June 14, 2016 according to the IPCA variation. SOP 3: R\$ 9.67 to be

		adjusted for inflation from June 14, 2016
c. Options exercised during the year	N/A	SOP 1: R\$9.83 SOP 2: R\$6.96 SOP 3: R\$10.52
d. Options expired during the year	N/A	N/A
Potential dilution in case all options granted are exercised	N/A	1.61%
Granting of stock options		
Grant date	N/A	SOP 1 and SOP 2: N/A SOP 3: 10/31/2019
Number of options granted	N/A	SOP 1 and SOP 2: N/A SOP3: 497,949
Deadline for the options to become exercisable	N/A	SOP 1 and SOP 2: N/A SOP3: 99,590 are already exercisable, 99,590 on 7/14/2020, 99,590 on 7/14/2021, 99,590 on 7/14/2022, 99,589 on 7/14/2023
Maximum term for the exercise of the options	N/A	SOP 1 and SOP 2: N/A SOP 3: N/A

Restriction period for the transfer of shares	N/A	SOP 1 and SOP 2: N/A SOP 3: 1 (one) year after formal dismissal
Fair value of options on grant date	N/A	SOP 1 and SOP 2: N/A SOP 3: R\$18.70

(1) Amended table (including with respect to the “percentage of dilution in the event of all options granted being exercised” to reflect only the First Plan, the Second Plan and the Third Plan, since the Stock Plans are not comparable to a stock options program, so they should not be considered for the purposes of this item 13.5.

12/31/2018 ⁽¹⁾		
	Board of Directors	Statutory Board
Total number of members	7.00	8.00
No. of paid members	0.00	8.00
Weighted average strike price:		
a. Outstanding options at the beginning of the year	N/A	SOP 1: R\$ 8.01 to be adjusted for inflation from June 14, 2016 according to the IPCA variation plus 5.0% per year. SOP 2: R\$ 6.48 to be adjusted for inflation from June 14, 2016 according to the IPCA variation SOP 3: R\$ 9.67 to be adjusted for inflation from June 14, 2016.
b. Options lost during the year	N/A	N/A
c. Options exercised during the year	N/A	SOP 1: R\$9.56 SOP 2: R\$6.99 SOP 3: R\$10.44
d. Options expired during the year	N/A	N/A

Potential dilution in case all options granted are exercised	N/A	3.53%
Granting of stock options		
Grant date	N/A	SOP 1 and SOP 2: N/A SOP 3: 08/28/2018
Number of options granted	N/A	SOP 1 and SOP 2: N/A SOP 3: 99,500
Deadline for the options to become exercisable	N/A	SOP 1 and SOP 2: N/A SOP 3: (a) 19,900 are already exercisable; (b) 19,900 on 7/14/2019; (c) 29,850 on 7/14/2020 (d) 29,850 on 07/14/2021
Maximum term for the exercise of the options	N/A	SOP1, SOP 2 e SOP 3: N/A
Restriction period for the transfer of shares	N/A	1 year after dismissal
Fair value of options on grant date	N/A	SOP 1 and SOP 2: N/A SOP 3: R\$4.38

13.6 - Information on the outstanding options held by the board of directors and the statutory board

The information referred to in this item 13.6 considers only the Third Plan described in item 13.4, since the First Plan and the Second Plan have already ended. This item 13.6 is not applicable with respect to the Stock Plans, due to the nature of such plans, which do not contemplate the granting of options, as also described in item 13.4.

12/31/2020		
Board of Directors		Statutory Board
Total number of members	7.00	7.08
No. of paid members	0.00	7.08
Options not yet exercisable		
Quantity	N/A	SOP 3: 1,504,069
Date on which they will become exercisable	N/A	SOP 3: (a) 1,318,490 on 7/14/2021, (b) 92,790 on 7/14/2022 and (c) 92,789 on 07/14/2023
Maximum term for the exercise of the options	N/A	SOP 3: N/A
Restriction period for the transfer of shares	N/A	SOP 3: 1 (one) year after formal dismissal
Weighted average strike price	N/A	SOP 3: R\$ 9.67 to be adjusted for inflation from June 14, 2016
Fair value of options on the last day of the year	N/A	SOP 3: R\$ 0.08
Exercisable options		
Quantity	N/A	SOP 3: 1,588,038
Maximum term for the exercise of the options	N/A	SOP 3: N/A
Restriction period for the transfer of shares	N/A	SOP 3: 1 (one) year after formal dismissal

Weighted average strike price	N/A	SOP 3: R\$ 9.67 to be adjusted for inflation from June 14, 2016.
Fair value of options on the last day of the year	N/A	SOP 3: R\$ 0.08
Total fair value of options on the last day of the year	N/A	SOP 3: R\$ 247,368.56

13.7 - Options exercised and shares delivered related to the share-based compensation of the board of directors and statutory board

12/31/2020 ⁽¹⁾		
	Board of Directors	Statutory Board
Total number of members	7.00	7.08
No. of paid members	0.00	7.08
Exercised options		
Quantity	N/A	SOP 3: 0 First Stock Plan: 0 Second Stock Plan: 0
Weighted average strike price	N/A	N/A
Difference between the strike price and the market value of the shares related to the options exercised	N/A	N/A
Shares delivered		
Number of shares delivered	N/A	0
Weighted average acquisition price	N/A	N/A
Difference between the acquisition price and the market value of the acquired shares	N/A	N/A

(1) This table did not take into account information related to the First Plan and the Second Plan, considering that they ended in 2019.

12/31/2019		
	Board of Directors	Statutory Board
Total number of members	7.00	8.00
No. of paid members	0.00	8.00
Exercised options		
Quantity	N/A	SOP 1: 2,339,013 SOP 2: 1,214,700 SOP 3: 1,686,600 First Stock Plan: 0
Weighted average strike price	N/A	SOP 1: R\$9.83 SOP 2: R\$6.96 SOP 3: R\$10.52
Difference between the strike price and the market value of the shares related to the options exercised	N/A	SOP 1: R\$10.12 SOP 2: R\$12.86 SOP 3: R\$9.35

Shares delivered		
Number of shares delivered	N/A	5,240,313
Weighted average acquisition price	N/A	R\$9.42
Difference between the acquisition price and the market value of the acquired shares	N/A	R\$10.93

12/31/2018		
Board of Directors		Statutory Board
Total number of members	7.00	8.00
No. of paid members	0.00	8.00
Exercised options		
Quantity	N/A	SOP 1: 169,787 SOP 2: 0 SOP 3: 0
Weighted average strike price	N/A	SOP 1: R\$9.56 SOP 2: N/A SOP 3: N/A
Difference between the strike price and the market value of the shares related to the options exercised	N/A	SOP 1: R\$5.77 SOP 2: N/A SOP 3: N/A
Shares delivered		
Number of shares delivered	N/A	169,787
Weighted average acquisition price	N/A	R\$9.56
Difference between the acquisition price and the market value of the acquired shares	N/A	R\$5.77

13.8 - Information necessary for the understanding of the data disclosed in items 13.5 to 13.7

(a) pricing model

The model used by the Company for pricing the options granted to its managers is the Black & Scholes model, which considers the following information in its calculation rationale: volatility, expected dividend, risk-free rate of return and fair value of the option on the date of concession. This makes the following explicit assumptions: (i) it is possible to borrow and borrow at a constant and known risk-free interest rate; (ii) the price follows a geometric Brownian movement with constant drift and volatility; (iii) there are no transaction costs; and (iv) there are no restrictions on short selling. The calculation methodology and assumptions adopted are in line with CPC 10.

