

BK Brasil Operação e Assessoria a Restaurantes S.A.

Individual and Consolidated Interim
Financial Information for the quarter
ended June 30, 2018 and
Review report on Interim Financial
Information - ITR
(Free translation from Portuguese version)

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Company data/ Capital composition

Number of Shares (Units)	Current Quarter 06/30/2018
Common - Paid-up Capital	222,278,169
Preferred - Paid-up Capital	-
Total - Paid-up Capital	222,278,169
Common - In Treasury	-
Preferred - In Treasury	-
Total - In Treasury	-

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

Account Code	Account Description	Current Quarter 06/30/2018	Prior Year 12/31/2017
1	Total Assets	2,344,264	2,406,242
1.01	Current Assets	814,125	1,337,785
1.01.01	Cash and Cash Equivalents	55,035	102,235
1.01.02	Short-Term Investments	556,034	1,076,384
1.01.02.01	Short-Term Investments at Fair Value	556,034	1,076,384
1.01.02.01.03	Marketable Securities	553,523	1,073,900
1.01.02.01.04	Restricted Marketable Securities	2,511	2,484
1.01.03	Accounts Receivable	59,446	60,958
1.01.04	Inventories	56,878	39,743
1.01.06	Taxes Recoverable	43,647	22,448
1.01.08	Other Current Assets	43,085	36,017
1.01.08.03	Others	43,085	36,017
1.01.08.03.01	Derivative Financial Instruments	163	127
1.01.08.03.02	Advances Paid	29,240	24,762
1.01.08.03.03	Related Parties	2,395	2,162
1.01.08.03.04	Other Receivables	11,287	8,966
1.02	Non-Current Assets	1,530,139	1,068,457
1.02.01	Long-Term Receivables	57,451	61,322
1.02.01.01	Non-Current Investments at Fair Value	12,971	13,285
1.02.01.01.01	Restricted Marketable Securities	12,971	13,285
1.02.01.10	Other Non-Current Assets	44,480	48,037
1.02.01.10.03	Judicial Deposits	32,723	26,537
1.02.01.10.04	Other Receivables	1,745	4,218
1.02.01.10.05	Taxes Recoverable	10,012	17,282
1.02.02	Investments	444,658	17,965
1.02.03	Property and Equipment	730,804	695,647
1.02.04	Intangible Assets	297,226	293,523

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

Account Code	Account Description	Current Quarter 06/30/2018	Prior Year 12/31/2017
2	Total Liabilities	2,344,264	2,406,242
2.01	Current Liabilities	506,557	468,770
2.01.01	Social and Labor Liabilities	67,711	69,830
2.01.02	Trade Payables	123,268	138,953
2.01.03	Taxes Payable	8,935	16,023
2.01.04	Loans and Financing	284,267	209,987
2.01.05	Other Current Liabilities	22,376	33,977
2.01.05.01	Payables to Related Parties	233	74
2.01.05.02	Others	22,143	33,903
2.01.05.02.04	Other Payables	14,056	19,937
2.01.05.02.07	Corporate Payables	8,087	13,966
2.02	Non-Current Liabilities	205,385	320,278
2.02.01	Loans and Financing	142,888	275,720
2.02.02	Other Payables	14,654	28
2.02.02.02	Others	14,654	28
2.02.02.02.03	Taxes Payable	-	28
2.02.02.02.05	Other Payables	14,654	-
2.02.03	Deferred Taxes	39,690	38,309
2.02.03.01	Deferred Income Tax and Social Contribution	39,690	38,309
2.02.04	Provisions	8,153	6,221
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Claims	8,153	6,221
2.03	Equity	1,632,322	1,617,194
2.03.01	Capital	895,836	895,836
2.03.02	Capital Reserves	719,104	915,722
2.03.05	Retained Earnings/Accumulated Losses	17,382	(194,364)

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

Account Code	Account Description	Quarter 04/01/2018 to 06/30/2018	Current Year 01/01/2018 to 06/30/2018	Quarter Prior Year 04/01/2017 to 06/30/2017	Prior Year 01/01/2017 to 06/30/2017
3.01	Revenue from Sale of Goods and/or Services	467,281	949,810	428,396	818,323
3.02	Cost of Sales and/or Services	(180,706)	(365,941)	(162,179)	(312,308)
3.03	Gross Profit	286,575	583,869	266,217	506,015
3.04	Operating Expenses/Income	(277,106)	(571,339)	(243,275)	(485,442)
3.04.01	Selling Expenses	(259,331)	(524,920)	(224,954)	(447,450)
3.04.02	General and Administrative Expenses	(23,834)	(52,222)	(17,950)	(37,117)
3.04.06	Equity Pickup	6,059	5,803	(371)	(875)
3.05	Profit (Loss) Before Financial Income (Expenses) and Taxes	9,469	12,530	22,942	20,573
3.06	Financial Income (Expenses), Net	(806)	6,993	(14,438)	(30,129)
3.06.01	Financial Income	10,551	29,918	4,062	12,182
3.06.02	Financial Expenses	(11,357)	(22,925)	(18,500)	(42,311)
3.07	Profit (Loss) Before Income Tax and Social Contribution	8,663	19,523	8,504	(9,556)
3.08	Income Tax and Social Contribution	(91)	(2,141)	(1,608)	(3,544)
3.08.01	Current	651	(761)	-	-
3.08.02	Deferred	(742)	(1,380)	(1,608)	(3,544)
3.09	Profit (Loss) from Continuing Operations	8,572	17,382	6,896	(13,100)
3.11	Profit (Loss) for the Period	8,572	17,382	6,896	(13,100)
3.99	Earnings (Loss) per Share - (Reais /Share)				
3.99.01	Basic Earnings (Loss) per Share				
3.99.01.01	Registered Common (ON)	0.00004	0.00008	0.00005	0.00009
3.99.02	Diluted Earnings (Loss) per Share				
3.99.02.01	Registered Common (ON)	0.00004	0.00008	0.00005	0.00009

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

Account Code	Account Description	Quarter 04/01/2018 to 06/30/2018	Current Year 01/01/2018 to 06/30/2018	Quarter Prior Year 04/01/2017 to 06/30/2017	Prior Year 01/01/2017 to 06/30/2017
4.01	Profit (Loss) for the Period	8,572	17,382	6,896	(13,100)
4.03	Total Comprehensive Income (Loss) for the Period	8,572	17,382	6,896	(13,100)

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

Account Code	Account Description	Current Year 01/01/2018 to 06/30/2018	Prior Year 01/01/2017 to 06/30/2017
6.01	Net Cash from Operating Activities	(8,545)	(8,485)
6.01.01	Cash Provided from Operating Activities	100,884	95,767
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	19,523	(9,556)
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	60,689	51,706
6.01.01.03	Provision for Bonuses	11,026	11,324
6.01.01.04	Equity Pickup	(5,803)	875
6.01.01.05	Interest on Financing	6,542	39,093
6.01.01.06	Provision for Legal Claims	3,927	(153)
6.01.01.07	Disposal of Property and Equipment and Intangible Assets	3,462	6,574
6.01.01.08	Provision for Impairment	(725)	(4,096)
6.01.01.09	Stock Options Cost	2,243	-
6.01.02	Changes in Assets and Liabilities	(109,429)	(104,252)
6.01.02.01	Trade Receivables, Net	1,512	(9,806)
6.01.02.02	Inventories	(17,135)	(12,848)
6.01.02.03	Taxes Recoverable	(13,929)	(1,997)
6.01.02.04	Advances Paid	(4,478)	(3,499)
6.01.02.05	Receivables from Related Parties	(233)	(77)
6.01.02.06	Other Receivables	(6,034)	(10,982)
6.01.02.07	Trade and Rental Payables	(15,685)	(6,844)
6.01.02.08	Payroll and Social Charges	(13,145)	(6,663)
6.01.02.09	Corporate Payables	(5,879)	(12,640)
6.01.02.10	Taxes Payable	(7,116)	(358)
6.01.02.11	Deferred Revenue, Net	-	(4,500)
6.01.02.12	Payables to Related Parties	159	(535)
6.01.02.13	Derivative Financial Instruments	(36)	(417)
6.01.02.14	Other Payables	(5,407)	7,520
6.01.02.15	Interest Expense on Loans and Financing	(19,267)	(40,606)
6.01.02.16	Income Tax and Social Contribution Paid	(761)	-
6.01.02.17	Legal Claims	(1,995)	-
6.02	Net Cash from Investing Activities	25,364	(81,753)
6.02.01	Amount paid in the acquisition of investments	(389,707)	-
6.02.02	Advance for Future Capital Increase in Subsidiary	(17,003)	(1,332)
6.02.03	Purchases of Property and Equipment	(90,091)	(69,687)
6.02.04	Purchases of Intangible Assets	(12,195)	(5,848)
6.02.05	Cash from Merger / Acquisition	-	55
6.02.06	Investment in Marketable Securities	(141,683)	(306,675)
6.02.07	Redemption of Marketable Securities	676,043	301,734
6.03	Net Cash from Financing Activities	(64,019)	(66,645)
6.03.02	Investments Payable	-	(2,408)
6.03.04	Payment of Loans and Financing (Principal)	(59,522)	(64,237)
6.03.05	Share Issue Costs	(4,497)	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	(47,200)	(156,883)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	102,235	253,445
6.05.02	Cash and Cash Equivalents at the End of the Period	55,035	96,562

Individual financial statements – Statement of changes in Equity 01/01/2018 to 06/30/2018
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Retained Earnings/Accumulated Losses	Equity
5.01	Opening balances	895,836	915,722	(194,364)	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	(194,364)	1,617,194
5.04	Capital Transactions with Shareholders	-	(196,618)	194,364	(2,254)
5.04.02	Share Issue Cost	-	(4,497)	-	(4,497)
5.04.03	Options Granted Recognized	-	2,243	-	2,243
5.04.04	Absorption of accumulated capital reserve losses	-	(194,364)	194,364	-
5.05	Total Comprehensive Income	-	-	17,382	17,382
5.05.01	Profit for the Period	-	-	17,382	17,382
5.07	Closing Balances	895,836	719,104	17,382	1,632,322

Individual financial statements – Statement of changes in Equity 01/01/2017 to 06/30/2017
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Earnings/Accumulated Losses	Retained Equity
5.01	Opening Balances	1,506	736,997	(198,183)	540,320
5.03	Adjusted Opening Balances	1,506	736,997	(198,183)	540,320
5.05	Comprehensive Loss	-	-	(13,100)	(13,100)
5.05.01	Loss for the Period	-	-	(13,100)	(13,100)
5.07	Closing Balances	1,506	736,997	(211,283)	527,220

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

Account Code	Account Description	Current Year 01/01/2018 to 06/30/2018	Prior Year 01/01/2017 to 06/30/2017
7.01	Revenues	1,046,274	889,044
7.01.01	Gross Sales of Goods and Services	1,036,549	880,325
7.01.02	Other Revenues	9,725	8,719
7.02	Inputs Purchased from Third Parties	(608,178)	(512,255)
7.02.01	Cost of Sales and Services	(365,941)	(312,308)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(239,467)	(193,212)
7.02.03	Impairment of Assets	(2,737)	(6,575)
7.02.04	Others	(33)	(160)
7.03	Gross Value Added	438,096	376,789
7.04	Retentions	(60,689)	(51,706)
7.04.01	Depreciation, Amortization and Depletion	(60,689)	(51,706)
7.05	Wealth Created by the Company	377,407	325,083
7.06	Wealth Received in Transfer	37,159	11,832
7.06.01	Equity Pickup	5,803	(875)
7.06.02	Financial Income	31,356	12,707
7.07	Total Wealth for Distribution	414,566	336,915
7.08	Wealth Distributed	414,566	336,915
7.08.01	Personnel	178,040	145,146
7.08.01.01	Direct Compensation	167,995	136,134
7.08.01.03	Unemployment Compensation Fund (FGTS)	10,045	9,012
7.08.02	Taxes, Fees and Contributions	123,832	98,796
7.08.02.01	Federal	95,138	71,616
7.08.02.02	State	24,461	23,434
7.08.02.03	Municipal	4,233	3,746
7.08.03	Lenders and Lessors	95,312	106,073
7.08.03.01	Interest	22,672	42,061
7.08.03.02	Rentals	72,640	64,012
7.08.04	Shareholders	17,382	(13,100)
7.08.04.03	Retained Earnings / Loss for the Period	17,382	(13,100)

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

Account Code	Account Description	Current Quarter 06/30/2018	Prior Year 12/31/2017
1	Total Assets	2,405,179	2,415,555
1.01	Current Assets	857,416	1,338,448
1.01.01	Cash and Cash Equivalents	80,774	102,345
1.01.02	Short-Term Investments	556,069	1,076,384
1.01.02.01	Short-Term Investments at Fair Value	556,069	1,076,384
1.01.02.01.03	Marketable Securities	553,558	1,073,900
1.01.02.01.04	Restricted Marketable Securities	2,511	2,484
1.01.03	Accounts Receivable	66,688	60,958
1.01.04	Inventories	59,545	39,743
1.01.06	Taxes Recoverable	52,666	24,993
1.01.08	Other Current Assets	41,674	34,025
1.01.08.03	Others	41,674	34,025
1.01.08.03.01	Derivative Financial Instruments	163	127
1.01.08.03.02	Advances Paid	29,528	24,762
1.01.08.03.03	Other Receivables	11,983	9,136
1.02	Non-Current Assets	1,547,763	1,077,107
1.02.01	Long-Term Receivables	58,056	61,351
1.02.01.01	Non-Current Investments at Fair Value	12,971	13,285
1.02.01.01.01	Restricted Marketable Securities	12,971	13,285
1.02.01.10	Other Non-Current Assets	45,085	48,066
1.02.01.10.03	Judicial Deposits	33,328	26,566
1.02.01.10.04	Other Receivables	1,745	4,218
1.02.01.10.05	Taxes Recoverable	10,012	17,282
1.02.03	Property and Equipment	771,874	699,642
1.02.04	Intangible Assets	717,833	316,114

