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(A free translation of the original in Portuguese)

ZAMP S.A.

Parent company and consolidated financial statements at December 31, 2023 and independent auditor's report

(A free translation of the original in Portuguese)

Independent auditor's report

To the Board of Directors and Shareholders
ZAMP S.A.

Opinion

We have audited the accompanying parent company financial statements of ZAMP S.A. ("Company" or "Parent company"), which comprise the statement of financial position as at December 31, 2023 and the statements of profit or loss, comprehensive income (loss), changes in equity and cash flows for the year then ended, as well as the accompanying consolidated financial statements of Company and its subsidiary ("Consolidated"), which comprise the consolidated statement of financial position as at December 31, 2023 and the consolidated statements of profit or loss, comprehensive income (loss), changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

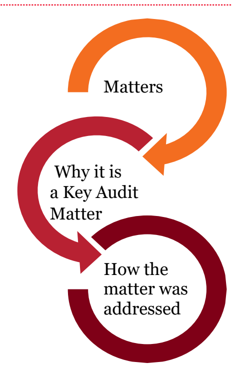
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Company and of Company and its subsidiary as at December 31, 2023, and the financial performance and the cash flows for the year then ended, as well as the consolidated financial performance and the cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company and Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiary in accordance with the ethical requirements established in the Code of Professional Ethics and Professional Standards issued by the Brazilian Federal Accounting Council, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the parent company and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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ZAMP S.A.

Why it is a Key Audit Matter	How the matter was addressed in the audit
Recoverable amount of non-financial assets (Notes 2.13, 2.21, 9 and 10)	
Intangible assets with indefinite useful lives (goodwill) are tested for impairment at least annually. Other non-financial assets with finite useful lives are tested at the balance sheet date. If any indicators of impairment are present, management determines the recoverable amount of the assets or Cash-Generating Units (CGUs) to which the assets are allocated. An impairment loss is recognized when the book value of an asset or CGU exceeds its recoverable amount. Management determines the estimated recoverable amount based on projections that include assumptions and by using data that relies on significant judgment, including selecting the discount and growth rates. The value in use is determined by management using the discounted cash flow method. The use of different estimates and assumptions in determining the recoverable amount could affect the decision to record losses or reverse impairment losses. For this reason, we treated this as a key audit matter.	Our audit procedures included, among others, understanding management's internal controls to assess the indicators of impairment, as well as to determine and measure the recoverable amount, including the choice of the valuation methodology and assumptions and data used in the calculation. With the support of our business valuation specialists, we analyzed the discounted cash flow model used, including its logical and arithmetical consistency, as well as the reasonableness of the main assumptions including the discount and growth rates, comparing them, when available, with market data. We compared the main cash projection assumptions with the budgets approved by the Company's management. We performed a sensitivity analysis of the main assumptions to determine to what extent a different set of variables would result in the need to recognize or reverse impairments. We read the related disclosures in the notes to the financial statements. Based on our audit procedures, we considered that the judgments and assumptions adopted for the assessment of the recoverable amount, as well as the disclosures to be reasonable and consistent with the data and information obtained.
Realization of deferred income tax and social contribution assets (Notes 2.6, 2.21 and 27)	
The Company recognized deferred income tax and social contribution assets arising from deductible temporary differences, which management believes are recoverable based on its projections of taxable profits that will generate taxes payable to be offset by the assets.	Our audit procedures included, among others, understanding management's internal controls to calculate deferred taxes. With the support of our tax experts, we tested the calculation bases of temporary differences and tax losses, analyzing the reasonableness of their

Why it is a Key Audit Matter	How the matter was addressed in the audit
We treated this area as a key audit matter because management's assessment depends on significant and subjective judgment to determine an estimate of future tax profits. Any changes in these estimates and assumptions could materially affect the projections of taxable profits and, consequently, the recoverability of deferred income tax and social contribution assets recorded for tax temporary differences and non-recorded deferred taxes for carryforward losses.	historical composition and comparing them with the corresponding tax records. We analyzed the (i) management's main assumptions used in the study of projections of future taxable profits; and (ii) terms for realization of the deferred tax assets. We also analyzed the projections which indicate that sufficient taxable profits will be available in the future to offset taxes payable against the deferred tax assets and assessed the sufficiency of disclosures made in the notes to the financial statements. Our audit procedures indicated the judgments and assumptions used by management to be reasonable and the disclosures were consistent with the data and information obtained.
Provisions and tax contingent liabilities (Notes 2.18, 2.21 and 17)	
The Company is a defendant in lawsuits arising from the ordinary course of its operations, especially of a tax nature involving differing legal interpretations and assessment notices, among others. Generally, obtaining definitive rulings for such lawsuits can take a considerable length of time and involve not only discussions of the merits, but also complex procedural aspects, in accordance with applicable legislation. Management, under the advice of its internal and external legal counsel, estimates the likely outcomes for these lawsuits, to then record provisions for those considered to present a probable risk of loss and disclosing details of those considered to present a possible risk of loss. Due to the materiality of the amounts and uncertainties involved in the calculation and recording of the provisions and required disclosures of provisions and contingent liabilities, we considered this as a key audit matter.	Our audit procedures included, among others, understanding management's internal controls to identify, measure, record and disclose provisions, as well as to monitor the progress of labor, civil and tax contingent liabilities. We requested from the legal advisors' confirmations of the details of the labor, civil and tax lawsuits, the amounts and a prognosis of the likelihood of loss. We analyzed the main ongoing lawsuits, examined the documentation supporting management's assessment and discussed the reasonableness of management's conclusions. We consider that the criteria and assumptions used by management for the calculation and recording of the provisions and the disclosures in the notes to the financial statements to be consistent with the assessments provided by the legal advisors.

Other matters

Statements of Value Added

The parent company and consolidated Statements of Value Added for the year ended December 31, 2023, prepared under the responsibility of the Company's management and presented as supplementary information for IFRS Accounting Standards purposes, were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purposes of forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and if their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 - "Statement of Value Added". In our opinion, these Statements of Value Added have been properly prepared in all material respects, in accordance with the criteria established in the Technical Pronouncement, and are consistent with the parent company and consolidated financial statements taken as a whole.

Other information accompanying the parent company and consolidated financial statements and the auditor's report

The Company's management is responsible for the other information that comprises the Management Report.

Our opinion on the parent company and consolidated financial statements does not cover the Management Report, and we do not express any form of audit conclusion thereon.

In connection with the audit of the parent company and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the parent company and consolidated financial statements

Management is responsible for the preparation and fair presentation of the parent company and consolidated financial statements in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) (currently described as "IFRS Accounting Standards" by the IFRS Foundation), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company and consolidated financial statements, management is responsible for assessing the ability of the Company and its subsidiary, as a whole, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiary, as a whole, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

ZAMP S.A.

Auditor's responsibilities for the audit of the parent company and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the parent company and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the parent company and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiary.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiary, as a whole, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries, as a whole, to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the parent company and consolidated financial statements, including the disclosures, and whether these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the parent company and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to our independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, March 7, 2024

PricewaterhouseCoopers
PricewaterhouseCoopers
Auditores Independentes Ltda.
CRC 2SP000160/O-5

DocuSigned by
Geovani da Silveira Fagunde
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MANAGEMENT REPORT

2023

MANAGEMENT

REPORT

2023 and 4Q23

In a recovering consumer environment, ZAMP closed 2023 with 74 new operations in the country and enters 2024 with the most efficient structure to capture opportunities.

Opening of **44 restaurants**, of which **25 are company-owned** restaurants, 21 Burger King® and 2 Popeyes®, and **21 franchisees**, of which 18 are Burger King® and 3 Popeyes®. **The remodeling of 17 Burger King® restaurants were completed.**

Same-store sales were **-2.4%** for Burger King® and **+4.5%** for Popeyes®.

Digital sales (totem, delivery and app) accounted for **46% of the Company's sales and 47% of total registered sales.**

Clube BK, the Company's loyalty program, **reached 16.4 million users.**

Net Operating Revenue **of R$1.1 billion, up by +2% YoY.**

Consolidated Gross Margin of 70.5%, moving up by 450 bps from 4Q22. Adjusted to this non-recurring effect, margin would be up by 24 bps vs. 4Q22.

Adjusted EBITDA of **R$227 million, up by 6% YoY.**

Income totaled R$59.3 million in 4Q23, up by 41%.

For the 2nd time, the Company was among the best companies to work for according to GPTW.

4Q23 EARNINGS CONFERENCE CALL

Conference Call – March 8, 2024 – Friday

In Portuguese with simultaneous translation into English

Time: 11h / 10h

Connection link:

https://tenmeetings.com.br/ten-events/#/webinar?evento=ZAMP4T23_426

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MESSAGE FROM THE MANAGEMENT

In 2023, due to an economy still in recovery, we observed a less favorable environment for discretionary consumption in Brazil. Loss of purchasing power, especially in the preceding years, coupled with a routine not fully resumed post-pandemic, including the cinema industry and corporate traffic, led to a below-expected performance in out-of-home food consumption throughout the year.

Amidst this environment, we focused our efforts on several important fronts in driving the business forward, which will help us navigate better in the coming years. With the aim of providing more alternatives for our consumers, we launched several platforms with an excellent cost-benefit equation throughout the year and in December, we introduced a campaign offering 2 Whoppers for R$ 25.00, which has contributed to interesting results since then. We maintained our innovative spirit and an active innovation calendar throughout the year, such as the Barbie and Nutella campaigns for BK, and NBA with Fogaça at PLK. On the restaurant experience front, we continued to explore the connection between the physical and digital worlds. We completed the remodeling of 50 restaurants during the year, transitioned to a development format called "Pavillion," which is a materially more attractive model for our consumers today, and achieved full digitalization of 84 stores. We strongly believe in the harmony of these two worlds, where technology helps increase restaurant revenue, makes us more efficient, and enhances the experience of our consumers, who will also have newer restaurants. Our digital sales reached 47% in 2023, reflecting our pioneering efforts in leveraging platforms such as the BK Club, which already has 17 million users and helps us better understand our customers, especially the most loyal ones.

With an adverse sales scenario, we focused on cost/expense structure and achieved significant results that will make the company leaner for the future. Our gross margin continues to advance consistently, such that with the smoothing of the commodities curve, we can invest even more in campaigns that will generate additional traffic. In terms of personnel, we have become increasingly efficient, due to technological advancements and the possibility of a large portion of our transactions already occurring without human interaction in service. In occupancy and utilities, we began to capture the benefit of a favorable IGPM cycle, renegotiated important rental contracts, and utilized Distributed Generation and the Free Energy Market to become more competitive in consumption. We also closed 25 restaurants in 2023 as part of our portfolio optimization strategy. Our corporate structure underwent important adjustments aimed at simplifying processes and gaining synergies implicit in our operation.

We continue to see Brazil as a landscape with many opportunities for QSR development for both our brands. Following this vision to deepen our national territory, we opened 74 operations in Brazil in 2023, including 45 Burger Kings and 29 Popeyes. For Burger King®, we remain focused on the Free Standing model, while for Popeyes®, we focus on brand maturity and expansion through Food Courts.

Thus, despite being a transitional year, the Company achieved a 5% revenue growth and +3% Adjusted EBITDA in 2023, reflecting our flexibility to adjust the business in the face of more adverse scenarios. More importantly, with these measures, we are poised to capture all growth and operational leverage opportunities that our brands can provide in 2024.

We appreciate the trust of our investors, partners, and especially our tireless team that works every day to make us the best restaurant brand operator in the world. We remain confident that we are on the right path with promising prospects for the years ahead.

ZAMP Management

2023 and 4Q23

HIGHLIGHTS

FINANCIAL HIGHLIGHTS - R$ MILLION (CONSOLIDATED)	4Q23	4Q22	VAR%	2023	2022	VAR%
NET OPERATING REVENUE	**1,074.1**	**1,051.5**	**2.1%**	**3,842.0**	**3,644.7**	**5.4%**
ADJUSTED EBITDA	227.1	215.0	5.7%	588.2	573.1	2.6%
% OF NET OPERATING REVENUE	*21.1%*	*20.4%*	*70bps*	*15.3%*	*15.7%*	*-40bps*
EBITDA ADJUSTED EX-IFRS 16	163.9	153.8	6.6%	346.7	337.3	2.8%
% OF NET OPERATING REVENUE	15.3%	14.6%	*70bps*	9.0%	9.3%	*-30bps*
NET INCOME (LOSS)	59.3	42.0	41.3%	(97.8)	(55.8)	75.3%
NET INCOME (LOSS) EX-IFRS 16	59.3	44.0	34.7%	(86.7)	(41.4)	109.7%
GROSS DEBT EX-IFRS 16	1,116.8	1,013.6	10.2%	1,116.8	1,013.6	10.2%
NET DEBT EX-IFRS 16	680.2	494.4	37.6%	680.2	494.4	37.6%
SHAREHOLDERS' EQUITY	**1,393.7**	**1,485.2**	**-6.2%**	**1,393.7**	**1,485.2**	**-6.2%**

FINANCIAL HIGHLIGHTS - R$ MILLION (BKB)	4Q23	4Q22	VAR%	2023	2022	VAR%
NET OPERATING REVENUE	**989.4**	**991.5**	**-0.2%**	**3,554.8**	**3,440.3**	**3.3%**
GROSS PROFIT	698.7	652.3	7.1%	2,360.3	2,203.6	7.1%
GROSS MARGIN	*70.6%*	*65.8%*	*480bps*	*66.4%*	*64.1%*	*230bps*
SSS	*-2.4%*	*13.0%*	*-1540bps*	*0.7%*	*21.0%*	*-2030bps*

FINANCIAL HIGHLIGHTS - R$ MILLION (PLK)	4Q23	4Q22	VAR%	2023	2022	VAR%
NET OPERATING REVENUE	**70.3**	**48.7**	**44.3%**	**237.3**	**162.6**	**45.9%**
GROSS PROFIT	43.7	30.7	42.1%	146.7	101.5	44.5%
GROSS MARGIN	*62.1%*	*63.1%*	*-100bps*	*61.8%*	*62.4%*	*-60bps*
SSS	*4.5%*	*8.1%*	*-360bps*	*5.7%*	*32.8%*	*-2710bps*

OPERATIONAL HIGHLIGHTS	4Q23	4Q22	VAR.	2023	2022	VAR.
# OF RESTAURANTS	**1,039**	**990**	**49**	**1,039**	**990**	**49**
OWNED RESTAURANTS						
# BURGER KING® OWNED RESTAURANTS BEGINNING OF PERIOD	685	690	(5)	702	736	(34)
BURGER KING® RESTAURANT OPENINGS	21	15	6	24	22	2
BURGER KING® RESTAURANT CLOSINGS	(4)	(3)	(1)	(19)	(4)	(15)
ACQUISITION / SAFE OF BURGER KING® RESTAURANT BUSINESSES	(11)	-	(11)	(16)	-	(16)
# POPEYES® OWNED RESTAURANTS BEGINNING OF PERIOD	85	54	31	63	52	11
POPEYES® RESTAURANT OPENINGS	2	9	(7)	24	11	13
# OWNED RESTAURANTS END OF PERIOD	**778**	**765**	**13**	**778**	**765**	**13**
FRANCHISEES RESTAURANTS						
# BURGER KING® FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	231	214	17	225	209	16
BURGER KING® RESTAURANT OPENINGS	18	11	7	21	16	5
BURGER KING® RESTAURANT CLOSINGS	(4)	-	(4)	(6)	-	(6)
ACQUISITION / SAFE OF BURGER KING® RESTAURANT BUSINESSES	11	-	11	16	-	16
# POPEYES® FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	2	-	2	-	-	-
POPEYES® RESTAURANT OPENINGS	3	-	3	5	-	5
# FRANCHISEES RESTAURANTS END OF PERIOD	**261**	**225**	**36**	**261**	**225**	**36**

SUBSEQUENT EVENTS

(i) Voluntary withdrawal of B3 S.A. – Brasil, Bolsa, Balcão's Novo Mercado segment on January 3, 2024, after approval at the Extraordinary General Meeting;

(ii) Acceleration of vesting periods for management compensation plans on January 3, 2024, which will have an impact of approximately R$46.2 million (including charges owed by the Company) in the Company's 1Q24 results;

(iii) Debenture issue – Agribusiness Receivables Certificate (CRA) totaling R$ 700 million;

(iv) Approval of waiver for the non-decree of early maturity of existing obligations of the 8th and 9th debentures issued, as well as the Company's bilateral bonds, result of a possible future acquisition of controlling interest;

(v) Acquisition of the Company's controlling interest by MIC Capital Partners (Brazil Special Opportunities II) Fundo de Investimento em Participações Multiestratégia Investimento no Exterior ("Mubadala Capital"), a company that is part of the portfolio of companies, investment funds and businesses indirectly owned, controlled or managed by Mubadala Capital LLC, as per Material Fact disclosed on February 21.

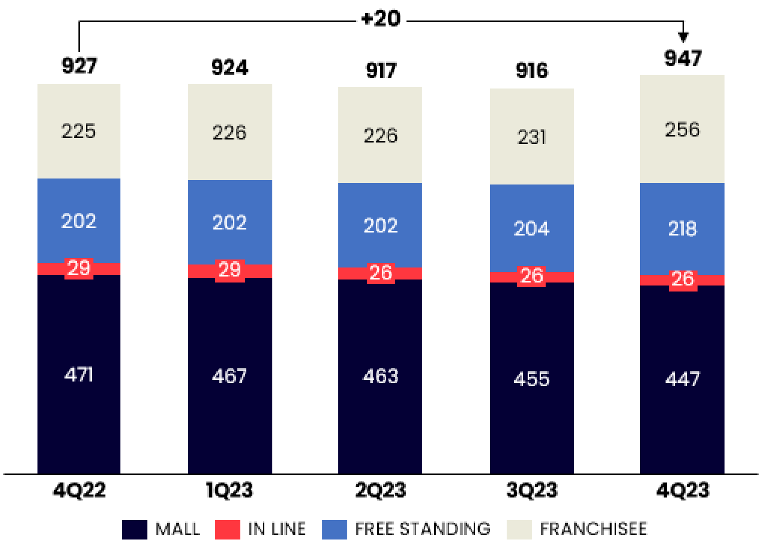
OPERATIONAL PERFORMANCE

Restaurant Chain

In 4Q23, the Company **opened 44 restaurants of Burger King® and Popeyes® brands,** 23 openings and 4 closings of company-owned restaurants, and 21 openings and 4 closings of franchisees, and in **the year 2023, the Company opened a total of 74 restaurants and closed a total of 25 restaurants**. These closings strengthen the Company's commitment to business profitability by diligently managing the portfolio in order to maximize operational results.

BURGER KING® System

In 4Q23, the Company **opened 21 company-owned** Burger King® restaurants, 16 in the **Free Standing** format and 5 in the **Food Court** format, in addition to 4 closures. Meanwhile, the brand's franchisees opened **18 restaurants** and closed 4. Therefore, the **Burger King®** system ended the quarter with **947 restaurants.**



**Ghost Kitchen stores are accounted for in the "Mall" category.*

Remodeling of BURGER KING® restaurants

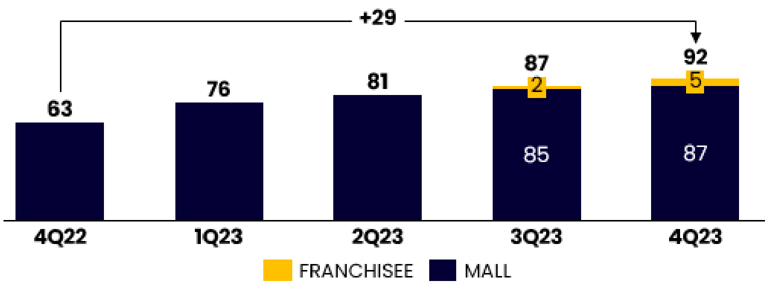
Restaurant remodeling has proven to be an important pillar for the Company in terms of consumer journey and on-premise experience. As a result, the Company has been able to connect digital advancements with physical locations, providing a more comprehensive experience to our consumers. We have been able to find a favorable equation in this regard, as we observe a significant increase in revenue combined with cost reduction. Below are some examples of projects that reflect this transformation.

2 Pavimentos - 2020 GARDEN 100 assentos 436m2	1 Pavimento - 2023 PAVILION 86 assentos 258m2

In 2023, we completed the remodeling of 50 restaurants. This will be an important lever for the coming years.

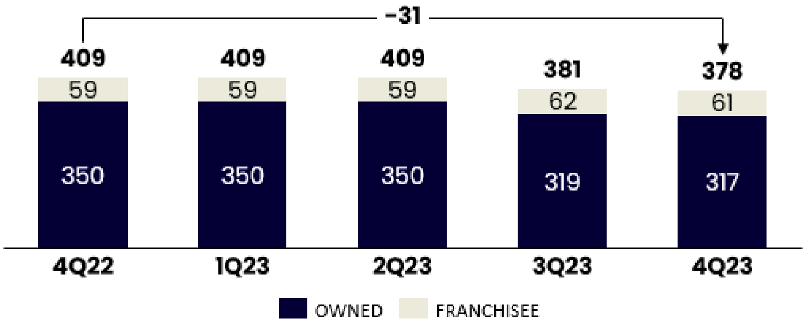
POPEYES® System

The **Popeyes®** restaurant system **ended 2023 with 92 restaurants,** opening 29 units throughout the year, **5 of them during 4Q23.** In the quarter, **3 franchises** were opened, marking the beginning of brand development by our long-term partners. We believe that these partnerships can expand our business nationwide, enabling us to seize available opportunities.