(b) data and assumptions used in the pricing model, including the weighted average price of the shares, strike price, expected volatility, option lifecycle, expected dividends and the risk-free interest rate

First Plan

Option strike price: R\$ 8.01 per share adjusted for inflation from June 14, 2016 according to the IPCA variation, increased by 5.0% per year.

Second Plan

Option strike price: R\$ 6.48 to be adjusted for inflation from June 14, 2016 according to the IPCA variation.

Third Plan

Option strike price: R\$ 9.67 to be adjusted for inflation from June 14, 2016 according to the IPCA variation.

(c) method used and the assumptions made to incorporate the expected effects of early exercise

For options, the Company measures the fair value of the rights on the appreciation of shares, by applying the Black & Scholes model of option pricing on the grant date, recording such expense as general and administrative expenses over the vesting period of the options.

The Black & Scholes model considers the following assumptions in its mathematical rationale: option purchase price, option sale price, current share price, strike price, risk-free interest rate, time to maturity of the option (expressed in years) and share price volatility.

Unless otherwise stated, any option may only be exercised to the exact extent that the right to exercise is acquired. Payment will be made in cash upon the exercise of options, with funds available immediately.

(d) how to determine the expected volatility

The estimated volatility was calculated based on the historical volatility of shares of retail companies on the Brazilian stock exchange.

(e) if any other characteristic of the option was incorporated in the measurement of its fair value

All the criteria used to measure the fair value of the options have been described previously.

13.9 - Participation in shares, quotas and other convertible securities held by managers and Supervisory Board members - by body

12/31/2020			
Issuer: BB Brasil Operação e Assessoria a Restaurantes S.A			
Board of Directors	Statutory Board	Supervisory Board	Total
0	1,886,969	N/A	1,886,969

13.10 - Information on Pension Plans Granted to Members of the Board of Directors and Statutory Officers

Not applicable, since the Company does not offer a pension plan to the members of the Board of Directors and the Statutory Officers.

13.11- Maximum, Minimum and Average Individual Compensation of the Board of Directors, Statutory Board and Supervisory Board

Annual values

	Statutory Board			Board of Directors			Supervisory Board		
	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018
No. of members	7.08	8.00	8.00	7.00	7.00	7.00	0.00	0.00	0.00
No. of paid members	7.08	8.00	8.00	6.00	4.00	0.00	0.00	0.00	0.00
Highest compensation value (Reais)	3,354,791.04	4,117,464.36	5,422,903.78	607,500.00	201,666.64	0.00	0.00	0.00	0.00
Lowest compensation value (Reais)	1,355,752.79	1,352,825.93	1,351,176.47	337,500.00	70,666.67	0.00	0.00	0.00	0.00
Average compensation value (Reais)	3,099,282.29	2,497,850.46	2,548,400.90	470,283.33	166,049.99	0.00	0.00	0.00	0.00

Note

Statutory Board	
12/31/2020	For purposes of calculating the lowest annual compensation, the members of the Statutory Board who held office for less than 12 months were disregarded, as provided for in CIRCULAR LETTER/CVM/SEP/No. 1/2021. The member considered for calculating the highest compensation held the position for 12 months. The Company considered the social charges in the Statutory Board's compensation, observing that these amounts are net of the employer's social charges, as understood by the CVM Board at a meeting held on 8/12/2020 (Proceeding No. 19957.007457/2018-10).
12/31/2019	All members considered for calculating the highest and lowest compensation held the position for 12 months. The Company considered the social charges in the Statutory Board's compensation, observing that these amounts are net of the employer's social charges, as understood by the CVM Board at a meeting held on 8/12/2020 (Proceeding No. 19957.007457/2018-10).
12/31/2018	All members considered for calculating the highest and lowest compensation held the position for 12 months. The Company considered the social charges in the Statutory Board's compensation, observing that these amounts are net of the employer's social charges, as understood by the CVM Board at a meeting held on 8/12/2020 (Proceeding No. 19957.007457/2018-10).

Board of Directors	
12/31/2020	For purposes of calculating the lowest annual compensation, the members of the Board of Directors who have held office for less than 12 months were disregarded, as provided for in CIRCULAR LETTER/CVM/SEP/No. 1/2021. The member considered for calculating the highest compensation held the position for 12 months.
12/31/2019	All members considered for calculating the highest and lowest compensation held the position for 12 months.
12/31/2018	The Company's Board of Directors did not receive compensation.

Supervisory Board	
12/31/2020	The Company did not have a Supervisory Board installed.
12/31/2019	The Company did not have a Supervisory Board installed.
12/31/2018	The Company did not have a Supervisory Board installed.

13.12 - Compensation or Indemnity Mechanisms for Managers in the Event of Removal from Office or Retirement

The Company does not adopt a specific policy with respect to compensation and/or indemnities for managers in the event of removal from office or retirement. See item 13.4(n) above for possible impacts on the options/Virtual Restricted Shares held by managers participating in the Third Plan and/or the Stock Plans as a result of their dismissal or retirement.

13.13 - Percentage of total compensation held by managers and members of the supervisory board that are parties related to the controlling shareholders

The Company does not have a controlling shareholder, for this reason there is no compensation recognized in the Company's profit or loss for members of the Board of Directors and Statutory Board who are parties directly or indirectly related to the controlling shareholders, in the last three years.

13.14 - Compensation of Managers and Members of the Supervisory Board, Grouped by Body, Received For Any Reason Other than the Position They Hold

Over the last three years, no amounts were recognized in the Company's profit or loss as compensation for members of the board of directors, statutory board or supervisory board received for any reason other than the position they hold.

13.15 - Compensation of Managers and Members of the Supervisory Board Recognized in the Profit or Loss of Direct or Indirect Controlling Shareholders, of Companies Under Common Control and Subsidiaries of the Issuer

The Company has no controlling shareholder, companies under common control or subsidiaries.

13.16 - Other Relevant Information

The Company informs that, for 2020 and 2021, it estimates the payment of a non-recurring benefit of termination of office related to the execution of a non-competition agreement with the Company's manager.

**ANNEX IV –
Management's Proposal for Amendment to the Bylaws**

Copy of the Company's Bylaws, highlighting the proposed changes, pursuant to article 11, item I, of CVM Instruction 481.

**BYLAWYS OF
BK BRASIL OPERAÇÃO E ASSESSORIA A RESTAURANTES S.A.**

CHAPTER I

NAME, HEADQUARTERS, JURISDICTION, CORPORATE PURPOSE AND DURATION

Article 1 - BK Brasil Operação e Assessoria a Restaurantes S.A. ("**Company**") is a publicly-held company, governed by these bylaws ("**Bylaws**") And applicable legislation.