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

Account Code	Account Description	Current Quarter 06/30/2018	Prior Year 12/31/2017
2	Total Liabilities	2,405,179	2,415,555
2.01	Current Liabilities	533,118	472,998
2.01.01	Social and Labor Liabilities	77,300	69,830
2.01.02	Trade Payables	129,153	138,997
2.01.03	Taxes Payable	18,660	20,272
2.01.04	Loans and Financing	284,267	209,987
2.01.05	Other Current Liabilities	23,738	33,912
2.01.05.02	Others	23,738	33,912
2.01.05.02.04	Other Payables	14,746	19,946
2.01.05.02.07	Corporate Payables	8,992	13,966
2.02	Non-Current Liabilities	239,739	325,363
2.02.01	Loans and Financing	142,888	275,720
2.02.02	Other Payables	54,665	5,113
2.02.02.02	Others	54,665	5,113
2.02.02.02.03	Taxes Payable	34,426	5,113
2.02.02.02.05	Other Payables	20,239	-
2.02.03	Deferred Taxes	32,930	38,309
2.02.03.01	Deferred Income Tax and Social Contribution	32,930	38,309
2.02.04	Provisions	9,256	6,221
2.02.04.01	Provisions for Tax, Social Security, Labor and Civil Claims	9,256	6,221
2.03	Equity	1,632,322	1,617,194
2.03.01	Capital	895,836	895,836
2.03.02	Capital Reserves	719,104	915,722
2.03.05	Retained Earnings/Accumulated Losses	17,382	(194,364)

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

Account Code	Account Description	Quarter 04/01/2018 to 06/30/2018	Current Year 01/01/2018 to 06/30/2018	Quarter Prior Year 04/01/2017 to 06/30/2017	Prior Year 01/01/2017 to 06/30/2017
3.01	Revenue from Sale of Goods and/or Services	536,875	1,019,404	428,396	818,323
3.02	Cost of Sales and/or Services	(205,240)	(390,475)	(162,179)	(312,308)
3.03	Gross Profit	331,635	628,929	266,217	506,015
3.04	Operating Expenses/Income	(319,768)	(614,194)	(243,158)	(485,169)
3.04.01	Selling Expenses	(292,664)	(558,491)	(225,189)	(447,998)
3.04.02	General and Administrative Expenses	(27,104)	(55,703)	(17,969)	(37,171)
3.05	Profit (Loss) Before Financial Income (Expenses) and Taxes	11,867	14,735	23,059	20,846
3.06	Financial Income (Expenses), Net	(2,465)	5,527	(14,556)	(30,402)
3.06.01	Financial Income	10,692	30,267	4,062	12,218
3.06.02	Financial Expenses	(13,157)	(24,740)	(18,618)	(42,620)
3.07	Profit (Loss) Before Income Tax and Social Contribution	9,402	20,262	8,503	(9,556)
3.08	Income Tax and Social Contribution	(830)	(2,880)	(1,607)	(3,544)
3.08.01	Current	(63)	(1,474)	-	-
3.08.02	Deferred	(767)	(1,406)	(1,607)	(3,544)
3.09	Profit (Loss) from Continuing Operations	8,572	17,382	6,896	(13,100)
3.11	Profit (Loss) for the Period	8,572	17,382	6,896	(13,100)
3.11.01	Attributed to Shareholders parent company	8,572	17,382	6,896	(13,100)
3.99	Earnings (Loss) per Share - (Reais /Share)				
3.99.01	Basic Earnings (Loss) per Share				
3.99.01.01	Registered Common (ON)	0.00004	0.00008	0.00005	0.00009
3.99.02	Diluted Earnings (Loss) per Share				
3.99.02.01	Registered Common (ON)	0.00004	0.00008	0.00005	0.00009

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

Account Code	Account Description	Quarter 04/01/2018 to 06/30/2018	Current Year 01/01/2018 to 06/30/2018	Quarter Prior Year 04/01/2017 to 06/30/2017	Prior Year 01/01/2017 to 06/30/2017
4.01	Consolidated Profit (Loss) for the Period	8,572	17,382	6,896	(13,100)
4.03	Consolidated Comprehensive Income (Loss) for the Period	8,572	17,382	6,896	(13,100)
4.03.01	Attributable to Parent Company Shareholders	8,572	17,382	6,896	(13,100)

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

Account Code	Account Description	Current Year 01/01/2018 to 06/30/2018	Prior Year 01/01/2017 to 06/30/2017
6.01	Net Cash from Operating Activities	(6,099)	(8,608)
6.01.01	Cash Provided from Operating Activities	110,244	94,646
6.01.01.01	Profit (Loss) Before Income Tax and Social Contribution	20,262	(9,556)
6.01.01.02	Depreciation and Amortization of Property and Equipment and Intangible Assets	63,321	51,461
6.01.01.03	Provision for Bonuses	11,026	11,324
6.01.01.04	Interest on Financing	6,542	39,092
6.01.01.05	Provision for Legal Claims	3,927	(153)
6.01.01.06	Disposal of Property and Equipment and Intangible Assets	3,648	6,574
6.01.01.07	Provision for Impairment	(725)	(4,096)
6.01.01.08	Stock Options Cost	2,243	-
6.01.02	Changes in Assets and Liabilities	(116,343)	(103,254)
6.01.02.01	Trade Receivables, Net	1,449	(9,811)
6.01.02.02	Inventories	(17,629)	(12,848)
6.01.02.03	Taxes Recoverable	(18,773)	(2,463)
6.01.02.04	Advances Paid	(4,426)	(3,499)
6.01.02.05	Other Receivables	(6,084)	(12,263)
6.01.02.06	Trade and Rental Payables	(15,467)	(6,899)
6.01.02.07	Payroll and Social Charges	(11,957)	(6,663)
6.01.02.08	Corporate Payables	(5,917)	(12,640)
6.01.02.09	Taxes Payable	(5,027)	(763)
6.01.02.10	Income Tax and Social Contribution Paid	(1,474)	-
6.01.02.11	Deferred Revenue, Net	-	(4,500)
6.01.02.12	Derivative Financial Instruments	(36)	(417)
6.01.02.13	Other Payables	(2,522)	10,118
6.01.02.14	Interest Expense on Loans and Financing	(21,208)	(40,606)
6.01.02.15	Legal Claims	(7,272)	-
6.02	Net Cash from Investing Activities	69,928	(85,071)
6.02.01	Amount paid in the acquisition of investments	(360,886)	-
6.02.02	Purchases of Property and Equipment	(91,054)	(70,949)
6.02.03	Purchases of Intangible Assets	(12,457)	(5,848)
6.02.04	Cash from Merger / Acquisition	-	55
6.02.05	Investment in Marketable Securities	(141,718)	(306,675)
6.02.06	Redemption of Marketable Securities	676,043	298,346
6.03	Net Cash from Financing Activities	(85,400)	(66,646)
6.03.01	Paid-up Capital	-	(1)
6.03.02	Investments Payable	-	(2,408)
6.03.04	Payment of Loans and Financing (Principal)	(80,903)	(64,237)
6.03.05	Share Issue Costs	(4,497)	-
6.05	Increase (Decrease) in Cash and Cash Equivalents	(21,571)	(160,325)
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	102,345	256,920
6.05.02	Cash and Cash Equivalents at the End of the Period	80,774	96,595

Consolidated financial statements – Statement of changes in Equity 01/01/2018 to 06/30/2018
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Earnings/Accumulated Losses	Retained Equity	Consolidated Equity
5.01	Opening balances	895,836	915,722	(194,364)	1,617,194	1,617,194
5.03	Adjusted Opening Balances	895,836	915,722	(194,364)	1,617,194	1,617,194
5.04	Capital Transactions with Shareholders	-	(196,618)	194,364	(2,254)	(2,254)
5.04.02	Share Issue Cost	-	(4,497)	-	(4,497)	(4,497)
5.04.03	Options Granted Recognized	-	2,243	-	2,243	2,243
5.04.04	Absorption of accumulated capital reserve losses	-	(194,364)	194,364	-	-
5.05	Total Comprehensive Income	-	-	17,382	17,382	17,382
5.05.01	Profit for the Period	-	-	17,382	17,382	17,382
5.07	Closing Balances	895,836	719,104	17,382	1,632,322	1,632,322

Consolidated financial statements – Statement of changes in Equity 01/01/2017 to 06/30/2017
(In thousands of reais)

Account Code	Account Description	Paid-up Capital	Capital Reserves, Options Granted and Treasury Shares	Earnings/Accumulated Losses	Retained Equity	Consolidated Equity
5.01	Opening balances	1,506	736,997	(198,183)	540,320	540,320
5.03	Adjusted Opening Balances	1,506	736,997	(198,183)	540,320	540,320
5.05	Comprehensive Loss	-	-	(13,100)	(13,100)	(13,100)
5.05.01	Loss for the Period	-	-	(13,100)	(13,100)	(13,100)
5.07	Closing Balances	1,506	736,997	(211,283)	527,220	527,220

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

Account Code	Account Description	Current Year 01/01/2018 to 06/30/2018	Prior Year 01/01/2017 to 06/30/2017
7.01	Revenues	1,118,569	889,043
7.01.01	Gross Sales of Goods and Services	1,108,804	880,324
7.01.02	Other Revenues	9,765	8,719
7.02	Inputs Purchased from Third Parties	(650,221)	(512,493)
7.02.01	Cost of Sales and Services	(390,475)	(312,308)
7.02.02	Materials, Electric Power, Outside Services and Other Expenses	(256,545)	(193,433)
7.02.03	Impairment of Assets	(2,923)	(6,575)
7.02.04	Others	(278)	(177)
7.03	Gross Value Added	468,348	376,550
7.04	Retentions	(63,321)	(51,461)
7.04.01	Depreciation, Amortization and Depletion	(63,321)	(51,461)
7.05	Wealth Created by the Company	405,027	325,089
7.06	Wealth Received in Transfer	31,709	12,744
7.06.02	Financial Income	31,709	12,744
7.07	Total Wealth for Distribution	436,736	337,833
7.08	Wealth Distributed	436,736	337,833
7.08.01	Personnel	192,310	145,146
7.08.01.01	Direct Compensation	181,516	136,134
7.08.01.03	Unemployment Compensation Fund (FGTS)	10,794	9,012
7.08.02	Taxes, Fees and Contributions	127,272	99,586
7.08.02.01	Federal	95,449	72,406
7.08.02.02	State	27,590	23,434
7.08.02.03	Municipal	4,233	3,746
7.08.03	Lenders and Lessors	99,772	106,201
7.08.03.01	Interest	24,455	42,189
7.08.03.02	Rentals	75,317	64,012
7.08.04	Shareholders	17,382	(13,100)
7.08.04.03	Retained Earnings / Loss for the Period	17,382	(13,100)

MANAGEMENT REPORT

HIGHLIGHTS

2Q18x2Q17 Performance:

- **Net Operating Revenue** of R\$537 million in 2Q18, up 25.3% from 2Q17 considering the acquisition of franchisees. Excluding the effects of the truckers' strike and the World Cup, we estimate that the net operating revenue would have been R\$571 million, which would represent a growth of 33.3%;
- **Total of 12 restaurants opened** in 2Q18, leading to net restaurant openings of 103 units in the last 12 months, driving the total restaurant count to 717 at the end of 2Q18;
- **Comparable sales in same restaurants** remained stable (0.0%) in 2Q18, impacted by the truckers' strike and the World Cup. Excluding these effects, we estimate that comparable sales growth would reach 6.2%;
- **Adjusted EBITDA¹** of R\$49 million in 2Q18, down R\$3 million from 2Q17, impacted by the truckers' strike and the World Cup;
- **Adjusted EBITDA Margin** decreased to 9.2%, from 12.2% in 2Q17;
- **Net Income** of R\$9 million in 2Q18, reflecting an increase of 24.3% in relation to 2Q17.

