

BK BRASIL

2Q20 EARNINGS RELEASE



POPEYES

DESPITE CONSISTENT RECOVERY OVER THE LAST 3 MONTHS AND SIGNIFICANT REDUCTION IN OVERHEAD COSTS, OPERATIONAL LIMITATIONS LEAD TO A 56.7% FALL IN SALES COMPARED TO 2Q19.

Barueri, August 6, 2020 - BBK Brasil Operação e Assessoria a Restaurantes S.A. (B3: BKBR3), master franchisee of Burger King Corporation and Popeyes Louisiana Kitchen for Brazil, announces today its results for the second quarter of 2020. The consolidated quarterly information of the Company is presented in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil. Non-financial and non-accounting data were not audited by the independent auditors.

HIGHLIGHTS

2020 Earnings Release

Conference Call and Webcast

August 7, 2020 - Friday

In Portuguese, simultaneously translated into English

Time: 11:00 am (BRT);
10:00 am (US ET)

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

Performance 1H20 x 1H19:

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

FINANCIAL HIGHLIGHTS - R\$ MILLION (CONSOLIDATED)	2Q20	2Q19	VAR.	1H20	1H19	VAR.
NET OPERATING REVENUE	292.7	675.9	-56.7%	941.8	1,341.2	-29.8%
ADJUSTED EBITDA	(92.0)	95.1	-196.7%	(78.2)	179.2	-143.6%
% OF NET OPERATING REVENUE	-31.4%	14.1%	-4550bps	-8.3%	13.4%	-2170bps
NET INCOME (LOSS)	(186.7)	(0.6)	31016.7%	(242.4)	1.8	-13566.7%
GROSS DEBT	932.8	150.2	521.0%	932.8	150.2	521.0%
NET DEBT (NET CASH)	353.2	(114.0)	-409.8%	353.2	(114.0)	-409.8%
SHAREHOLDERS' EQUITY	1,551.0	1,764.9	-12.1%	1,551.0	1,764.9	-12.1%

OPERATIONAL HIGHLIGHTS	2Q20	2Q19	VAR.	1H20	1S19	VAR.
# OF RESTAURANTS	909	817	92	909	817	92
OWNED RESTAURANTS						
# OWNED RESTAURANTS BEGINNING OF PERIOD	714	642	72	714	639	75
BURGER KING® RESTAURANT OPENINGS	1	6	(5)	1	10	(9)
BURGER KING® RESTAURANT CLOSINGS	(3)	(2)	(1)	(3)	(6)	3
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	-	-	-	-	-	-
POPEYES® RESTAURANT OPENINGS	-	6	(6)	-	9	(9)
# OWNED RESTAURANTS END OF PERIOD	712	652	60	712	652	60
FRANCHISEES RESTAURANTS						
# FRANCHISEES RESTAURANTS BEGINNING OF PERIOD	199	161	38	198	162	36
BURGER KING® RESTAURANT OPENINGS	-	4	(4)	2	5	(3)
BURGER KING® RESTAURANT CLOSINGS	(2)	-	(2)	(3)	(2)	(1)
ACQUISITION / SALE OF BURGER KING® RESTAURANT BUSINESSES	-	-	-	-	-	-
# FRANCHISEES RESTAURANTS END OF PERIOD	197	165	32	197	165	32
COMPARABLE SALES GROWTH IN SAME RESTAURANTS (SSS)	-13.5%	12.7%	-2620bps	-5.8%	10.1%	-1590bps