Sole paragraph - With the admission of the Company to the Novo Mercado of B3 S.A. - Brazil, Bolsa, Balcão ("**B3**"), the Company, its shareholders, including its controlling shareholders, if applicable, managers and members of the Supervisory Board, when constituted, are bound by the B3 Novo Mercado Listing Regulations ("**Novo Mercado Regulations**").

Article 2 - The Company is headquartered in the city of Barueri, State of São Paulo, at Alameda Tocantins, no. 350, 10th floor, Alphaville Industrial, CEP 06455-020, and, by a decision of its Board of Executive Officers, can open, transfer and close branches, administrative offices or any representative offices anywhere in Brazil or abroad.

Article 3 - The Company has the following as its purpose (i) opening and operating restaurants in Brazil, including Burger King;(ii) provision of advisory and support services to restaurants in Brazil, including those that operate with the Burger King system, (iii) trading, import and export of products related to the activities mentioned above, and (iv) the holding of equity interest in other companies carrying out the above activities in Brazil, as partner or shareholder.

Article 4 - The Company is established for an indefinite term.

CHAPTER II

CAPITAL

Article 5 - The Company's capital is ~~R\$ 950,768,417.41 (nine hundred and fifty million seven hundred and sixty eight thousand four hundred and seventeen reais and forty one cents)~~ R\$ 1,461,068,417.41 (one billion, four hundred and sixty-one million and sixty-eight thousand, four hundred and seventeen reais and forty-one cents), fully subscribed and paid in, divided into ~~228,105,447 (two hundred twenty eight million one hundred and five thousand four hundred forty seven)~~ 275,355,447 (two hundred seventy-five million, three hundred fifty-five thousand, four hundred forty-seven) common, registered, book-entry shares with no par value.

Paragraph 1 - Each common share entitles its holder to one (1) vote at the General Meetings of Shareholders. The ownership of shares will be evidenced by records in the shareholder's account with the stock transfer agent.

Paragraph 2 - The shares will be indivisible in relation to the Company. When the share belongs to more than one person, the rights granted thereto shall be exercised by the representative of the co-ownership entity.

Paragraph 3 - Upon approval of the Board of Directors and in compliance with Law 6,404, of December 15, 1976, as amended ("**Brazilian Corporation Law**") and other applicable standards, the Company can acquire its own shares. These shares must be held in treasury, disposed of or canceled, as decided by the General Meeting or by the Board of Directors, as applicable, pursuant to the applicable regulations of the Securities and Exchange Commission of Brazil ("**CVM**").

Article 6 - By a resolution of the Board of Directors of the Company, capital can be increased, regardless of any amendment to the Bylaws, up to the limit of 282,690,560 (two hundred and eighty-two million, six hundred and ninety thousand, five hundred and sixty) common shares, including for the issue of shares to be issued as a result of the exercise of subscription rights contained in the stock warrants issued by the Company.

Paragraph 1 - The Board of Directors will establish the conditions for issue, subscription, form and period of payment, price per share, placement type (public or private) and its distribution in Brazil and/or abroad.

Paragraph 2 - At the discretion of the Board of Directors, the company may issue, without the preemptive right or any reduction in the term mentioned in paragraph 4 of article 171 of the Brazilian Corporation Law, shares, debentures convertible into shares or stock warrants, whose placement will be made through a sale on the stock exchange or through public subscription, or through a share swap in a public tender offering for the acquisition of control, pursuant to law, within the authorized capital.

Paragraph 3 - Within the authorized capital and, if in accordance with the plans approved by the General Meeting, the Board of Directors may grant stock options to management and employees of the Company and of other companies that are associated companies or are the direct and indirect subsidiaries of the Company, without any preemptive rights for shareholders.

Article 7 - The shares of the Company are book-entry shares and are held in a deposit account in the name of their holders at a financial institution authorized by the CVM.

Sole Paragraph - Subject to the maximum limits fixed by the CVM, the service costs related to the transfer of ownership of book-entry shares may be charged directly from shareholders by the stock transfer agent, as established in the stock registration agreement.

Article 8 - The Company is prohibited from issuing preferred shares or founders' shares.

Article 9 - Pursuant to these Bylaws, especially article 6, paragraph 2, and the Brazilian Corporation Law, shareholders will be entitled to preemptive rights, in proportion to their interest, to subscribe to shares, stock warrants and securities convertible into shares issued by the Company.

Article 10 - The shareholder who fails to pay the subscribed shares under the conditions mentioned in the subscription order or in the call required by the management body, shall, by operation of law, be considered delinquent, in accordance with articles 106 and 107 of the Brazilian Corporation Law and shall pay the amount in arrears adjusted for inflation based on the General Market Price Index published by the Fundação Getúlio Vargas ("**IGP-M/FGV**"), or any other index that may replace it, within the shortest period legally permitted, plus interest of 12% (twelve percent) per year, on a *pro rata temporis* basis, and a fine corresponding to 10% (ten percent) of the installment amount in arrears, duly adjusted for inflation.

CHAPTER III

SHAREHOLDERS' GENERAL MEETING

Article 11 - The Shareholders' General Meetings shall be held: (a) ordinarily, once a year within four (4) months after the end of the fiscal year, to discuss and vote on the matters provided for in the law; and (b) extraordinarily, whenever the corporate interests so require or when the provisions of these Bylaws or applicable laws require a resolution of the shareholders.

Sole Paragraph - The Annual General Meeting and Extraordinary General Meeting may be convened together and held at the same venue, date and time, and documented in a single minutes.

Article 12 - Notwithstanding the exceptions specified in the Brazilian Corporation Law, the Annual General Meeting will be convened by the Board of Directors, through its Chairman or two Directors together, at least fifteen (15) days in advance on first call and at least eight (8) days in advance on second call. Regardless of the formalities provided for in these Bylaws and the Brazilian Corporation Law, any General Meeting in which all the shareholders attend shall be deemed to be regularly held.

Paragraph 1 - Notwithstanding the exceptions provided for in the law, the General Meetings will be held and validly discuss and vote, on first call, in the presence of shareholders representing at least one fourth (1/4) of total voting shares and, on second call, representing any number. Blank votes will not be counted.

Paragraph 2 - Shareholders may be represented at the General Meetings of the Company by a proxy constituted according to article 126 of the Brazilian Corporation Law.

Paragraph 3 - Without prejudice to paragraph 2 above, shareholders attending the General Meeting carrying the documents that confirm their status as shareholder pursuant to article 126 of the Brazilian Corporation Law before the meeting is called to order, may participate and vote even if they had not submitted said documents beforehand.

Paragraph 4 - General Meetings are presided over by a Director to be designated by the Chairman of the Board of Directors of the Company, who, as the chairperson of the meeting, will select the secretary from among those present. If no Director is present, the General Meeting will be presided over by a person elected by the attending shareholders.

Paragraph 5 - The exercise of voting right in special cases of co-ownership entities, shareholders' agreement, usufruct and shares pledged or subjected to fiduciary sale is subject to specific legal requirements and presentation of documents established by law.

Paragraph 6 - Shareholders whose rights are suspended pursuant to articles 120 and 122, clause V, of the Brazilian Corporation Law, cannot vote at General Meetings.