1H18x1H17 Performance:

- **Net Operating Revenue** of R\$1,019 million in 1H18, up 24.6% from 1H17. Excluding the effects of the truckers' strike and the World Cup, we estimate that the net operating revenue would have been R\$1,053 million, which would represent a growth of 28.7%;
- **Comparable sales in same restaurants** grew 4.8% in 1H18, impacted by the truckers' strike and the World Cup. Excluding these effects, we estimate that comparable sales growth would have reached 8.1%;
- **Adjusted EBITDA¹** of R\$86 million in 1H18, growing 11.8% from 1H17;
- **Adjusted EBITDA Margin** of 8.4%, compared to 9.4% in 2Q17;
- **Net Income** of R\$17 million in 1H18 compared to net loss of R\$13 million in 1H17, an absolute increase of R\$30 million

Financial highlights - R\$ Million (consolidated)	2Q18	2Q17	Var.	1Q18	Var.	1H18	1H17	Var.
Net operating revenue	536.9	428.4	25.3%	482.5	11.3%	1,019.4	818.3	24.6%
Adjusted EBITDA ¹	49.5	52.1	-5.0%	36.4	36.0%	85.9	76.8	11.8%
% of net operating revenue	9.2%	12.2%	-300bps	7.5%	170bps	8.4%	9.4%	-100bps
Net income	8.6	6.9	24.3%	8.8	-2.7%	17.4	(13.1)	-
Gross debt	427.2	542.1	-21.2%	458.3	-6.8%	427.2	542.1	-21.2%
Net debt	(222.7)	361.4	-	(635.9)	-65.0%	(222.7)	361.4	-
Shareholders' equity	1,632.3	527.2	209.6%	1,625.2	0.4%	1,632.3	527.2	209.6%

Operational Highlights	2Q18	2Q17	Var.	1Q18	Var.	1H18	1H17	Var.
# of restaurants	717	614	103	709	8	717	614	103
Owned restaurants								
# Owned restaurants beginning of period	528	473	55	526	2	526	480	46
Restaurant openings	8	9	(1)	5	3	13	11	2
Restaurant closings	(4)	(1)	(3)	(1)	(3)	(5)	(10)	5
Acquisition / sale of restaurant businesses	51	0	51	(2)	53	49	-	49
# Owned restaurants end of period	583	481	102	528	55	583	481	102
Franchisees restaurants								
# Franchisees restaurants beginning of period	181	125	56	171	10	171	121	50
Restaurant openings	4	9	(5)	8	(4)	12	13	(1)
Restaurant closings	0	(1)	1	0	0	-	(1)	1
Acquisition / sale of restaurant businesses	(51)	0	(51)	2	(53)	(49)	-	(49)
# Franchisees restaurants end of period	134	133	1	181	(47)	134	133	1
Comparable sales growth in same restaurants (SSS)	0.0%	14.6%	-	10.3%	-	4.8%	13.0%	-820bps

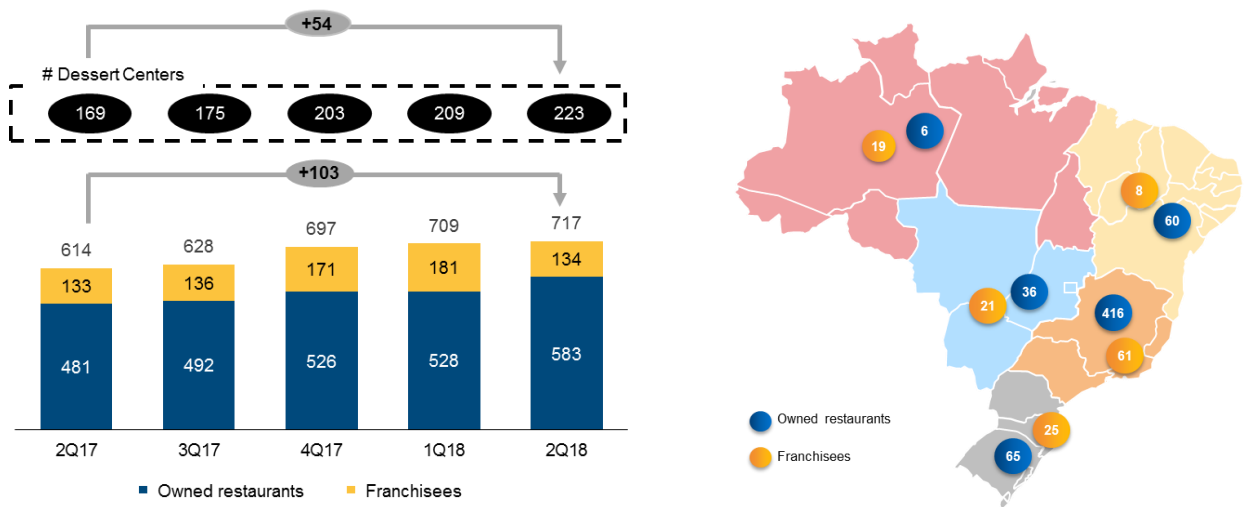
¹Sale of company-owned restaurants to franchisees.

¹ Adjusted EBITDA is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses with mergers and acquisitions, and other expenses, which the Company's Management believes are not part of the normal course of business and/or distort any analysis of the Company's operating performance, including: (i) write-off of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment); and (ii) costs with the stock option plan.

OPERATING AND FINANCIAL PERFORMANCE

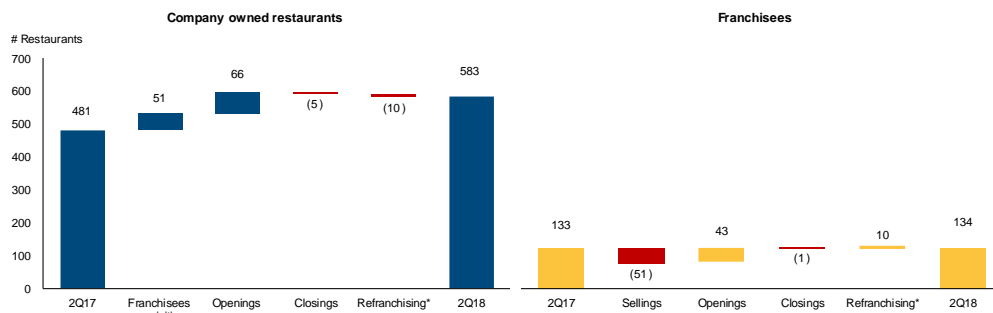
Restaurant expansion

During 2Q18, BURGER KING® opened 12 new restaurants, of which 8 were company-owned restaurants and 4 were franchisees. Considering only restaurants operated by BK Brasil, net of closures (4 restaurants) and acquisition of franchisees announced in April this year (51 restaurants), the Company ended the second quarter with 583 company-owned restaurants, an increase of 102 restaurants from 2Q17. As for franchised restaurants, BURGER KING® ended 2Q18 with 134 units. As a result, the BURGER KING® system ended the second quarter of 2018 with a total of 717 restaurants operating across the country, representing a total increase of 103 restaurants when compared to 2Q17.



Acquisition of control of franchisees

According to the material fact published in April 2018, BK Brasil announced the conclusion of the acquisition of all shares issued by franchisees King Food Comércio de Alimentos S.A., Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A. In total, the acquisition involved 51 restaurants of the BURGER KING® system and 20 dessert centers, which ceased to be franchises and were integrated into the company-owned restaurants base. This transaction impacted all 3 months in the 2Q18 results.

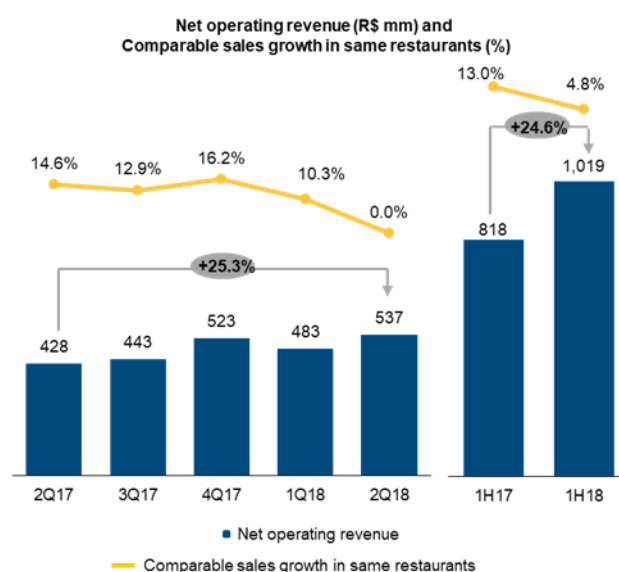


*Sale of company-owned restaurants to franchisees.

Net operating revenue

In 2Q18, BK Brasil posted net operating revenue of R\$537 million, which represents a growth of 25.3% from 2Q17. This increase is related to the maturation of units opened in the last 12 months and the consolidation of franchisees (51 restaurants) acquired in April this year, which added a net revenue of R\$70 million. 2Q18 was impacted by two non-recurring events that led to a drop in the customers' traffic in our restaurants, i) the truckers' strike, which impacted the end of May and the beginning of June, and ii) the World Cup, which impacted the second half of June. With the decline in customer traffic during this period, the comparable sales in same restaurants remained stable (0.0%) in the quarter. As a comparison, in the last World Cup that took place in Brazil in 2014, there was a drop in comparable sales of 3.4%. Excluding the aforementioned non-recurring effects, we estimate that net operating revenue would have reached R\$571 million, which would result in an increase of 33.3% compared to 2Q17 and the comparable sales growth would be 6.2% compared to 14.6% in 2Q17.

In the half-year comparison, net operating revenue grew 24.6% when compared to the strong base of the first half of 2017, leveraged by the comparable sales growth of 4.8%, the good performance of the new stores opened and the consolidation of the restaurants acquired from franchisees in 2Q18. Disregarding the non-recurring effects of sales, which were already mentioned, the estimated net revenue for the first half would have been R\$1,053 million, which would represent a growth of 28.7% and comparable sales growth in the period would reach 8.1%.

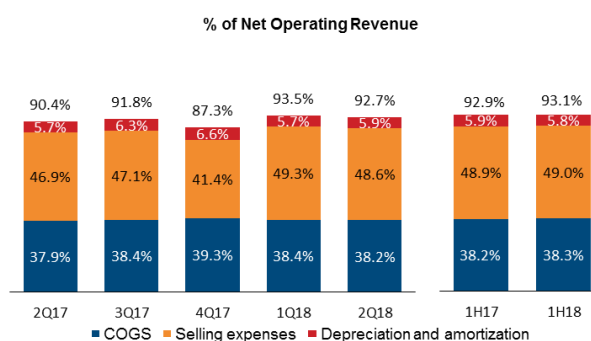


Cost of goods sold and selling expenses

In 2Q18, total restaurant expenses, including cost of goods sold and selling expenses at restaurants, were R\$498 million, corresponding to 92.7% of net operating revenue, an increase of 230 bps compared to 2Q17.

Cost of goods sold in 2Q18

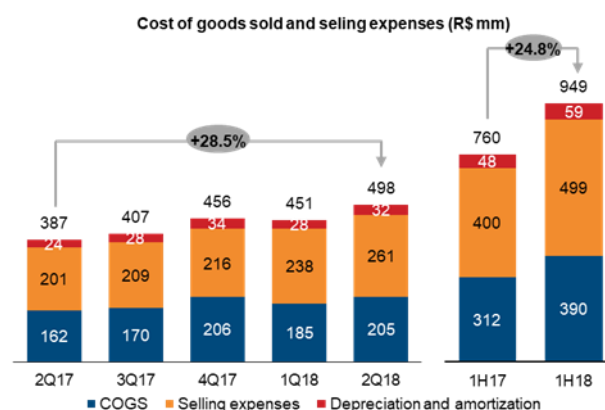
represented 38.2% of net operating revenue, up 30 bps from 2Q17. However, in the comparison with the fourth quarter of 2017, we maintained the consistent trajectory of improvement due to a more efficient management of marketing strategies initiated in 2018



that optimize the mix of discounts and premium products, benefiting margins and long-term profitability. In this 2Q18 we highlight the changes made in the "2 x R\$15" campaign, the higher margins and the average ticket on the coupon platform.

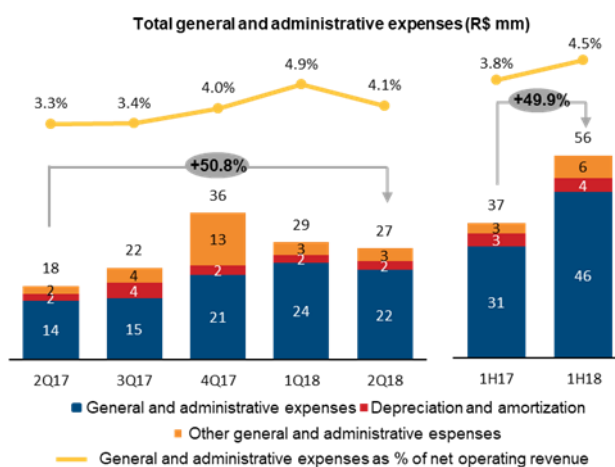
Selling expenses at restaurants (excluding depreciation and amortization) corresponded to 48.6% of net operating revenue, an increase of 170 *bps* versus 2Q17, mainly due to the non-recurring effects on net operating revenue already mentioned, which led to lower dilution of fixed expenses in restaurants, such as personnel and maintenance expenses at the restaurants.

Despite the non-recurring effects that affected sales in 1H18, the total restaurant expenses as a percentage of net operating revenue remained relatively stable compared to 1H17, reflecting our efficient management both in cost of goods sold and controlling our selling expenses.



Total general and administrative expenses

Corporate general and administrative (G&A) expenses represented 4.1% of net operating revenue in 2Q18, an increase of 80 *bps* from 2Q17, mainly due to the already mentioned non-recurring effects on net operating revenue, which led to lower dilution of fixed expenses, as well as expenses related to services for the management of acquired franchisees, higher provisions for lawsuits, attorneys' fees and expenses related to the Company's listing process.