MESSAGE FROM MANAGEMENT

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

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

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

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

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

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

With more than 60% of the restaurants closed at the beginning of the quarter, particularly our food court operations, we channeled our efforts to **capture sales through other channels**. With several initiatives, mainly Delivery and Drive-Thru channels, which together accounted for approximately 80% of the Company's sales in the second quarter, we were able to increase from the first week in April with approximately 30% of sales related to the pre-pandemic period,

to close to 55% at the end of June. This trend continues to accelerate strongly with the resumption of our operations, which closed the quarter with 75% availability and today approaches 90% of our reopened restaurants. The 100% growth in the Drive Thru channel stemmed from a change in consumer behavior, an average ticket growth strategy (+30%) with family offers and progress in operational maturity show the resilience for this type of store model, which despite the existing scenario of restrictions, already reports positive SSS in July. Our Delivery channel, through new participants and coverage expansion, grew more than 200% compared with the period prior to the pandemic. The opportunity is still ahead because even with the growth in Delivery, today only 50% of our restaurant chain works with this channel. This strong performance helped the Company to drive **digital channel sales** (Delivery; BK Express and Totem) from R\$ 33.8 million in the second quarter of 2019 to more than R\$ 107 million in the second quarter of 2020. We do not doubt the acceleration that these channels had on our business and we have already started to observe a strong residual volume, even with the recovery of our sales at the counter, as the restaurants are reopened and the restrictive measures are relaxed, mainly in shopping malls. Therefore, we accelerated initiatives that were planned for the future, such as the own Delivery that is already in operation and a Ghost Kitchen pilot project which starts operations in August with our two brands integrated in the same unit.

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

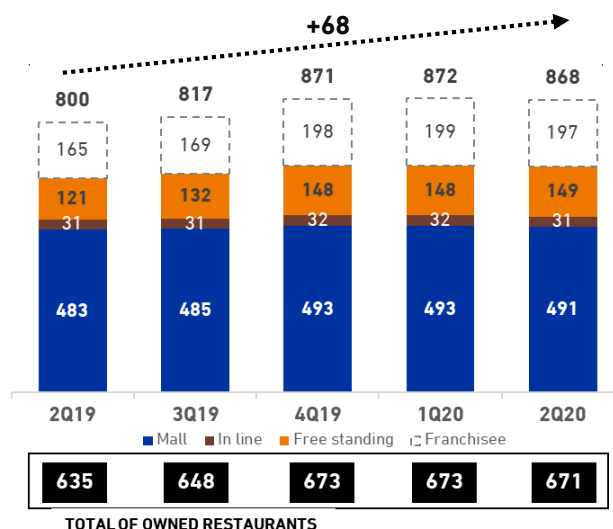
Our cost discipline made it possible for us, even with the difficult scenario of restaurant closures due to restrictions imposed by official bodies, to reduce 40% of our manageable fixed expenses, in the restaurant level, when compared to those incurred in the first quarter of 2020. These reductions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

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

OPERATING PERFORMANCE

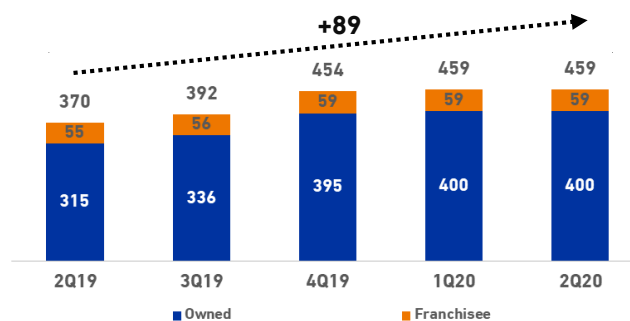
BURGER KING® restaurant expansion

In 2Q20, the Company opened 1 Free Standing restaurant and closed the operations of 3 owned units, ending the quarter with a total of 671 owned restaurants. As for restaurants operated by franchisees, BURGER KING® closed 2 units, ending 2Q20 with 197 units. Therefore, BURGER KING® ended the quarter with 868 restaurants in operation in Brazil, which represents a net growth of 68 restaurants in the last 12 months.