Paragraph 7 - Shareholders cannot vote on resolutions related to the valuation report of assets that make up the capital and to the approval of their accounts as manager, or on any other resolutions that could benefit them personally or in which they have a conflict of interest with that of the Company.

Paragraph 8 - The proceedings and decisions of the General Meeting will be drawn up in the minutes in the company's records, signed by the chairman, the secretary and the shareholders present. Certificates or authentic copies will be extracted from the minutes for legal purposes.

Article 13 - Without prejudice to other matters provided for in law, it is the sole responsibility of the General Meeting to discuss and vote on the matters referred to in articles 122, 132 and 136 of the Brazilian Corporation Law, as well as:

- (i) to elect and remove directors;
- (ii) to determine the overall annual compensation of members of the Board of Directors, the Board of Executive Officers and the Supervisory Board, when constituted;
- (iii) to amend these Bylaws;
- (iv) to decide on business combination, merger, spin-off or transformation operations, in which the Company is a party, as well as its dissolution or liquidation;
- (v) to approve stock option plans or subscription of shares or any share-based compensation plans for its managers and employees, as well as for managers and employees of other companies that are associated companies or are direct or indirect subsidiaries of the Company;
- (vi) to discuss, as per the proposal submitted by management, on the allocation of profit for the year and the distribution of dividends;
- (vii) to elect the liquidator and the Supervisory Board that will operate during the liquidation period;
- (viii) to approve the cancellation of the company's registration with the CVM as a publicly-held company if the offeror is the Company itself; and
- (ix) to discuss and vote on any matter submitted to it by the Board of Directors.

CHAPTER IV

MANAGEMENT BODIES

SECTION I

GENERAL PROVISIONS

Article 14 - The Company shall be managed by the Board of Directors and the Board of Executive Officers, pursuant to law and these Bylaws.

Paragraph 1 - - The investiture of the members of the Board of Directors and of the Executive Board will take place by a term drawn up in the appropriate book that must include their submission to the arbitration clause referred to in article 33, signed by the invested

manager, without any management guarantee, and will be conditional on meeting the applicable legal requirements.

Paragraph 2 - Members of the Board of Directors and Board of Executive Officers shall formally adhere to the Material Fact or Event Disclosure Policy and the Securities Trading Policy, as well as to observe the other policies and the Code of Ethics of the Company.

Paragraph 3 - The managers shall remain in office until the investiture of their replacements, except when otherwise decided by the General Meeting or by the Board of Directors, as applicable.

Paragraph 4 - The General Meeting shall fix the overall annual remuneration to be distributed among the managers and the Board of Directors shall distribute the amount individually.

Paragraph 5 - Members of the Board of Directors and the Board of Executive Officers may be entitled to profit sharing, subject to applicable legal limits.

Paragraph 6 - The prior call notice for the meeting shall be waived only if all members of the respective management body are present. Members of the management body who cast their vote through proxy in favor of another member of the respective body, either by written vote in advance or by written vote sent by e-mail or by any other legitimate means of communication whose sender and origin can be proved, shall be deemed present until the conclusion of the respective meeting.

Paragraph 7 - The Company may enter into, under terms and conditions previously approved by the Board of Directors, indemnity contracts ("**Indemnity Contracts**") with its managers, members of advisory committees, and members of the Supervisory Board, establishing the obligation of the Company to indemnify such persons for property losses resulting from legal, arbitration or administrative proceedings involving issues related to their activities in the Company or in any companies over which the Company has the power of direct or indirect control.

Paragraph 8 - The Indemnity Contracts will not oblige the Company to indemnify the respective beneficiaries when it is found that they acted:

- (i) outside the performance of their duties;
- (ii) in bad faith, deceit, serious guilt or through fraud;
- (iii) in their own interest or in the interests of third parties, to the detriment of the social interest of the Company or its subsidiaries, as the case may be.

Paragraph 9 - Indemnity Contracts must discipline, among other issues:

- (i) the limit value of the coverage offered to the beneficiary;
- (ii) the coverage period;
- (iii) the decision-making procedure for awarding indemnities, which should prevent potential conflicts of interest and ensure that decisions are made in the interest of the Company; and
- (iv) the obligation to return to the Company any amounts that the beneficiaries have

received as an indemnity, including advances on expenses, in cases where it is proven, by means of a procedure to be established in the Indemnity Contracts, that they were not entitled to the indemnity.

SECTION II

BOARD OF DIRECTORS

Article 15 - The Board of Directors shall consist of at least five (5) and at most eleven (11) members and at most eleven (11) alternate members, whether or not shareholders, resident in Brazil or abroad, all elected and removed by the General Meeting, with a unified term of office of two (2) years, and reelection is allowed.

Paragraph 1 - At least 2 (two) or 20% (twenty percent), whichever is higher, of the members of the Board of Directors must be Independent Directors, in accordance with the Novo Mercado Regulation, and this qualification as Independent Directors of the nominees to the Board of Directors must be resolved at the General Meeting that elects them.

Paragraph 2 - When compliance with the percentage referred to in paragraph 1 above regarding the number of directors results in a fraction, it will be rounded off in accordance with Novo Mercado Regulations.

Paragraph 3 - The qualification of the independent director must consider, as applicable, their relationship with the Company, its direct or indirect controlling shareholder and its managers, and with the subsidiaries, associated companies or companies under common control.

Paragraph 4 - For the purposes of verifying the status of the independent director, an independent director is not considered to be one who:

I - is a direct or indirect controlling shareholder of the company;

II - has their vote in the board of directors' meetings bound by a shareholders' agreement which subject is related to the company;

III - is a spouse, partner or relative, in a straight or collateral line, up to the second degree of the controlling shareholder, of the company's manager or of the controlling shareholder's manager; and

IV - was, in the last 3 (three) years, an employee or director of the company or its controlling shareholder.

Paragraph 5 - For the purposes of verifying the qualification of the independent director, the situations described below must be analyzed in order to verify whether they imply loss of independence of the independent director due to the characteristics, magnitude and extent of the relationship:

I - is related up to the second degree to the controlling shareholder, manager of the company or manager of the controlling shareholder;

II - was, in the last 3 (three) years, an employee or director of associated companies subsidiaries or companies under common control;

III - has business relationships with the company, its controlling shareholder or associated companies, subsidiaries or companies under common control;

IV - occupies a position in a company or entity that has commercial relations with the company or with its controlling shareholder who has decision-making power in the conduct of the activities of said company or entity;

V - receives other compensation from the company, its controlling shareholder, associated company, subsidiaries or companies under common control in addition to that relating to acting as a member of the company's board of directors or committees, its controlling shareholder, its associated companies, subsidiaries or companies under common control, except for cash earnings from participation in the company's capital and benefits from supplementary pension plans.

Paragraph 6 - In companies with a controlling shareholder, the directors elected by separate vote will be considered independent.