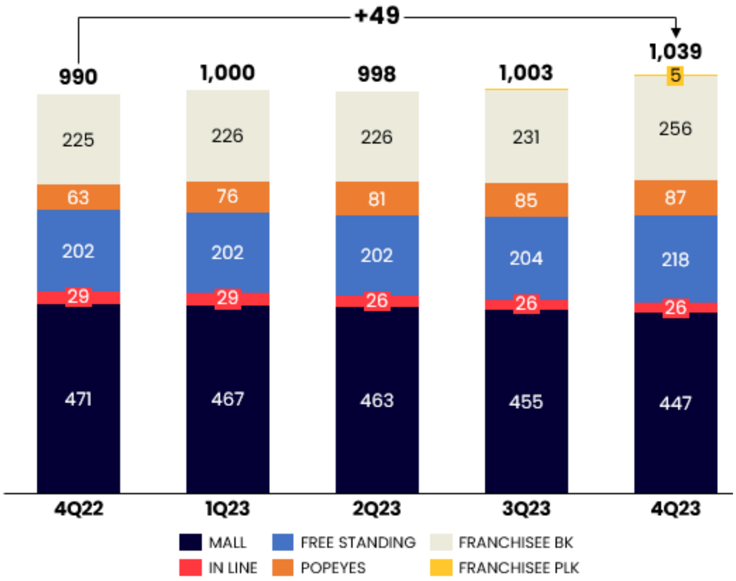
BURGER KING® dessert centers

The Burger King® system ended 4Q23 with **378 dessert centers**, in addition to the 947 restaurants; 3 units less than in 3Q23, and down by 31 units YoY. This movement strengthens the optimization of our assets' profitability.



Total restaurant chain

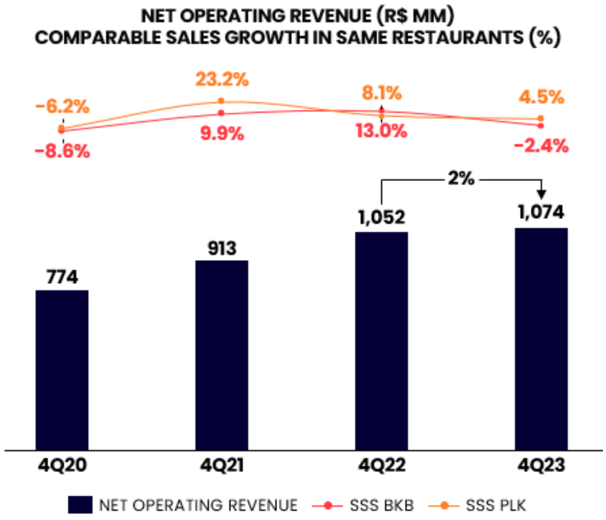
Therefore, after opening **74 new units** and closing **275 operations**, ZAMP ended 2023 with a total of **1,039 restaurants**, of which **778 are company-owned** Burger King® and Popeyes® restaurants and **261** are Burger King® and Popeyes® **franchisees**. In 2023, we completed the transfer of 16 company-owned Burger King® restaurants – an initiative that seeks a more assertive development in specific Brazilian regions, through our partners.

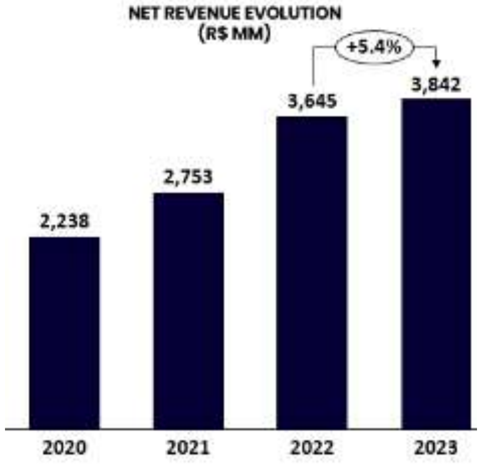


FINANCIAL PERFORMANCE

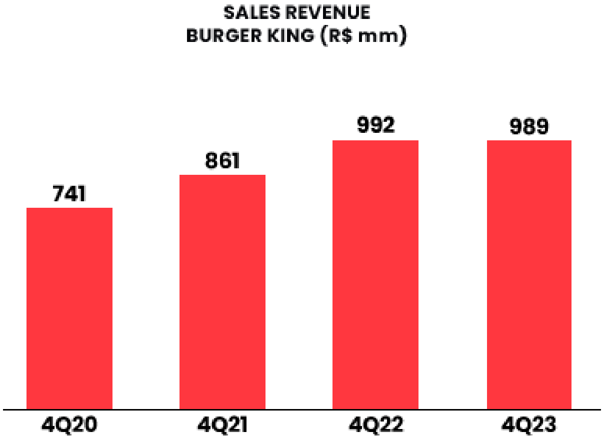
Net operating revenue

In 4Q23, the Company's net operating revenue totaled almost **R$1.1 billion**, **a new quarterly record**, **up by 2% compared to 4Q22.** The year 2023 was a challenging one for Brazil, especially when it comes to the retail segment. With the consumer environment still recovering, the Company focused on important fronts of its commercial strategy in order to adjust the cost-benefit ratio, getting its pricing and promotions policy right, improving restaurant experience and strengthening brand/product positioning. After an unfavorable start to the quarter, with a higher comparison base specifically in October, we noted more favorable traction in November and December, already reflecting some of the quarter's important launches, such as the **"2 for R$ 25"** for the Burger King brand and the **"5 in 1"** combo at Popeyes. As a result, we ended 2023 with total revenue 5.4% above the previous year, and SSS stood at 1% for Burger King® and 6% for Popeyes®.





Burger King® Sales Revenue



Burger King® sales revenue reached **R$3.6 billion in 2023**, posting, once again, **the brand's best result in Brazil.** This figure was 6% up versus 2022.

In 4Q23, Burger King® brand's **SSS stood at -2.4%,** reflecting a consumer environment still slow, as indicated by the Cielo and Stone indices – both recording lower performances, and the adjustment of some execution fronts.

Revenue from Burger King® restaurants **totaled R$ 989 million in 4Q23, in line with 4Q22 figures**, due to the new operations opened.

In 4Q23, we held campaigns that **strengthened our commitment to strategies that create traffic, trials, visits and sales.**

In October, in collaboration with Netflix, Burger King launched a **360º campaign** for the **Round 6** tv show, with exclusive products and the great potential of Brand Experience and Social projects.

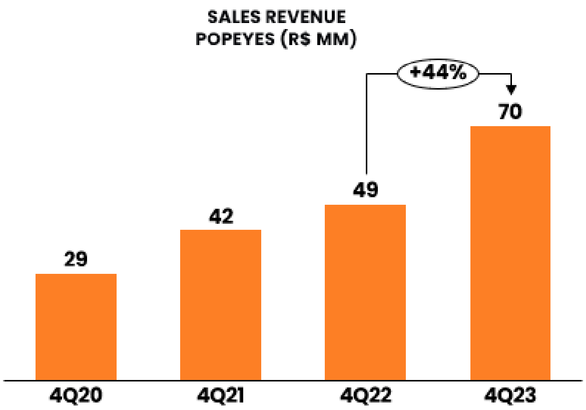
November was marked by the launch of the **Bacon Lovers** premium platform, with two exclusive and limited sandwiches that developed an important platform for the Company focused on Average Ticket increase. In the same month, we also launched the **Batwheels** campaign on our Children's platform, which generated **traffic and sales in our restaurants during school vacation**. Meanwhile, our growing dessert platform brought another pioneering partnership to the QSR market with the launch of exclusive **Fini candy** products, featuring two milkshakes and BK Mix.

Seeking greater adherence to the "cost-benefit" dimension, an extremely important QSR feature, through products that deliver the Burger King experience, we **strengthened the "2 for R$ 25" platform by adding the Whopper in December. Our most iconic product enabled an important swing in the SSS trend that we have been seeing.**

Popeyes® Sales Revenue

After five years on the Brazilian market, three of which have been during the pandemic, **the Popeyes brand developed significantly throughout the year, reaching new markets** by opening stores in the states of Paraná, Bahia, Minas Gerais, Pernambuco, Goiás and Paraíba, taking our products beyond the Rio-São Paulo axis, as well as starting to be operated by franchisees.

In 2023, Popeyes® reached the milestone of R$ 237 million in sales, moving up by 46% from 2022. This growth coupled with revenue level per restaurant, enabled our operation, which was at breakeven until last year due to the pandemic, to reach positive territory, contributing to expedite the Company's operating cash generation, as an alternative avenue of growth.



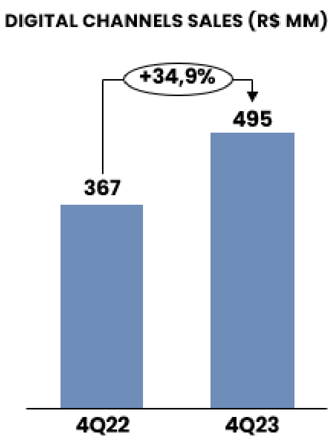
Thus, in 4Q23, Popeyes® recorded sales revenue of R$70 million, **the best quarter in the brand's history and 4,5% of SSS**.

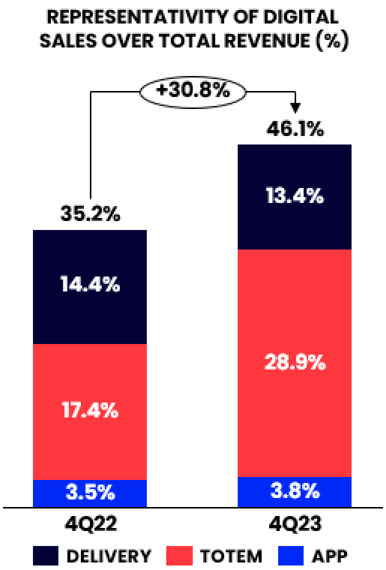
In the quarter, our calendar boosted traffic and trial levers, and included the launch of **"*Popeyes Parmegiana*" (Parmesan Popeyes)** sandwich and combo and the **"5 in 1"** Campaign. Our main traffic driver, the campaign brought even more people to the stores with a combo containing the brand's main SKUs, generating trials of our iconic products.

Sales Digitalization

Digital sales, represented by delivery, totem and app (mobile) sales for both ZAMP brands, came to **R$495 million in 4Q23**, **up by 35%** year on year.

Digital sales already account for **46% of the Company's total revenue.** This increase is mainly due to sales at self-service totems.





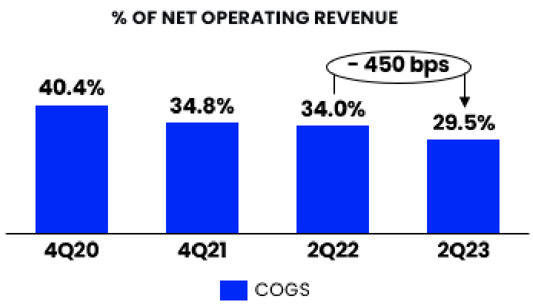
In the quarter, we noticed a bigger share of **self-service totems in both our operations and sales results**, as these totems enable a more targeted browsing during user experience. Main results include increased average ticket due to a greater number of items on the tray, higher NPS, as well as important efficiency gains as our operation becomes lighter. In 4Q23, we also made progress in the **restaurants with 100% digital services**, reaching **84 restaurants offering this feature.**

Delivery, which is another important sales and growth lever, accounted for **13.4% of total sales** in the period. In nominal terms, delivery revenue remained stable year on year, due to price adjustments aimed at mitigating increases in aggregator costs. This is a consumer occasion that remains strong even after the pandemic and it is very important that we pursue balance between revenue and profitability.

In 2023, **registered sales reached 47% of total sales** and our CRM ended the year with **20.2 million registered users**, up by **3.5 million users year on year**, respectively, strengthening our process of knowing our customers better and more precisely executing individual and customized initiatives.

Clube BK, Burger King®'s loyalty program, and the main driver of the Company's CRM strategy, ended the year with approximately **17 million users**, **moving up by 23% from 2022.** The program has directly contributed to the growth in average sales per user, as it encourages even greater frequency, especially for heavy users.

Cost of Goods Sold



In 4Q23, cost of goods sold (COGS) was **29.5%**, down by **450 bps versus 4Q22**, with one-off tax credits effect of almost R$45 million. **Excluding such effect, COGS was down by 24 bps** YoY and by **100 bps** QoQ, which reinforces the substantial gross margin improvement recorded by the Company over the past few quarters.

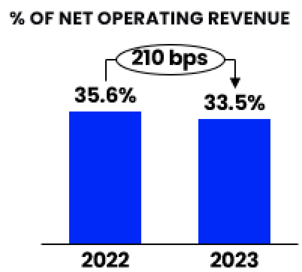
We have been able to reach such levels due to a combination of three pillars:

i) **revenue management;**

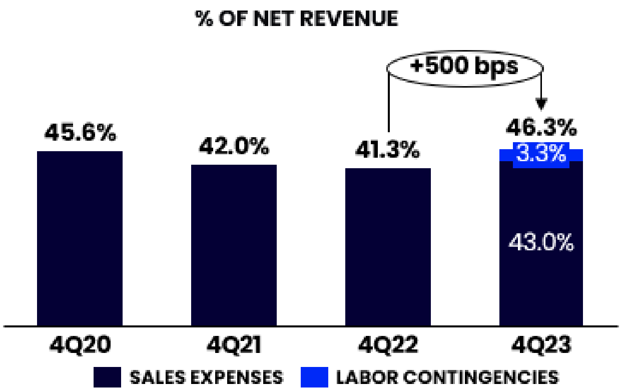
ii) **strategic sourcing,** by renegotiating existing contracts, entering into new long-term partnerships and, thus, achieving significant price reductions in order to keep our **costs under control, especially in a scenario when we begin to see important price drops;** and

iii) **technology**, through data that provides enhanced knowledge on our users, we have been able to reduce our exposure to massive discounts and, therefore, be more assertive in our commercial strategy.

As can be seen in the graph on the right, COGS stood at **33.5%, down by 210 bps** year on year, based on the initiatives mentioned above, or **34.5%** excluding the one-off effect, still below 2022 figures by **100 bps**.



Selling Expenses

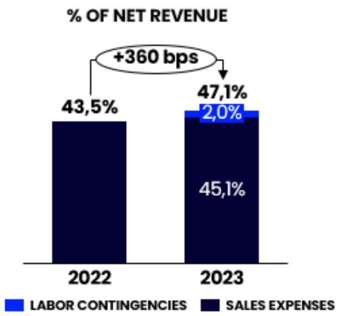


In a consumption environment that was less accelerated than anticipated, the Company mobilized throughout the year 2023 to implement significant cost-saving initiatives, particularly concerning fixed costs.

As a result, we concentrated our efforts on digitalization to become increasingly efficient in personnel management. In occupancy, we saw a better scenario, albeit not fully priced in yet, with the smoothing of the IGPM, which will benefit us mainly in 2024, and contract renegotiations. Additionally, we continued to advance in utility fronts with initiatives such as Free Market, Telemetry, and Distributed Generation.

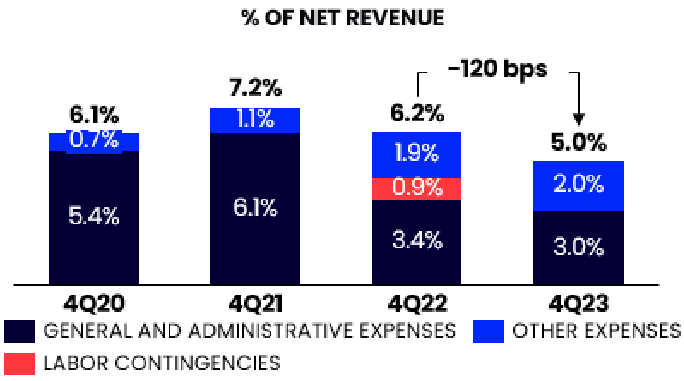
Contrary to these efficiency gains, in this quarter, there were significant effects that interfered with the growth of expenses compared to the previous year. The migration of Labor Contingencies, as we have disclosed in previous quarters, began to be included in "Sales Expenses" from 2023. This inclusion led to an impact of 340 bps on operating revenue, of which 190 bps were one-off with the aim of updating our estimate of probable labor losses. Excluding this effect, Sales Expenses grew by 6.4% in the period, 169 bps versus 4Q22, with part of this growth stemming from new restaurants (23 owned in the period) and partial inflationary adjustment of expenses, notably the national minimum wage, which increased by approximately 7% during the period and affects a significant portion of the Company's employee base.

As a result, in the year 2023, sales expenses represented **47.1% of the Company's operating net revenue**, an **increase of 360 bps, of which 200 bps were due to Labor Contingencies being included in this expense category, leaving a growth of 160 bps due to operational deleverage and new stores still maturing.**



Total General and Administrative Expenses

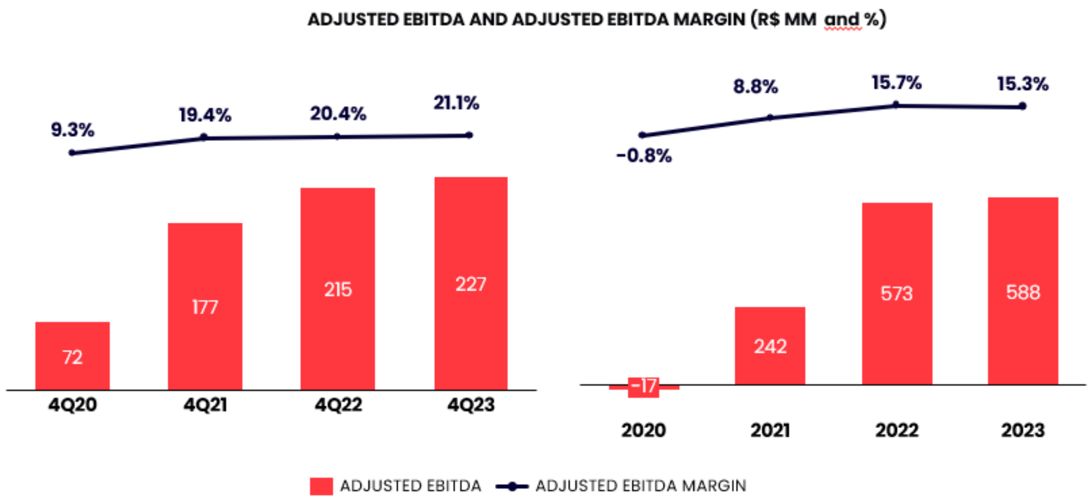
General and administrative expenses, excluding depreciation and amortization, totaled **5.0% of net revenue in the quarter**, a **decrease of 120 bps compared to 4Q22**. Part of this decrease occurred due to the reclassification of Labor Contingencies to "Sales Expenses," and part stemmed from significant efficiency adjustments we implemented throughout 2023, aiming to simplify processes, structures, and make the Company leaner moving forward.



Adjusted EBITDA

The Company's adjusted EBITDA came to **R$227 million** in 4Q23, moving up by **R$12 million from 4Q22**, or a **5.7% YoY increase. Adjusted EBITDA margin stood at 21.1%, 70 bps higher than the margin recorded in 4Q22.**

In 2023, **ZAMP recorded the highest Adjusted EBITDA in its history**, totaling **R$588 million**, up by **3%** versus 2022.

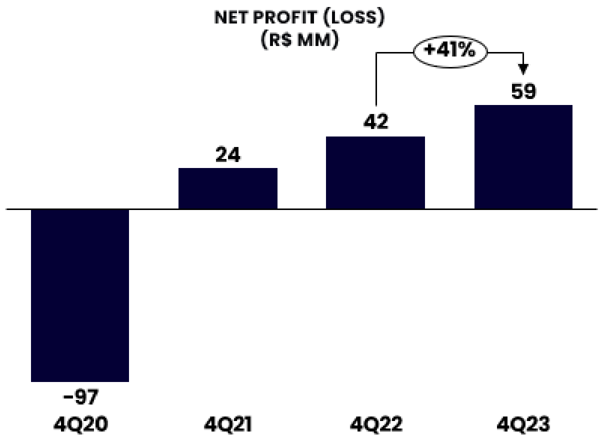


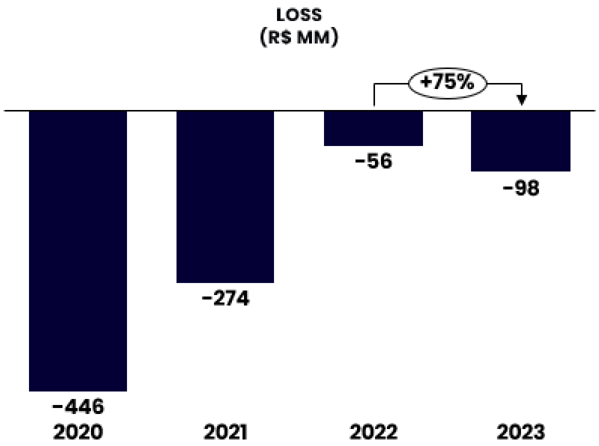
Our ex-IFRS16 Adjusted EBITDA, came to **R$163.9 million** by the end of 4Q23, an **increase of almost 7% YoY** and margin stood at 9.0%.