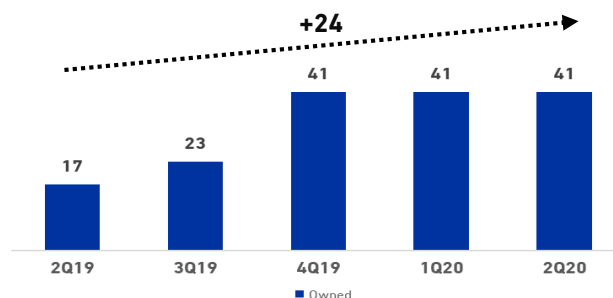
BURGER KING® dessert centers expansion

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



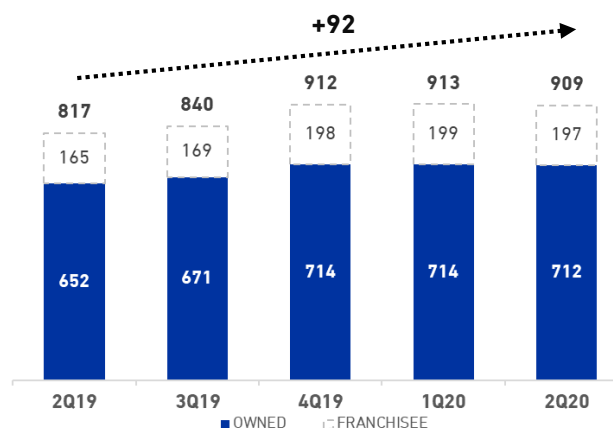
POPEYES® restaurant expansion

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



Total restaurant expansion

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



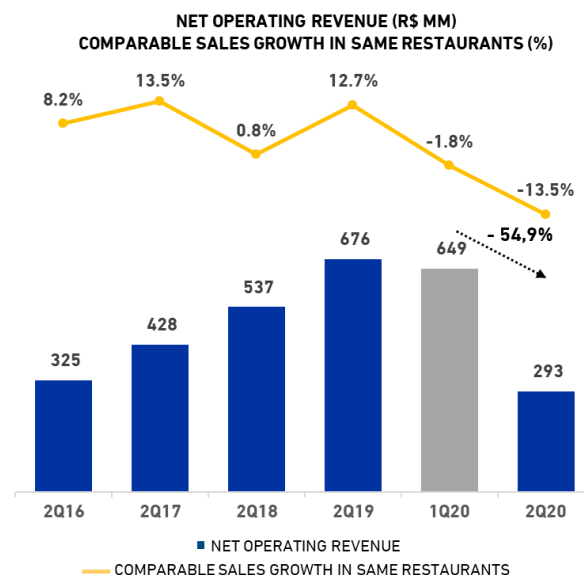
FINANCIAL PERFORMANCE

Net operational revenue

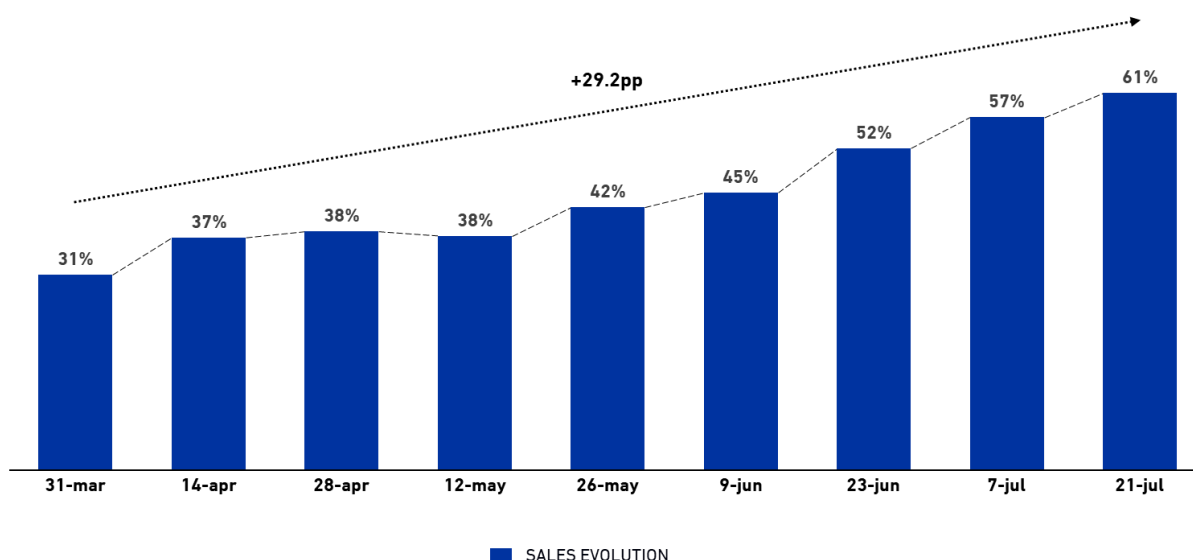
In 2Q20, the Company's net operating revenue reached R\$ 292.7 million, a 56.7% decrease when compared to the same period of the previous year, or 54.9% when compared to 1Q20, due to the effects of the pandemic that culminated in the closing of our stores in the second half of March, extending to approximately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