Paragraph 7 - The qualification of the nominee to the board of directors as an independent director will be decided by the general meeting, which may base its decision:

I - in the declaration, forwarded by the nominee to an independent director to the board of directors, attesting their qualification in relation to the independence criteria established in this regulation, considering the respective justification, if any of the situations provided for in §4 of Article 15 is verified; and

II - in the manifestation of the company's board of directors, inserted in the management's proposal regarding the general meeting for the election of directors, as to whether or not the candidate qualifies in the independence criteria.

Paragraph 8 - The procedure provided for in Paragraph 7 of this article does not apply to nominations of candidates for members of the board of directors:

I - who do not meet the advance deadline for inclusion of candidates in the ballot paper, as provided in the regulations issued by the CVM on remote voting; and

II - through separate voting in companies with a controlling shareholder, as applicable.

Paragraph 9 - The Board of Directors will have a Chairman elected by a majority vote of its members. The Chairman will have, in addition to his own vote, the tiebreaker vote, in the event of a tie in the vote due to the eventual composition of an even number of members of the Board of Directors. Each member of the Board of Directors will have the right to 1 (one) vote in the resolutions of the body.

Paragraph 10 - The positions of Chairman of the Board of Directors and Chief Executive Officer or main executive of the Company cannot be accumulated by the same person.

Paragraph 11 - In case of vacancy of office, absence or temporary or permanent impediment of any member of the Board of Directors, if such member of the Board of Directors does not have an alternate member, the remaining members of the Board of Directors must appoint a substitute, who will serve until the first Company's General Meeting held after the effective vacancy.

Paragraph 12 - In the event of a vacancy for the Chairman of the Board, the Board shall elect a member to occupy the vacant position at the first meeting of the Board held after the vacancy.

Article 16 - Meetings of the Board of Directors will be held at the intervals defined by the Board itself, observing the provisions of the Board of Directors' Internal Regulations, the Board's Advisory Committees and the Executive Board ("**Internal Regulations**"). The meetings will be convened by the Chairman of the Board of Directors, on their own initiative or upon written notice from at least two (2) directors. Said call notice shall: (i) be sent by e-mail, eight (8) days in advance, (ii) specify the agenda and (iii) be accompanied by relevant documents. Meetings of the Board of Directors will be held at the headquarters of the Company or in any other place previously agreed by the directors.

Paragraph 1 - Notwithstanding the formalities mentioned in the head paragraph above, meetings of the Board of Directors will be deemed duly held and in order when all the members are present.

Paragraph 2 - The Directors may participate in Board meetings by videoconference or any other similar means that can ensure their effective participation and the authenticity of their vote, provided that the vote is made in writing and filed at the Company's headquarters, and the vote may also be sent by the director by electronic means. The Director, in this case, will be considered present at the meeting and his vote valid, for legal purposes, and incorporated in the minutes of said meeting.

Paragraph 3 - The directors may agree to waive the meeting and resolve in writing on the matters of the agenda if they find such matters to have been sufficiently discussed by any other means and provided all Directors sign a written document to formalize such agreement.

Paragraph 4 - Minutes of Board meetings will be drawn up in the Company's records, signed by all attending members, pursuant to paragraph 3 above, and those containing resolutions that produce effects on third parties will be filed with the Board of Trade.

Paragraph 5 - Executive Officers must provide to the Board of Directors all and any information requested in connection with the Company, its subsidiaries and associated companies and, if requested, must attend the meetings of the Board of Directors to provide clarifications.

Paragraph 6 - The Board of Directors may not resolve on matters not included in the call notice for the meeting, except if all directors attend the meeting and agree to resolve on such matter.

Article 17 - Except for the special hypotheses established in the Brazilian Corporation Law and article 19, paragraph 1 of these Bylaws, resolutions of the Board of Directors will be taken by a simple majority of those present at the respective meeting, excluding blank votes.

Article 18 - The Board of Directors may create executive or advisory committees, permanent or not, to examine and opine on any matters, as determined by the Board of Directors, always with the purpose of assisting the Board of Directors with its duties. Members of such committees, whether or not shareholders, must have specific experience in the areas of work of their respective committees. They will be elected and have their compensation set by the Board of Directors.

Article 19 - In addition to other duties established in applicable laws or in these Bylaws, the Board of Directors has the following functions:

- (i) approve the specific regulations of each of the Committees;
- (ii) approve the distribution, among the managers, individually, of a portion of the ~~fix the~~ global annual compensation fixed by the General Meeting, considering the Compensation Committee's proposal;
- (iii) set the general business direction of the Company and approve its administrative management, personnel and financial policies;
- (iv) approve plans, projects and annual and multiyear budgets;
- (v) supervise the management of the Statutory Officers, examining at any time the minutes, books and documents of the Company and requesting information about agreements signed or to be signed and any other acts;
- (vi) opine on the financial statements and propose the allocation of net income for each year;
- (vii) notify any shareholder that holds unpaid shares that they must make the payment, as per the respective subscription list;
- (viii) sell or acquire assets and form joint ventures involving assets of the Company, in an economic value of more than R\$ 49,800,000.00 (forty-nine million, eight hundred thousand reais) per event (or series of related events), and such amount will be adjusted by the General Market Price Index, published by Fundação Getúlio Vargas (IGP-M/FGV), from January 1, 2020 until the date of the resolution;
- (ix) approve, instruct and/or authorize the execution of agreements (including service agreements, financial agreements, distribution agreements, among others) involving amounts higher than R\$ 49,800,000.00 (forty-nine million, eight hundred thousand reais) per event (or series of related events), and such amount will be adjusted by the General Market Price Index, issued by Fundação Getúlio Vargas (IGP-M/FGV), from January 1, 2020 until the date of the resolution;
- (x) approve, instruct and/or authorize the contracting of any debt or grant any guarantees in an amount higher than R\$ 49,800,000.00 (forty-nine million, eight hundred thousand reais) per event (or series of related events), and such amount will be adjusted by the General Market Price Index, issued by Fundação Getúlio Vargas (IGP-M/FGV), from January 1, 2020 until the date of the resolution and observing the prohibition on providing guarantees to third parties that are not related to the development of the Company's activities in accordance with its corporate purpose;
- (xi) approve, instruct and/or authorize the execution of any agreement with a related party of any shareholder, including payment of any fees or compensation by the Company to any such related party;
- (xii) approve, instruct and/or authorize the acquisition of interest or substantially all assets of any company;