In the 1H18, corporate general and administrative expenses represented 4.5% of net revenue, an increase of 70 *bps* due to: lower dilution of costs given the non-recurring events in net sales, higher expenses on provisions for lawsuits and expenses on services for the management of acquired franchisees, as well as expenses to meet the Company's requirements after the listing process.

Adjusted EBITDA²

In 2Q18, adjusted EBITDA decreased by 5.0%, from R\$52 million in 2Q17 to R\$49 million. This was mainly due to the aforementioned non-recurring effects (truckers' strike and the World Cup), which affected sales in the restaurants and, consequently, reduced dilution of fixed costs, both corporate and in restaurants. As a result, adjusted EBITDA margin stood at 9.2% in 2Q18.

In the first half of 2018, adjusted EBITDA increased by 11.8%, reflecting the increase in net operating revenue from the opening of new restaurants, the acquisition of franchisees and the growth of comparable sales, even with the strong impact of the truckers' strike and the World Cup. Finally, the adjusted EBITDA margin was 8.4%.

EBITDA - R\$ Million	2Q18	2Q17	Var.%	1Q18	Var.%	1H18	1H17	Var.%
Income (Loss) for the period	8.6	6.9	24.3%	8.8	-2.7%	17.4	(13.1)	-
(+) Financial income (loss)	2.5	14.6	-83.1%	(8.0)	-	(5.5)	30.4	-
(+) Depreciation and amortization	33.7	26.0	29.5%	29.6	14.0%	63.3	51.5	23.0%
(+/-) Income tax and social contribution	0.8	1.6	-48.4%	2.1	-59.6%	2.9	3.5	-18.7%
EBITDA	45.6	49.1	-7.1%	32.5	40.5%	78.1	72.3	8.0%
<i>EBITDA Margin</i>	8.5%	11.5%	-300bps	6.7%	180bps	7.7%	8.8%	-110bps
(+) Others expenses*	0.4	1.7	-73.8%	1.1	-	1.5	2.3	-34.3%
(+) Cost of stock option plan	1.1	0.0	-	1.1	-0.1%	2.2	0.0	-
(+) Merge and acquisition expenses	1.6	0.3	479.9%	0.9	85.1%	2.4	0.7	266.1%
(+) Pre-operating expenses	0.7	1.0	-25.4%	0.9	-16.8%	1.6	1.5	6.5%
Adjusted EBITDA²	49.5	52.1	-5.0%	36.4	36.0%	85.9	76.8	11.8%
<i>Adjusted EBITDA Margin</i>	9.2%	12.2%	-300bps	7.5%	170bps	8.4%	9.4%	-100bps

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

Net income

Net income increased 24.3% when compared to 2Q17, reaching R\$9 million in 2Q18, mainly due to better financial result. In 1H18, the Company posted a net income of R\$17 million, which represents a strong growth when compared to the net loss of R\$13 million in 1H17, due to better operating and financial results.

² Adjusted EBITDA is a non-accounting measure adopted by the Company, which corresponds to EBITDA adjusted by pre-operating expenses, expenses on 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 performance, including: (i) write-offs of property and equipment (damages, obsolescence, gain (loss) from asset divestment and impairment); and (ii) costs with the stock option plan.

RELATIONSHIP WITH INDEPENDENT AUDITORS

In compliance with CVM Instruction No. 381/2003 and Circular Letter SNC/SEP No. 01/2007, the Company informs that during 2Q18, the independent auditors (ERNST & YOUNG Auditores Independentes S.S. (EY)), in addition to the external audit services, also provided additional services relating to due diligence services and provision of tax services, which totaled R\$173 thousand or 12% of the total amount contracted for external audit services.

The Company and its joint ventures adopt as a formal procedure to consult the independent auditors, to ensure that the performance of other services will not affect the independence and objectivity required to perform independent audit services. The Company's policy in the hiring of independent auditors' services ensures that there is no conflict of interests, loss of independence or objectivity. In the hiring of such services, the policies adopted by the Company are based on principles that preserve the auditor's independence. These principles, according to internationally accepted standards, are: (a) the auditor cannot audit his own work; (b) the auditor cannot function as a part of management in his client, and (c) the auditor cannot serve in an advocacy role for his clients. EY stated that the provision of services was performed in strict compliance with the accounting standards that deal with the independent auditors' independence in audit work and did not represent a situation that could affect the independence and objectivity in the performance of their external audit services.

Barueri, August 08, 2018.

Board of Executive Officers

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notas explicativas às informações trimestrais -- Continuação
Período findo em 31 de março de 2018
(Valores expressos em milhares de Reais)

1. Operations

BK Brasil Operação e Assessoria a Restaurantes S.A. (“BKB ” or “Company”) is a publicly-held corporation established in Brazil, with its head office at Alameda Rio Negro, 161 - Alphaville - Barueri - State of São Paulo (SP), engaged in: i) development and operation of “Burger King” restaurants in Brazil; (ii) advisory and support services to “Burger King” restaurants in Brazil; (iii) sale, import and export of products related to the aforementioned activities; and (iv) holding of equity interests in other companies that develop the activities above in Brazil, as partner or shareholder.

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

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

Franchise fee:

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

1. Operations--Continued

As of June 30, 2018 and December 31, 2017, the Company had 583 and 526 company-owned stores, respectively, of which:

	<u>06/30/2018</u>	<u>12/31/2017</u>
State of Alagoas	4	4
State of Bahia	13	12
State of Ceará	12	12
Federal District	15	15
State of Espírito Santo	10	10
State of Goiás	17	7
State of Maranhão	5	5
State of Mato Grosso	3	-
State of Mato Grosso do Sul	1	-
State of Minas Gerais	46	23
State of Pará	6	6
State of Paraíba	4	4
State of Pernambuco	13	11
State of Piauí	2	2
State of Paraná	33	16
State of Rio de Janeiro	82	82
State of Rio Grande do Norte	3	3
State of Rio Grande do Sul	32	32
State of Sergipe	4	4
State of São Paulo	278	278
Total Stores	<u>583</u>	<u>526</u>

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

With the execution of the agreements, BKB started to have the exclusive right of developing and operating restaurants, itself or through franchisees, with the POPEYES® brand in Brazil for a period of 20 years.

The agreements establish annual targets to allow gradual acceleration of growth of company and/or franchised restaurants, among which that of opening more than 300 restaurants in the initial period of 10 years.

The agreements also provide that the Company shall be the exclusive provider of POPEYES® services in Brazil, rendering marketing, training, monitoring, procurement and audit services, among others, to franchised restaurants in Brazil, being allowed for this to collect service charge from its franchisees.

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

In the period ended June 30, 2018, the Company's total capitalized expenses referring to the POPEYES® brand project in Brazil aggregated R\$804. However, the Company did not open stores in this period.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

1. Operations--Continued

Business Combination

During 2018, the Company confirmed the acquisition of the following companies, with the purpose of increasing the number of restaurants and maximizing its results through the synergy of operations, as well as centralizing its administration and capital management:

<u>Company</u>	<u>Date of acquisition</u>	<u>% of acquisition</u>
King Food Comércio de Alimentos S.A.	02/04/2018	100%
Good Food Comércio de Alimentos S.A.	02/04/2018	100%
Fast Burger Comércio de Alimentos S.A.	02/04/2018	100%

In this operation, 51 restaurants and 20 dessert kiosks were acquired (Note 4.1).

The remaining explanations referring to this note were not materially changed in relation to those disclosed in Note 1 to the individual and consolidated financial statements as of December 31, 2017.

2. Accounting policies

The individual and consolidated interim financial information was prepared consistently with the accounting policies described in Note 2 to the annual individual and consolidated financial statements for the year ended December 31, 2017, and remains valid, except for the adoption on January 1, 2018 of CPC 47 – Revenue from Contracts with Customers and CPC 48 – Financial Instruments, which was performed by the Company and the effects are already reflected in this individual and consolidated quarterly information for the period ended June 30, 2018. The adoption of these pronouncements did not materially affect the accounting policies and practices adopted and used in the year ended December 31, 2017. The change in adopting these pronouncements refers to the recognition of franchise fee revenue, since such revenue used to be fully recognized upon entering into the franchise agreement and, after adoption of the new pronouncement, it is recognized according to the stipulated period of permanence of the brand with the franchisee – i.e. of 20 years. In the period ended June 30, 2018, the amount of franchise fee revenue not recognized in the Company's P&L due to the adoption of the new standard was R\$499, obligation that was recorded in liabilities.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

2. Accounting policies--Continued

Accordingly, this interim financial information does not include all the notes and disclosures required by applicable standards for annual individual and consolidated financial statements and, therefore, the respective financial information should be read in conjunction with such annual individual and consolidated financial statements. Based on the judgment and assumptions adopted by management regarding the materiality and changes that should be disclosed in the notes to the financial statements, this interim financial information includes selected notes and does not include all the notes presented in the annual financial statements, as allowed by Official Circular No. 03/2011, issued by the Brazilian Securities and Exchange Commission (CVM).

The Company's individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) for the period ended June 30, 2018, was prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and presented consistently with CVM rules, applicable to the preparation of Quarterly Information (ITR).

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

The consolidated interim information consists of the interim information of BKB and its subsidiaries as mentioned in Notes 1, 4 and 11. As mentioned in Note 1, certain subsidiaries were acquired in this quarter and fully consolidated as of the acquisition date of the control, affecting the comparability in certain items of the interim statements of consolidated income. In addition, the Company prepared its consolidated interim financial information using the parent company accounting policies.

All financial information is presented in thousands of reais (R\$) and all amounts have been rounded to the nearest thousand, unless otherwise stated. Under certain circumstances, this can lead to immaterial differences between the sum of figures and the subtotals presented in the tables.

The Company's individual and consolidated interim financial information for the period ended June 30, 2018 was concluded and approved by the Company's officers and authorized for issue according to resolution of the members of the Board of Director on August 08, 2018.

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

3. Standards, amendments to and interpretations of standards not yet effective

In January 2016, IFRS 16 - Leasing was issued and in December 2017 was issued CPC 06 (R2) - Leasing Operations, applicable as of January 1, 2019. The Company believes that CPC 06 will bring impacts, since the operation depends on operating leases. The potential impacts refer to the registration of the obligations assumed by the lessee being its counterpart in their respective assets corresponding to their right of use. BKB is evaluating the impact of adopting this standard and is expected to have the initial measurement over the year ended December 31, 2018.

There are no other standards, amendments to standards and interpretations issued and not yet adopted that could, in management's opinion, have a significant impact arising from their application to the Company's interim financial information, besides those already disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2017.

Other disclosures referring to this note were not materially changed in relation to the information disclosed in Note 3 to the individual and consolidated financial statements as of December 31, 2017.

4. Business combination

4.1. Acquisition of King Food, Good Food and Fast Burger

On October 17, 2017, the Company entered into a Share Purchase Agreement for the acquisition of King Food Comércio de Alimentos SA, Good Food Comércio de Alimentos SA and Fast Burger Comércio de Alimentos SA, which have in total 51 restaurants and 20 dessert kiosks of the BURGER KING® system (Note 1).

The transaction amounted to R\$ 404 million (note 11), through the fulfillment of several suspensive conditions, among them, the approval of the transaction by the Brazil's antitrust authority ("CADE"), which occurred on January 31, 2018 in a manner satisfactory to BKB published in the Federal Official Gazette ("DOU"), the Company's initial public offering on December 18, 2017 and the satisfactory completion of legal, accounting, financial and operating due diligence of the companies.

On April 2, 2018, the Company announced the completion of the acquisition of control and the totality of the shares issued by the franchisees King Food Comércio de Alimentos SA, Good Food Comércio de Alimentos S.A. and Fast Burger Comércio de Alimentos S.A.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

4. Business combination--Continued

4.1. Acquisition of King Food, Good Food and Fast Burger--Continued

4.1.1. King Food Comércio de Alimentos S.A.--Continued

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

Consideration paid on acquisition	95,174
Consideration payable (Note 18)	3,710
Total consideration	98,884

	Accounting value as of 03/31/2018	Adjustment Fair Value	Fair value
Current assets, net of cash acquired	6,821	-	6,821
Other non-current assets	2,401	-	2,401
Property (Note 12)	13,564	-	13,564
Intangible (Note 13)			
Goodwill	-	89,186	89,186
Franchise fee	522	1,226	1,748
Commercial rights	434	3,927	4,361
Software	221	-	221
	23,963	94,339	118,302
Current liabilities	13,088	-	13,088
Non-current liabilities (*)	6,330	-	6,330
Assets acquired of fair value	4,545	94,339	98,884

(*)Beginning in 2015, there were no more differences between fiscal and accounting books on Business Combinations, and no deferred taxes were recorded.

4.1.2. Good Food Comércio de Alimentos S.A.

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

Consideration paid on acquisition	155,673
Consideration payable (Note 18)	4,886
Total consideration	160,559

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

4. Business combination--Continued

4.1. Acquisition of King Food, Good Food and Fast Burger--Continued

4.1.2. Good Food Comércio de Alimentos S.A.--Continued

	Accounting value as of 03/31/2018	Adjustment Fair Value	Fair value
Current assets, net of cash acquired	22,877	-	22,877
Other non-current assets	1,604	-	1,604
Property (Note 12)	10,847	-	10,847
Intangible (Note 13)			
Goodwill	-	138,658	138,658
Franchise fee	598	1,265	1,863
Commercial rights	346	5,905	6,251
Software	205	-	205
	<u>36,477</u>	<u>145,828</u>	<u>182,305</u>
Current liabilities	13,372	-	13,372
Non-current liabilities	8,374	-	8,374
Assets acquired of fair value	<u>14,731</u>	<u>145,828</u>	<u>160,559</u>

(*)Beginning in 2015, there were no more differences between fiscal and accounting books on Business Combinations, and no deferred taxes were recorded.