EBITDA - R$ MILLION	4Q23	4Q22	VAR %	4Q23 (ex-IFRS 16)	4Q22 (ex-IFRS 16)	VAR %
NET INCOME (LOSS) FOR THE PERIOD	**59.3**	**42.0**	**-41.2%**	**59.3**	**44.0**	**34.8%**
(+) FINANCIAL INCOME (LOSS)	39.6	44.2	-10.4%	(10.7)	22.3	-148.0%
(+) DEPRECIATION AND AMORTIZATION	113.5	103.3	9.9%	113.5	60.9	86.4%
(+/-) INCOME TAX AND SOCIAL CONTRIBUTION	(13.1)	(4.5)	191.1%	(13.1)	(3.4)	285.3%
EBITDA	**199.3**	**185.0**	**7.7%**	**149.0**	**123.8**	**20.4%**
EBITDA MARGIN	*18.6%*	*17.6%*	*100bps*	*13.9%*	*11.8%*	*210bps*
(+) OTHERS EXPENSES	16.9	14.6	15.8%	16.9	14.6	15.8%
(+) COST OF STOCK OPTION PLAN	4.9	5.2	-5.8%	4.9	5.2	-5.8%
(+) PRE-OPERATING EXPENSES	6.0	10.2	-41.2%	6.0	10.2	-41.2%
ADJUSTED EBITDA	**227.1**	**215.0**	**5.7%**	**163.9**	**153.8**	**6.6%**
ADJUSTED EBITDA MARGIN	*21.1%*	*20.4%*	*70bps*	*15.3%*	*14.6%*	*70bps*

Net income (loss)

In 4Q23, the Company recorded net income of **R$59 million, up by 41% versus 4Q22.** In 2023, ZAMP recorded **net loss of R$98 million, moving up R$42 million from 2022,** of which R$35 million refers to the increase in Financial Result due to higher interest rates throughout the year, combined with the R$185.8 million increase in the Company's net debt.





DEFINITIONS

- **App:** Functionality that considers orders previously placed on the app for store pick-up.
- **CRM:** Customer Relationship Management – management tool for customer information flow;
- ***Delivery:*** When an order is delivered to a location determined by the customer;
- **Drive Thru:** Allow customers to place their orders without leaving their cars.
- **Dessert Centers:** Dessert point of sale.
- **Adjusted EBITDA:** non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses with mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis of the Company's operating performance, including: (i) write-offs of property and equipment (damages, obsolescence, gain (loss) from asset divestment and provisions for impairment); and (ii) stock option costs;
- **Store models:** (i) Free-standing: Street stores that offer drive-thru tracks; (ii) Mall: Stores located in shopping malls, supermarkets and airports/bus terminals; (iii) In line: Stores with direct access to public roads, which offer internal rooms with tables and seats
- **NRG:** Net Restaurant Growth
- **NPS:** Net Promoter Score;
- **Transfers:** Sale of own restaurants to franchises;
- **Self-ordering kiosks:** Self-service totems;
- **TO:** Tender Offer. All results refer to BK's own operation, except Net Restaurant Growth (NGR); and
- **Same-Store Sales (SSS)** According to RBI calculation methodology, SSS consider sales of Burger King restaurants operated by BK Brasil that have been open for more than 13 months and Popeyes restaurants opened for more than 17 months compared to the same period in the previous year. Additionally, restaurants closed for more than 7 consecutive days within a month are excluded from the comparison base.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that until December 31, 2023, the independent auditor PricewaterhouseCoopers Auditores Independentes Ltda. (PwC) did not provide additional services beyond those contracted for external audit services.

The Company follows a formal procedure to consult independent auditors to ensure that the provision of other services does not affect their independence and necessary objectivity in performing independent audit services. The Company's policy in hiring independent auditor services ensures that there is no conflict of interest, loss of independence, or objectivity.

In contracting these services, the Company's policies are based on principles that preserve the auditor's independence. These principles, according to internationally accepted standards, include: (a) the auditor should not audit their own work; (b) the auditor should not perform management functions for their client, and (c) the auditor should not legally represent the interests of their clients.

Management, ZAMP S.A.

ZAMP

NA NOSSA MESA CABE UM MUNDO.

(A free translation of the original in Portuguese)

Individual and consolidated financial statements

Zamp S.A.

December 31, 2023

(A free translation of the original in Portuguese)

Contents

ZAMP S.A.
As at December 31, 2023 and 2022
(In thousands of reais unless otherwise stated)

(A free translation of the original in Portuguese)

Statements of financial position

	Notes	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Assets					
Current Assets					
Cash and cash equivalents	3	**81,278**	45,452	**81,279**	45,453
Marketable securities	4	**355,279**	473,648	**355,300**	473,680
Trade receivables	5	**213,712**	222,550	**213,712**	222,550
Inventories	6	**161,098**	175,581	**161,098**	175,581
Taxes recoverable	7	**52,941**	50,797	**52,941**	50,797
Other receivables		**37,747**	33,946	**37,747**	33,946
Total current assets		**902,055**	1,001,974	**902,077**	1,002,007
Non-current assets					
Long-term receivables					
Taxes recoverable	7	**227,162**	149,534	**227,162**	149,534
Judicial deposits	17	**42,941**	45,912	**42,941**	45,912
Other receivables		**12,374**	18,604	**12,374**	18,604
Total long-term receivables		**282,477**	214,050	**282,477**	214,050
Right of use assets	8	**795,075**	843,690	**795,075**	843,690
Property and equipment	9	**1,378,694**	1,332,335	**1,378,694**	1,332,335
Intangible assets	10	**759,143**	738,871	**759,143**	738,871
Total non-current assets		**3,215,389**	3,128,946	**3,215,389**	3,128,946
Total assets		**4,117,444**	4,130,920	**4,117,466**	4,130,953
Liabilities and Equity					
Current liabilities					
Trade payables	12	**357,539**	346,046	**357,539**	346,046
Agreement with suppliers	12	**-**	18,527	**-**	18,527
Payroll and social charges	13	**121,685**	139,234	**121,685**	139,234
Loans and financing	11	**543,353**	149,477	**543,353**	149,477
Lease liabilities	8	**181,240**	171,876	**181,240**	171,876
Corporate payables	18	**30,860**	24,144	**30,860**	24,144
Taxes payable	14	**30,685**	33,598	**30,685**	33,598
Deferred revenue	15	**13,350**	19,908	**13,350**	19,908
Other payables	16	**27,933**	34,258	**27,955**	34,291
Total current liabilities		**1,306,645**	937,068	**1,306,667**	937,101
Non-current liabilities					
Loans and financing	11	**573,461**	864,082	**573,461**	864,082
Provision for legal claims	17	**44,024**	21,818	**44,024**	21,818
Taxes payable	14	**4,306**	4,543	**4,306**	4,543
Deferred revenue	15	**4,791**	4,730	**4,791**	4,730
Lease liabilities	8	**734,584**	775,737	**734,584**	775,737
Deferred income tax and social contribution	27	**55,953**	37,754	**55,953**	37,754
Total non-current liabilities		**1,417,119**	1,708,664	**1,417,119**	1,708,664
Total liabilities		**2,727,225**	2,645,732	**2,727,247**	2,645,765
Equity					
Capital	19	**1,461,068**	1,461,068	**1,461,068**	1,461,068
Capital reserves	19	**733,323**	728,404	**733,323**	728,404
Treasury shares	19	**(62,276)**	(63,691)	**(62,276)**	(63,691)
Other comprehensive income	29	**(16)**	-	**(16)**	-
Accumulated deficit	19	**(738,419)**	(640,593)	**(738,419)**	(640,593)
Total Equity		**1,393,680**	1,485,188	**1,393,680**	1,485,188
Total liabilities and equity		**4,117,444**	4,130,920	**4,117,466**	4,130,953

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

(In thousands of reais unless otherwise stated)

Statements of profit or loss

	Notes	Parent company 2023	Parent company 2022	Consolidated 2023	Consolidated 2022
Net operating revenue	**21**	**3,841,961**	3,644,674	**3,841,961**	3,644,674
Cost of goods and products sold and services rendered	**22**	**(1,285,152)**	(1,297,785)	**(1,285,152)**	(1,297,785)
Gross profit		**2,556,809**	2,346,889	**2,556,809**	2,346,889
Operating expenses					
Selling expenses	**23**	**(2,228,894)**	(1,987,373)	**(2,228,894)**	(1,987,373)
General and administrative expenses	**24**	**(228,441)**	(262,541)	**(228,658)**	(262,772)
Profit (loss) before financial income (expenses) and taxes		**99,474**	96,975	**99,257**	96,744
Financial income	**25**	**55,882**	65,838	**56,099**	66,069
Financial expenses	**26**	**(234,982)**	(209,957)	**(234,982)**	(209,957)
Financial income (expenses), net		**(179,100)**	(144,119)	**(178,883)**	(143,888)
Loss before income tax and social contribution		**(79,626)**	(47,144)	**(79,626)**	(47,144)
Income tax and social contribution	**27**	**(18,200)**	(8,642)	**(18,200)**	(8,642)
Loss for the year		**(97,826)**	(55,786)	**(97,826)**	(55,786)
Basic earnings (loss) per share	**20**	**(0.3573)**	(0.2038)	**(0.3573)**	(0.2038)
Diluted earnings (loss) per share	**20**	**(0.3573)**	(0.2038)	**(0.3573)**	(0.2038)

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

Statements of Comprehensive Income (Loss)

	Parent company and Consolidated	
	2023	**2022**
Loss for the year	**(97,826)**	(55,786)
Derivative financial instruments - Hedge	**(16)**	(147)
Comprehensive Loss for the year	**(97,842)**	(55,933)

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

ZAMP S.A.
Years ended December 31, 2023 and 2022
(In thousands of reais unless otherwise stated)

(A free translation of the original in Portuguese)

Statements of changes in equity

			Capital reserves						
Description	**Notes**	**Capital**	**Share premium**	**Shares issuance expenses**	**Stock option plan**	**Treasury shares**	**Other comprehensive income (loss)**	**Accumulated losses**	**Total equity**
As at December 31, 2021		**1,461,068**	**786,459**	**(98,664)**	**32,731**	**(24,214)**	**147**	**(584,807)**	**1,572,720**
Options granted recognized	**31**	-	-	-	22,315	-	-	-	22,315
Treasury shares acquired		-	-	-	-	(53,914)	-	-	(53,914)
Exercise of options granted		-	-	-	(14,437)	14,437	-	-	-
Other comprehensive loss	**29**	-	-	-	-	-	(147)	-	(147)
Loss for the year		-	-	-	-	-	-	(55,786)	(55,786)
As at December 31, 2022		**1,461,068**	**786,459**	**(98,664)**	**40,609**	**(63,691)**	**-**	**(640,593)**	**1,485,188**
Options granted recognized	**31**	**-**	**-**	**-**	**6,334**	**-**	**-**	**-**	**6,334**
Exercise of options granted		**-**	**-**	**-**	**(1,415)**	**1,415**	**-**	**-**	**-**
Other comprehensive loss	**29**	**-**	**-**	**-**	**-**	**-**	**(16)**	**-**	**(16)**
Loss for the year		**-**	**-**	**-**	**-**	**-**	**-**	**(97,826)**	**(97,826)**
As at December 31, 2023		**1,461,068**	**786,459**	**(98,664)**	**45,528**	**(62,276)**	**(16)**	**(738,419)**	**1,393,680**

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

(In thousands of reais unless otherwise stated)

Statements of cash flows

	Parent company		Consolidated	
	2023	2022	2023	2022
Cash flows from operating activities				
Loss before income tax and social contribution	**(79,626)**	(47,144)	**(79,626)**	(47,144)
Depreciation and amortization of property and equipment and intangible assets (Notes 9, 10, 23 and 24)	**270,564**	235,261	**270,564**	235,261
Provision for bonuses	**15,168**	35,017	**15,168**	35,017
Accrued interest, charges, exchange and monetary variations	**197,788**	174,295	**197,788**	174,295
Provision for legal claims (Note 17)	**79,419**	36,255	**79,419**	36,255
Result on disposal of fixed and intangible assets (Notes 9 and 10)	**30,009**	16,790	**30,009**	16,790
Provision for impairment (Notes 9 and 24)	**7,825**	7,037	**7,825**	7,037
Stock options cost (Notes 24 and 31)	**15,234**	34,799	**15,234**	34,799
Provision for expected credit losses and write-off of non-financial assets (Note 5)	**5,878**	(2,571)	**5,878**	(2,571)
Provision (reversal) for inventory loss (Note 6 and 23)	**56**	(1,387)	**56**	(1,387)
Amortization of right-of-use assets (Notes 23 and 24)	**169,889**	170,439	**169,889**	170,439
	712,204	658,791	**712,204**	658,791
Changes in assets and liabilities				
Trade receivables	**2,960**	(80,712)	**2,960**	(80,712)
Inventories	**14,427**	(31,427)	**14,427**	(31,427)
Taxes recoverable	**(79,772)**	(20,989)	**(79,772)**	(20,989)
Other receivables	**5,400**	(495)	**5,400**	(495)
Trade payables	**12,540**	98,860	**12,540**	98,860
Agreement with suppliers	**(18,527)**	10,084	**(18,527)**	10,084
Payroll and social charges	**(43,032)**	(14,915)	**(43,032)**	(14,915)
Corporate payables	**6,716**	2,022	**6,716**	2,022
Taxes payable	**(3,151)**	2,390	**(3,151)**	2,390
Income tax and social contribution paid	**-**	(1,437)	**-**	(1,437)
Deferred revenue	**(6,497)**	4,959	**(6,497)**	4,959
Other payables	**(6,540)**	(9,524)	**(6,551)**	(9,518)
Interest expense on loans and financing (Note 11)	**(157,727)**	(118,815)	**(157,727)**	(118,815)
Interest expense on lease liabilities (Note 8)	**(24,869)**	(23,858)	**(24,869)**	(23,858)
Payment of legal claims (Note 17)	**(57,213)**	(39,859)	**(57,213)**	(39,859)
Net cash from operating activities	**356,919**	435,075	**356,908**	435,081
Cash flows from investing activities				
Purchases of property and equipment	**(312,019)**	(328,407)	**(312,019)**	(328,407)
Purchases of intangible assets	**(64,057)**	(27,325)	**(64,057)**	(27,325)
(Investment in) redemption of marketable securities	**168,820**	(85,233)	**168,831**	(85,239)
Net cash used in investing activities	**(207,256)**	(440,965)	**(207,245)**	(440,971)
Cash flows from financing activities				
Raising of loans and financing (Note 11)	**225,000**	350,000	**225,000**	350,000
Payment of loans and financing (principal) (Note 11)	**(120,885)**	(140,385)	**(120,885)**	(140,385)
Costs on raising loan (Note 11)	**(1,318)**	(4,002)	**(1,318)**	(4,002)
Payments of lease liabilities (Note 8)	**(216,634)**	(211,946)	**(216,634)**	(211,946)
Acquisition of treasury shares	**-**	(53,914)	**-**	(53,914)
Net cash used in investing activities	**(113,837)**	(60,247)	**(113,837)**	(60,247)
Net increase (decrease) in cash and cash equivalents	**35,826**	(66,137)	**35,826**	(66,137)
Cash and cash equivalents:				
Cash and cash equivalents at the end of the year (Note 3)	**81,278**	45,452	**81,279**	45,453
Cash and cash equivalents at the beginning of the year (Note 3)	**45,452**	111,589	**45,453**	111,590
Net increase (decrease) in cash and cash equivalents	**35,826**	(66,137)	**35,826**	(66,137)

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

(In thousands of reais unless otherwise stated)

Statements of value added

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Revenues	**4,238,998**	3,999,343	**4,238,998**	3,999,343
Gross sales of goods and services	**4,218,021**	3,977,919	**4,218,021**	3,977,919
Other revenues	**20,977**	21,424	**20,977**	21,424
Inputs purchased from third parties	**(2,373,945)**	(2,320,514)	**(2,374,162)**	(2,320,745)
Cost of sales and services	**(1,285,152)**	(1,297,785)	**(1,285,152)**	(1,297,785)
Materials, electric power, outside services and other expenses	**(1,050,924)**	(997,409)	**(1,050,924)**	(997,409)
Impairment of assets	**(37,834)**	(23,827)	**(37,834)**	(23,827)
Other costs	**(35)**	(1,493)	**(252)**	(1,724)
Gross value added	**1,865,053**	1,678,829	**1,864,836**	1,678,598
Retentions	**(440,453)**	(405,700)	**(440,453)**	(405,700)
Depreciation and amortization	**(440,453)**	(405,700)	**(440,453)**	(405,700)
Wealth created by the Company	**1,424,600**	1,273,129	**1,424,383**	1,272,898
Wealth received in transfer	**57,919**	68,826	**58,136**	69,057
Financial income	**57,919**	68,826	**58,136**	69,057
Total wealth for distribution	**1,482,519**	1,341,955	**1,482,519**	1,341,955
Wealth distributed	**1,482,519**	1,341,955	**1,482,519**	1,341,955
Personnel expenses	**743,727**	648,367	**743,727**	648,367
Salaries and wages and benefits	**705,881**	612,537	**705,881**	612,537
FGTS	**37,846**	35,830	**37,846**	35,830
Taxes, fees and contributions	**514,155**	459260	**514,155**	459,260
Federal	**358,335**	322,630	**358,335**	322,630
State	**135,129**	118,017	**135,129**	118,017
Municipal	**20,691**	18,613	**20,691**	18,613
Lenders and lessors	**322,463**	290,114	**322,463**	290,114
Financial expenses	**233,764**	208,801	**233,764**	208,801
Rentals	**88,699**	81,313	**88,699**	81,313
Shareholders	**(97,826)**	(55,786)	**(97,826)**	(55,786)
Loss for the year	**(97,826)**	(55,786)	**(97,826)**	(55,876)

Management's explanatory notes are an integral part of the individual and consolidated financial statements.

1. Operations

ZAMP S.A. ("ZAMP" or the "Company") is a publicly-held corporation established in Brazil, with its head office at Alameda Tocantins, 350 - Alphaville - Barueri - SP. It is listed on B3 S.A. - Brasil, Bolsa, Balcão ("B3") under ticker "**ZAMP3**". It is engaged in: (i) the development and the operation of "Burger King" and "Popeyes" restaurants in Brazil; (ii) the provision of advisory and support services to "Burger King" and "Popeyes" restaurants in Brazil; (iii) sale, import and export of products related to the aforementioned activities; and (iv) the holding of equity interests in other companies that develop the activities above in Brazil, as a partner or shareholder.

The Company participates in the Level 1 American Depositary Receipts ("ADR") Program since it was established by the SEC (US Securities and Exchange Commission) on April 6, 2023, backed by registered, book-entry common shares issued by the Company, with no par value. Each ADR corresponds to 4 common shares issued by the Company and is traded in the over-the-counter market (OTC) under ticker ZMMPY.

The Company's Management assesses its ability to continue as a going concern. At December 31, 2023, the Company's current liabilities exceeded its current assets by R$404,590 both in the Parent Company and in the Consolidated. This mainly reflects the transfer of the full balance of the 8th issue of debentures from noncurrent to current in addition to other settlements. The Company is in the process of raising funds through a CRA instrument in the capital market for R$700M (Note 33). Management is confident that its operating performance and projected cash generation for 2024, in addition to the fundraising activities, will be sufficient to mitigate the risk to the Company's liquidity.

a) The Burger King Operation

The right to operate the "Burger King" restaurants was obtained through a "Master Franchise" agreement entered into with Burger King Corporation ("BKC") on July 9, 2011. The restaurant operation rights have a term of 20 years, renewable for a further 20 years upon mutual agreement of the parties (Note 18).

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

(In thousands of reais unless otherwise stated)

As at December 31, 2023 and December 31, 2022, the Company had 691 and 702 company-owned stores, distributed as follows:

	2023	2022
State of Alagoas	**6**	4
State of Bahia	**18**	15
State of Ceará	**15**	14
Federal District	**13**	10
State of Espírito Santo	**13**	13
State of Goiás	**22**	22
State of Maranhão	**5**	5
State of Mato Grosso	**4**	5
State of Mato Grosso do Sul	**4**	4
State of Minas Gerais	**51**	53
State of Pará	**8**	8
State of Paraíba	**6**	5
State of Pernambuco	**17**	17
State of Piauí	**2**	2
State of Paraná	**45**	47
State of Rio de Janeiro	**99**	102
State of Rio Grande do Norte	**3**	3
State of Rio Grande do Sul	**36**	39
State of Santa Catarina	**4**	4
State of Sergipe	**7**	6
State of São Paulo	**313**	324
Total Stores	**691**	702

b) The Popeyes Operation

The right to operate restaurants under the "Popeyes" brand was obtained through a "Master Franchise" agreement entered into with Popeyes Louisiana Kitchen (PLK) on March 20, 2018. Upon signing these agreements, ZAMP acquired the exclusive right to develop and operate restaurants in Brazil through its own operation or franchisees under the POPEYES® brand for a 20-year period, which may be renewed for an equal term, upon agreement of the parties (Note 18).