- (xiii) approve, instruct and/or authorize the creation of any reserve account or accounting provision, except for those required by law, by the Generally Accepted Accounting Principles in Brazil or as required or recommended by auditors of the Company or external accountants;
- (xiv) appoint and remove the independent auditor of the Company and/or its subsidiaries;
- (xv) authorize the purchase of Company shares to be held in treasury or to be cancelled, or later transferred, except in cases established in the regulations in force; and
- (xvi) approve the business principles and standards that should be complied with by the Board of Executive Officers and any material change or modification of such principles and standards;
- (xvii) approve the performance criteria for the Chief Executive Officer;
- (xviii) define the procedures to be followed by the Company in relation to delinquent shareholders, in accordance with legal limitations;
- (xix) elect the members of the advisory committees to the Board of Directors, observing the provisions of the Internal Regulations;
- (xx) approve the filing of administrative, judicial or arbitration proceedings by the Company that may reasonably be found to create a risk of filing for voluntary bankruptcy, bankruptcy, court-supervised reorganization or out-of-court reorganization;
- (xxi) approve the issue of shares of the Company, within the limits authorized in article 6 of these Bylaws, establishing the conditions of issue, including the price and term for payment, and may also exclude (or reduce the term of) preemptive rights in the issue of shares, stock warrants and convertible debentures, whose placement is made through sale on the stock exchange or public subscription or public tender offer for acquisition of control, pursuant to the laws in force;
- (xxii) approve the public or private issue of non-convertible debentures, promissory notes and other non-convertible securities;
- (xxiii) express its opinion for or against any public tender offer for the shares of the Company, through a report disclosed within fifteen (15) days from the publication of the notice of the public tender offer, which should mention, at least: (i) the appropriateness and timeliness of the public tender offer considering the interests of shareholders as a whole and the liquidity of the securities they own; (ii) the strategic plans disclosed by the offerer in relation to the Company; (iii) the alternatives to the acceptance of the public tender offer in the market; and (iv) other issues the Board of Directors may deem pertinent, as well as any information required by applicable CVM rules; and
- (xxiv) approve the terms and conditions of any Indemnity Contracts to be entered into by the Company; and
- (xxiv) fulfill other duties assigned to it by law or these Bylaws.

Paragraph 1 - Any transactions between the Company and any of its related parties must be approved by the majority of the directors, including, mandatorily, the majority of Independent Directors.

Paragraph 2 - For the purposes of paragraph 1 of this article 19, in case of conflict between the matters to be submitted to the General Meeting or to the Board of Directors, the authority of the General Meeting shall prevail.

Paragraph 3 - The exercise of voting right in subsidiaries in relation to the matters referred to in items (i) through (xix) and (xxii) above must first be approved by the Board of Directors.

SECTION III

BOARD OF EXECUTIVE OFFICERS

Article 20 - The Board of Executive Officers will consist of at least two (2) and no more than eight (8) members, shareholders or not, resident in Brazil, all elected by the Board of Directors, which may remove them at any time. They are one Chief Executive Officer, one Investor Relations Officer, one Vice Chief Financial Officer, one Vice Chief Operations Officer, one Vice Chief Legal Officer, one Vice Chief Marketing Officer, one Vice Chief Engineering and Expansion Officer, and one Vice People and Management Officer, elected for a unified term of office of two (2) years, and reelection is permitted.

Paragraph 1 - Following are the duties of the Chief Executive Officer: (i) overall management of the Company's business, call and preside over meetings of the Board of Executive Officers and coordinate the work of other officers and the decision-making process; (ii) represent the Company in all relationships with third parties, in and out of court, as plaintiff or defendant, and appoint attorneys-in-fact and agents to testify on behalf of the Company at the requesting authorities, holding responsibility for the economic and financial results of the Company and for protecting its name; (iii) organize and supervise the human resources policies and guidelines; (iv) supervise compliance with the policies and standards set by the Board of Directors and the resolutions taken at General Meetings; and (v) ensure compliance with the law and these Bylaws.

Paragraph 2 - Following are the duties of the Vice Investors Relations Officer: (i) provide information to investors, CVM and stock exchanges or over-the-counter markets in Brazil or abroad, and to corresponding regulatory and oversight entities, keeping the Company's registration with these institutions up-to-date; (ii) represent the Company before the CVM, stock exchanges and other capital market entities, and provide relevant information to investors, the market in general, CVM and B3; and (iii) perform the other functions established in law and in the regulation in force.

Paragraph 3 - Following are the duties of the Vice Chief Financial Officer: (i) coordinate the preparation of the Company's financial statements; (ii) manage the activities of the Company's financial department, which includes managing and controlling the treasury, tax, controllership, audit, accounting, information technology and financial planning areas, in accordance with these Bylaws, the Code of Ethical Conduct of the Company, the laws in force and the policies and guidelines set forth down by General Meeting; (iii) sign proposals, agreements, contracts with banks and similar institutions, any documents to open, transact and close bank accounts of the Company, as well as any other document to manage the

Company's finances, jointly with any other Officer or an Attorney-In-Fact with specific powers; and (iv) manage the Company's financial resources, directing the investment of cash surplus in compliance with existing policies and guidelines and managing the processes of taking out loans, financing and related services required for the growth of the Company, as per the Annual Budget.

Paragraph 4 - Following are the duties of the Vice Chief Operations Officer: (i) oversee the Company's operational activities with focus on quality control; (ii) propose policies and standards, and suggest the introduction of new practices and technologies; (iii) contribute to team management; (iv) ensure and execute the tasks in compliance with occupational safety rules; (v) coordinate matters related to their field, presenting and discussing solutions for problems and irregularities; and (vi) perform other related tasks.

Paragraph 5 - Following are the duties of the Vice Chief Legal Officer: (i) formulate, coordinate and implement corporate legal actions and procedures of the Company; (ii) monitor matters related to regulations applicable to publicly-held companies; (iii) coordinate, plan and supervise the negotiation and drafting of agreements, strategic transactions and/or business units of the Company; and (iv) attend and represent the Company at general meetings and meetings of the Board of Directors of the Company.

Paragraph 6 - Following are the duties of the Vice Chief Marketing Officer: (i) plan, define and oversee all marketing activities; (ii) define the strategies of operation and positioning of the Company related to its products regarding market analysis, advertising and development of programs; (iii) establish sales and marketing policies; and (iv) define an image standard to improve the visibility and competitive position of the Company.

Paragraph 7 - Following are the duties of the Vice Engineering and Expansion Officer: (i) manage market surveys to expand the Company's restaurants, coordinating the respective research and development teams; and (ii) guide the research, selection, development and contracting of points of sale, restaurants and other opportunities or businesses for the Company; (iii) guide the market research analyses related to the brand's expansion and of the restaurants aimed at sub-franchisees; and (iv) ensure the maintenance and conservation of the Company's restaurants.

Paragraph 8 - Following are the duties of the Vice People and Management Officer: (i) formulate policies on positions, salaries and benefits; (ii) develop a strategy for staff selection, training, development and retention; (iii) define and coordinate the internal communications policy; (iv) define and coordinate a results-based management model; (v) perform activities for people integration; and (vi) participate in the formulation and implementation of strategies of the Company, with focus on the People and Management area.

Paragraph 9 - The Officers are exempted from furnishing security, as permitted by law.

Paragraph 10 - The position of Investor Relations Officer can be held by another Executive Officer of the Company, cumulatively.

Paragraph 11 - Executive Officers will hold office until the investiture of their respective substitutes. The powers of the executive officers that have not been filled, or whose holder is prevented or absent, will be performed by the Chief Executive Officer, until the appointment

of the respective officer, applying the provisions of article 14, paragraph 3 above, in case of vacancy.

Paragraph 12 - Executive Officers must enjoy unblemished reputation and have proven practical experience in their field, and must not have any conflict of interest. Their terms of office must be exclusive.