4.1.3. Fast Burger Comércio de Alimentos S.A.

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

Consideration paid on acquisition	138,861
Consideration payable (Note 18)	5,583
Total consideration (*)	<u>144,444</u>

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

4. Business combination--Continued

4.1. Acquisition of King Food, Good Food and Fast Burger--Continued

4.1.3. Fast Burger Comércio de Alimentos S.A.--Continued

	Accounting value as of 03/31/2018	Adjustment Fair Value	Fair value
Current assets, net of cash acquired	14,572	-	14,572
Other non-current assets	3,607	-	3,607
Property (Note 12)	14,052	-	14,052
Intangible (Note 13)			
Goodwill	-	145,014	145,014
Franchise fee	1,509	802	2,311
Commercial rights	1,072	7,242	8,314
Software	89	-	89
	34,901	153,058	187,959
Current liabilities	28,295	-	28,295
Non-current liabilities (**)	15,220	-	15,220
Assets acquired of fair value	(8,614)	153,058	144,444

(*) The value of the consideration may be modified since one of the stores acquired from this subsidiary did not have 12 operating months at the date of acquisition, so the premises used were different from the other stores. Therefore, the Company is aware that the value of its consideration may change and it is expected that it will not be significant.

(**) Beginning in 2015, there were no more differences between fiscal and accounting books on Business Combinations, and no deferred taxes were recorded.

5. Cash and cash equivalents

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Cash	14,046	19,580	16,052	19,580
Banks	98	424	6,699	424
Financial investments	40,891	82,231	58,023	82,341
Total cash and cash equivalents	55,035	102,235	80,774	102,345

The cash balance is mainly comprised by cash funds of stores, which are used for the daily opening of cash in stores and cash in transit, which after the daily closing of cash in stores are sent for collection and bank deposits.

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

5. Cash and cash equivalents--Continued

Type of investment	Annual yield	Parent company		Consolidated	
		06/30/2018	12/31/2017	06/30/2018	12/31/2017
CDB	98% to 100.6% of CDI	30,352	55,182	43,171	55,292
Financial bills ("LF")	102.5% to 103% of CDI	-	26,006	-	26,006
Invest plus	10% to 60% of CDI	10,539	1,043	14,852	1,043
Total financial investments		40,891	82,231	58,023	82,341

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

6. Marketable securities

Type of investment	Annual yield	Parent company		Consolidated	
		06/30/2018	12/31/2017	06/30/2018	12/31/2017
Exclusive investment fund - XPA BK (*)	100% to 124% of CDI and SELIC	367,989	518,248	-	-
Federal Treasury Bills ("LFT")	100% to 124% of CDI and SELIC	-	-	194,889	498,124
Investment funds	IPC-A or 143.5% of CDI	16,039	18,336	75,819	38,460
Lease bills ("LAM")	100% to 102% of CDI	49	332,607	49	332,607
CDB	100.7% to 102.5% of CDI	169,446	204,708	169,446	204,708
National Treasury Bills ("LTN")	Prefixed 7.86% to 9.19%	-	-	4,890	-
Investments in debentures	100% to 121% of CDI	-	-	72,617	-
Financial Bills ("LF")	100.4% to 108.2% of CDI	-	-	35,848	-
Investment Fund and CDB (**)	85% to 99% of CDI	3,215	3,902	3,215	3,902
Repurchase agreements (***)	101.1% of CDI	12,267	11,868	12,267	11,868
Total marketable securities		569,005	1,089,669	569,040	1,089,669
Current		556,034	1,076,384	556,069	1,076,384
Marketable securities		553,523	1,073,900	553,558	1,073,900
Restricted marketable securities		2,511	2,484	2,511	2,484
Non-current		12,971	13,285	12,971	13,285

(*) XPA BK FUNDO DE INVESTIMENTO MULTIMERCADO INVESTIMENTO NO EXTERIOR – Exclusive investment fund, 100% held by the Company, created on 12/29/2017. The portfolio of this fund, by type of investment, is shown in the consolidated balances, and is comprised of financial treasury bills, national treasury bills and CDBs.

(**) Financial investments pledged as collateral of loans and financing mentioned in Note 14 and their redemption is linked to the maturity of those loans.

(***) Repurchase agreements (restricted account) pledged as collateral of the 6th issue of debentures mentioned in Note 14.2.

7. Trade receivables, net

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Sales transactions	52,991	52,679	60,233	52,679
Service rendered with franchisees	4,925	7,457	4,925	7,457
Services rendered with related parties	521	639	521	639
Other receivables	1,009	183	1,009	183
Total trade receivables	59,446	60,958	66,688	60,958

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

7. Trade receivables, net--Continued

As mentioned in Note 14, part of the inflows of receivables with credit cards and meal vouchers is pledged as collateral of loans and financing (debentures).

8. Inventories

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Goods for resale	27,341	28,116	29,145	28,116
Distribution center - BKB	21,128	7,348	21,128	7,348
Souvenirs	8,409	4,279	9,272	4,279
Total inventories	56,878	39,743	59,545	39,743

9. Taxes recoverable

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
IRPJ (Income Tax)	4,903	2,582	5,641	2,582
CSLL (Social Contribution on Profit)	1,972	1,053	2,243	1,053
PIS and COFINS(indirect taxes) on property and equipment	70	71	70	71
IRRF (Withholding Income Tax)	10,220	5,414	10,225	5,414
ICMS (State VAT)	7,612	3,681	8,287	3,722
Non-cumulative PIS	4,513	4,591	5,373	4,591
Non-cumulative COFINS	20,540	19,532	24,506	19,532
INSS (Social Security Contribution)	3,541	2,505	4,957	3,921
Other	288	301	1,376	1,389
Total taxes recoverable	53,659	39,730	62,678	42,275
Current	43,647	22,448	52,666	24,993
Non-current (*)	10,012	17,282	10,012	17,282

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

10. Advances paid

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Advances to suppliers of services and materials	16,647	17,961	16,935	17,961
Expenses to be reimbursed - Marketing Fund	12,593	6,801	12,593	6,801
Total prepaid expenses	29,240	24,762	29,528	24,762

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

11. Investments

The movements in investments as of June 30, 2018 and December 31, 2017 were as follows:

	Parent company	
	06/30/2018	12/31/2017
Opening balance	17,965	56,887
Investments acquired (Note 4)	403,887	-
Advance for future capital increase - in cash	17,003	2,438
Advance for future capital increase - PERT (*)	-	2,963
Merger of subsidiaries	-	(42,351)
Equity pickup	5,803	(1,972)
Closing balance	444,658	17,965

(*) In September 2017, the subsidiaries BGMXX BA and BGMXX AL enrolled in the tax debt refinancing program (PERT). On that occasion, the Company's tax loss was used to settle part of the Subsidiary's debt and a contribution on this transaction was recognized.

The acquisition of the net assets of direct subsidiaries resulted in optimization and synergy of processes and maximization of results for the Company.

The carrying amounts (without the effect of fair value) as of June 30, 2018 and December 31, 2017 are as follows:

	06/30/2018					Total
	BGMXX BA	BGMXX AL	KING FOOD	FAST BURGER	GOOD FOOD	
Assets						
Current	3,985	199	8,373	10,143	24,237	46,937
Non-current	4,766	98	16,674	19,768	13,094	54,400
Total assets	8,751	297	25,047	29,911	37,331	101,337
Liabilities						
Current	5,993	1,778	5,836	9,433	8,667	31,707
Non-current	5,105	631	10,264	11,706	13,408	41,114
Total liabilities	11,098	2,409	16,100	21,139	22,075	72,821
Equity	(2,347)	(2,112)	8,947	8,772	15,256	28,516
Total liabilities and equity	8,751	297	25,047	29,911	37,331	101,337
% interest in subsidiary	100%	100%	100%	100%	100%	-
Net operating revenue	(a)	(a)	19,046	25,486	25,062	69,594
Equity pickup	(470)	(23)	2,276	3,495	525	5,803

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

11. Investments--Continued

	12/31/2017			Total
	BGMAXX BA	BGMAXX AL	Realty (*)	
Assets				
Current	3,990	197	-	4,187
Non-current	5,088	112	-	5,200
Total assets	9,078	309	-	9,387
Liabilities				
Current	5,974	1,778	-	7,752
Non-current	4,463	622	-	5,085
Total liabilities	10,437	2,400	-	12,837
Equity	(1,359)	(2,091)	-	(3,450)
Total liabilities and equity	9,078	309	-	9,387
% interest in subsidiary	100%	100%	-	-
Net operating revenue (a)	-	-	-	-
Equity pickup	(1,786)	(72)	(114)	(1,972)

(*) Realty was merged during 2017.

(a) Operating revenues of subsidiaries are being recognized at the parent company.

The Company holds a 100% interest in these subsidiaries and for consolidation purposes the net asset is eliminated against the investment balance, remaining the surplus value balance, which was reclassified to intangible assets (Note 13).

12. Property and equipment, net

	Annual average depreciation rate	Parent company		Consolidated	
		06/30/2018	12/31/2017	06/30/2018	12/31/2017
Facilities, improvements and projects	(i)	388,779	371,036	408,903	372,473
Machinery and equipment	5% to 25%	132,645	123,794	146,553	125,323
Furniture and fixtures	6% to 20%	35,149	32,459	40,270	33,395
Computers and hardware	2% to 5%	41,616	42,519	43,373	42,493
Other assets (ii)	-	135,218	129,167	135,378	129,286
(-) Provision for impairment	-	(2,603)	(3,328)	(2,603)	(3,328)
Total property and equipment		730,804	695,647	771,874	699,642

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

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

The movements in property and equipment in the period ended June 30, 2018 and year ended December 31, 2017 were as follows:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

12. Property and equipment, net--Continued

	Parent company					(-) Provision for impairment	Total
	Facilities, improvements and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)		
Cost							
Balance at 12/31/2016	492,089	155,464	43,691	74,291	127,560	(7,955)	885,140
Additions	28,720	-	3	7	143,507	-	172,237
Mergers	2,637	920	951	451	384	-	5,343
Transfers	73,155	31,308	8,503	20,819	(133,785)	-	-
Write-offs	(15,271)	(1,745)	(1,463)	(3,860)	(8,500)	-	(30,839)
Sale of stores (i)	(10,690)	(2,182)	(911)	(1,049)	1	-	(14,831)
Impairment	-	-	-	-	-	4,627	4,627
Balance at 12/31/2017	570,640	183,765	50,774	90,659	129,167	(3,328)	1,021,677
Additions	15,209	-	-	5	74,877	-	90,091
Transfers	35,660	19,249	5,590	7,380	(67,879)	-	-
Write-offs	(4,380)	(278)	(98)	(904)	(947)	-	(6,607)
Sale of stores (i)	(1,408)	(578)	(136)	(260)	-	-	(2,382)
Impairment (Note 27)	-	-	-	-	-	725	725
Balance at 06/30/2018	615,721	202,158	56,130	96,880	135,218	(2,603)	1,103,504
Depreciation							
Balance at 12/31//2016	(151,667)	(43,440)	(14,350)	(35,036)	-	-	(244,493)
Additions	(61,291)	(18,159)	(5,012)	(16,827)	-	-	(101,289)
Write-offs	8,593	831	678	2,933	-	-	13,035
Sale of stores (i)	4,761	797	369	790	-	-	6,717
Balance at 12/31/2017	(199,604)	(59,971)	(18,315)	(48,140)	-	-	(326,030)
Additions	(31,858)	(9,901)	(2,768)	(8,162)	-	-	(52,689)
Write-offs	3,769	144	48	857	-	-	4,818
Sale of stores (i)	751	215	54	181	-	-	1,201
Balance at 06/30/2018	(226,942)	(69,513)	(20,981)	(55,264)	-	-	(372,700)
Total property and equipment at 12/31/2017	371,036	123,794	32,459	42,519	129,167	(3,328)	695,647
Total property and equipment at 06/30/2018	388,779	132,645	35,149	41,616	135,218	(2,603)	730,804

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

12. Property and equipment, net--Continued

	Consolidated					(-) Provision for impairment	Total
	Facilities, improvements and projects	Machinery and equipment	Furniture and fixtures	Computers and hardware	Other assets (ii)		
Cost							
Balance at 12/31/2016	501,096	163,165	49,697	75,730	128,063	(7,955)	909,796
Additions	28,720	-	3	6	143,507	-	172,236
Transfers	73,155	31,308	8,503	20,819	(133,785)	-	-
Write-offs	(15,316)	(1,745)	(1,463)	(3,860)	(8,500)	-	(30,884)
Sale of stores (i)	(10,690)	(2,182)	(911)	(1,049)	1	-	(14,831)
Impairment	-	-	-	-	-	4,627	4,627
Balance at 12/31/2017	576,965	190,546	55,829	91,646	129,286	(3,328)	1,040,944
Additions	15,959	137	16	66	74,877	-	91,054
Acquisition (Note 4)	19,525	12,737	4,412	1,738	50	-	38,463
Transfers	35,448	19,360	5,604	7,467	(67,879)	-	-
Write-offs	(4,583)	(201)	(91)	(801)	(947)	-	(6,624)
Sale of stores (i)	(1,408)	(578)	(136)	(260)	-	-	(2,382)
Impairment (Note 27)	-	-	-	-	-	725	725
Balance at 06/30/ 2018	641,906	222,001	65,634	99,856	135,387	(2,603)	1,162,181
Depreciation							
Balance at 12/31/2016	(156,173)	(48,312)	(18,337)	(35,999)	-	-	(258,821)
Additions	(61,673)	(18,539)	(5,144)	(16,877)	-	-	(102,233)
Write-offs	8,593	831	678	2,933	-	-	13,035
Sale of stores (i)	4,761	797	369	790	-	-	6,717
Balance at 12/31/2017	(204,492)	(65,223)	(22,434)	(49,153)	-	-	(341,302)
Additions	(33,031)	(10,584)	(3,032)	(8,368)	(9)	-	(55,024)
Write-offs	3,769	144	48	857	-	-	4,818
Sale of stores (i)	751	215	54	181	-	-	1,201
Balance at 06/30/2018	(233,003)	(75,448)	(25,364)	(56,483)	(9)	-	(390,307)
Total property and equipment at 12/31/2017	372,473	125,323	33,395	42,493	129,286	(3,328)	699,642
Total property and equipment at 06/30/2018	408,903	146,553	40,270	43,373	135,378	(2,603)	771,874

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

(ii) Civil works related to stores under construction to be apportioned by construction, new equipment and equipment under maintenance to be used in stores.