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

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



"SALES EVOLUTION DURING THE PANDEMIC VS THE PRE PERIOD"



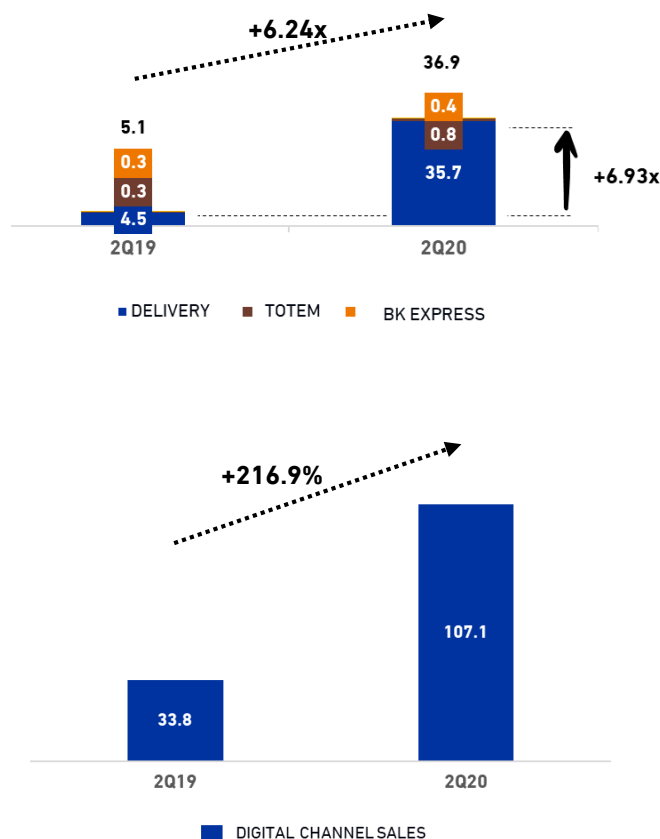
Digitalization of Sales

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

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

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

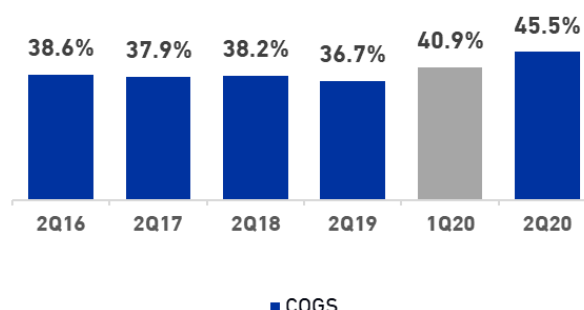
GROWTH AND REPRESENTATIVITY (%) OF DIGITAL SALES OVER TOTAL REVENUE