Article 21 - Pursuant to these Bylaws, especially the specific duties established in article 20 herein, the Board of Executive Officers, in general, have the following duties:

- (i) perform the duties assigned to them by law and these Bylaws to ensure proper and efficient operation of the Company and its subsidiaries, associated companies and business divisions;
- (ii) annually present, by the end of each fiscal year, for examination by the Board of Directors, a proposal for the overall guidance of the businesses of the Company, its subsidiaries and business divisions for the next fiscal year.
- (iii) annually present, within the three (3) months following the end of the fiscal year, for examination by the Board of Directors and shareholders, its report and other documents related to the accounts for the fiscal year, as well as the proposal for allocation of profit, in compliance with the legal requirements and Chapter V of these Bylaws;
- (iv) elect and remove managers of subsidiaries and associated companies in accordance with nominations of the Board of Directors;
- (v) provide all and any guarantees, including security interest and personal guarantees, in favor of third parties;
- (vi) open and close branches, warehouses, offices or representative offices in any location in Brazil and abroad, as required by the evolution of the business plan and the goals achieved;
- (vii) open, transact and close bank accounts and investment accounts;
- (viii) compromise, resign, or withdraw claims, sign agreements or commitments, contract obligations, invest funds, acquire, encumber and dispose of assets and offer guarantees by signing the respective instruments and agreements;
- (ix) execute the Company's risk management policy and, whenever necessary, propose to the Board of Directors any requirements to review this policy, due to changes in the risks to which the Company is exposed;
- (x) implement and maintain effective mechanisms, processes and programs for monitoring and disclosing financial and operational performance and the impacts of the Company's activities on the society and the environment;
- (xi) represent the Company in and out of court, as plaintiff or defendant, against any third parties, including government agencies or federal, state or local authorities; and
- (xii) fulfill any other duties assigned by the Board of Directors of the Company, by law or

these Bylaws.

Article 22 - In case of vacancy, absence or temporary or permanent impediment of any Executive Officer, such Officer will be immediately replaced, temporarily or permanently, by a person designated by the Board of Directors.

Article 23 - Except for the provisions in paragraph 3 below, the Company will always be represented by (i) any two (2) Executive Officers, always acting jointly, or (ii) one (1) Executive Officer acting jointly with one (1) attorney-in-fact or (iii) two (2) attorneys-in-fact acting jointly, within the authority established in their powers of attorney, subject to paragraphs 1 and 2 of this article.

Paragraph 1 - Except for the provisions in paragraph 3 below, the powers of attorney granted by the Company will always be signed by any two (2) Executive Officers acting jointly, and will contain specific powers and validity not exceeding one (1) year, except for the clause on powers granted for representation in and out of court (*ad judicia et extra*), whose validity may be longer than that referred to.

Paragraph 2 - Except for the provisions in paragraph 3 below, the representation established in this article includes, but is not limited to, representing the Company (i) before third parties or any government authority (federal, state or municipal), government or parastatal entities, (ii) in instruments of any nature, bills, foreign exchange contracts, checks, payment orders, transactions in the Company's checking account, agreements and any other document, of any nature, (iii) in court, as plaintiff or defendant, and (iv) for exercising its voting rights in its subsidiaries.

Paragraph 3 - Except for the provisions of the head paragraph, paragraphs 1 and 2 of this article, (i) the Company will always be represented before any government authority (federal, state or municipal), government or parastatal entities (a) by the Chief Executive Officer jointly with the Chief Financial Officer or (b) by the Chief Executive Officer or the Chief Financial Officer, acting jointly with one (1) attorney-in-fact, (c) by two (2) attorneys-in-fact acting jointly within the powers established in their powers of attorney; (ii) the powers of attorney granted by the Company for representing before any government authority (federal, state or municipal), government or parastatal entities will always be signed by the Chief Executive Officer jointly with the Chief Financial Officer and will establish the specific powers and validity not exceeding one (1) year, except for the clause on powers granted for representation in and out of court (*ad judicia et extra*), whose validity may be longer than that referred to.

Article 24 - Any act alien to the corporate purpose and the business of the Company performed by shareholders, Directors, Executive Officers, attorneys-in-fact or employees of the Company, such as, for example, accommodation, suretyships, endorsements and other guaranties offered for the benefit of third parties are expressly prohibited and will have no effect on the Company and third parties, except if previously and expressly authorized in these Bylaws, by the General Meeting or by the Board of Directors.

SECTION IV

SUPERVISORY BOARD

Article 25 - The Company will have a Supervisory Board consisting of three (3) members and three (3) deputies, whether or not shareholders of the Company, which will not be permanent and

will be set up by a resolution of the General Meeting or at the shareholders' request, in the cases provided for in law.

Paragraph 1 - Supervisory Board members, individuals resident in Brazil, legally qualified, will be elected by the General Meeting that decides whether the Supervisory Board will be constituted, and will hold office until the first Annual General Meeting held after election.

Paragraph 2 - Supervisory Board members will be entitled to the compensation set for them by the General Meeting.

Paragraph 3 - The investiture of Supervisory Board members will be conditioned on prior signing of the instrument of investiture which must include subjection to the arbitration clause referred to in article 33, as well as compliance with the applicable legal requirements.

Paragraph 4 - If vacancy arises in the Supervisory Board, the respective alternate member will fill it.

Paragraph 5 - No person who has a relationship with a company that could be deemed a competitor of the Company ("**Competitor**") can be elected as Supervisory Board member, and election of the following persons, among others, is prohibited: (i) employee, partner, shareholder or member of management, technical, advisory or oversight body of the Competitor or Parent Company, Subsidiary or company under Common control with the Competitor; (ii) spouse or relative up to second degree of any partner, shareholder or member of management, technical, advisory or oversight body of the Competitor or Parent Company, Subsidiary or company under Common control with Competitor; and (iii) direct or indirect supplier or buyer of services and/or products of the Company to an extent that implies loss of independence.

Article 26 - When constituted, the Supervisory Board will perform the duties established in law, and the functions of its members cannot be delegated. The Charter of the Supervisory Board must be prepared, discussed and voted by its members at the first meeting called after the Supervisory Board is constituted.

CHAPTER V

FISCAL YEAR AND PROFIT

Article 27 - The fiscal year will begin on January 1 and end on December 31 of each year, when the balance sheet and other financial statements must be prepared in accordance with the deadlines and other conditions established in applicable laws.

Sole Paragraph - The financial statements of the Company must be audited, as per applicable laws, by an independent auditor duly registered with the CVM.

Article 28 - Accumulated losses, if any, and provision for income tax and social contribution on profit will be deducted from the profit (loss) for the year before any profit sharing. The loss in the fiscal year will be mandatorily absorbed by retained earnings, profit reserves and the legal reserve, in that order. Profit will be allocated as follows:

- (i) five percent (5%) to the legal reserve, which may not exceed twenty percent (20%) of the capital; and
- (ii) at least twenty-five percent (25%) to the payment of mandatory dividend due to

shareholders, pursuant to these Bylaws and applicable laws.