The other explanations of this note were not materially changed in relation to the disclosures in Note 12 to the individual and consolidated financial statements as of December 31, 2017.

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

13. Intangible assets, net

	Annual average amortization rate	Parent company		Consolidated	
		06/30/2018	12/31/2017	06/30/2018	12/31/2017
Commercial rights	(*)	49,724	49,977	71,788	53,250
Franchise fee	5%	54,412	49,770	62,390	51,924
Software licenses	20%	8,173	8,859	8,715	8,857
Goodwill	(**)	184,917	184,917	574,941	202,083
Total intangible assets		297,226	293,523	717,833	316,114

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

(**) Annual analysis of impairment.

The movements in intangible assets in the period ended June 30, 2018 and year ended December 31, 2017 were as follows:

	Parent company				
	Commercial rights	Franchise fee (Note 21)	Software licenses	Goodwill	Total
Cost					
Balance at 12/31/2016	80,675	51,679	13,555	154,622	300,531
Additions	10,560	8,862	5,329	-	24,751
Mergers	6,200	979	-	30,295	37,474
Write-offs	-	-	(423)	-	(423)
Sale of stores (i)	(655)	(707)	(11)	-	(1,373)
Balances at 12/31/2017	96,780	60,812	18,450	184,917	360,959
Additions	4,846	6,583	766	-	12,195
Write-offs	(1,018)	-	(4)	-	(1,022)
Sale of stores (i)	(60)	(185)	(24)	-	(269)
Balance at 06/30/2018	100,548	67,210	19,188	184,917	371,863
Amortization					
Balance at 12/31/2016	(35,722)	(7,840)	(7,144)	-	(50,706)
Additions	(11,316)	(3,333)	(2,815)	-	(17,464)
Write-offs	-	-	360	-	360
Sale of stores (i)	235	131	8	-	374
Balance at 12/31/2017	(46,803)	(11,042)	(9,591)	-	(67,436)
Additions	(4,781)	(1,791)	(1,428)	-	(8,000)
Write-offs	733	-	1	-	734
Sale of stores (i)	27	35	3	-	65
Balance at 06/30/2018	(50,824)	(12,798)	(11,015)	-	(74,637)
Total intangible assets at 12/31/2017	49,977	49,770	8,859	184,917	293,523
Total intangible assets at 06/30/2018	49,724	54,412	8,173	184,917	297,226

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

13. Intangible assets, net--Continued

	Consolidated				Total
	Commercial rights	Franchise fee	Software licenses	Goodwill	
Cost					
Balance at 12/31/2016	91,159	54,859	13,728	202,083	361,829
Additions	11,443	8,862	5,329	-	25,634
Write-offs	-	-	(423)	-	(423)
Sale of stores (i)	(655)	(707)	(11)	-	(1,373)
Balance at 12/31/2017	101,947	63,014	18,623	202,083	385,667
Additions	4,845	6,771	841	-	12,457
Acquisition (Note 4)	18,926	5,922	515	372,858	398,220
Write-offs	(1,018)	(169)	(4)	-	(1,191)
Sale of stores (i)	(60)	(185)	(24)	-	(269)
Balance at 06/30/2018	124,640	75,353	19,951	574,941	794,884
Amortization					
Balance at 12/31/2016	(37,616)	(7,888)	(7,319)	-	(52,823)
Additions	(11,316)	(3,333)	(2,815)	-	(17,464)
Write-offs	-	-	360	-	360
Sale of stores (i)	235	131	8	-	374
Balance at 12/31/2017	(48,697)	(11,090)	(9,766)	-	(69,553)
Additions	(4,915)	(1,909)	(1,474)	-	(8,297)
Write-offs	733	-	1	-	734
Sale of stores (i)	27	35	3	-	65
Balance at 06/30/2018	(52,852)	(12,964)	(11,235)	-	(77,051)
Total intangible assets at 12/31/2017	53,250	51,924	8,857	202,083	316,114
Total intangible assets at 06/30/2018	71,788	62,390	8,715	574,941	717,833

(i) Sale of 2 stores (8 stores at December 31, 2017), in line with Management's strategy to focus on increase in profitability and return on invested capital, which generated a net capital gain of R\$35 (R\$1,042 at December 31, 2017) (Note 26, line items "Income from stores sold" and "Write-off of assets of stores sold").

The other explanations of this note were not materially changed in relation to the disclosures in Note 13 to the individual and consolidated financial statements as of December 31, 2017.

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

14. Loans and financing

	Parent company and Consolidated	
	06/30/2018	12/31/2017
Loans and financing (Note 14.1)	10,146	10,599
Debentures and CRA (Agribusiness Receivables Certificate) (Note 14.2)	417,009	475,108
Total loans and financing	427,155	485,707
Current	284,267	209,987
Non-current	142,888	275,720

14.1. Loans and financing

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			06/30/2018	12/31/2017
Investments	0.89%	January 2026	10,133	10,577
Other	0.86% to 100% of CDI + 0.80%	September 2018	13	22
Total loans and financing (Note 14)			10,146	10,599
Current			374	829
Non-current			9,772	9,770

Foreign currency

At June 30, 2018 and December 31, 2017, the Company had no loans in foreign currency.

14.2. Debentures and Agribusiness Receivables Certificate (CRA)

	Interest rates (p.m.)	Maturity	Parent company and Consolidated	
			06/30/2018	12/31/2017
Debentures 1st issue	100% of CDI + 0.15%	April 2018	-	20,325
Debentures 2nd issue	100% of CDI + 0.20%	March 2019	20,082	33,466
Debentures 3rd issue	100% of CDI + 0.20%	December 2019	47,538	61,414
Debentures (CRA) - 4th and 5th issue	100% of CDI + 0.09%	February 2019	105,280	105,592
Debentures 6th issue	100% of CDI + 0.24%	May 2020	49,729	62,127
Debentures 7th issue (CRA)	100% of CDI + 0.07%	October 2020	205,385	205,683
Financial charges to be incurred (*)			(11,005)	(13,499)
Total debentures (Note 14)			417,009	475,108
Current			283,893	209,158
Non-current			133,116	265,950

(*) Costs of issue of debentures and CRA.

The amounts of non-current debentures and CRAs, not deducting financial charges to be incurred, have the following original maturities as of June 30, 2018 and December 31, 2017:

Year	Parent company and Consolidated	
	06/30/2018	12/31/2017
2019	25,660	160,710
2020	113,569	113,588
	139,229	274,298

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

14. Loans and financing--Continued

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

Covenants

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

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

Collaterals

In the period ended June 30, 2018 and as of December 31, 2017, the Company has a letter of guarantee with banks amounting to R\$6,305 (R\$6,593 as of December 31, 2017) as collateral for the rental of stores.

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

The other explanations related to this note were not materially changed in relation to the disclosures in Note 14 to the individual and consolidated financial statements as of December 31, 2017.

15. Trade and rental payables

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Suppliers of materials and services	117,921	132,867	122,769	132,911
Rentals and commercial rights	5,347	6,086	6,384	6,086
Total trade and rental payables	123,268	138,953	129,153	138,997

16. Corporate payables

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Royalties/Franchise Fee (Note 20.1)	8,087	13,966	8,992	13,966
Total corporate payables	8,087	13,966	8,992	13,966

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

17. Taxes payable

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	63	2,424	2,783	4,378
Corporate Income Tax (IRPJ)	71	71	661	74
Social Contribution on Profit (CSLL)	18	18	292	71
Social Integration Program (PIS)	52	889	13	1,147
Withholding Income Tax (IRRF)	299	331	1,038	887
State VAT (ICMS)	2,296	5,958	2,932	6,062
Contribution For Intervention in the Economic Domain (CIDE)	921	1,401	1,328	1,602
Taxes in installments (*)	-	94	26,181	5,563
ISS (Service Tax) withheld	3,838	3,583	3,861	3,584
INSS (Social Security Contribution) withheld	-	-	219	201
INSS payable	-	-	11,855	-
Other taxes payable	1,377	1,282	1,923	1,816
Total taxes payable	8,935	16,051	53,086	25,385
Current	8,935	16,023	18,660	20,272
Non-current	-	28	34,426	5,113

(*) These refer to the installment payment of taxes joined by investee.

18. Other payables

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Provision for sundry expenses	8,199	15,442	13,784	15,442
Investments payable – BGMAXX	500	500	500	500
Investments payable – King Food / Good Food / Fast Burger (Note 4)	14,180	-	14,180	-
Advances from customers (*)	4,910	3,771	4,910	3,771
Others	921	224	1,611	233
Total other payables	28,710	19,937	34,985	19,946
Current	14,056	19,937	14,746	19,946
Non-current	14,654	-	20,239	-

(*) Advance receipt from the sale of stores and sub-franchise agreements.

19. Provision for legal claims

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

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

19. Provision for legal claims--Continued

In addition, the Company is aware, as of June 30, 2018, of other tax, civil and labor lawsuits, and based on the history of probable losses and analysis of main lawsuits, the measurement of lawsuits with a possible likelihood of loss was R\$30,323 (R\$28,606 as of December 31, 2017), as follows:

	Parent company			
	06/30/2018		12/31/2017	
	Probable	Possible (*)	Probable	Possible (*)
Labor lawsuits	7,537	19,236	5,706	19,641
Civil lawsuits	608	5,583	500	6,066
Tax lawsuits	8	4,002	15	2,899
Total provision for legal claims	8,153	28,821	6,221	28,606

	Consolidated			
	06/30/2018		12/31/2017	
	Probable	Possible (*)	Probable	Possible (*)
Labor lawsuits	8,618	20,721	5,706	19,641
Civil lawsuits	630	5,600	500	6,066
Tax lawsuits	8	4,002	15	2,899
Total provision for legal claims	9,256	30,323	6,221	28,606

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

Probable labor claims

The Company is a party to labor lawsuits, mainly regarding employee terminations in the normal course of business. As of June 30, 2018, the Company had a provision of R\$8,618 (R\$5,706 as of December 31, 2017) for the contingencies related to lawsuits.

Management, supported by its legal counsel, assesses these contingencies and recognizes provisions for probable losses based on the average historical loss of the last eighteen months compared with the total lawsuits outstanding at the end of the year, excluding lawsuits considered as specific and non-routine, for which specific provisions are set up adopting criteria similar to those applied for tax and civil assessments.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

19. Provision for legal claims --Continued

Probable labor claims--Continued

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

	Parent company			
	12/31/2017	Additions	Payments	06/30/2018
Labor lawsuits	5,706	3,818	(1,987)	7,537
Civil lawsuits	500	109	(1)	608
Tax lawsuits	15	-	(7)	8
Total	6,221	3,927	(1,995)	8,153

	Consolidated				
	12/31/2017	Legal claims of subsidiary before acquisition	Additions	Payments	06/30/2018
Labor lawsuits	5,706	542	4,357	(1,987)	8,618
Civil lawsuits	500	23	108	(1)	630
Tax lawsuits	15	-	507	(514)	8
Total	6,221	565	4,972	(2,502)	9,256

Judicial deposits

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Labor lawsuits	25,903	20,787	26,508	20,816
Civil lawsuits	1,398	1,117	1,398	1,117
Tax lawsuits	5,422	4,633	5,422	4,633
Total judicial deposits	32,723	26,537	33,328	26,566

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

The other explanations related to this note were not materially changed in relation to the disclosures in Note 20 to the individual and consolidated financial statements as of December 31, 2017.