Cost of goods sold and selling expenses

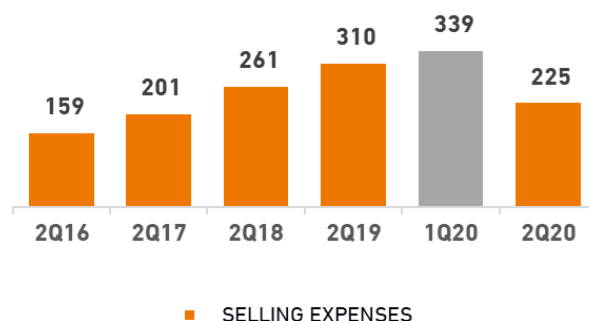
The cost of goods sold reached 45.5% of revenue, an increase of 880 bps versus 2Q19. When compared to 1Q20, the increase was 460 bps, explained by a set of effects related to the pandemic and other related to the market dynamics. As we reinforced in our last release, the shift in sales channels significantly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

% OF NET OPERATING REVENUE



Restaurant sales expenses, excluding depreciation and amortization, represented 76.9% of net operating revenue, as a result of the strong operational deleveraging due to the loss of sales over the quarter. Compared to 1Q20, expenses fell 33.6% as a result of the renegotiation actions on expenses with occupation and services with third parties. As mentioned in our last call, in addition to the initial measures related to our expenses with people in restaurants, such as the suspension of experience contracts and holiday anticipation; as of

SELLING EXPENSES (R\$ MM)

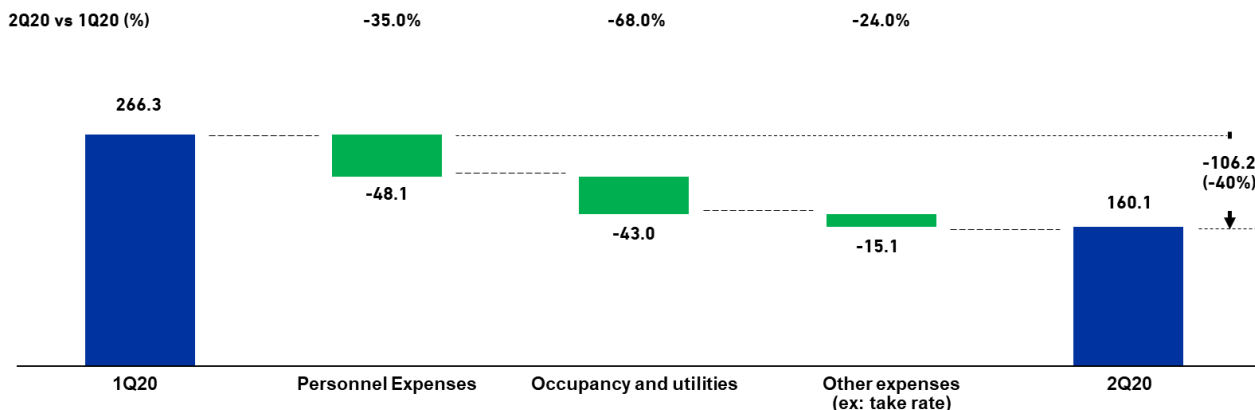


April, with the implementation of MP-936, we have suspended more than 9 thousand employment contracts. These measures helped us to save approximately R\$ 48 million (-35.0%) when compared to the previous quarter, in addition to preserving jobs, which was essential so that we did not lose knowledge of our operation and could have speed in the recovery. In recognition of all our employees who were at the forefront of our business at this delicate moment, we distributed R\$ 6.3 million in an initiative to reward employees of stores in operation.

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

keeping this expense in line with historical levels of approximately 5% of net revenue in an annualized view.

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



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

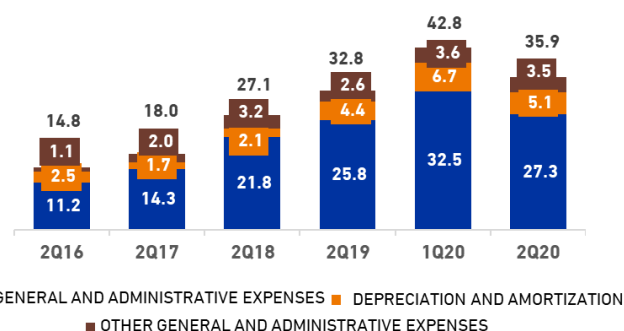
During the second quarter, with the sum of all these effects, non-recurring initiatives resulting from the pandemic totaled approximately **R\$ 26 million**.