Article 29 - The Company may:

- (i) prepare semiannual balance sheets and, based on them, declare interim dividends to be deducted from profit, retained earnings and profit reserve;
- (ii) prepare balance sheets for periods shorter than six months and distribute interim dividends, provided that the total dividends paid in each half of the fiscal year do not exceed the capital reserves referred to in article 182, paragraph 1, of the Brazilian Corporation Law; and
- (iii) credit or pay shareholders, in the frequency decided by the Company, interest on capital, which will be imputed to the amount of the mandatory dividend and will be included in it for all legal purposes.

Sole Paragraph - Any dividends and interest on capital not claimed within three (3) years from the date they are made available to shareholders will be reverted to the Company.

CHAPTER VI

TRANSFER OF CONTROL

Article 30 - The direct or indirect transfer of control of the Company, through one or successive operations, must be made under the condition that the acquirer of the control undertakes to conduct a public tender offer for the shares of other shareholders of the Company, obeying the terms established in the applicable laws and Novo Mercado Regulation, in order to ensure them treatment similar to that given to the grantor.

CHAPTER VII

DISSOLUTION AND LIQUIDATION

Article 31 - The death, bankruptcy, insolvency, declaration of incapacity or removal of any shareholder will not dissolve the Company, which will continue with other shareholders.

Article 32 - The Company will be dissolved in the cases provided for in law. The General Meeting will, as applicable, decide how the Company will be liquidated and appoint the Supervisory Board and the liquidator who will function during the liquidation period, and fixing their compensation.

CHAPTER VIII

RESOLUTION OF CONFLICTS

Article 33 - The Company and its shareholders, managers, and members of the Supervisory Board, effective and alternate, if any, undertake to resolve, through arbitration, before the Market Arbitration Chamber, in the form of its regulations, any and all disputes or controversies that may arise between them, related with the or arising from its status as issuer, shareholders, managers and members of the supervisory board, in particular, arising from the provisions contained in Law 6,385, of December 7, 1976, as amended, the Brazilian Corporation Law, the Company's Bylaws, the rules issued by Brazil's National Monetary Council, the Brazilian Central Bank and CVM, as well as other rules applicable to the operation of the stock markets in general, in addition to those set forth in the Novo Mercado Regulation, other B3 regulations and the Novo Mercado Participation Agreement.

CHAPTER IX

MISCELLANEOUS

Article 34 - These Bylaws are governed by the Brazilian Corporation Law. Cases not covered by these Bylaws will be resolved by the General Meeting and regulated pursuant to the Brazilian Corporation Law, with due regard to the Novo Mercado Regulation.

Article 35 - Where applicable, the Company will comply with the rules on disclosure of information established in CVM regulations and B3 rules, applicable to publicly-held companies in general and especially to companies that trade securities on the special listing segment called Novo Mercado.

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**ANNEX V -
Report of Proposed Changes to the Bylaws**

Report of changes to the Company's Bylaws detailing the origin and justification of the proposed changes and analyzing their legal and economic effects, in the form of a table, pursuant to Article 11, item II, of CVM Instruction 481.

Current Writing	Proposed Writing	Origin, justification and legal effects of the proposed changes
<p>Article 5 - The Company's capital is R\$ 950,768,417.41 (nine hundred and fifty million, seven hundred and sixty-eight thousand, four hundred and seventeen reais and forty-one cents), fully subscribed and paid in, divided into 228,105,447 (two hundred and twenty-eight million, one hundred and five thousand, four hundred and forty-seven) common, registered, book-entry shares with no par value.</p>	<p>Article 5 - The Company's capital is R\$ 950,768,417.41 (nine hundred and fifty million seven hundred and sixty-eight thousand four hundred and seventeen reais and forty-one cents) R\$ 1,461,068,417.41 (one billion, four hundred and sixty-one million and sixty-eight thousand, four hundred and seventeen reais and forty-one cents), fully subscribed and paid in, divided into 228,105,447 (two hundred twenty-eight million one hundred and five thousand four hundred forty-seven) 275,355,447 (two hundred seventy-five million, three hundred fifty-five thousand, four hundred forty-seven) common, registered, book-entry shares with no par value.</p>	<p><u>Origin and justification of the proposed change:</u> The change is due to the updating of the Company's capital due to the capital increase approved by the Board of Directors on November 17, 2020.</p> <p><u>Legal and economic effects of the proposed changes:</u> The Company does not envisage legal and economic effects that could materially affect any other shareholder or the Company itself.</p>
<p>Non-existent provision</p>	<p>Article 14 (...) Paragraph 7 - The Company may enter into, under terms and conditions previously approved by the Board of Directors, indemnity contracts ("Indemnity Contracts") with its managers, members of advisory committees, and members of the Supervisory Board, establishing the obligation of the Company to indemnify such persons for property losses resulting from legal, arbitration or administrative proceedings involving issues related to their</p>	<p><u>Origin and justification</u> The Company understands that the signing of indemnity contracts may represent an important instrument for attracting and retaining senior executives, in the best interest of the Company. For this reason, it proposes the inclusion of paragraphs in Article 14 of the Company's Bylaws in order to provide for express authorization for the signing of such contracts by the Company with managers, members of ancillary management bodies and members of</p>

	<p>activities in the Company or in any companies over which the Company has the power of direct or indirect control.</p> <p>Paragraph 8 - The Indemnity Contracts will not oblige the Company to indemnify the respective beneficiaries when it is found that they acted:</p> <ul style="list-style-type: none">(i) outside the performance of their duties;(ii) in bad faith, deceit, serious guilt or through fraud;(iii) in their own interest or in the interests of third parties, to the detriment of the social interest of the Company or its subsidiaries, as the case may be. <p>Paragraph 9 - Indemnity Contracts must discipline, among other issues:</p> <ul style="list-style-type: none">(i) the limit value of the coverage offered to the beneficiary;(ii) the coverage period;(iii) the decision-making procedure for awarding indemnities, which should prevent potential conflicts of interest and ensure that decisions are made in the interest of the Company; and(iv) the obligation to return to the Company any amounts that the beneficiaries have received as an indemnity, including advances on expenses, in cases where it is proven, by means of a procedure to be established in the Indemnity Contracts, that they were not entitled to the indemnity.	<p>the Supervisory Board, if constituted, in accordance with the minimum requirements provided for in the Bylaws.</p> <p>The statutory provision is in line with CVM Guidance Opinion No. 38, item 4, which recommends that shareholders participate in the decision on the execution of indemnity contracts with the objective of safeguarding their interests and providing greater transparency to such instruments.</p> <p><u>Legal and economic effects of the proposed changes:</u></p> <p>The Company does not envisage legal and economic effects that could materially affect any other shareholder or the Company itself.</p>
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Non-existent provision

Article 19 - In addition to other duties established in applicable laws or in these Bylaws, the Board of Directors has the following functions:
(...)
(xxiv) approve the terms and conditions of any Indemnity Contracts to be entered into by the Company; and

Origin and justification

The Company understands that, if the amendment to article 14 of the Bylaws is approved as indicated above, the terms and conditions of the indemnity contracts to be signed by the Company must be previously approved by the Board of Directors, in view of the relevance of such instruments to attract and retain top executives.

Legal and economic effects of the proposed changes:

The Company does not envisage legal and economic effects that could materially affect any other shareholder or the Company itself.