The Company obtained from RBI, owner of the Popeyes brand, a franchise for a 20-year term counting from each store's opening date. Upon opening of a store, US$ 40 thousand is paid in a single installment as a Franchise Fee. The royalties and the contribution to the marketing fund are calculated on a similar to the BURGER KING® brand in Brazil.

As at December 31, 2023 and December 31, 2022, the Company had 87 and 63 company-owned stores, distributed as follows:

	2023	2022
State of Bahia	**4**	2
Federal District	**1**	1
State of Goiás	**2**	1
State of Minas Gerais	**6**	2
State of Pernambuco	**4**	-
State of Paraná	**8**	1
State of Paraíba	**1**	-
State of Rio de Janeiro	**11**	8
State of São Paulo	**50**	48
Total Stores	**87**	63

2. Material accounting policies

Basis of preparation

The Company's individual and consolidated financial statements ("Financial Statements") have been prepared in accordance with accounting practices adopted in Brazil ("BR GAAP") and also in accordance the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") (currently referred to by the IFRS Foundation as "IFRS accounting standards"), for these financial statements as at December 31, 2023 and comparative information as at December 31, 2022.

In conformity with OCPC 07/CTG 07- Disclosure of General Purpose Financial Statements, these financial statements disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

BR GAAP includes regulations in the Brazilian Corporate Law and the pronouncements, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM") and the Brazilian Federal Accounting Council ("CFC").

The preparation of financial statements requires the use of certain critical accounting estimates (Note 2.21) and also the exercise of judgment by the Company's management. Accounting estimates and assumptions are periodically evaluated and are based on historical experience and other factors, including expected future events, considered to be reasonable in the circumstances. Actual results may differ from those estimates.

The Company has adopted all standards, revisions of standards and interpretations issued by IASB and CPC that were effective at December 31, 2023 (Note 2.24).

The financial statements were prepared in the ordinary course of business. Management reviews periodically the Company's ability to continue as a going concern.

The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities such as those arising from financial instruments, which are measured at fair value (Note 30).

The Company's operating results are subject to the seasonality that affects the retail industry. Sales are affected by school holidays (January, July and December) as are sales by stores located in shopping malls in the weeks prior to Mother's day (May), Valentine's day (June), Father's day (August), Children's day and Halloween (October), Black Friday (November) and Christmas (December). Therefore, sales by quarter have seasonal effects affecting the Company's results.

CPC 22/NBC TG 22 (R2)/IFRS 8 - Operating Segments requires operating segments to be identified based on internal reports, regularly reviewed by the chief decision makers for the purpose of allocating resources to segments and assessing their performance. The Company develops its activities and bases its business decisions within a single operating segment for the sale of food and beverages in restaurants operated by the Company.

The Company's individual and consolidated financial statements for the year ended December 31, 2023 were concluded and approved by the Company's officers and authorized for issue according to a resolution by the members of the Board of Directors on March 7, 2024.

Estimates

In order to apply the CVM's regulations professional judgment is required to apply estimates and assumptions to assess alternatives and options available. Management is confident that it has met the requirements of the CVM as stipulated by its technical areas including in circular letters related to prior years.

The Company's financial statements have been prepared in accordance with several measurement bases used for accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on objective and subjective factors, taking into consideration management's judgment to determine the appropriate amount to be recognized in the financial statements.

Significant items subject to these estimates and assumptions include the selection of the useful lives of property and equipment items and their recoverability in operations, the assessment of recoverability of non-financial assets, the measurement of financial assets at fair value and under the present value adjustment method, the analysis of credit risk to determine the provision for impairment of receivables, as well as the analysis of other risks to determine other provisions, including for legal claims.

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimate process. The Company reviews its estimates and assumptions periodically.

2.1 Basis of consolidation

The consolidated financial statements include the financial statements of ZAMP and the private equity fund XP ZAMP (Note 4). The financial information of the investment fund has been prepared for the same accounting period as the Company's, using consistent accounting policies. All intragroup balances, revenues and expenses as well as unrealized gains and losses arising from intragroup transactions are fully eliminated.

2.2. Goodwill

Initially goodwill was measured as the excess of the consideration transferred in relation to the net assets acquired. 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.

2.3. Functional and presentation currency

The Company's functional and presentation currency is the Brazilian Real/ Reais.

2.4. Transactions in foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency (Real) at the exchange rate prevailing at the reporting date. Gains and losses resulting from exchange differences arising on the translation of these assets and liabilities at the end of the reporting period are recognized as financial income or expenses in the statement of profit or loss.

2.5. Revenue recognition

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. Revenue is measured at the fair value of the consideration received, less any discounts, rebates and taxes or charges on sales.

The Company assesses revenue transactions in accordance with specific criteria to determine whether it is operating as agent or principal, and, in the end, concluded that it is operating as principal in all its revenue arrangements. The specific criteria below shall also be satisfied before the revenue recognition:

Sale of products

The revenue from sale of products is recognized when the significant risks and rewards of ownership of the products are transferred to the buyer, which generally occurs upon product delivery.

Rendering of services

The revenue from management and advisory services rendered to franchisees is only recognized when the services are rendered and when the rewards are transferred to the franchisees, by applying percentages on the monthly revenues.

Investment income

Investment income and cash equivalents are calculated based on the effective interest rate applied to the principal amount of the investment. Interest income is included in line item "Financial income", in the statement of profit or loss.

2.6. Taxes

Income tax and social contribution - current

The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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 temporary differences, except when 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).

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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recovered. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period (as at December 31, 2023 and 2022 the composite rate used was 34%).

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. Due to its recent operating results, the Company did not recognize additional deferred taxes on tax losses (Note 27).

Indirect Taxes (PIS, COFINS, ICMS and ISS)

Taxes on sales of goods consist of ICMS at rates between 2% and 20% levied on taxed products not subject to the tax substitution regime, contributions related to Social Integration Program (PIS) and Social Contribution on Revenues (COFINS) at rates of 1.65% and 7.6%, respectively, for goods not subject to the single-phase taxation regime or goods with a zero rate. In addition, ISS is levied on revenues from services provided.

Tax Reform on Consumption

In December 2023, Constitutional Amendment 132 was enacted, defining the Tax Reform on Consumption. Several issues, including new tax rates, are pending regulation by complementary laws that must be submitted for the National Congress evaluation within 180 days.

The model is based on VAT ("two-layer VAT") between the Federal (Contribution on Goods and Services - CBS) and the other non-Federal (Tax on Goods and Services - IBS) taxes which will replace the PIS, COFINS, ICMS and ISS taxes. A Selective Tax ("IS") was also created under federal jurisdiction, which will apply to the production, extraction, trade or import of goods and services that are harmful to health and the environment.

There will be a transition period of eight years. 2024 and 2025 will be dedicated to codifying /regulating the Tax Reform, with the creation, debates and enactment of complementary laws. The practical impacts will only begin to be felt from 2026 onwards.

In 2026, the partial unification of taxes will begin with a levy of 0.9% for CBS and 0.1% for IBS, deducting this percentage from the current rates of their respective taxes being replaced.

In 2027, the CBS comes into full force, extinguishing PIS and COFINS.

During 2029 to 2032, ICMS and ISS rates will gradually be reduced until full IBS rates come into effect. By 2033 the new tax system will be fully effective.

The impacts of this Reform on the calculation of the aforementioned taxes, through the transition period, will only be recognized, if applicable, once the process of codifying the taxes is completed. The current financial statements are unaffected by these changes.

2.7. Financial instruments - initial recognition and subsequent measurement

The Company's accounting policies are described below, as well as their impacts on the financial statements:

Classification of financial assets

The CPC 48 / NBC TG 48 / IFRS 9 present a new classification and measurement approach for financial assets that contains three main classification categories: measured at amortized cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVTPL"). The standard eliminates existing CPC38 (IAS 39) categories, held to maturity, held for trading, loans and receivables, and available for sale.

Hedge accounting

The Company opted to apply the new requirements of CPC 48/NBC TG 48/IFRS 9 in relation to hedge accounting. These requirements require that hedge accounting relationships be aligned with the Company´s risk management, objectives and strategies, make the effectiveness assessment more qualitative and prospective, and prohibit voluntary discontinuation of the hedge accounting.

The Company has instruments designated for cash flow hedges and recognizes the changes in fair value related to the hedge (mark to market) in other comprehensive income. When the instrument is liquidated, these hedge costs are reclassified to income.

Impairment of financial assets

The Company adopts CPC 48 / NBC TG 48 / IFRS 9, which replaces the "losses incurred" model of CPC 38 (IAS 39) with a prospective "expected credit loss" model. This new model applies to financial assets measured at amortized cost or FVOCI, with the exception of investments in equity instruments and contractual assets.

For cash investments, cash and cash equivalents, the Company did not record significant effects for credit losses, due to the high credit scores of its counterparties.

The receivable database is submitted to impairment test in accordance with the standard and in conformity with the internal policy, which is based on the probability of realization, actual loss and predicted provision for expected credit losses. This analysis for the year ended December 31, 2023 resulted in the identification of outstanding amounts in trade receivables, which were recorded in the Company's profit or loss due to their low expectation of collection (Note 6).

2.8. Derivative financial instruments

As at December 31, 2023 and 2022, the Company used derivative financial instruments and Non-Deliverable Forward (NDF) to hedge against the risk of fluctuations in exchange rates.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses resulting from changes in the fair value of derivatives during the year are recognized directly in the statement of profit or loss, in line item financial income or expenses.

2.9. Property and equipment

Items of property and equipment are stated at cost of acquisition or construction, less accumulated depreciation and/or accumulated impairment losses, when applicable. When significant parts of a property and equipment item are replaced, the Company recognizes these parts as individual assets with specific useful lives and depreciation. All other maintenance and repairs costs are expensed as incurred. The Company capitalizes borrowing costs directly related to the construction of assets eligible for use.

In addition, the Company capitalizes the internal costs related to professionals fully dedicated to restaurant construction projects, which are allocated to each new restaurant opened. These costs are capitalized from the moment the restaurant construction project is probable upon its identification of the location and its feasibility.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year when the asset is derecognized.

The asset's residual values, useful lives and depreciation methods are reviewed at each reporting period and adjusted prospectively, if appropriate. Depreciation is calculated using the straight-line method based on the estimated useful lives of the assets (Note 9).

2.10. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in these assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Use of the brands Burger King (Franchise fee*)* and Popeyes (Franchise fee)

Brands comprise the rights to use the brands paid to Burger King Corporation and to Popeyes Louisiana Kitchen, Inc. for the opening of each store and each brand. The amortization period is 20 years from the restaurant opening date.

Software licenses (Software use rights)

Software refer to the licenses acquired by the Company for the use of the software or development of its own software. Amortization is calculated on a straight-line basis over an average period of five years and maintenance costs are recognized directly in profit or loss.

Real property rights (Commercial rights)

Real property rights refer to the locations where the point of sales or stores are established and upfront payments are paid to the lessors of such spaces. Amortization is calculated using the straight-line method in accordance with the term of the lease agreement signed between the lessee, the Company, and the lessor, owner of the property.

2.11. Lease assets and liabilities - Effects of CPC 06 (R2)/NBC TG (R3)/IFRS 16

Right-of-use assets and lease liabilities

IFRS 16/CPC 06 (R2)/NBC TG 06 (R3) uses the 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.

The Company recognizes as assets ("right-of-use assets") (Note 8) its lease agreements related to lease of administrative and operational properties (stores). The lease agreements have an average term of 10 years and the Company has a policy of renegotiating if applicable at least one year before the expiration of the lease.

2.12. Inventories

Inventories are stated at the lower of cost and net realizable value.

2.13. Impairment of non-financial assets

The recoverable amount of an asset or a certain cash-generating unit is the higher of an asset's fair value less costs to sell or its value in use.

In estimating the value in use of the asset, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects the weighted average cost of capital for the industry in which the cash-generating unit operates. The net disposal proceeds are determined, whenever possible, based on a firm sale agreement in an arm's length transaction, adjusted by expenses attributable to the sale of the asset or, when there is no firm sale contract, based on the market price of an active market, or in the price of the most recent transaction with similar assets.

The following criteria are also applied to assess the impairment of specific assets:

Goodwill

The impairment testing of goodwill is made annually (at December 31) or when circumstances indicate an impairment may exist.

Intangible assets

The amortization period and method for an intangible asset with finite useful life are reviewed at the end of each reporting period, whenever there is indication of impairment, changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are recognized through changes in the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets (Note 10). Intangible assets with indefinite useful lives are not subject to amortization, but are tested annually for impairment, individually or at the level of the cash-generating unit.

The assessment of indefinite useful life is reviewed annually to determine if such assessment continues to be justifiable. Otherwise, the change in useful life from indefinite to finite is made on a prospective basis. As at December 31, 2023 and 2022, there was no decrease in the indicators, therefore, according to Management's analysis and projections, no need for recognizing impairment was identified.

2.14. Cash and cash equivalents

Cash equivalents are held to meet short-term cash commitments and not for investment or other purposes. The Company considers as cash equivalents a financial investment that can be immediately converted into a known amount of cash and subject to an insignificant risk of change in value.

Therefore, an investment usually qualifies as a cash equivalent only when it has a short maturity such as three months or less from the date of contracting and/or has a repurchase commitment.

2.15. Marketable securities

Marketable securities are measured based on their yield and are recognized in the statement of profit or loss when incurred, not presenting material differences in relation to their fair values. Therefore, there was no fair value adjustment in the equity accounts as at December 31, 2023 and 2022.

The Company's share in the exclusive investment fund was consolidated based on the segregation of investments comprising the fund's equity (Notes 2.1 and 4).

2.16. Deferred revenue

The Company has three types of recognition of deferred revenue in its statement of financial position, as follows:

(i) transactions with suppliers, which pay for the exclusive sales of products, brand exposure in stores and purchase volume, which are recognized as deferred revenue, in current and non-current liabilities, and are recognized in the statement of profit or loss in line item "Other operating income (expenses)" over the period of the agreement with the supplier.

(ii) Revenue from franchise fees: in accordance with CPC 47 / NBC TG 47/ IFRS 15 - Revenue from Contracts with Customers, the Company recognizes these benefits in accordance with the term defined for the franchisee holding the brand, usually 20 years; and

(iii) Loyalty Program - BK Club: aims to retain the Company's customers by granting points for each purchase made, so that customers may accumulate points and exchange for rewards available in the program. The obligation arising from the issue of points is measured based on the customer's compliance with the program and the consumption of branded products and is only fulfilled if the customer redeems the award in the store or after it has expired (6 months from the date of issue). Only after the performance obligation is met is revenue recognized in the statement of profit or loss for the year. Accordingly, revenue is presented net of the respective direct variable costs, related to the provision of rewards to the participant, in accordance with CPC 47/NBC TG 47/IFRS 15 - Revenue from Contracts with Customers.

2.17. Agreement with suppliers

The Company offers its suppliers the option of receiving their payment through a forfaiting facility offered by a financial institution. This is to facilitate the administrative procedures allowing suppliers the opportunity to receive in advance the amounts related to routine purchases made by the Company's entities. In this operation, the financial institution pays the Company's suppliers in advance, in exchange for a discount, a contract between the bank and the supplier (the decision to adhere to this transaction is solely of the supplier), the Company then pays to the financial institution at the original payment date the total nominal amount of the original obligation. Therefore, this operation does not change the amounts, nature and due date of the liability (including terms, prices and conditions previously agreed) and the Company does not bear financial charges applied by the financial institution. No guarantee is provided by the Company.

In addition, payments made by the Company represent purchases of goods and services, are directly related to supplier invoices and do not change their cash flows. Accordingly, the Company continues to recognize the supplier transactions as operating activities in the statements of cash flows (Note 12).

2.18. Provision

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

Provision for legal claims

The Company is a party to lawsuits and administrative proceedings (Note 17). Provisions are recognized for all contingencies related to lawsuits for which it is probable that an outflow of resources will be made to settle the obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes the assessment of available evidence, hierarchy of laws, past case laws, recent court decisions and their relevance in the legal system, as well as the assessment made by outside legal counsel. Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, completion of tax audits or additional exposures identified based on new matters or court decisions.

2.19. Statements of cash flows and value added

The statements of cash flows were prepared under the indirect method and are presented in accordance with CPC 03 (R2)/NBC TG 03 (R3)/IAS 7 - Statement of Cash Flows. The statement of value added was prepared in accordance with CPC 09/NBC TG 09 - Statement of Value Added and is presented as supplementary information for IFRS purposes.

2.20. Earnings per share

The Company calculates earnings (loss) per share using the weighted average number of total shares corresponding to the result for the period, as set forth in technical pronouncement CPC 41/NBC TG 41 (R2)/IAS 33 - Earnings per Share.

The comparative figures of basic and diluted earnings per share are based on the weighted average number of shares outstanding in the year, and all shares with potential dilutive effect outstanding for each presented year, respectively.

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

2.21. Significant accounting estimates and assumptions

The main assumptions related to sources of uncertainty in future estimates and other sources of uncertainty in estimates at the end of the reporting period, which might cause a significant risk of material adjustment to the carrying amount of assets and liabilities within the coming year, are discussed below:

Impairment of non-financial assets

An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. The calculation of fair value less costs to sell is based on available information on sales of similar assets or market prices less incremental costs to dispose of the asset.

The value in use calculation is based on the discounted cash flow model. Cash flows derive from the budget for the next five years and do not include reorganization activities to which the Company has not yet committed and significant future investments that will improve the asset base of the cash-generating unit subject to testing. The recoverable amount is sensitive to the discount rate used in the discounted cash flow method, as well as to expected future cash receipts and the growth rate used for extrapolation purposes.

Realization of deferred income tax and social contribution

Deferred tax assets are recognized for the carry-forward of unused tax losses to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses can be utilized. Significant judgment by Management is required to determine the amount of the deferred tax asset that may be recognized, based on the probable level of future taxable profits, together with future tax planning strategies. The Company did not recognize deferred taxes on tax losses in 2023 and 2022.

The utilization of accumulated tax losses is restricted to the limit of 30% of the taxable profit generated in a certain fiscal year, however the unused tax losses do not expire.

Fair value of financial instruments

When the fair value of financial assets and liabilities presented in the statement of financial position cannot be obtained from active markets, it is determined by using valuation techniques, including the discounted cash flow method. Data for these methods are based on market data, when possible; however, when this is not feasible, a certain level of judgment is required to establish the fair value.

Judgment includes considerations on the data used, such as liquidity risk, credit risk and volatility. Changes in assumptions on these factors could affect the reported fair value of the financial instruments.

Provision for tax, civil and labor risks - legal claims

The Company recognizes a provision for tax, civil and labor claims. The assessment of the likelihood of loss includes the assessment of available evidence, hierarchy of laws, available case laws, recent court decisions and their relevance in the legal system, as well as the assessment made by outside legal counsel.

Provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statute of limitations, completion of tax audits or additional exposures identified based on new matters or court decisions.

In 2023, the Company recorded a provision for labor lawsuits, including one-off and non-routine lawsuits using the measurement method based on historical losses over the last 18 months compared to the total number of outstanding lawsuits at the end of the year, Previously, non-routine processes were specifically accrued considering the loss estimates and amount of the lawsuit (Note 17).

For provisions for civil and tax risks, ZAMP uses as a basis the likelihood of loss and value of the share both for the years ended December 31, 2023 and 2022.

2.22. Employee benefits

The Company grants benefits to its employees, such as meal vouchers for Management employees, meals for restaurant employees, medical and dental care, transportation voucher and variable compensation.

Profit sharing

The profit-sharing program is approved annually and is based on individual goals and goals of the Company as a whole. In 2023, these goals were achieved by the Company and its employees, therefore the profit-sharing program that was accrued for the year 2023 will be paid in the subsequent year. The amount related to the provision for profit sharing is recorded in line item Payroll and social charges, in the statement of financial position (Note 13).

2.23. Uncertainty over Income Tax Treatments - ICPC 22/ITG 22/IFRIC 23

The interpretation on Uncertainty over Income Tax Treatments - ICPC 22/ITG 22/IFRIC 23, addresses the accounting of taxes on income in cases in which the tax treatments involve an uncertainty that affects the application of IAS 12 (CPC 32/NBC TG 32 (R4) - Income Taxes) and is not applicable to taxes outside the scope of IAS 12, nor specifically includes requirements regarding interest and fines associated to uncertain tax treatments.

The Company assessed the uncertain tax treatments separately and the assumptions regarding the review of tax treatments by tax authorities on the determination of taxable income (tax loss), tax bases, unused tax losses, out-of-period tax credits and tax rates.

The Company determined, based on its tax compliance study, that it is probable that its tax treatments will be accepted by the tax authorities. This interpretation did not generate impact on the Company's individual and consolidated financial statements.

2.24. New standards, amendments to and interpretations of standards effective in 2023 and new standards, amendments to and interpretations of standards not yet effective

2.24.1 New standards, amendments to and interpretations of accounting standards effective in 2023

The Company has applied certain standards and amendments, which are effective for annual reporting periods beginning on January 1, 2023.

The following amendments to standards were adopted:

- **CPC 50 (IFRS 17) Insurance contracts:** CPC 50 (IFRS 17) defines the principles for recognition, measurement, presentation and disclosure of insurance contracts for those that issue them, and supersedes CPC 11 (IFRS 4) - Insurance Contracts. It describes the general model, modified for insurance contracts with direct participation features, described as the variable rate approach. The general model is simplified if certain criteria are met, measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, term and uncertainty of future cash flows and measures the cost of this uncertainty. It takes into account market interest rates and the impact of policyholder options and guarantees.