Total general and administrative expenses

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

The Company has implemented significant measures in G&A, such as reducing between 25 and 50% of the salaries of all employees, freezing new positions, adjusting staff in some areas and strict control of discretionary expenses. Also as a result of the pandemic and, aware of our role in favor of society, we made a donation of R\$ 1.0 million to the Brazilian National Health System (SUS) to help fight the virus, in addition to another R\$ 100 thousand destined to the products donation.

TOTAL GENERAL AND ADMINISTRATIVE EXPENSES (R\$ MM)



Adjusted EBITDA

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

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

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

Net income (loss):

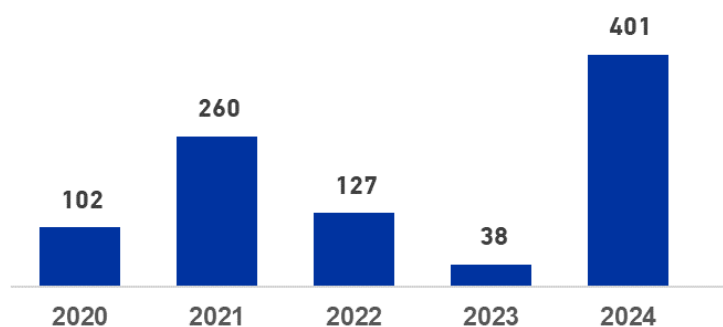
Net loss reached R\$ 186.7 million in 2Q20, against net loss of R\$ 0.6 million in 2Q19. This result was mostly impacted by operating activity, which was highly compromised throughout the second quarter of this year. In the half-yearly comparison, net loss was R\$ 242.4 million, compared to net income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

Total debt

In June 2020, the Company's total gross debt amounted to R\$ 932.8 million, already reflecting funding of R\$ 250 million in the quarter, of which R\$ 50 million was raised in April and R\$ 200 million in June - the latter with an average loan term of over 30 months, intended to extend the Company's short-term financial liabilities. As a result, total cash available was R\$ 579.6 million at the end of 2Q20. Consequently, in June 2020, the Company had net debt of R\$ 353.2 million, compared to net cash of R\$ 114.0 million in the same period of 2019. Regarding the financial leverage, if we exclude the non-recurring effects generated by the pandemic of adjusted EBITDA, we would have an indicator of 3.4x .

NET DEBT - R\$ MILLION	JUN/20	JUN/19	VAR %
LOANS AND FINANCINGS	932.8	150.2	521.0%
CURRENT	330.4	43.9	652.6%
NON-CURRENT	602.4	106.4	466.2%
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES	579.6	264.2	119.4%
CASH AND CASH EQUIVALENTS AND MARKETABLE SECURITIES (CURRENT)	578.2	252.5	129.0%
MARKETABLE SECURITIES (NON-CURRENT)	1.4	11.8	-88.1%
NET DEBT	353.2	(114.0)	-409.8%
ADJUSTED EBITDA (12M)	78.5	316.7	-75.2%
<i>NET DEBT / TOTAL ADJUSTED EBITDA (12M)</i>	<i>4.5x</i>	<i>(0.4x)</i>	<i>4.9x</i>