20. Related parties

20.1 Franchise Fees e Royalties

The Company has recorded in its payables and receivables, as of June 30, 2018 and December 31, 2017, the following amounts:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

20. Related parties--Continued

20.1 Franchise Fees e Royalties--Continued

	<u>Burger King Corporation (BKC)</u>		<u>BG MAXX BA</u>	
	<u>06/30/2018</u>	<u>12/31/2017</u>	<u>06/30/2018</u>	<u>12/31/2017</u>
Assets				
Trade receivables (Note 7)	521	639	-	-
Additions to Franchise Fee (Note 13)	6,583	8,862	-	-
Other receivables	-	-	2,162	2,162
Liabilities				
Corporate payables (Note 16)	(8,087)	(13,966)	-	-
Other payables	-	-	(74)	(74)
Profit or loss				
Royalties expenses	(46,501)	(40,092)	-	-
	<u>King Food</u>		<u>Good Food</u>	
	<u>06/30/2018</u>	<u>12/31/2017</u>	<u>06/30/2018</u>	<u>12/31/2017</u>
Liabilities				
Other payables	(123)	-	(110)	-

20.2 Management compensation

	<u>06/30/2018</u>	<u>06/30/2017</u>
Management fees	2,220	2,105
Direct and indirect benefits	486	59
Variable compensation	9,246	6,727
	<u>11,952</u>	<u>8,891</u>

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

Other explanations related to this note were not materially changed in relation to the disclosures in Note 21 to the individual and consolidated financial statements as of December 31, 2017.

21. Equity

Capital

On December 18, 2017, the Company conducted its initial public offering of shares (IPO) with the issue of 49,230,769 common shares. The initial price of the offer was R\$18.00 per common share. The Company's shares are listed in the Novo Mercado segment of the São Paulo Stock Exchange - B3 S.A., under the ticker BKBR3.

As of June 30, 2018 and December 31, 2017, the Company's capital was R\$895,836 and is represented by 222,278,169 registered common shares, book-entry and without par value, held as follows:

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

21. Equity--Continued

Capital--Continued

Shareholders	Shareholding Structure BK Brasil – 06/30/2018		
	Total Shares		Interest %
	Subscribed	Paid up	
Vinci Capital Partners II B Fundo de Investimento em Participações	29,535,393	29,535,393	13.3%
Montjuic Fundo de Investimento em Participações	28,380,817	28,380,817	12.8%
Burger King do Brasil Assessoria a Restaurantes Ltda.	22,442,100	22,442,100	10.1%
Sommerville Investments B.V. (Temasek)	18,523,620	18,523,620	8.3%
Others	123,396,239	123,396,239	55.5%
	222,278,169	222,278,169	100.0%

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

The other explanations related to this note were not materially changed in relation to the disclosures in Note 22 to the individual and consolidated financial statements as of December 31, 2017.

Capital reserve

On April 27, 2018, the Ordinary and Extraordinary General Meeting was held, approving the following: (i) the allocation of profit for the year ended December 31, 2017, in the amount of R\$3,819 to reduce accumulated losses and; (ii) the absorption of all accumulated losses, after item (i), in the total amount of R\$194,364 by the line item capital reserve, which had a balance of R\$915,722 in the year ended December 31, 2017.

22. Earnings (loss) per share

Based on CPC 41 - Earnings per Share, the Company must disclose the basic and diluted 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 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 non- controlling interests had been issued during the respective periods, using the weighted average share price.

The following table presents the calculation of the basic and diluted earnings (loss) per share. Due to the loss for the period ended June 30, 2017, the shares with potential dilutive effect are not considered, since the impact would be the anti-dilution.

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

22. Earnings (loss) per share--Continued

	Parent company and consolidated	
	06/30/2018	06/30/2017
Basic numerator		
Profit (loss) for the period	17,382	(13,100)
Basic denominator		
Basic weighted average number of shares – in units	222,278,169	151,153,196
Basic earnings (loss) per share	0.00008	(0.000087)
Diluted numerator		
Profit (loss) for the period	17,382	(13,100)
Diluted denominator		
Weighted average number of shares – in units	222,278,169	151,153,196
Stock options (Note 33) – in units	2,830,900	4,297,900
Anti-dilutive effect – in units	-	(4,297,900)
Diluted weighted average number of shares	225,109,069	151,153,196
Diluted earnings (loss) per share	0.00008	(0.000087)

23. Net operating revenue

	Parent company				Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Gross sales revenue	506,457	1,029,775	452,103	873,916	578,712	1,102,030	452,103	873,916
Sales revenue deductions	(42,294)	(86,008)	(27,269)	(61,682)	(44,955)	(88,669)	(27,269)	(61,682)
Net sales revenue	464,163	943,767	424,834	812,234	533,757	1,013,361	424,834	812,234
Gross revenue from services rendered	3,470	6,774	3,783	6,408	3,470	6,774	3,783	6,408
Service revenue deductions	(352)	(731)	(221)	(319)	(352)	(731)	(221)	(319)
Net service revenue	3,118	6,043	3,562	6,089	3,118	6,043	3,562	6,089
Total net operating revenue	467,281	949,810	428,396	818,323	536,875	1,019,404	428,396	818,323

24. Cost of goods and products sold

	Parent company				Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Costs of food, beverages and packaging	(172,725)	(334,731)	(151,472)	(293,306)	(196,877)	(358,883)	(151,472)	(239,306)
Other costs (i)	(7,981)	(31,210)	(10,707)	(19,002)	(8,363)	(31,592)	(10,707)	(19,002)
Cost of sales and services	(180,706)	(365,941)	(162,179)	(312,308)	(205,240)	(390,475)	(162,179)	(312,308)

- (i) The increase is mainly due to the cost of logistics in view of the migration of stores to a purchase model through the Company-owned distribution center.

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Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

25. Expenses with stores

	Parent company				Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Administrative personnel expenses	(86,139)	(175,838)	(71,588)	(147,621)	(100,394)	(190,093)	(71,588)	(147,621)
Royalties and marketing fund	(41,174)	(86,449)	(41,717)	(79,452)	(47,549)	(92,824)	(41,717)	(79,452)
Occupancy and utilities expenses	(57,303)	(121,322)	(54,498)	(107,458)	(64,268)	(128,287)	(54,498)	(107,458)
Depreciation and amortization (Notes 12 and 13)	(29,291)	(56,785)	(24,155)	(48,246)	(31,619)	(59,351)	(24,365)	(48,000)
Preoperating expenses (*)	(749)	(1,649)	(1,004)	(1,548)	(749)	(1,649)	(1,004)	(1,548)
Sundry services	(12,915)	(24,337)	(9,827)	(18,972)	(13,173)	(24,595)	(9,827)	(18,972)
Repairs and maintenances	(12,636)	(21,806)	(5,835)	(12,310)	(13,415)	(22,585)	(5,835)	(12,310)
Others	(19,124)	(36,734)	(16,330)	(31,843)	(21,497)	(39,107)	(16,355)	(32,637)
Total expenses on stores	(259,331)	(524,920)	(224,954)	(447,450)	(292,664)	(558,491)	(225,189)	(447,998)

(*) Preoperating costs of restaurants are mainly represented by costs of salaries and charges of the store professionals, services rendered by third parties and other expenses generated before the opening of stores.

26. General and administrative expenses

	Parent company				Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Administrative personnel expenses	(20,469)	(44,186)	(19,846)	(39,381)	(20,484)	(44,201)	(19,846)	(39,381)
Occupancy and utilities expenses	(603)	(1,044)	(437)	(489)	(643)	(1,084)	(437)	(489)
Depreciation and amortization (Notes 12 and 13)	(2,043)	(3,904)	(1,673)	(3,460)	(2,109)	(3,970)	(1,673)	(3,461)
Expenses on acquisitions and mergers (i)	(1,019)	(1,874)	(273)	(666)	(1,583)	(2,438)	(273)	(666)
Disposal of property and equipment and intangible assets (Notes 12 and 13)	(989)	(2,078)	(5,799)	(6,575)	(1,075)	(2,264)	(5,799)	(6,575)
Income from stores sold	-	1,419	-	-	-	1,419	-	-
Write-off of assets of stores sold	-	(1,384)	-	-	-	(1,384)	-	-
Gain (loss) on claims	4	4	-	195	4	4	-	195
Provision for impairment (Note 12)	725	725	4,096	4,096	725	725	4,096	4,096
Stock options cost (Note 33)	(1,121)	(2,243)	-	-	(1,121)	(2,243)	-	-
Other operating income (expenses), net (ii)	1,681	2,343	5,981	9,163	(718)	(267)	5,963	9,110
Total general and administrative expenses	(23,834)	(52,222)	(17,950)	(37,117)	(27,104)	(55,703)	(17,969)	(37,171)

- (i) Mainly comprised of expenses on third parties related to the acquisitions and mergers carried out during the year.
(ii) This refers to the income from the premium on the initial supply agreement and reversal of costs on the construction of stores, expenses with provision for legal claims, services taken and travel expenses.

27. Financial expenses

	Parent company				Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Interest on loans and financing	(8,536)	(17,797)	(16,531)	(37,140)	(8,546)	(17,807)	(16,531)	(37,213)
Banking expenses and sundry interest	(1,027)	(2,271)	(775)	(2,749)	(2,580)	(3,831)	(803)	(2,804)
Foreign exchange losses	(815)	(984)	(165)	(265)	(988)	(1,157)	(165)	(265)
Other financial expenses	(979)	(1,873)	(1,029)	(2,157)	(1,043)	(1,945)	(1,119)	(2,338)
Financial expenses	(11,357)	(22,925)	(18,500)	(42,311)	(13,157)	(24,740)	(18,618)	(42,620)

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

28. Financial income

	Parent company				Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Short-term investments interest and yield	10,150	29,160	3,923	10,865	10,287	29,505	3,923	10,902
Foreign exchange gains	97	558	92	1,424	97	558	92	1,424
Taxes on financial income	(514)	(1,438)	(195)	(526)	(518)	(1,442)	(195)	(526)
Other financial income	818	1,638	242	419	826	1,646	242	417
Financial income	10,551	29,918	4,062	12,182	10,692	30,267	4,062	12,218

29. Income tax and social contribution

Breakdown of expenses

The breakdown of income tax and social contribution expenses for the periods ended June 30, 2018 and 2017 is as follows:

	Parent company				Consolidated			
	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017	04/01/2018 to 06/30/2018	01/01/2018 to 06/30/2018	04/01/2017 to 06/30/2017	01/01/2017 to 06/30/2017
Current	651	(761)	-	-	(64)	(1,474)	-	-
Deferred	(742)	(1,381)	(1,607)	(3,544)	(767)	(1,406)	(1,607)	(3,544)
	(91)	(2,141)	(1,607)	(3,544)	(831)	(2,880)	(1,607)	(3,544)

Reconciliation to effective rate

The reconciliation of income tax and social contribution expenses calculated at the statutory rates with amounts recorded in the statement of operations for the periods ended June 30, 2018 and 2017 is shown below:

	Parent company		Consolidated	
	01/01/2018 to 06/30/2018	01/01/2017 to 06/30/2017	01/01/2018 to 06/30/2018	01/01/2017 to 06/30/2017
Profit (loss) before income tax and social contribution	19,523	(9,556)	20,262	(9,556)
Income tax and social contribution expense at the combined statutory rate of 34%	(6,638)	3,249	(6,889)	3,249
Adjustments to reconcile the effective rate:				
Equity pickup	1,973	(371)	-	-
Deferred taxes not recognized	6,410	(6,624)	6,410	(6,624)
Payment of non-deductible bonus	(3,577)	(2,300)	(3,577)	(2,300)
Cash shortage	(173)	(277)	(173)	(277)
Tax and labor fines and infractions	(48)	(166)	(48)	(166)
Stock options costs	(763)	-	(763)	-
Share issue costs	1,529	-	1,529	-
Other permanent differences	(855)	2,945	631	2,574
Income tax and social contribution	(2,141)	(3,544)	(2,880)	(3,544)
Effective rate	11%	(37%)	14%	(37%)

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

29. Income tax and social contribution --Continued

Deferred

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

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Deferred income tax and social contribution - liabilities	(39,690)	(38,309)	(32,930)	(38,309)
	(39,690)	(38,309)	(32,390)	(38,309)

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

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Tax loss carryforwards	189,885	190,859	195,626	190,859
<u>Temporary differences</u>				
Provision for legal claims (Note 19)	8,153	6,221	9,256	6,221
Provision for bonuses	11,026	24,891	11,026	24,891
Provision for purchases	-	1,426	-	1,426
Provision for impairment (Note 12)	2,603	3,328	2,603	3,328
Preoperating	15,116	15,749	15,116	15,749
Accrued expenses	10,604	15,791	23,642	15,791
Other	2,071	47	2,071	47
Tax base	239,458	258,312	259,341	258,312
Statutory rate	34%	34%	34%	34%
	81,416	87,826	88,176	87,826
(-) Unrecognized deferred taxes	(81,416)	(87,826)	(81,416)	(87,826)
Deferred income tax and social contribution – assets	-	-	6,760	-
Transitional Tax System (RTT)	(1,634)	(1,743)	(1,634)	(1,743)
Financial charges to be incurred	(11,005)	(13,499)	(11,005)	(13,499)
Tax amortization of goodwill	(103,932)	(97,304)	(103,932)	(97,304)
Gain (loss) on derivative transactions	(163)	(127)	(163)	(127)
Tax base	(116,734)	(112,673)	(116,734)	(112,673)
Combined rate	34%	34%	34%	34%
Deferred income tax and social contribution - liabilities	(39,690)	(38,309)	(39,690)	(38,309)
Deferred income tax and social contribution, net	(39,690)	(38,309)	(32,929)	(38,309)

The other explanations related to this note were not materially changed in relation to the disclosures in Note 30 to the individual and consolidated financial statements as of December 31, 2017.

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

30. 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.