- **Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2:** The requirements in IAS 1 regarding the disclosure of accounting policies were modified. The amendments replace all examples of the term significant accounting policies with material accounting policy information. Accounting policy information is material if, when considered together with other information included in a Company's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Accounting policy information may be material due to the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to relevant transactions, other events or conditions is material in itself. The IASB also prepared guidance and examples to explain and demonstrate the application of the four-step materiality process described in Practice Statement 2.

- **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates:** The amendments replace the definition of change in accounting estimates with the definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty". The definition of change in accounting estimates was deleted.

- **Amendments to IAS 12 Income Taxes — Deferred Tax related to Assets and Liabilities arising from a Single Transaction:** The amendments introduce a further exception from the initial recognition exemption. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

- **Amendments to IAS 12 - Income Taxes — International Tax Reform — Pillar Two Model Rules:** The IASB amended IAS 12 to clarify that the standard applies to income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including the tax law that implements qualified national minimum taxes described in these rules. The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity does not recognize or disclose information about deferred assets and liabilities related to Pillar Two income taxes. After the amendments, the entity is required to disclose that it applied the exception and to separately disclose its current tax expense (income) related to Pillar Two income taxes.

The aforementioned amendments did not have significant impacts on the Company.

2.24.2 New standards, amendments to and interpretations of standards not yet effective and which were not early adopted

The IASB has issued new standards and revision of existing standards, which will become effective on January 1, 2024, with early application permitted, namely:

- **Amendments to IFRS 10 (CPC 36 (R3)) - Consolidated Financial Statements and IAS 28 (CPC 18 (R2)) - Investments in Associates and Joint Ventures — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**: The amendments to IFRS 10 (CPC 36 (R3)) and to IAS 28 (CPC 18 (R2)) deal with situations that involve the sale or contribution of assets between an investor and its associate or joint venture. Specifically, gains and losses arising from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or joint venture accounted for using the equity method are recognized in the parent company's profit or loss only in proportion to the interest of the unrelated investor in that associate or joint venture. Likewise, gains and losses arising from the remeasurement of investments retained in a former subsidiary (which has become an associate or joint venture accounted for using the equity method) at fair value are recognized in profit or loss of the former subsidiary in proportion to the investor's interest not related to the new associate or joint venture. The effective date of the amendments has not yet been defined by the IASB; however, early adoption of amendments is permitted.

- **Amendments to IAS 1 - CPC 26 (R1) - Classification of Liabilities as Current and Non-current:** The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the balance sheet and not the amount or the timing of recognition of any asset, liability, income or expense, or the information disclosed about these items. The amendments clarify that the classification of liabilities as current or non-current is based on the rights existing at the balance sheet date, specify that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of the liability, explain that the rights exist if the covenants are met at the balance sheet date, and introduce the definition of 'settlement' to clarify that settlement refers to the transfer, to a counterparty, of a cash amount, equity instruments, other assets or services. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2024, with early adoption permitted. The IASB has aligned the effective date with the 2022 amendment to IAS 1. If an entity applies the 2020 amendments to an earlier period, it shall also apply the 2022 amendments in advance.

- **Amendments to IAS 1 - Presentation of Financial Statements - Non-Current Liabilities with Covenants:** The amendments indicate that only covenants that an entity shall comply with by the end of the reporting period affect the entity's right to delay settlement of a liability for at least 12 months after the reporting period (and therefore this shall be considered when evaluating the classification of liabilities as current or non-current). These covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting period (e.g., a covenant based on the entity's financial condition at the reporting period that is assessed for compliance only after the reporting period). The IASB also determines that the right to defer settlement of a liability for at least 12 months after the reporting period is not affected if an entity only has to comply with a covenant after the reporting period. However, if an entity's right to delay settlement of a liability is subject to the entity's compliance with covenants within the 12-month period after the reporting date, the entity discloses information that allows users of the financial statements to understand the risk that liabilities will become amortizable within 12 months after the reporting date. This would include information about the covenants (including the nature of the covenants and when the entity shall comply with them), the carrying amount of the corresponding liabilities, and the facts and circumstances, if any, that indicate that the entity may experience difficulties in complying with the covenants. The amendments are effective retrospectively for annual periods beginning on or after January 1, 2024, with early adoption permitted. If an entity applies the amendments to an earlier period, it shall also apply the 2020 amendments earlier.

- **Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 - Financial Instruments: Disclosures — Supplier Financing Arrangements:** The amendments add a disclosure objective to IAS 7 stating that an entity shall disclose information about its supplier financing arrangements that allows users of the financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. Additionally, IFRS 7 was amended to add supplier financing arrangements as an example within the requirements to disclose information about the entity's exposure to liquidity risk concentration. The term supplier financing arrangement is not defined. Instead, the amendments describe the characteristics of an arrangement for which the entity shall provide information. To meet the disclosure objective, the entity shall disclose, in full, for its supplier financing arrangements:

  • The terms and conditions of the arrangements;

  • The carrying amount and corresponding line items presented in the entity's balance sheet, of the liabilities that are part of the arrangements;

  • The carrying amount and corresponding line items for which suppliers have already received payment from those providing the financing;

  • The payment due date ranges for financial liabilities that are part of a supplier financing arrangement and comparable payables that are not part of a supplier financing arrangement; and

  • Information about liquidity risk.

  The amendments, which contain specific transition measures for the first annual period in which the entity applies the amendments, are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted.

  Amendments to IFRS 16 - 'Leases' - Lease liabilities in a leaseback transaction: The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions, which satisfy the requirements of CPC 47 (IFRS 15), for the purposes of accounting as a sale. The amendments require the seller-lessee to determine lease payments or revised lease payments so that the seller-lessee does not recognize a gain or loss related to the right-of-use asset retained by the seller-lessee after the commencement date. The amendments do not affect the gain or loss recognized by the seller-lessee related to the full or partial termination of a lease. Without these new requirements, a seller-lessee may have recognized a gain on the right-of-use asset that it retains solely due to the remeasurement of the lease liability (e.g., following a lease modification or change over the lease term) that applies the general requirements in IFRS 16. This may particularly have been the case in a sale and leaseback that includes variable lease payments that are not dependent on an index or rate. As part of the amendments, the IASB amended the Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of the right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability arising from a sale and leaseback transaction that qualifies as a sale when applying CPC 47 (IFRS 15) is a lease liability. The amendments are effective for annual periods beginning on or after January 1, 2024, with early adoption permitted. If the seller-lessee applies amendments to a previous period, it shall disclose this fact. The seller-lessee applies the amendments retrospectively in accordance with CPC 23 (IAS 8) to sale and leaseback transactions entered into after the initial adoption date, which is defined as the beginning of the annual reporting period in which the entity applied IFRS 16 for the first time.

Management conducted the required studies and believes that there will be no significant effects on its operations or financial statements.

(In thousands of reais unless otherwise stated)

3. Cash and cash equivalents

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Cash	**22,595**	17,380	**22,595**	17,380
Banks	**9,148**	1,244	**9,149**	1,245
Financial investments	**49,535**	26,828	**49,535**	26,828
Total cash and cash equivalents	**81,278**	45,452	**81,279**	45,453

		Parent company and Consolidated	
Type of investment	**Annual yield**	**2023**	**2022**
Repurchase agreement	50% of the CDI	**30,533**	-
Automatic investment	10% of the CDI	**19,002**	26,828
Total financial investments		**49,535**	26,828

These investments are highly liquid and can be redeemed at any time without significant change in value. These investments are in compliance with the Company's internal policy, observing the limits applied to financial institutions, ratings and liquidity criteria.

4. Marketable securities

		Parent company		Consolidated	
Type of investment	**Annual yield**	**2023**	**2022**	**2023**	**2022**
Exclusive investment fund - XP ZAMP (i)	99% to 112.5% of the CDI or SELIC	**93,646**	141,677	**-**	-
Federal Treasury Bills (LFT)	101.8% to 105.7% of the SELIC	**-**	-	**12,912**	49,935
Investment Funds	99.1% of the CDI	**471**	-	**25,445**	26,814
CDB	98% to 106.7% of the CDI	**261,162**	322,923	**263,135**	322,923
National Treasury Bills (LTN)	81% to 112.50% of the CDI	**-**	-	**-**	11,889
Investments in debentures	107.6% to 128.2% of the CDI	**-**	-	**6,386**	11,029
Financial Bills (LF)	103.1% to 150.7% of the CDI	**-**	-	**47,422**	42,042
Repurchase agreements	75% to 102.5% of the CDI	**-**	9,048	**-**	9,048
Total marketable securities		**355,279**	473,648	**355,300**	473,680

(i) XP ZAMP Fundo de Investimento Multimercado - Exclusive investment fund, 100% held by the Company, formed on 12/29/2017. The portfolio of this fund, by type of investment, is shown in the consolidated balances.

(In thousands of reais unless otherwise stated)

5. Trade receivables

	Parent company and Consolidated	
	2023	**2022**
Sales transactions - Stores	**152,077**	152,499
Sales transactions - Delivery	**55,931**	66,205
Service rendered with franchisees	**13,993**	6,075
Services rendered with related parties (Note 18)	**177**	1,373
Other receivables	**6,043**	5,029
Provision for expected credit losses (i)	**(14,509)**	(8,631)
Total trade receivables	**213,712**	222,550

(i) Provision for estimated losses on realization of credits (Note 23)

	Parent company and Consolidated	
Aging list of receivables	**2023**	**2022**
Not yet due		
Up to 30 days	**201,480**	188,784
From 31 to 120 days	**1,932**	1,455
From 121 to 180 days	**1,577**	83
Over 180 days	**191**	1,737
Overdue		
Up to 30 days	**4,928**	4,839
From 31 to 120 days	**747**	19,677
From 121 to 180 days	**2,235**	3,372
Over 180 days	**15,131**	11,234
Total trade receivables	**228,221**	231,181

Based on CPC 48/NBC TG 48/IFRS 9 - Financial Instruments: in accordance with the Company's internal policy, which is based on the probability of realization, actual loss and predicts the provision for expected credit losses for notes overdue for more than 365 days, the Company recognized income of R$5,878 for the year ended December 31, 2023 (R$2,571 for 2022).

The movements in the provision for expected credit losses in the years ended December 31, 2023 and 2022 were as follows:

	Parent company and Consolidated	
Movements in the provision for expected credit losses	**2023**	**2022**
Opening balance	**(8,631)**	(6,060)
Additions of expected losses	**(19,040)**	(13,276)
Reversals of expected losses	**8,389**	2,292
Definitive write-offs	**4,773**	8,413
Total provision for expected credit losses	**(14,509)**	(8,631)

(In thousands of reais unless otherwise stated)

6. Inventories

	Parent company and Consolidated	
	2023	**2022**
Goods for resale	**53,917**	57,666
Distribution center	**67,123**	92,338
Toys	**16,913**	4,314
Consumables	**23,403**	21,577
Allowance for inventory losses (i)	**(258)**	(314)
Total inventories	**161,098**	175,581

(i) Provision for write-off of inputs expected not to be realized, referring to toys whose license has expired; to date there is no expectation of renewal.

	Parent company and Consolidated	
Movements in the allowance for inventory losses	**2023**	**2022**
Opening balance	**(314)**	(1,701)
Additions	**(6,973)**	(7,902)
Definitive inventory losses	**7,029**	9,289
Total allowance for inventory losses	**(258)**	(314)

7. Taxes recoverable

	Parent company and Consolidated	
	2023	**2022**
Income tax (IRPJ)	**264**	2,350
CSLL (Social Contribution on Profit)	**665**	1,245
IRRF (Withholding Income Tax)	**13,177**	7,805
ICMS (State VAT)	**81,160**	83,232
Non-cumulative PIS (i)	**33,399**	22,412
Non-cumulative COFINS (i)	**144,146**	78,729
INSS (Social Security Contribution)	**7,292**	4,558
Total taxes recoverable	**280,103**	200,331
Current	**52,941**	50,797
Non-current	**227,162**	149,534

(i) The increase in the balances of taxes recoverable also includes the recognition of out-of-period tax credits (PIS, COFINS and ICMS). In the year ended December 31, 2023, amount of R$92,733 in line items of Cost of goods and products sold (Note 22), Selling Expenses (Note 23) and General and Administrative Expenses (Note 24), partially offset in the calculations.

(In thousands of reais unless otherwise stated)

As at December 31, 2023 and December 31, 2022, the amounts of taxes recoverable are expected to be realized as follows:

	Parent company and Consolidated	
Expected realization	**2023**	**2022**
Up to 1 year	**52,941**	50,797
Over 1 year and less than 3 years	**129,502**	92,592
Over 3 years and less than 5 years	**97,660**	56,942
Total taxes recoverable	**280,103**	200,331

8. Lease assets and liabilities - Effects of the adoption of CPC 06 (R2)/NBC TG 06 (R3)/ IFRS 16

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.

The Company recognized as assets ("right-of-use assets") (Note 8) its lease agreements related to lease of administrative and operational properties (stores). Consequently, EBITDA and operating profit were affected.

When determining a lease term, the Company analyzes the facts and circumstances that create an economic incentive for the exercise of an extension option or non-exercise of a termination option. Current operating lease agreements have an average term of 10 years and renewals are considered as new agreements and are recognized when there is reasonable certainty that they will be extended. The Company has a policy of renegotiating if applicable at least one year before the expiration of the lease agreement.

Actual flows excluding inflation estimated for the next years were estimated gross of taxes and right-of-use assets were measured at the value equal to the lease liability at present value. The incremental borrowing rate (discount) used to measure the present value of the data was calculated on the projected CDI + spread (nominal rate).

In accordance with the aforementioned accounting standard, in measuring and remeasuring its lease liabilities and right-of-use, assets it used the discounted cash flow technique without considering projected future inflation in the flows to be discounted.

	Parent company and Consolidated	
	2023	**2022**
Leased assets		
Right-of-use assets	**795,075**	843,690
Total leased assets	**795,075**	843,690
Lease liabilities		
Lease liabilities- Current	**181,240**	171,876
Lease liabilities - Non-current	**734,584**	775,737
Total lease liabilities (Notes 28 and 30)	**915,824**	947,613

	Parent company and Consolidated	
Movements in right-of-use assets	**2023**	**2022**
Opening balance	**843,690**	836,407
Additions and updates of leases recognized in the year (i) and (ii)	**137,641**	193,828
Amortization of right-of-use assets (rental) (ii) (Notes 23 and 24)	**(169,889)**	(170,439)
Tax levied on amortization of leases (ii)	**(16,367)**	(16,106)
Closing balance	**795,075**	843,690

(In thousands of reais unless otherwise stated)

	Parent company and Consolidated	
Changes in lease liabilities	**2023**	**2022**
Opening balance	**947,613**	918,467
Additions and updates of leases recognized in the year (i) and (ii)	**137,641**	193,828
Payment of lease liabilities (Note 23) (ii) and (iii)	**(241,503)**	(235,804)
Taxes levied on lease payments (ii)	**(23,073)**	(22,184)
Lease interest expense incurred (Note 26) (ii)	**88,440**	87,228
Tax levied on interest on leases (ii)	**6,706**	6,078
Closing balance (Notes 28 and 30)	**915,824**	947,613

	Parent company and Consolidated	
Income from lease	**2023**	**2022**
Expenses on stores - variable rental (iii)	**(15,378)**	(16,236)
Amortization of right-of-use assets (rental) (Note 23) (ii)	**(169,889)**	(170,439)
Financial expenses - Accrued interest (Note 26) (ii)	**(88,440)**	(87,228)
Closing balance	**(273,707)**	(273,903)

The amounts of lease liabilities have the following maturities for the years ended December 31, 2023 and 2022:

	Parent company and Consolidated					
	2023			**2022**		
Expiration period	**Lease liabilities**	**(-) Interest on lease liabilities**	**Total**	**Lease liabilities**	**(-) Interest on lease liabilities**	**Total**
Up to 1 year	**269,339**	**(88,099)**	**181,240**	260,858	(88,982)	171,876
Over 1 year and less than 3 years	**432,344**	**(13.1121)**	**301,223**	431,865	(129,423)	302,442
Over 3 years and less than 5 years	**299,427**	**(72,528)**	**226,899**	323,465	(72,159)	251,306
Over 5 years	**252,470**	**(46,008)**	**206,462**	268,083	(46,094)	221,989
Total	**1,253,580**	**(337,756)**	**915,824**	1,284,271	(336,658)	947,613

(i) The adjustments of financial indexes for Lease Liabilities are recorded according to each agreement, causing impacts in line items of Interest on Lease liabilities and Right-of-use assets. These adjustments, when recorded, do not impact the profit or loss for the year, but only the amounts in the statement of financial position.

(ii) In compliance with CVM Circular Letter 02/2019, the balances in the statement of financial position accounts are gross of taxes (PIS and COFINS) while the balances in the statement of profit or loss accounts are net of taxes (PIS and COFINS).

(iii) The effects of the adoption of CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 positively impacted the line items of occupancy expenses by R$241,503 as at December 31, 2023 (R$235,804 as at December 31, 2022), net of PIS and COFINS, as the operating lease (fixed rent) is no longer recognized under this line item (Note 23).

(In thousands of reais unless otherwise stated)

The potentially recoverable PIS and COFINS from future lease payments, for the years ended December 31, 2023 and 2022, are:

	Parent company and Consolidated					
	2023			2022		
Expiration period	**Lease liabilities**	**Potential PIS/COFINS**	**Total**	**Lease liabilities**	**Potential PIS/COFINS**	**Total**
Up to 1 year	**269,339**	**(23,522)**	**245,817**	260,858	(22,587)	238,271
Over 1 year and less than 3 years	**432,344**	**(37,249)**	**395,095**	431,865	(37,338)	394,527
Over 3 years and less than 5 years	**299,427**	**(25,521)**	**273,906**	323,465	(27,570)	295,895
Over 5 years	**252,470**	**(21,712)**	**230,758**	268,083	(22,775)	245,308
Total	**1,253,580**	**(108,004)**	**1,145,576**	1,284,271	(110,270)	1,174,001

9. Property and equipment

		Parent company and Consolidated	
	Average annual depreciation rate	**2023**	**2022**
Facilities, improvements and projects	(i)	**694,820**	658,496
Machinery and equipment	6% to 15%	**272,938**	275,943
Furniture and fixtures	6% to 15%	**47,231**	45,334
Computers and hardware	20% to 25%	**85,680**	78,835
Other assets (ii)	-	**305,842**	293,719
(-) Provision for impairment	-	**(27,817)**	(19,992)
Total property and equipment		**1,378,694**	1,332,335

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

(ii) Refers to assets in progress, consisting of stores under construction and/or undergoing renovations, equipment held for new openings, equipment under maintenance and other assets.

In the year ended December 31, 2023, financial charges totaling R$32,110 were capitalized (R$34,034 in the year ended December 31, 2022).

(In thousands of reais unless otherwise stated)

The movements in property and equipment for the years ended December 31, 2023 and 2022 were as follows.

	Parent company and Consolidated						
	Facilities, improvements and projects	**Machinery and equipment**	**Furniture and fixtures**	**Computers and hardware**	**Other assets**	**(-) Provision for impairment (Note 27)**	**Total**
Cost							
Balance as at 12/31/2021	1,163,537	472,120	92,309	199,463	205,269	(12,955)	2,119,743
Additions	50,126	-	-	564	285,429	-	336,119
Transfers	104,708	44,901	7,363	31,014	(187,986)	-	-
Write-offs (Note 24)	(9,351)	(4,048)	(631)	(3,462)	(7,709)	-	(25,201)
Sale of assets (Note 24)	(2,824)	(850)	(108)	(272)	(1,284)	-	(5,338)
Impairment (Note 24)	-	-	-	-	-	(7,037)	(7,037)
Balance as at 12/31/2022	**1,306,196**	**512,123**	**98,933**	**227,307**	**293,719**	**(19,992)**	**2,418,286**
Additions	**-**	**-**	**-**	**1,359**	**309,613**	**-**	**310,972**
Transfers	**172,661**	**53,753**	**11,605**	**44,558**	**(282,577)**	**-**	**-**
Write-offs (Note 24)	**(17,666)**	**(1,911)**	**(179)**	**(7,049)**	**(8,373)**	**-**	**(35,178)**
Sale of assets (Note 24)	**(12,725)**	**(7,358)**	**(1,607)**	**(2,381)**	**(6,540)**	**-**	**(30,611)**
Impairment (Note 24)	**-**	**-**	**-**	**-**	**-**	**(7,825)**	**(7,825)**
Balance as at 12/31/2023	**1,448,466**	**556,607**	**108,752**	**263,794**	**305,842**	**(27,817)**	**2,655,644**
Depreciation							
Balance as at 12/31/2021	(536,929)	(190,915)	(45,554)	(120,843)	-	-	(894,241)
Additions	(119,194)	(48,320)	(8,675)	(30,601)	-	-	(206,790)
Write-offs (Note 24)	5,731	2,583	537	2,772	-	-	11,623
Sale of assets (Note 24)	2,692	472	93	200	-	-	3,457
Balance as at 12/31/2022	**(647,700)**	**(236,180)**	**(53,599)**	**(148,472)**	**-**	**-**	**(1,085,951)**
Additions	**(131,110)**	**(53,554)**	**(9,361)**	**(36,452)**	**-**	**-**	**(230,477)**
Write-offs (Note 24)	**14,371**	**1,409**	**152**	**4,863**	**-**	**-**	**20,795**
Sale of assets (Note 24)	**10,793**	**4,656**	**1,287**	**1,947**	**-**	**-**	**18,683**
Balance as at 12/31/2023	**(753,646)**	**(283,669)**	**(61,521)**	**(178,114)**	**-**	**-**	**(1,276,950)**
Total property and equipment in 2022	658,496	275,943	45,334	78,835	293,719	(19,992)	1,332,335
Total property and equipment in 2023	**694,820**	**272,938**	**47,231**	**85,680**	**305,842**	**(27,817)**	**1,378,694**

The composition of other assets in the years ended December 31, 2023 and 2022 is shown below:

	Parent company and Consolidated	
	2023	**2022**
Stores built and/or renovated	**90,542**	62,705
Stores under construction	**17,142**	36,364
New equipment	**63,280**	62,121
Equipment undergoing maintenance	**11,063**	12,596
Other assets in progress (i)	**123,815**	119,933
Total other assets	**305,842**	293,719

(i) Refers mainly to assets under renovation, technology projects and other assets in progress.