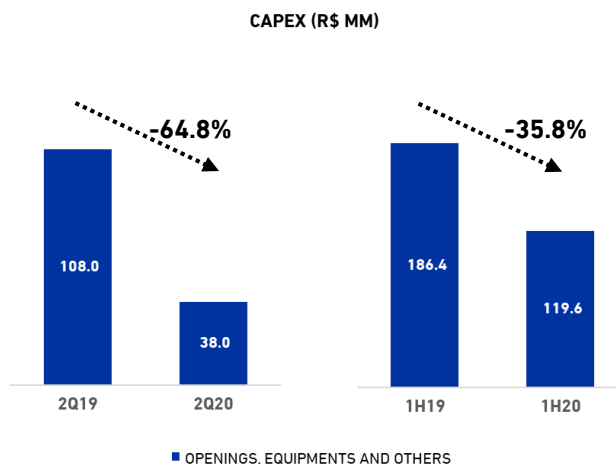
LOANS AMORTIZATION CALENDAR (R\$ MM)



CAPEX

The Company's total investments reached R\$ 38.0 million in 2Q20, a decrease of 64.8% when compared to 2Q19. This reduction is linked to the temporary suspension of the Company's expansion plan scheduled for 2020, due to the liquidity protection measures implemented to protect the business from the uncertainties caused by COVID-19.

In the six-month period, CAPEX decreased by 35.8% compared to 1H19, reaching R\$ 119.6 million.



Operating cash flow

In 2Q20, cash used in the Company's operating activities was R\$ 77.8 million, R\$ 163.9 million higher than the same period last year, notably due to the decline in operating income, impacted by the decrease in sales due to the closing of stores as a consequence of COVID-19.



DEFINITIONS:

- **BK Express:** Functionality that considers orders previously made by the app for pick-up in store;
- **CRM:** Customer Relationship Management - tool for managing the flow of information captured from customers;
- **Delivery:** Delivery of orders to a destination predefined by customers;
- **Drive Thru:** Modality that allows customers to place orders without leaving their cars;
- **Dessert Centers:** Dessert points of sale;
- **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 divestments and provisions for impairment); and (ii) costs with stock plan;
- **MAU:** Monthly active users - number of monthly active users;
- **Store models:** (i) Free standing: Street stores with a drive-through track; (ii) Mall: Stores located in shopping centers, hypermarkets and airport/road terminals; (iii) In line: Stores with direct access to public roads, which have internal rooms with tables and seats;
- **NRG:** Net Restaurants Growth - Net growth of restaurants;
- **Comparable sales in the same restaurants or Same Store Sales (SSS):** Following the RBI calculation methodology, it considers sales of Burger King restaurants operated by BK Brasil that have been open for more than 13 months and Popeyes restaurants open for more than 17 months compared to the same period of the prior year. Additionally, restaurants entirely closed for more than 7 consecutive days within a month are excluded from the comparable base;
- **Transfers:** Sale of BK Brasil owned restaurants to franchisees;
- **Self-ordering kiosks:** Self-service totem;

All results refer to BK Brasil owned restaurants except Net Restaurants Growth (NRG).



2Q20 CONSOLIDATED INCOME STATEMENT (R\$ MILLION)

	2Q20	2Q19	VAR %
NET OPERATING REVENUE	292.8	675.9	-56.7%
GROSS REVENUE FROM SALES	319.2	723.4	-55.9%
GROSS REVENUE FROM SALES DEDUCTIONS	(30.8)	(51.8)	-40.5%
GROSS REVENUE FROM SERVICES	4.8	4.7	2.1%
GROSS REVENUE FROM SERVICES DEDUCTIONS	(0.5)	(0.5)	0.0%
COST OF GOOD SOLD	(133.2)	(247.8)	-46.2%
GROSS PROFIT	159.6	428.1	-62.7%
TOTAL SELLING EXPENSES	(299.6)	(379.5)	-21.1%
PERSONNEL EXPENSES	(91.1)	(128.0)	-28.8%
ROYALTIES AND MARKETING FUND	(34.5)	(62.1)	-44.4%
EXPENSES ON OCCUPANCY AND UTILITIES	(35.3)	(54.2)	-34.9%
PRE-OPERATING EXPENSES	(0.8)	(2.8)	-71.4%
DEPRECIATION AND AMORTIZATION	(74.5)	(69.5)	7.2%
OTHER SELLING EXPENSES	(63.3)	(62.8)	0.8%
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	(35.9)	(32.8)	9.5%
GENERAL AND ADMINISTRATIVE EXPENSES	(27.4)	(25.8)	6.2%
DEPRECIATION AND AMORTIZATION	(5.1)	(4.4)	15.9%
EXPENSES WITH MERGER AND ACQUISITIONS	(0.1)	(1.8)	-94.4%
GAIN (LOSS) FROM WRITE-OFF OF PROPERTY, EQUIPMENT AND IMPAIRMENT	(1.4)	(0.1)	1300.0%
COST OF STOCK OPTION PLAN	(2.0)	(0.7)	185.7%
PROFIT (LOSS) BEFORE FINANCIAL INCOME	(175.9)	15.8	-1213.3%
FINANCIAL RESULTS	(10.9)	(15.0)	-27.3%
FINANCIAL EXPENSES	(30.4)	(20.9)	45.5%
FINANCIAL INCOME	19.5	5.9	230.5%
PROFIT (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(186.7)	0.8	-23437.5%
INCOME TAX AND SOCIAL CONTRIBUTION	-	(1.3)	-100.0%
CURRENT	-	-	0.0%
DEFERRED	-	(1.3)	-100.0%
NET INCOME (LOSS) FOR THE PERIOD	(186.7)	(0.6)	31016.7%