Market risk

The sensitivity analyses in the following sections relate to the position as of June 30, 2018.

Interest rate risk

Interest rate sensitivity

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

Variable rate instrument	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Financial assets				
Short-term investments (Note 5)	40,891	82,231	58,023	82,341
Marketable securities (Note 6)	569,005	1,089,669	569,040	1,089,669
Financial liabilities				
Loans and financing (Note 14)	(427,155)	(485,707)	(427,155)	(485,707)

The following table demonstrates the possible impacts on profit or loss in the event of the respective scenarios presented, and for the probable scenario we used the average CDI of 6.39%.

Asset exposure	Exposure	Risk	Consolidated				
			I	II	III	IV	V
			Probable	50%	25%	(25%)	(50%)
Short-term investments (Notes 5 and 6)	627,063	DI variation	29,505	14,753	7,376	(7,376)	(14,753)
Loans and financing (Note 14) (a)	(417,022)	DI variation	(17,807)	(8,904)	(4,452)	4,452	8,904

(a) Comprise only the loans and financing subject to variable rates

Foreign currency risk

Foreign currency sensitivity

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

Asset exposure	Exposure	Risk	Exchange rate as of 06/30/2018	Consolidated				
				I	II	III	IV	V
				Increase		Decrease		
				Probable scenario	50%	25%	(25%)	(50%)
Royalties/Franchise Fee (Note 16)	8,992	US dollar variation	3.8758	8,992	(4,496)	(2,248)	2,248	4,496

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

30. Financial risk management objectives and policies--Continued

Credit risk

The following table demonstrates the rating of the amounts invested (Notes 5 and 6) according to the rating agency Fitch.

Rating	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
AAA	496,141	543,601	376,361	543,711
AA+	-	66,947	75,854	66,947
AA	2,516	-	9,374	-
AA-	111,239	557,921	150,625	557,921
A+	-	-	12,848	-
A-	-	-	2,001	-
BBB+	-	3,431	-	3,431
	609,896	1,171,900	627,063	1,172,010

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as of June 30, 2018:

Liabilities	Parent company					
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	from 1 to 5 years	Total
Loans and financing (Note 14)	427,155	460,062	33,568	274,768	151,726	460,062
Trade and rental payables (Note 15)	123,268	123,268	123,268	-	-	123,268
Corporate payables (Note 16)	8,087	8,087	8,087	-	-	8,087
Liabilities	Consolidated					
	Carrying amount	Financial flow	Less than 3 months	from 3 months to 1 year	from 1 to 5 years	Total
Loans and financing (Note 14)	427,155	460,062	33,568	274,768	151,726	460,062
Trade and rental payables (Note 15)	129,153	129,153	129,153	-	-	129,153
Corporate payables (Note 16)	8,992	8,992	8,992	-	-	8,992

Capital management

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

	Consolidated	
	06/30/2018	12/31/2017
Equity	1,632,323	1,617,194
Cash and cash equivalents (Note 5)	(80,774)	(102,345)
Marketable securities (Note 6)	(569,040)	(1,089,669)
Derivative financial instruments (Note 31)	-	(127)
Loans and financing (Note 14) (*)	427,155	485,707
Net debt	(222,659)	(706,434)
Total capital	1,409,664	910,760

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

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

30. Financial risk management objectives and policies--Continued

Capital management--Continued

Other explanations related to this note were not materially changed in relation to the disclosures in Note 31 to the individual and consolidated financial statements as of December 31, 2017.

31. Derivative financial instruments

NDF - Non deliverable Forward
Total NDF

Parent company and Consolidated	
06/30/2018	12/31/2017
163	127
163	127

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

Instruments	Maturity	Assets (hedged item)	Parent company and Consolidated			
			06/30/2018		12/31/2017	
			Notional	Fair value	Notional	Fair value
<u>(Not designated as cash flow hedge)</u>						
NDF	01/15/2018	USD + Fixed rate of 4.2209%	-	-	2,932	127
NDF	07/13/2018	USD + Fixed rate of 3.665%	870	48	-	-
NDF	07/13/2018	USD + Fixed rate of 3.876%	7,866	4	-	-
NDF	09/14/2018	USD + Fixed rate of 3.6922%	519	28	-	-
NDF	10/15/2018	USD + Fixed rate of 3.7036%	691	36	-	-
NDF	08/15/2018	USD + Fixed rate of 3.6791%	868	47	-	-
			10,814	163	2,932	127

Gains and losses on derivative transactions are recognized monthly in the statement of operations, considering the fair value of these instruments.

32. 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. The amount of the main financial assets and financial liabilities at fair value approximates the carrying amount, as shown below:

	Consolidated		
	Carrying amount	Fair value	Fair value hierarchy level
Assets			
Cash and cash equivalents (Note 5)	80,774	80,774	2
Marketable securities (Note 6)	569,040	569,040	2
Trade receivables, net (Note 7)	66,688	66,688	2
Liabilities			
Loans and financing (Note 14)	427,155	462,492	2
Trade and rental payables (Note 15)	129,153	129,153	2
Corporate payables (Note 16)	8,992	8,992	2

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

32. Fair value--Continued

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

The other explanations related to this note were not materially changed in relation to the disclosures in Note 33 to the individual and consolidated financial statements as of December 31, 2017.

33. Share-based compensation plan

First Plan

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

	First Plan			Total
	First tranche	Second tranche	Third tranche	
Grant date	07/07/2014	07/07/2014	07/07/2014	N/A
Plan amendment date	06/22/2017	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2018	07/14/2019	07/14/2020	N/A
Exercise price	17.5000	17.5000	17.5000	17.5000
Strike price (estimated) at the end of the reporting period	9.0473	9.0473	9.0473	9.0473
Risk-free interest rate%	8.69%	9.20%	9.87%	N/A
Contractual period by tranche	1 year	2 years	3 years	N/A
Expected return of dividend	0%	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	14.91%	N/A
Total number of options outstanding	236,400	44,600	44,800	325,800
Number of options vested	6,431,000	-	-	6,431,000
Number of options exercised	4,094,800	-	-	4,094,800
Number of options to be exercised	2,572,600	44,600	44,800	2,662,000
Estimated fair value (R\$/share)	1.0944	1.2912	1.4832	N/A

Second Plan

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

	Second Plan		Total
	First tranche	Second tranche	
Grant date	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2018	07/14/2019	N/A
Exercise price	17.5000	17.5000	17.5000
Strike price (estimated) at the end of the reporting period	6.8064	6.8064	6.8064
Risk-free interest rate%	8.69%	9.20%	N/A
Contractual period by tranche	1 year	2 years	N/A
Expected return of dividend	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	N/A
Total number of options outstanding	434,500	827,600	1,262,100
Number of options vested	1,262,300	-	1,262,300
Number of options exercised	1,262,300	-	1,262,300
Number of options to be exercised	434,500	827,600	1,262,100
Estimated fair value (R\$/share)	3.2323	3.5470	N/A

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

33. Share-based compensation plan--Continued

Third Plan

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

	Third Plan				Total
	First tranche	Second tranche	Third tranche	Fourth tranche	
Grant date	06/22/2017	06/22/2017	06/22/2017	06/22/2017	N/A
Vesting date	07/14/2018	07/14/2019	07/14/2020	07/14/2021	N/A
Exercise price	17.50	17.50	17.50	17.50	17.50
Strike price (estimated) at the end of the reporting period	10.1618	10.1618	10.1618	10.1618	10.1618
Risk-free interest rate%	8.69%	9.20%	9.87%	10.24%	N/A
Contractual period by tranche	1 year	2 years	3 years	4 years	N/A
Expected return of dividend	0%	0%	0%	0%	N/A
Volatility of shares in the market %	14.91%	14.91%	14.91%	14.91%	N/A
Total number of options outstanding	494,700	988,600	1,482,700	1,482,700	4,448,700
Number of options vested	494,700	-	-	-	494,700
Number of options exercised	-	-	-	-	-
Number of options to be exercised	989,400	988,600	1,482,700	1,482,700	4,943,400
Estimated fair value (R\$/share)	0.609	1.0764	1.5304	1.929	N/A

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

	First Plan	Second Plan	Third Plan	Total
Outstanding as of December 31, 2017	2,662,000	1,262,100	4,943,400	8,867,500
Outstanding as of June 30, 2018	2,662,000	1,262,100	4,943,400	8,867,500
Exercisable (vested) as of June 30, 2018 (Note 22)	2,336,200	-	494,700	2,830,900

In the period ended June 30, 2018, the Company recognized the amount of R\$ 2,243 of expenses arising from the stock options plans, recorded in line item Stock options cost plan (Note 26).

The other explanations related to this note were not materially change in relation to the disclosures in Note 34 to the individual and consolidated financial statements as of December 31, 2017.

34. Insurance

As of June 30, 2018, the Company had the following insurance policies in effect:

Insured location	Maximum indemnity limit
Civil Liability of Directors and Officers (D&O)	50,000
General Civil Liability	32,000
Property (RO) – Average	7,200
Professional Civil Liability (E&O)	15,000
Public Offering Insurance (POSI)	70,000

BK Brasil Operação e Assessoria a Restaurantes S.A.

Notes to the interim financial information--Continued

June 30, 2018

(Amounts in thousands of reais)

35. Commitments - operating leases

As of June 30, 2018, the Company has 583 stores under operating leases. These leases usually have an initial lease period of ten years on average, with lease renewal option after this period. Lease payments are adjusted annually, in accordance with market rents. Some leases provide additional rental payments, which are based on changes in local price index.

During the period from January 1 to June 30, 2018, a consolidated amount of R\$53,921 (R\$48,144 from January 1 to June 30, 2017) was recognized as expense in the statement of operations related to operating leases.

Future minimum lease payments under non-cancelable operating leases considering the stores in operation as of June 30, 2018 are as follows:

	Parent company		Consolidated	
	06/30/2018	12/31/2017	06/30/2018	12/31/2017
Within one year	108,378	108,066	116,049	108,066
Over one year and less than five years	421,175	426,513	446,127	426,513
Over five years	106,344	121,810	112,774	121,810
	635,897	656,389	674,950	656,389



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

Review report on Interim Financial Information

To the

Shareholders, Board of Directors and Officers of

BK Brasil Operação e Assessoria a Restaurantes S.A.

Barueri - SP

Introduction

We have reviewed the individual and consolidated interim financial information of BK Brasil Operação e Assessoria a Restaurantes S.A. ("Company"), included in the Quarterly Information Form – ITR for the quarter ended June 30, 2018, which comprises the balance sheet as of June 30, 2018 and the respective statements of operations and of comprehensive income (loss) for the three and six-month periods then ended, and the statements of changes in equity and of cash flows for the six-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with the Technical Pronouncement CPC 21 (R1) – *Demonstração intermediária* and in accordance with the international accounting rule IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission ("CVM"), applicable to the preparation of Quarterly Information Form - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review

We conducted our review in accordance with Brazilian and International Interim Information Review Standards (NBC TR 2410 – *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the persons responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all the significant matters that could have been identified in an audit. Therefore, we do not express an audit opinion.

Conclusion on the individual and the consolidated interim financial information

Based on our review, we are not aware of any fact that might lead us to believe that the individual and consolidated interim financial information included in the aforementioned interim financial information were not prepared, in all material respects, in accordance with the Technical Pronouncement CPC 21 (R1) and the IAS 34 applicable to the preparation of the Quarterly Information Form - ITR and presented in accordance with the standards issued by the CVM.

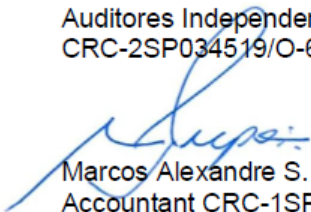
Other matters

Statement of value added

The interim financial information aforementioned include the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2018, prepared under the responsibility of the Company's management and presented as supplementary information for IAS 34 purposes. These statements were submitted to the review procedures performed in conjunction with the quarterly review, with the purpose to conclude if they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth in this Technical Pronouncement and are consistent with the overall individual and consolidated interim financial information, taken as a whole.

São Paulo, August 8, 2018.

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



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

BK Brasil Operação e Assessoria a Restaurantes S.A.

June 30, 2018

Officer's Statement on the Financial Statements

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the city of Alphaville – Barueri, State of São Paulo, at Alameda Rio Negro, 161, 12o andar, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company") that, in compliance with the provisions of item VI, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the Company's financial statements for quarter ended June 30, 2018.

Barueri, August 08, 2018.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Officer

BK Brasil Operação e Assessoria a Restaurantes S.A.

June 30, 2018

Officers' Statement on the Independent Auditor's Report

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

We state hereby, as executive officers of BK Brasil Operação e Assessoria a Restaurantes S.A., a publicly-held corporation headquartered in the city of Alphaville – Barueri, State of São Paulo, at Alameda Rio Negro, 161, 12o andar, registered under the Corporate Taxpayer's ID (CNPJ) No. 13.574.594/0001-96 ("Company"), that, in compliance with the provisions of item V, paragraph 1, of article 25 of CVM Instruction 480 of December 7, 2009, we have reviewed, discussed and agreed with the opinion in the independent auditor's report of Ernst & Young Auditores Independentes S.A., related to the Company's Financial Statements for quarter ended June 30, 2018.

Barueri, August 08, 2018.

Iuri de Araújo Miranda
Chief Executive Officer

Clayton de Souza Malheiros
Chief Financial Office