(In thousands of reais unless otherwise stated)

Impairment test

The Company considers each store as its smallest cash generating unit ("CGU") and tests them for impairment at least annually. In the impairment test the Company considers the maturity period (beginning 24 months for Food Court and Express stores and 36 months for Free Standing and In Line stores, considering 548 stores of a total of 778), the value in use of the assets, including intangible assets allocated in each store and their future cash flows discounted to present value, at the pre-tax rate of 12.14% (WACC), the equivalent pre-tax rate being 14.29% and limited to the contractual period of that store plus a renewal of the lease agreement. Once the stores with indication of impairment were identified, the Company's Management assessed the perspectives of resumption of cash generation or their discontinuance.

In addition to considering the recoverable amount of its stores, when there is an indication that an asset will not generate cash, such as obsolete equipment, the Company also recognizes a provision up to its recoverable amount.

The Company accrued the carrying amount of its impaired assets of stores and other assets, comprising: facilities, improvements, projects, assignment of right and obsolete assets. As at December 31, 2023, the provision balance was R$27,817 (R$19,992 in 2022).

In the year ended December 31, 2023, the Company had 34 stores with provision for *impairment* totaling R$19,295 (41 stores in 2022 totaling R$15,623).

The movements in the recoverable amounts of the stores in 2023 are shown below:

	Parent company and Consolidated				
	2021	Additions	Updates	Reversals	**2022**
Stores	21	30	-	(10)	**41**
Amount	8,586	11,208	(799)	(3,372)	**15,623**

	Parent company and Consolidated				
	2022	Additions	Updates (i)	Reversals (ii)	**2023**
Stores	41	26	-	(33)	**34**
Amount	15,623	16,687	218	(13,233)	**19,295**

(i) Amounts of non-recoverables for eight updated generating an impact of R$218.

(ii) Of the total of 33 stores with the impairment reversed, 18 stores were due to the closure and definitive write-off of their assets, 2 stores were transferred to franchisees and 13 stores showed a recovery in cash generation.

10. Intangible assets

		Parent company and Consolidated	
	Average annual amortization rate	**2023**	**2022**
Commercial rights	(i)	**41,718**	48,192
Franchise fee	5%	**78,625**	79,829
Software licenses	20%	**66,601**	38,651
Goodwill	(ii)	**572,199**	572,199
Total intangible assets		**759,143**	738,871

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

(ii) Annual impairment analysis.

(In thousands of reais unless otherwise stated)

Changes in intangible assets during the years ended December 31, 2023 and 2022 were as follows:

	Parent company and Consolidated				
	Commercial rights	Franchise fee (Note 18)	Software licenses	Goodwill	Total
Cost					
Balance as at 12/31/2021	160,206	113,960	59,052	572,199	905,417
Additions	1,696	2,896	22,733	-	27,325
Write-offs (Note 24)	(2,868)	(162)	(307)	-	(3,337)
Sale of assets (Note 24)	(273)	(91)	(25)	-	(389)
Balance as at 12/31/2022	158,761	116,603	81,453	572,199	929,016
Additions (i)	**4,730**	**6,515**	**52,812**	**-**	**64,057**
Write-offs (Note 24)	**(2,920)**	**(87)**	**(2,435)**	**-**	**(5,442)**
Sale of assets (Note 24)	**(314)**	**(1,671)**	**(124)**	**-**	**(2,109)**
Balance as at 12/31/2023	**160,257**	**121,360**	**131,706**	**572,199**	**985,522**
Amortization					
Balance as at 12/31/2021	(103,524)	(30,488)	(30,057)	-	(164,069)
Additions	(9,171)	(6,433)	(12,867)	-	(28,471)
Write-offs (Note 24)	1,874	103	97	-	2,074
Sale of assets (Note 24)	252	44	25	-	321
Balance as at 12/31/2022	(110,569)	(36,774)	(42,802)	-	(190,145)
Additions	**(10,765)**	**(6,650)**	**(22,672)**	**-**	**(40,087)**
Write-offs (Note 24)	**2,488**	**22**	**256**	**-**	**2,766**
Sale of assets (Note 24)	**307**	**667**	**113**	**-**	**1,087**
Balance as at 12/31/2023	**(118,539)**	**(42,735)**	**(65,105)**	**-**	**(226,379)**
Total intangible assets in 2022	48,192	79,829	38,651	572,199	738,871
Total intangible assets in 2023	**41,718**	**78,625**	**66,601**	**572,199**	**759,143**

(i) The additions mainly refer to ongoing investments in software, recognized in accordance with CPC 04 - Intangible Assets and are composed of: (i) acquisitions of new software; (ii) development of new software; and (iii) improvements to existing software.

Goodwill

The goodwill reflects the excess of the consideration transferred in relation to the net assets acquired upon the acquisition of franchisees in previous years.

The goodwill arising from acquisitions is supported by future profitability deriving from the synergy of businesses, dilution of fixed costs, expected growth of brand, improvement in commercial conditions of existing contracts in stores acquired due to the higher purchasing power and capital management.

Impairment test

Intangible assets with an indefinite useful life (goodwill) were submitted to impairment tests, the business model being a single CGU, due to the unified cash management model and the synergies existing in conducting operational activities. In the years ended December 31, 2023 and 2022, no intangible assets were identified that were recorded at a value greater than their recoverable value in use.

The projections are in line with the Business Plan prepared by the Company's Management for the next five years; cash flows that exceed the five-year period are attributed to growth expected for the economic group through perpetuity. The Company took into consideration for the cash flow projections the consistency of the assumptions adopted with the historical growth data, as well as the expected economic growth for Brazil, and considered also the maturation of the investments made and to be made, among them technological enhancements and new stores.

The process of determining an asset's value in use involved the utilization of assumptions, judgments and estimates on cash flows, such as the growth rate of revenues, costs and expenses, estimates of future investments and working capital, perpetuity and discount rate. This is consistent with paragraph 35 of CPC 01 (R1)/NBC TG 01 (R4)/IAS 36 - Impairment of Assets.

(In thousands of reais unless otherwise stated)

All assumptions used are described below:

• The projections were made in Reais and discounted at the weighted average cost of capital ("WACC"), considering the sensitivities in this metric. The rate applied to cash flow projections was 12.14% p.a. after taxes in 2023, the rate equivalent to the WACC before taxes being 14.29%.

• The average growth rates of projected sales revenues for the five-year period were adjusted considering the future projection of the Extended National Consumer Prices Index (IPCA) plus real GDP (Gross Domestic Product), technological advances implemented by the Company, and the opening of new stores.

• The nominal growth rate used to extrapolate the cash flow of the entire economic group into perpetuity, after five years of detailed projections, was 4.76% p.a., which reflects the Company's perspective of growth in perpetuity.

Based on the tests performed, the Company did not identify impairment losses on the goodwill recorded.

11. Loans and financing

	Interest rates (per month)	Maturity	Parent company and Consolidated	
			2023	**2022**
Loans and financing - working capital (i) and (ii)	0.19% to 0.25% + CDI	Dec/2024 to Apr/2026	**350,987**	246,510
Debentures	0.11% to 0.16% + CDI	Oct/2024 to Apr/2027	**765,827**	767,049
Total loans and financing			**1,116,814**	1,013,559
Current			**543,353**	149,477
Non-current			**573,461**	864,082

Changes in loans and financing	Parent company and Consolidated **2023**	**2022**
Opening balance	**1,013,559**	790,270
Funding (i) and (ii)	**225,000**	350,000
Funding fee (i) and (ii)	**(1,318)**	(4,002)
Payment of principal	**(120,885)**	(140,385)
Payment of interest	**(157,727)**	(118,815)
Interest accrued	**158,185**	136,491
Total loans and financing	**1,116,814**	1,013,559

(i) On March 31, 2023, the Company contracted a new loan from Banco BTG Pactual in the amount of R$100,000 with interest linked to CDI + 0.19% p.m., for working capital purposes. This loan has covenants similar to those of the 9th issue of debentures, with maturity in April 2026 and no guarantees. The loan was taken out as a measure to preserve the Company's cash.

(ii) On April 30, 2023, the Company contracted a new loan from Banco ABC Brasil S.A. and Hailtong Banco de Investimento do Brasil S.A. in the amount of R$125,000 with interest linked to CDI + 0.21% p.m., for purposes of working capital and capital expenditures (CAPEX). This loan has covenants similar to those of the 9th issue of debentures, with maturity in April 2025 and no guarantees. The loan was taken out as a measure to preserve the Company's cash.

(In thousands of reais unless otherwise stated)

The loans and financing in local currency are intended for the purchase of assets for new stores opened and for working capital purposes, and non-current amounts had the following original maturities as at December 31, 2023 and 2022:

	Parent company and Consolidated	
Year	**2023**	**2022**
2024	**-**	483,384
2025	**203,444**	34,000
2026	**197,222**	175,000
2027	**175,000**	175,000
Financial charges to be incurred	**(2,205)**	(3,302)
Total debentures, loans and financing (noncurrent)	**573,461**	864,082

Covenants

The Company has covenants in loans, financing and debentures, which limit its ability to take certain actions, and may require the accelerated maturity or the refinancing of debts if the Company does not comply with these covenants. Covenants are measured annually by the financial institutions, however the Company monitors them on a monthly basis. There are no uncertainties regarding annual compliance.

Debentures 8th issue and 9th issue, loans and financing

The ratio between net debt (Note 28) and adjusted EBITDA (covenants), excluding the effects of IFRS 16, of the Company must be less than or equal to 3.0.

To calculate the adjusted EBITDA for covenants, the depreciation and amortization expenses, income from sale of assets, gains on claims, provision for impairment, cost of stock option plan, expenses on acquisitions and mergers and pre-operating expenses are not considered, excluding the effects of IFRS 16 (Notes 23 and 24). Therefore, in the year ended December 31, 2023, the Company continued to be in compliance with this ratio, with a ratio of 1.96 (1.47 as at December 31, 2022).

In 2023 and 2022, the Company complied with all its contractual obligations under covenants. For 2024, the Company expects to comply with its contractual obligations.

Collaterals

As at December 31, 2023, the Company has a letter of guarantee with banks amounting to R$5,611 (R$11,743 as at December 31, 2022) as collateral for the rental of stores.

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

(In thousands of reais unless otherwise stated)

12. Trade payables, agreement with suppliers and rental payables

	Parent company and Consolidated	
	2023	**2022**
Payables for materials and services	**309,992**	300,969
Agreement suppliers (i)	**-**	18,527
Fixed asset suppliers	**13,193**	14,240
Rental payables (ii)	**33,403**	30,202
Others	**951**	635
Total trade, agreement with suppliers and rental payables	**357,539**	364,573

(i) The Company has contracts with financial institutions allowing suppliers to receive amounts in advance by transferring the right to receive the proceeds to financial institutions. In this way, the supplier receives the payment net of a discount agreed with the financial institution in advance. The Company, settles its obligation based on the terms and amount originally agreed with the supplier by payment to the financial institution. The operations carried out in the year ended December 31, 2023 with contracted suppliers had a potential embedded financial value at an average rate of 2.0% p.m. combined with an average term of 21 days (2.0% p.m. with an average term of 25 days in 2022). The contracts were settled within the period and there are no open operations as at December 31, 2023.

(ii) Refers exclusively to the total rental provision as at December 31, 2023 and its settlement occurred in a subsequent period.

13. Payroll and social charges

	Parent company and Consolidated	
	2023	**2022**
Payroll and social charges	**21,733**	18,989
Profit sharing (i)	**15,168**	35,017
Provision for vacation, thirteen salary and charges	**61,171**	59,795
Social charges	**21,147**	16,316
Others	**2,466**	9,117
Total payroll and social charges	**121,685**	139,234

(i) The profit-sharing program is approved annually and is based on individual and corporate goals. In 2023, these goals were achieved by the Company and its employees, therefore the profit-sharing program was accrued for the year 2023 and will be paid in the coming year. In April 2023, the Company made payments for the profit-sharing program referring to 2022.

14. Taxes payable

	Parent company and Consolidated	
	2023	**2022**
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	**5,511**	4,728
Social Integration Program (PIS)	**1,119**	950
Withholding Income Tax (IRRF)	**656**	705
State VAT (ICMS)	**18,419**	21,244
Contribution For Intervention in the Economic Domain (CIDE)	**2,615**	2,360
Taxes in installments (i)	**4,632**	4,891
Service Tax (ISS)	**895**	1,197
Social Security Contribution (INSS) withheld	**668**	1,184
Other	**476**	882
Total taxes payable	**34,991**	38,141
Current	**30,685**	33,598
Non-current	**4,306**	4,543

(i) Relates to a voluntary installment payment of taxes and enrollment in the tax debt refinancing program (PERT).

(In thousands of reais unless otherwise stated)

15. Deferred revenue

	Parent company and Consolidated	
	2023	**2022**
Deferred revenue - franchise fee (i)	**5,102**	5,023
Deferred revenue - trade payables (ii)	**1,460**	5,007
Deferred revenue - CLUBE BK (i)	**11,579**	14,608
Total deferred revenue	**18,141**	24,638
Current	**13,350**	19,908
Non-current	**4,791**	4,730

(i) Recognition of deferred revenue over time, in compliance with CPC 47/ NBC TG 47 / IFRS 15 - Revenue from Contracts with Customers.

(ii) Amounts received in advance from specific suppliers, which include investments in marketing campaigns to promote sales of Burger King products, in addition to partnerships with financial institutions and agents.

16. Other payables

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Provision for sundry expenses (i)	**12,422**	16,340	**12,422**	16,340
Investments payable - King Food/Good Food/Fast Burger (ii)	**12,968**	17,775	**12,968**	17,775
(-) Adjustment to present value of investments payable - King Food/Good Food and Fast Burger	**-**	(535)	**-**	(535)
Advances from customers	**2,542**	559	**2,542**	559
Others	**-**	119	**22**	152
Total other payables	**27,932**	34,258	**27,954**	34,291

(i) Refers mainly to materials and services.

(ii) Refers to the remaining installment for the acquisition of the companies King Food, Good Food and Fast Burger, which is currently under negotiation between the parties for settlement.

17. Provision for legal claims

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

The lawsuits were provisioned and/or disclosed based on various factors, including the advice of the Company's legal counsel, the nature of the lawsuits and historical experience. The amounts provided for related to the probable loss legal claims under judicial proceedings shown in the table below.

At December 31, 2023, further unprovided tax, civil and labor lawsuits involving a possible likelihood of loss total R$380,795 (R$350,654 as at December 31, 2022) in the Parent company and Consolidated, as follows:

	Parent company and Consolidated			
	2023		2022	
	Probable	**Possible (i)**	**Probable**	**Possible (i)**
Labor lawsuits (ii)	**42,869**	**47,217**	21,355	56,307
Civil lawsuits	**1,155**	**21,642**	463	10,455
Tax lawsuits (iii)	**-**	**311,936**	-	283,802
Total provision for legal claims	**44,024**	**380,795**	21,818	350,564

(i) For cases of possible loss, there is no provision to cover losses with these lawsuits. The increase in cases of possible loss mainly refers to new labor cases, in particular, lawsuits from unions and the Public Ministry of Labor, updating of the tax lawsuits portfolio and procedural advances in existing civil and labor lawsuits.

(In thousands of reais unless otherwise stated)

(ii) The increase in labor lawsuits is mainly due to the higher volume of lawsuits with expected future cash disbursement.

(iii) In October 2022, the Federal Revenue of Brazil (RFB) issued two tax assessment notices against the Company for the collection of PIS, COFINS, IRPJ and CSLL debts. These total R$291,950 as at December 31, 2023 (R$221,740 as at December 31, 2022), and are based on the following issues: (i) differences in the applicable rate on certain revenues (PIS and COFINS); (ii) incorrect offset of credits, even though typical expenses of the segment and that meet the criteria of essentiality and relevance (PIS and COFINS); (iii) alleged errors in fulfilling ancillary obligations, especially arising from disputed credits (PIS and COFINS); and (iv) alleged non-deductibility of royalties for purposes of calculating, at a level higher than the legal limit (IRPJ and CSLL).

Probable labor claims

The Company is a party to labor lawsuits, mainly for employee terminations in the normal course of business. As at December 31, 2023, the Company had a provision of R$42,869 (R$21,355 as at December 31, 2022) in the Parent company and Consolidated, for the contingencies related to lawsuits. These contingencies are evaluated based on the average historical loss rate over the past 18 months compared with the total lawsuits outstanding at the end of the year.

Movements in the provision for legal claims for the years ended December 31, 2023 and 2022 were as follows:

	Parent company and Consolidated				
	2022	**Additions**	**Write-offs/ Reversals**	**Payments**	**2023**
Labor lawsuits	**21,355**	**81,044**	**(2,324)**	**(57,206)**	**42,869**
Civil lawsuits	**463**	**1,166**	**(467)**	**(7)**	**1,155**
TOTAL	**21,818**	**82,210**	**(2,791)**	**(57,213)**	**44,024**

	Parent company and Consolidated				
	2021	Additions	Write-offs/ Reversals	Payments	2022
Labor lawsuits	24,641	40,560	(4,555)	(39,291)	21,355
Civil lawsuits	781	364	(151)	(531)	463
Tax lawsuits	-	37	-	(37)	-
TOTAL	25,422	40,961	(4,706)	(39,859)	21,818

Judicial deposits

	Parent company and Consolidated	
	2023	**2022**
Labor lawsuits	**21,764**	29,503
Civil lawsuits	**1,635**	1,199
Tax lawsuits	**19,542**	15,210
Total judicial deposits	**42,941**	45,912

18. Related parties

18.1 Franchise Fees, Royalties and Service Fee

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

Transactions for Franchise Fees and Royalties are carried out under exclusive conditions provided in the agreements with BKC and PLK, since ZAMP is the representative of the brands in Brazil, and there are no comparable conditions in the market.

(In thousands of reais unless otherwise stated)

The Company recorded the following payables and receivables in the years ended December 31, 2023 and 2022:

	Burger King Corporation (BKC)		PLK	
	2023	2022	2023	2022
Assets				
Receivables (Note 5)	**177**	1,373	**-**	-
Additions of Franchise Fee (Note 10)	**3,293**	2,896	**3,222**	-
Liabilities				
Corporate payables	**(29,753)**	(23,333)	**(1,107)**	(811)
	2023	**2022**	**2023**	**2022**
Results				
Service fee revenue	**1,070**	1,019	**-**	-
Royalty expenses (Note 23)	**(189,587)**	(183,907)	**(10,272)**	(7,061)

18.2 Corporate payables

As at December 31, 2023, the Company (Parent company and Consolidated) had a balance of R$30,860 related to royalties and franchise fee due to BKC and PLK (R$24,144 as at December 31, 2022).

18.3 Management compensation

	2023		2022	
	Officers	Counselors	Officers	Counselors
Management fees	**5,207**	**-**	5,993	-
Direct and indirect benefits	**630**	**-**	523	-
Variable compensation	**5,028**	**-**	5,907	-
Share-based compensation	**10,531**	**262**	13,856	-
Fees	**-**	**3,401**	-	3,235
Indemnities	**1,450**	**-**	-	-
	22,846	**3,663**	26,279	3,235

The Annual General Meeting held in April 2023 approved the Company's global management compensation for 2023, in the amount of up to R$36,227, which refers to the compensation of the Company's Statutory Officers including the share-based compensation plan and the compensation of the Board of Directors. The calculated amounts are recorded in general and administrative expenses.

19. Equity

Capital

As at December 31, 2023 and December 31, 2022, the Company's capital is R$1,461,068 and is represented by 275,355,447 common shares, all of which are registered, book-entry and without par value.

Pursuant to the Bylaws and upon resolution of the Company's Board of Directors, capital may be increased, without seeking prior amendments to the Bylaws, up to the limit of 282,690,560 common shares, including for purposes of shares to be issued as a result of exercise of subscription rights included in stock warrants issued by the Company.

(In thousands of reais unless otherwise stated)

Allocation of losses

The proposal for the allocation of the Company's loss for the year ended December 31, 2023, in the amount of R$97,826, is to maintain it as accumulated deficit, amounting to R$738,419, for offset against profits in future years.

As at December 31, 2022, the Company recorded the loss for the year in the amount of R$55,786 as accumulated deficit, totaling R$640,593.

Capital reserves

The capital reserves include a share premium on the subscription of shares of the shareholders and the stock option plan, reduced by share issuance expenses. The reserve may be used to increase capital or to absorb an accumulated deficit. As at December 31, 2023, the capital reserve amounts to R$733,323 (R$728,404 as at December 31, 2022).

Treasury shares

The shares acquired will be held in treasury to be subsequently canceled, sold and/or used to guarantee the exercise of stock options under the long-term incentive plans approved by the Company.

As at December 31, 2023, the Company used 279,055 common shares for the payment of the share-based compensation plan for that period. Thus, the Company holds 8,582,468 treasury shares as at December 31, 2023 (8,861,523 as at December 31, 2022).

Movements in treasury shares for the years ended December 31, 2023 and 2022 were as follows:

Treasury shares

	Number of Shares - unit	Amount - thousands of Reais	Average price - Reais
As at December 31, 2021	1,222,719	24,214	19.80
Shares acquired	8,891,000	53,914	6.06
Exercise of stock options - net	(1,252,196)	(14,437)	11.53
As at December 31, 2022	8,861,523	63,691	7.19
Exercise of stock options - net	**(279,055)**	**(1,415)**	**5.07**
As at December 31, 2023	**8,582,468**	**62,276**	**7.26**

20. Earnings per share

Based on CPC 41/NBC TG 41 (R2)/IAS 33 - Earnings per Share, the Company discloses the basic and diluted earnings (loss) per share. The comparative figures of basic and diluted earnings/loss per share are based on the weighted average number of shares outstanding in the year, and all shares with potential dilutive effect outstanding for each presented year, respectively.

Diluted earnings (loss) per share is computed similarly to basic earnings (loss) per share, except for the effects of the potential dilution from shares outstanding attributed to stock options and redeemable shares held by noncontrolling interests, using the weighted average share price.

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

	Parent company and Consolidated	
	2023	**2022**
Basic numerator		
Loss for the year	**(97,826)**	(55,786)
Basic denominator		
Basic weighted average number of shares (net treasury) - in thousands	**273,791**	273,763
Basic loss per share	**(0.3573)**	(0.2038)
Diluted numerator		
Loss for the year	**(97,826)**	(55,786)
Diluted denominator		
Weighted average number of shares (net treasury) - in thousands	**273,791**	273,763
Stock options (Note 31) - in thousands	**2,014**	1,940
Anti-dilution effect - in thousands	**(2,014)**	(1,940)
Diluted weighted average number of shares	**273,791**	273,763
Diluted loss per share	**(0.3573)**	(0.2038)

21. Net operating revenue

	Parent company and Consolidated	
	2023	**2022**
Gross sales revenue	**4,196,449**	3,944,890
Sales revenue deductions	**(404,308)**	(342,005)
Net sales revenue	**3,792,141**	3,602,885
Gross revenue from services rendered	**55,871**	46,874
Service revenue deductions	**(6,051)**	(5,085)
Net service revenue	**49,820**	41,789
Total net operating revenue	**3,841,961**	3,644,674

22. Cost of goods and products sold and services taken

	Parent company and Consolidated	
	2023	**2022**
Costs of food, beverages and packaging	**(1,236,146)**	(1,185,261)
Costs of services taken and others (i) and (ii)	**(49,006)**	(112,524)
Total cost of sales and services	**(1,285,152)**	(1,297,785)

(i) The costs of services taken and others are mainly composed of logistics, freight and toy services.

(ii) Provision for write-off of inputs not expected to be realized, include perishable foods near their expiry dates and toys whose license expired and are not expected to be renewed (Note 6).

(In thousands of reais unless otherwise stated)

23. Selling expenses

	Parent company and Consolidated	
	2023	**2022**
Personnel expenses	**(715,483)**	(603,762)
Royalties and marketing	**(375,166)**	(363,534)
Occupancy and utilities expenses (i)	**(296,032)**	(288,505)
Depreciation and amortization (Notes 9 and 10)	**(237,458)**	(218,215)
Amortization of right-of-use assets (rental) (Note 8) (ii)	**(168,013)**	(168,482)
Pre-operating expenses (iii)	**(13,287)**	(14,118)
Services taken from third parties (iv)	**(263,758)**	(195,475)
Repairs and maintenance	**(46,969)**	(38,222)
Others (v)	**(112,728)**	(97,060)
Total selling expenses	**(2,228,894)**	(1,987,373)

(i) The effects of the adoption of CPC 06 (R2) / NBC TG 06 (R3) / IFRS 16 positively impacted the line items of occupancy and utilities expenses (Note 23) by R$241,503 as at December 31, 2023 (R$235,804 as at December 31, 2022), net of PIS and COFINS, as the operating lease (fixed rent) is no longer recognized under this line item (Note 8).

(ii) In compliance with CVM Circular Letter 02/2019, the balance presented under "Amortization of right-of-use assets" (Note 8) in the statement of financial position is gross of taxes (PIS and COFINS) and totaled R$ 186,256 as at December 31, 2023 (R$ 186,545 at December 31, 2022), while the balances presented under "Amortization of right-of-use assets" (Notes 23 and 24) in profit or loss are net of taxes (PIS and COFINS) and totaled R$ 169,889 (R$ 170,439 as at December 31, 2022).

(iii) Pre-operating costs are mainly represented by costs of salaries and charges of the store professionals, services rendered by third parties and other expenses generated before the opening of stores.

(iv) Expenses for services taken from third parties comprise of delivery services (take rate), IT services and services provided by third parties to the stores. The increase is mainly due to: (i) expenses for IT services that are linked to technology used in stores supporting digital channels and; (ii) take rate expenses that are related to the increase in sales share on the delivery platform.

(v) The other expenses consist mainly of provision for expected credit losses (Note 5), fees, uniforms, cleaning materials and kitchen supplies.

24. General and administrative expenses

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Administrative personnel expenses	**(109,578)**	(108,944)	**(109,578)**	(108,944)
Depreciation and amortization (Notes 9 and 10)	**(33,106)**	(17,046)	**(33,106)**	(17,046)
Amortization of right-of-use assets (rental) (Note 8) (i)	**(1,876)**	(1,957)	**(1,876)**	(1,957)
Disposal of property and equipment (Notes 9 and 10)	**(17,059)**	(14,841)	**(17,059)**	(14,841)
Provision for impairment (Note 9)	**(7,825)**	(7,037)	**(7,825)**	(7,037)
Stock options cost (Note 31)	**(15,234)**	(34,799)	**(15,234)**	(34,799)
Services taken from third parties (ii)	**(43,814)**	(52,807)	**(43,814)**	(52,807)
Revenue from assets sold	**17,907**	2,056	**17,907**	2,056
Write-off of assets sold (Notes 9 and 10)	**(12,950)**	(1,949)	**(12,950)**	(1,949)
Other operating income (expenses), net (iii)	**(4,906)**	(25,217)	**(5,123)**	(25,448)
Total general and administrative expenses	**(228,441)**	(262,541)	**(228,658)**	(262,772)

(i) In compliance with CVM Circular Letter 02/2019, the balance presented under "Amortization of right-of-use assets" (Note 8) in the statement of financial position is gross of taxes (PIS and COFINS) and totaled as at R$ 186,256 as at December 31, 2023 (R$ 186,545 as at December 31, 2022), while the balances presented under "Amortization of right-of-use assets" (Notes 23 and 24) in profit or loss are net of taxes (PIS and COFINS) and totaled R$ 169,889 (R$ 170,439 as at December 31, 2022).

(ii) Other operating income (expenses), net are mainly composed of legal fees, IT services and third-party services, the Company reclassified these expenses to Services from third parties. The amounts of the prior periods were also reclassified for comparability purposes.

(iii) The variation mainly refers to the reclassification of provision for legal claims to selling expenses, partially offset by lower income from the premium on the initial supply agreement.

(In thousands of reais unless otherwise stated)

25. Financial income

	Parent company		Consolidated	
	2023	**2022**	**2023**	**2022**
Financial investment interest and yield	**48,121**	56,741	**48,338**	56,972
Foreign exchange gains	**3,306**	2,553	**3,306**	2,553
Derivatives income	**782**	2,938	**782**	2,938
Taxes on financial income	**(2,037)**	(2,988)	**(2,037)**	(2,988)
Indexation credits	**4,326**	5,982	**4,326**	5,982
Other financial income RF	**1,384**	612	**1,384**	612
Financial income	**55,882**	65,838	**56,099**	66,069

26. Financial expenses

	Parent company and Consolidated	
	2023	**2022**
Interest on loans and financing	**(126,075)**	(102,457)
Foreign exchange losses	**(1,810)**	(4,391)
Lease interest expense payable (Note 8)	**(88,440)**	(87,228)
Derivatives expenses	**(5,702)**	(4,138)
Indexation charges	**(4,482)**	(2,743)
Other financial expenses	**(8,473)**	(9,000)
Financial expenses	**(234,982)**	(209,957)

27. Income tax and social contribution

Expenses composition

The income tax and social contribution expenses for the years ended December 31, 2023 and 2022 are as follows:

	Parent company and Consolidated	
	2023	**2022**
Deferred	**(18,200)**	(8,642)

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates to amounts recorded in profit or loss for the years ended December 31, 2023 and 2022, is shown below:

	Parent company and Consolidated	
	2023	**2022**
Profit (loss) before income tax and social contribution	**(79,626)**	(47,144)
Income tax and social contribution benefit (expense) at the combined statutory rate of 34%	**27,073**	16,029
Adjustments to reconcile the effective rate:		
Unrecognized tax loss carryforward assets	**(34,752)**	(3,705)
Payment of non-deductible bonus	**(2,408)**	(1,573)
Cash shortfalls	**(565)**	(492)
Write-off of non-financial assets	**(1,623)**	(2,860)
Tax and labor fines and infractions	**(488)**	(364)
Stock option costs	**(2,546)**	(11,832)
Inventory losses	**(2,390)**	(3,158)
Other permanent differences	**(501)**	(687)
Income tax and social contribution	**(18,200)**	(8,642)

(In thousands of reais unless otherwise stated)

Deferred

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

	Parent company and Consolidated	
	2023	**2022**
Deferred income tax and social contribution - assets	**442,777**	353,154
Deferred income tax and social contribution - liabilities	**(498,730)**	(390,908)
	(55,953)	(37,754)

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

	Parent company and Consolidated	
	2023	**2022**
Tax loss carryforwards	**958,977**	856,766
Temporary differences		
Provision for legal claims (Note 17)	**44,024**	21,818
Provision for bonuses	**15,168**	35,017
Provision for purchases	**14,053**	23,303
Provision for impairment (Note 9)	**27,817**	19,992
Pre-operating	**31,838**	29,998
Accrued expenses	**11,542**	17,787
Amortization of right--of-use assets and interest on lease liabilities	**1,106,390**	848,061
Deferred revenue	**16,681**	17,720
Others	**34,771**	24,993
Tax base	**2,261,261**	1,895,455
Statutory rate	**34%**	34%
	768,829	644,454
(-) Unrecognized deferred tax assets on tax loss carryforwards	**(326,052)**	(291,300)
Deferred income tax and social contribution - assets	**442,777**	353,154
Difference between the useful life for corporate purposes and the useful life for tax purposes	**-**	(700)
Financial charges to be incurred	**(4,312)**	(4,871)
Tax amortization of goodwill	**(472,162)**	(398,138)
Payment of lease liabilities	**(985,641)**	(744,139)
Others	**(4,737)**	(1,881)
Tax base	**(1,466,852)**	(1,149,729)
Combined rate	**34%**	34%
Deferred income tax and social contribution - liabilities	**(498,730)**	(390,908)
Deferred income tax and social contribution, net	**(55,953)**	(37,754)

The expected realization of deferred tax assets as at December 31, 2023 is shown below:

	Parent company and Consolidated
Year	**2023**
2024	**109,483**
2025	**73,521**
2026	**65,560**
2027 onwards	**194,213**
Total deferred tax assets	**442,777**

In accordance with CPC 32 - Income Taxes, the Company recognized deferred taxes on temporary differences based on their expected future realization. As regards the balances of income tax and social contribution losses, the Company had not recognized deferred taxes on these amounts.

(In thousands of reais unless otherwise stated)

Uncertainty over Income Tax Treatments

The Company has a tax assessment notice issued by the Brazilian Federal Revenue (RFB) for the alleged non-deductibility of royalties for purposes of calculating IRPJ and CSLL in excess of the legal limit (IRPJ and CSLL), referring to fiscal year 2017 in the amount of R$15,951. The cases are awaiting judgment at the administrative level. Management, based on the position of its legal advisors, informs that the case has a possible likelihood of loss and, for this reason, it has not recorded IRPJ and CSLL liabilities related to this lawsuit.

28. Financial risk management objectives and policies

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

Management reviews and establishes policies for managing each of these risks that are presented below:

Market risk

Market risk is the risk that the fair value of future cash flows of a financial investment will fluctuate because of changes in market prices. Market risks comprise three types of risks: interest rate risk, foreign exchange rate risk and price risk, which can be of commodities, stocks, or others.

For the sensitivity analysis, Management adopted for the probable scenario the projected interest rates for 2023. Scenarios II and III were stressed by an additional appreciation of 50% and 25%, respectively, while scenarios IV and V estimate by an additional devaluation of 25% and 50%, respectively, of the rates in the probable scenario.

The sensitivity analyses in the following sections relate to the position as at December 31, 2023.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest cost using a mix of fixed and variable rate debt.

Interest rate sensitivity

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

	Parent company		Consolidated	
Variable rate instruments	**2023**	**2022**	**2023**	**2022**
Financial assets				
Financial investments (Note 3)	**49,535**	26,828	**49,535**	26,828
Marketable securities (Note 4)	**355,279**	473,648	**355,300**	473,680
Financial liabilities				
Loans and financing (Note 11)	**(1,116,814)**	(1,013,559)	**(1,116,814)**	(1,013,559)

(In thousands of reais unless otherwise stated)

The following table demonstrates the possible impacts on profit or loss in the event of the respective scenarios presented, and for the probable scenario we used a year-to-date CDI of 13.15%.

			Consolidated				
			I	II	III	IV	V
Asset exposure	**Exposure**	**Risk**	**Probable**	**50%**	**25%**	**-25%**	**-50%**
Short-term investments (Notes 3 and 4)	**404,835**	**DI variation**	**48,338**	**24,169**	**12,085**	**(12,085)**	**(24,169)**
Loans and financing (Note 11)	**(1,116,814)**	**DI variation**	**(126,075)**	**(63,038)**	**(31,519)**	**31,519**	**63,038**

Foreign currency risk

Foreign currency sensitivity

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

				Parent company and Consolidated				
			Exchange rate in	I	II	III	IV	V
Asset exposure	**Exposure**	**Risk**	**2023**	**Probable**	**50%**	**25%**	**-25%**	**-50%**
Royalties/Franchise Fee (Note 18.2)	**30,860**	**US dollar variation**	**5.0830**	**30,860**	**(15,430)**	**(7,715)**	**7,715**	**15,430**

Credit risk

The following table demonstrates the rating of the amounts invested (Notes 3 and 4) according to the rating agency Fitch.

	Parent company		Consolidated	
Rating	**2023**	**2022**	**2023**	**2022**
AAA	**30.0716**	446,330	**249,095**	420,746
AA	**104,098**	54,146	**150,378**	79,762
AA-	**-**	-	**5,362**	-
	404,814	500,476	**404,835**	500,508

Liquidity risk

The following table presents the liquidity risks of the main financial instruments by maturity and reflects the Company's undiscounted cash flows as at December 31, 2023:

	Consolidated					
Asset exposure	**Carrying amount**	**Financial flow**	**Less than 3 months**	**From 3 months to 1 year**	**From 1 to 5 years**	**Total**
Assets						
Cash and cash equivalents (Note 3)	**81,279**	**81,279**	**81,279**	**-**	**-**	**81,279**
Marketable securities (Note 4)	**355,300**	**355,300**	**-**	**355,300**	**-**	**355,300**
Trade receivables (Note 5)	**213,712**	**213,712**	**213,712**	**-**	**-**	**213,712**
Liabilities						
Lease liabilities (Note 8)	**915,824**	**1,253,580**	**43,480**	**137,760**	**734,584**	**915,824**
Loans and financing (Note 11)	**1,116,814**	**1,317,000**	**48,776**	**598,710**	**669,514**	**1,317,000**
Trade payables, agreement with supplies and rental payables (Note 12)	**357,539**	**357,539**	**357,539**	**-**	**-**	**357,539**
Corporate payables (Note 18.2)	**30,860**	**30,860**	**30,860**	**-**	**-**	**30,860**
Taxes payable (Note 14)	**34,991**	**34,991**	**23,014**	**7,671**	**4,306**	**34,991**

(In thousands of reais unless otherwise stated)

Capital management

Assets can be financed by equity (including contributions made by the shareholders) or debt.

Raising funds though loans is viable when Management believes that this cost will be lower than the return generated by the asset acquired. Management strives to achieve an efficient capital structure, promoting financial stability and supporting business plan.

The capital is managed through leverage ratios, defined as net debt divided by the sum of adjusted EBITDA excluding the effects of IFRS 16 / CPC 06 (R2) / NBC TG 06 (R3) for the last 12 months, and net debt divided by the sum of the net debt and total equity. Management seeks to maintain this ratio at levels equal to or lower than industry levels. Management includes in net debt the loans and financing (including debentures), swaps, cash and cash equivalents, current and non-current financial investments, and current and non-current restricted marketable securities.

The capital structure is comprised of net debt, defined as total loans and financing (including debentures), net of cash and cash equivalents, marketable securities and other short-term financial assets and capital, defined as total equity and net debt, all based on the considered data.

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

	Consolidated	
	2023	**2022**
Cash and cash equivalents (Note 3)	**(81,279)**	(45,453)
Marketable securities (Note 4) (i)	**(355,300)**	(473,680)
Loans and financing (i)	**1,116,814**	1,013,559
Lease liabilities (Note 8) (i)	**915,824**	947,613
Net debt (Note 11)	**1,596,059**	1,422,039
Equity	**1,393,680**	1,485,188
Total capital	**2,989,739**	2,927,227
Financial leverage ratio - %	**53.38%**	48,58%

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

(ii) The net debt covenant calculations exclude the effects of IFRS 16 (Note 11).

Hedge accounting

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

The Company makes the formal designation of its hedge accounting relationship, as provided for in CVM Resolution 763/16/IFRS 9 and with its Risk Policy.

(In thousands of reais unless otherwise stated)

Sensitivity to hedge accounting

Parity - R$ x EUR		Current Scenario	Scenario I - 25% Appreciation	Scenario II - 50% Appreciation	Scenario III - 25% Depreciation	Scenario IV - 50% Depreciation
Operation/Instrument	**Risk**					
Designated as hedge accounting						
NDF	R$ depreciation	**(16)**	**(4)**	**(8)**	**4**	**8**
Import (item)	R$ appreciation	**16**	**4**	**8**	**(4)**	**(8)**
Net effect		**-**	**-**	**-**	**-**	**-**

29. Derivative financial instruments

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

			Parent company and Consolidated			
			2023		2022	
Instruments	**Maturity**	**Assets (hedged item)**	**Notional**	**Fair value**	**Notional**	**Fair value**
(Designated as cash flow hedge)						
NDF	01/2024	EURO	**521**	**(5)**	**-**	**-**
NDF	02/2024	EURO	**376**	**(6)**	**-**	**-**
NDF	03/2024	EURO	**109**	**(5)**	**-**	**-**
			1,006	**(16)**	**-**	**-**

30. Fair value

Methodology for calculation of fair value of financial instruments

Fair value is defined as the amount by which an asset could be exchanged or a liability settled between knowledgeable, willing parties, in an arm's length transaction.

Hierarchy is presented in 3 levels for the fair value measurement; the fair value measurement is based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources while unobservable inputs reflect the Company's market assumptions.

These types of inputs under the fair value hierarchy are presented below:

Level 1 - Quoted prices in active markets for identical instruments;

Level 2 - Quoted prices in active markets for similar instruments, quoted prices for identical or similar instruments in inactive markets and valuation models for which the inputs are observable; and

Level 3 - Instruments for which significant inputs are not observable.

The breakdown below shows the Company's financial assets classified into the valuation hierarchy. As at December 31, 2023, the fair value of the derivative financial instruments equals the carrying amounts in accordance with the criteria set in the fair value hierarchy Level 2.

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

(In thousands of reais unless otherwise stated)

	Consolidated					
	2023			2022		
	Carrying amount	Fair value	Fair value hierarchy level	Carrying amount	Fair value	Fair value hierarchy level
Assets						
Amortized cost						
Cash and cash equivalents (Note 3)	**31,744**	**31,744**	**2**	18,625	18,625	2
Trade receivables (Note 5)	**213,712**	**213,712**	**2**	222,550	222,550	2
Fair value through profit or loss						
Cash and cash equivalents (Note 3)	**49,535**	**49,535**	**2**	26,828	26,828	2
Marketable securities (Note 4)	**355,300**	**355,300**	**2**	473,680	473,680	2
Liabilities						
Amortized cost (with fair value disclosed)						
Loans and financing (Note 11)	**1,116,814**	**1,151,004**	**2**	1,013,559	1,054,380	2
Trade payables, agreement with supplies and rental payables (Note 12)	**357,539**	**357,539**	**2**	364,573	364,573	2
Corporate payables (Note 18.2)	**30,860**	**30,860**	**2**	24,144	24,144	2
Lease liabilities (Note 8)	**915,824**	**915,824**	**2**	947,613	947,613	2

31. Share-based compensation plan

In the year ended December 31, 2023, the Company recognized R$15,234 (R$34,799 as at December 31, 2022) relating to expenses arising from the stock option plans, under "General and administrative expenses" (Note 24).

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

Third Plan

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

	Third Plan								
	Tranches Prior	First tranche	Second tranche	Third tranche	Fourth tranche	Fifth tranche	Sixth tranche	Seventh tranche	Total
Date of issue	June 22, 2017	June 22, 2017	June 22, 2017	October 30, 2019	October 30, 2019	October 30, 2019	October 30, 2019	October 30, 2019	**N/A**
Vesting date	-	July 14, 2020	July 14, 2021	July 14, 2019	July 14, 2020	July 14, 2021	July 14, 2022	July 14, 2023	**N/A**
Strike price	-	10.82	10.82	10.82	11.37	12.14	12.95	13.82	**N/A**
Strike price (estimated) at the reporting date	-	6.13	6.13	6.13	6.13	6.13	6.13	6.13	**6.13**
Risk-free interest rate %	-	9.87%	10.24%	5.40%	4.42%	4.70%	5.19%	5.64%	**N/A**
Contractual period by tranche	-	1 year	2 years	N/A	1 year	2 years	3 years	4 years	**N/A**
Expected return of dividend	-	0%	0%	0.40%	0.40%	0.40%	0.40%	0.40%	**N/A**
Volatility of shares in the market %	-	14.91%	14.91%	23.47%	23.47%	23.47%	23.47%	23.47%	**N/A**
Total number of options granted	2,119,036	1,467,064	1,532,800	112,990	112,990	112,990	112,990	112,989	**5,683,849**
Number of options vested	2,119,036	1,467,064	2,500	112,990	112,990	112,990	112,990	-	**4,040,560**
Number of options lost/expired	148,700	671,429	713,700	38,800	38,800	38,800	38,800	38,800	**1,727,829**
Number of options exercised	1,871,542	68,236	2,500	-	-	-	-	-	**1,942,278**
Number of options to be vested	98,794	727,399	816,600	74,190	74,190	74,190	74,190	74,189	**2,013,742**
Estimated fair value (R$/share)	-	1.08	1.53	7.88	7.62	7.45	7.49	7.64	**N/A**

(In thousands of reais unless otherwise stated)

Fourth Plan

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

	Fourth Plan				
	First Program	First Program	Second Program	Second Program	Total
Date of issue	March 22, 2019	March 22, 2019	March 22, 2019	March 22, 2019	**N/A**
Vesting date	January 1, 2022	January 1, 2023	January 1, 2023	January 1, 2024	**N/A**
Price on grant date	18.70	18.70	18.70	18.70	**18.70**
Total number of restricted shares	-	-	-	-	**1,839,905**
Total number of restricted shares granted	547,390	547,382	272,094	272,092	**1,638,958**
Number of restricted shares vested	373,428	315,524	156,251	66,001	**911,204**
Number of restricted shares lost/expired	173,962	231,858	115,843	115,842	**637,505**
Number of restricted shares exercised	373,428	315,524	156,251	66,001	**911,204**
Number of restricted shares to be exercised	-	-	-	90,250	**90,250**

Fifth Plan

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

	Fifth Plan				
	First Program	First Program	Second Program	Second Program	Total
Date of issue	July 31, 2020	July 31, 2020	July 31, 2020	July 31, 2020	**N/A**
Vesting date	January 1, 2024	January 1, 2025	January 1, 2025	January 1, 2026	**N/A**
Price on grant date	11.18	11.18	7.03	7.03	**N/A**
Total number of restricted shares	-	-	-	-	**1,857,170**
Total number of restricted shares granted	272,698	272,705	622,460	622,464	**1,790,327**
Number of restricted shares vested	96,404	96,404	164,508	164,508	**521,824**
Number of restricted shares lost/expired	35,403	35,404	65,987	65,988	**202,782**
Number of restricted shares exercised	96,404	96,404	164,508	164,508	**521,824**
Number of restricted shares to be exercised	140,892	140,898	391,966	391,969	**1,065,723**

Sixth Plan

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

	Sixth Plan									
	First Program	First Program	First Program	Second Program	Second Program	Second Program	Third Program	Third Program	Third Program	Total
Date of issue	April 29, 2022	April 29, 2022	April 29, 2022	April 29, 2022	April 29, 2022	April 29, 2022	April 29, 2022	April 29, 2022	April 29, 2022	**N/A**
Vesting date	January 01, 2023	January 01, 2024	January 01, 2025	January 01, 2024	January 01, 2025	January 01, 2026	January 01, 2025	January 01, 2026	January 01, 2027	**N/A**
Price on grant date	5.49	5.49	5.49	N/A	N/A	N/A	N/A	N/A	N/A	**N/A**
Total number of restricted shares net	-	-	-	-	-	-	-	-	-	**4,130,332**
Total number of restricted shares granted	137,391	137,391	1,099,127	147,750	147,750	1,551,380	-	-	-	**3,220,789**
Number of restricted shares vested	137,391	39,434	315,473	-	-	-	-	-	-	**492,298**
Total number of restricted shares lost/expired	-	-	-	10,353	10,353	108,708	-	-	-	**129,414**
Number of restricted shares exercised	137,391	39,434	315,473	-	-	-	-	-	-	**492,298**
Number of restricted shares to be exercised	-	97,957	783,655	137,397	137,397	1,442,672	-	-	-	**2,599,077**

The April 2023 Ordinary General Meeting approved the increase in the maximum number of Virtual Shares that may be granted to Participants under this plan in the number of 1,922,702, thus totaling 6,053,034 Virtual Shares.

(In thousands of reais unless otherwise stated)

Seventh Plan

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

	Seventh Plan		
	First Program	**Second Program**	**Total**
Date of issue	April 28, 2023	April 28, 2023	**N/A**
Vesting date	April 30, 2025	April 30, 2025	**N/A**
Price on grant date	4.64	-	**N/A**
Total number of restricted shares net	116,057	70,470	**186,527**
Total number of restricted shares granted	116,057	-	**116,057**
Number of restricted shares to be exercised	116,057	-	**116,057**

The April 28, 2023 Extraordinary General Meeting approved the Company's Share Concession Plan ("Seventh Plan"). The Seventh Plan aims to grant participants on the Company's Board of Directors, with assistance from the People and Compensation Committee, the opportunity to receive common shares issued by the Company in order to: (a) stimulate expansion, success and achievement of the Company's social objectives, business goals and the align with the interests of its shareholders; (b) increase the medium-term alignment of participants' interests with those of shareholders, increasing participants' sense of ownership and commitment through the concept of investment and risk; (c) strengthen incentives for long-term retention and stability of participants in the Company; and (d) attract new talents to the Company.

The maximum number of Restricted Shares is 186,527 that may be granted to participants adjusted for the limit in case the Lockup assumptions (set of restrictions) are exceeded. The minimum period of stay for the participant to have the right to exercise the shares is 12 months. Any change to the Quantitative Limit will depend on approval by the General Meeting, and does not provide for the achievement of operational targets as a condition for the right to exercise it.

The Seventh Plan was divided into two programs:

First Program

(i) The grace period will end on April 30, 2025, requiring a further 12 months to acquire the right to exercise it.

Second Program

(i) The grace period will end on April 30, 2025, requiring a further 12 months to acquire the right to exercise it.

(In thousands of reais unless otherwise stated)

The movement of share-based compensation plans in the years ended December 31, 2023 and 2022 was as follows:

	Third Plan	Fourth Plan	Fifth Plan	Sixth Plan	Seventh Plan	Total
Outstanding as at December 31, 2021	2,422,742	1,132,847	1,741,744	-	-	5,297,333
Granted	-	-	-	1,373,909	-	1,373,909
Forfeited/expired	(409,000)	(131,394)	(154,199)	(129,414)	-	(824,007)
Exercised	-	(661,420)	(521,822)	(394,341)	-	(1,577,583)
Outstanding as at December 31, 2022	2,013,742	340,033	1,065,723	850,154	-	4,269,652
Granted	**-**	**-**	-	**1,846,880**	**116,057**	**1,962,937**
Exercised	**-**	**(249,783)**	**-**	**(97,957)**	**-**	**(347,740)**
Outstanding as at December 31, 2023	**2,013,742**	**90,250**	**1,065,723**	**2,599,077**	**116,057**	**5,884,849**
Exercisable as at December 31, 2023 (vested) (Note 20)	**2,013,742**	**-**	**-**	**-**	**-**	**2,013,742**

32. Insurance

As at December 31, 2023, the Company maintained the following insurance policy (not audited)::

Insured location	**Maximum indemnity limit**
Civil Liability of Directors and Officers (D&O)	50,000
General Civil Liability (POSI)	40,000
Property (RO) - Average	9,704
Professional Civil Liability (E&O)	15,000

33. Events after the reporting period

33.1. Voluntary withdrawal of the Company from the New Market of B3 S.A. - Brasil, Bolsa, Balcão

On January 3, 2024, ZAMP informed its shareholders that the Extraordinary General Meeting (EGM) held on that date:

(i) Approved the voluntary withdrawal of the Company from the New Market segment of B3, with a waiver from carrying out a public offering for the acquisition of shares, with the consequent migration of the Company to the basic listing segment of B3;

(ii) Approved the Bylaws as originally proposed by the shareholder MC Brazil F&B Participações S.A. (Mubadala Capital LLC);

33.2. Advance of the vesting periods for Management compensation plans

The Company issued a Material Fact notice on January 3, 2024 advising that the Board of Directors had approved early vesting periods of the virtual shares granted under the Share Concession Plans covering all grants from the fifth and sixth plans.

The decision was based on the high concentration of Mubadala's shareholdings and for promoting the Company's development and execution of its long-term strategies. The early vestings of the existing shareholding is atypical and was caused by facts beyond the control of the Company and its Management.

The earlier vesting periods will have an effect of approximately R$46.2 million (including social charges), on the first quarter results of 2024.

33.3 Issue of Debentures - Agribusiness Receivables Certificate (CRA)

At a meeting held on January 24, 2024, the 10th issue of debentures, non-convertible into shares, unsecured, for public distribution, was approved in the amount of R$500,000. On February 7, 2024, the first amendment to the deed of the 10th issue of debentures was made, increasing the amount to R$700,000.

On February 29, 2024, settlement was carried out in accordance with the CVM Instructions and other legal and regulatory provisions in force, with a total value of R$700,000, in three series and issue date February 15, 2024, with hypotheses of early maturity and early redemption provided for in the Debenture deed.

The term and maturity date are five years from the issue date, maturing on February 14, 2029, with the possibility of early maturity and early redemption provided for in the Debenture deed.

The proceeds from the issue will be used to reimburse expenses incurred in the 24 months prior to the offering closing date and payment of future contractual obligations arising from the acquisition of fresh meat from certain suppliers.

33.4 Resignation of the Vice President of Marketing and Sales

On February 15, 2024, the Company issued a Notice to the Market informing that that Mrs. Juliana Improta Cury Simon has resigned as Vice President of Marketing and Sales to take on new challenges and will remain in office until March 8, 2024.

In view of this, the position will remain vacant until the Board of Directors decides whether to elect a replacement or eliminate the position.

33.5 Obtaining a waiver for the non-decree of early maturity of the existing obligations of the 8th and 9th debenture issues

On February 16, 2024, ZAMP announced to the market the approval of the grants of prior consent in order to avoid the early maturity of all the obligations due from the 8th and 9th issue of debentures.

These approvals occurred as a result of the eventual future acquisition of Control by MC Brazil, a company of the Mubadala Capital LLC group and its affiliates. In return, if the consents are required, the Company will bear a specific waiver fee for each debenture issue. And after the acquisition of control, the Company paid approximately R$ 1.7 million as a waiver fee related to the 9th debenture issue, and for the 8th debenture issue, the waiver countermeasure was the publication of a summons for a pre-payment call of the entire issue within 30 days of taking control, with the payment settlement deadline obeying legal procedures and is scheduled for the first week of April for creditors who adhere. The Company received on 02/29/2024 the proceeds from the CRA and thus has sufficient resources for the pre-payment.

33.6 Acquisition of the controlling interest in the Company by MC Brazil F&B Participações S.A. ("MC Brazil"), a company that is part of the portfolio of companies, investment funds and businesses indirectly owned, controlled or managed by Mubadala Capital LLC

The Company issued a Notice to the Market informing on February 21, 2024 that MC Brazil had increased its shareholding, resulting in the acquisition of the controlling interest in the Company.

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Officer's Statement on the Financial Statements

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

We hereby declare, as executive officers of Zamp S.A., a publicly-held corporation headquartered in the City of Alphaville - Barueri, State of São Paulo, at Alameda Tocantins, 350, 11th floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's individual and consolidated financial statements for the year ended December 31, 2023.

Barueri, March 7, 2024.

Ariel Grunkraut
Chief Executive Officer

Gabriel Magalhães da Rocha Guimarães
Chief Financial and Investor Relations Officer

Officers' Statement on the Independent Auditor's Report

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

We hereby declare, as executive officers of Zamp S.A., a publicly-held corporation headquartered in the City of Alphaville - Barueri, State of São Paulo, at Alameda Tocantins, 350, 11th floor, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the opinions expressed in the report of the independent auditors PricewaterhouseCoopers Auditores Independentes Ltda., referring to the Company's Individual and consolidated financial statements for the year ended December 31, 2023.

Barueri, March 7, 2024.

Ariel Grunkraut
Chief Executive Officer

Gabriel Magalhães da Rocha Guimarães
Chief Financial and Investor Relations Officer

(A free translation of the original in Portuguese)

AUDIT COMMITTEE REPORT
ZAMP S.A.

2023

This Audit Committee report for the year ended December 31, 2023 outlines the activities and assessments conducted by the committee of the company's accounting and financial controls, as well as the performance of both Internal and Independent Audits. The Committee, currently composed of three members, including one independent financial specialist, carried out its duties in strict accordance with the Internal Rules of the Audit Committee and CVM regulations.

Composition and meeting frequency:

The Audit Committee serves in an advisor capacity to the Board of Directors on a permanent basis, guided by the Internal Regulations revised and approved in March 2021.

The Committee consists of three members appointed by the Board of Directors, each serving renewable two-year terms. Mr. Henrique F. Luz, an independent member and financial specialist, serves as the Committee's Coordinator.

Throughout 2023, the Committee convened for 8 meetings, with 4 dedicated to regular matters such as internal controls and compliance reviews, and 4 focused on quarterly financial closings. The Committee Coordinator provided activity reports at the Board of Director sessions.

Audit Committee responsibilities:

The Committee is responsible for ensuring the quality and integrity of the financial statements, within the scope of its duties, as well as compliance with legal requirements. In addition, it oversees the work of the independent auditors and internal audit, evaluates the systems of internal controls, examines transactions with related parties, receives complaints from third parties through appropriate channels and investigates those involving senior management and members of the Board, among other assignments. A complete set of regulation of the Committee is available on the website https://ri.zamp.com.br/.
Highlights of Audit Committee actions in 2023:

1. Key activities:
Through regular meetings with the Company's executive management, the Audit Committee analyzed and monitored the effectiveness of internal control systems, drawing on the results of work conducted by the Internal and Independent Auditors. Key areas of focus included:

1.1 Audit and Control: Supervision and review of internal and external audit activities, coupled with monitoring of financial and accounting statements.

1.2 Compliance and Legal: Handling of legal matters, including tax and labor contingencies, ensuring compliance with regulations such as GDPR (LGPD), and managing complaints, conduct, and governance policies.
1.3 Finance and Business: Analysis of company finances, including budgeting and cash flow, discussion of strategic issues such as information security and gender diversity, and monitoring market performance and investor relations.

2. Monitoring of Internal Audit activities:

2.1 Internal Audit concluded its activities in accordance with the Annual Plan agreed upon with the Audit Committee and ratified by the Board of Directors. It regularly reported key audit findings, team progress, and budget status, including mandatory communications related to audit standards.
2.2 Internal Audit also monitored and reported on the implementation of action plans stemming from audit findings, conducted automated tests, and continuously tracked relevant indicators.
2.3 Additionally, Internal Audit collaborated with Independent Audit in executing tests defined by the audit firm.
2.4 As previously determined by the Audit Committee, the internal audit department underwent an external assessment and received certification from the IIA Brazil (Institute of Internal Auditors of Brazil), demonstrating compliance with professional practices outlined in the IPPF (International Professional Practices Framework) and the Auditor Code of Ethics. This underscores the adoption of robust governance principles and reflects the company's commitment to maintaining the highest standards of quality and integrity in its operations.
2.5 To enhance risk management and internal control practices, the Committee endorsed the decision of the risk and internal control department to report to the CAE (Chief Audit Executive), while remaining under the Audit Committee's supervision for this activity, in accordance with guidelines recommended by the IIA Brazil.
2.6 The Committee assessed the Internal Audit function for four key areas: attributes, relationship with the Audit Committee, execution of work, and administrative activities. The average performance rating in 2023 was 4.7 (compared to 4.6 in 2022), on a scale ranging from zero to five, reflecting the ongoing commitment to improving the effectiveness of the Internal Audit department.

3. Monitoring of Independent Audit Activities:

3.1 PricewaterhouseCoopers Auditores Independentes Ltda. (PwCAI) audited the financial statements for 2023 and conducted limited reviews of quarterly information (ITR) submitted to the Securities and Exchange Commission - CVM.
3.2 Regular quarterly meetings focused on analyzing quarterly and annual financial statements, explanatory notes, significant variations, and discussing key events of the period and the status of major audit topics and ensuring independence from the Company.
3.3 Specific meetings addressed issues related to internal controls and accounting criteria applied during the year.
3.4 In 2023, PwCAI issued a report highlighting 14 deficiencies in internal controls. Internal Audit is monitoring the implementation of actions related to these deficiencies, providing periodic updates to the Committee.
3.5 Fees paid to PwCAI for audit services for the year ended December 31, 2023, and other services totaled R$1.2 million (gross amount).
3.6 The Committee evaluated the quality and objectivity of work performed by the independent auditors, assigning ratings for criteria including relationship with the Audit Committee, execution of work, report preparation, and independence. The average performance rating in 2023 was 4.2 (compared to 4.9 in 2022), on a scale ranging from zero to five.

4. Audit Committee Self-Assessment:

The Committee conducted a self-assessment and concluded that had functioned effectively, meeting the requirements of its role.

5. Matters for attention matters being monitored:

5.1 Guided by the Committee, due to team size limitations, the Internal Audit department has prioritized evaluations of critical and high-risk matters in its work. Therefore, the recommendation to expand the team to enable periodic audits of medium and low-risk matters is maintained, in line with best assessment practices (comprehensive risk coverage through a rotational emphasis every 3 years).

5.2 It is imperative to prioritize the implementation of risk management and internal control practices.

5.3 Despite ongoing efforts to implement recommended improvements in audit reports, some recommendations persist. Hence, continuous monitoring of this matter by the Committee will be necessary in 2024.

6. Conclusion:

Considering the analyses, studies, and discussions conducted during meetings and supervisory activities, as summarized above, and based on the unqualified report issued by PricewaterhouseCoopers Auditores Independentes Ltda. (PwCAI on March 7, 2024, the Audit Committee members conclude the following:

6.1 The internal control processes for financial report preparation, as well as fraud and corruption prevention and mitigation measures, are deemed adequate, with ongoing efforts to implement improvement recommendations.

6.2 Internal Audit effectively executed its work plan while maintaining independence.

6.3 No occurrences were identified that could compromise the independence of the Independent Auditor.

6.4 The company's management has demonstrated efforts to enhance governance structures.

6.5 No significant disagreements were identified between Management, Independent Auditors, and the Audit Committee.

The Board of Directors recommends approval of the financial statements of ZAMP S.A. the as at and for year ended December 31, 2023.

Barueri, March 7, 2024.

Henrique Luz - Coordinator of the Audit Committee

Renan Andrade

Lucas Muniz

SUMMARY OF THE STATUTORY AUDIT BOARD REPORT

The Statutory Audit Board of Zamp S.A. ("Company"), in compliance with legal and statutory provisions, according to article 163, of Law 6,404/76, has analyzed the Management Report and the Financial Statements for the year ended December 31, 2023. Based on the analyses made and the clarifications provided by management, and considering the unqualified report of the independent auditors, PricewaterhouseCoopers Auditores Independentes Ltda., dated March 7, 2024, the Board states that these documents are adequate, in all material respects, to be submitted to the Extraordinary General Meeting of the Company's Shareholders.

Barueri, March 7, 2024.

Roberto de Frota Decourt

Rosana Cristina Avolio

Carlos Eduardo Baron

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Certificate Of Completion

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Completed	Security Checked	07 March 2024 | 12:01

Payment Events	Status	Timestamps