2Q20 CONSOLIDATED BALANCE SHEET (R\$ MILLION)

	06/30/2020	12/31/2019
ASSETS	3,537.3	3,528.1
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	35.7	325.3
MARKETABLE SECURITIES	542.5	278.8
TRADE RECEIVABLES	66.2	60.4
INVENTORIES	92.1	99.0
RECOVERABLE TAXES	26.8	27.6
ADVANCES PAID	32.0	46.1
OTHER RECEIVABLES	21.0	25.2
TOTAL CURRENT ASSETS	816.3	862.4
NON-CURRENT ASSETS		
NON-CURRENT INVESTMENTS AT FAIR VALUE	1.4	1.4
RECOVERABLE TAXES	79.7	73.1
JUDICIAL DEPOSITS	33.6	33.4
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	23.4	-
LONG-TERM RECEIVABLES	16.7	4.5
PROPERTY AND EQUIPMENT	1,164.4	1,163.6
INTANGIBLE ASSETS	1,401.8	1,389.7
TOTAL NON-CURRENT ASSETS	2,721.0	2,665.7
TOTAL ASSETS	3,537.3	3,528.1
LIABILITIES	1,986.3	1,741.4
CURRENT LIABILITIES		
LOANS AND FINANCING	330.4	116.6
TRADE PAYABLES	146.2	286.4
LEASING LIABILITIES	107.8	99.2
PAYROLL AND SOCIAL CHARGES	85.1	96.6
CORPORATE PAYABLES	6.5	23.8
TAXES PAYABLE	13.6	25.2
DEFERRED REVENUE, NET	8.8	9.1
DIVIDENDS AND INTEREST ON CAPITAL	-	10.1
OTHER PAYABLES	16.5	4.7
TOTAL CURRENT LIABILITIES	714.8	671.6
NON-CURRENT LIABILITIES		
LOANS AND FINANCING	602.4	403.3
PROVISION FOR LEGAL CLAIMS	22.7	16.3
TAXES PAYABLE	11.7	12.6
DEFERRED REVENUE, NET	14.9	17.9
LEASING LIABILITIES	602.6	594.1
DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION	-	8.5
OTHER PAYABLES	17.3	17.2
TOTAL NON-CURRENT LIABILITIES	1,271.5	1,069.9
EQUITY		
CAPITAL	950.8	950.8
EARNINGS RESERVE	134.6	134.6
CAPITAL RESERVES AND STOCK OPTIONS PLAN	730.9	725.4
TREASURY SHARES	(24.2)	(24.2)
OTHER COMPREHENSIVE INCOME	1.3	0.0
RETAINED EARNINGS (ACCUMULATED LOSSES)	(242.4)	-
TOTAL EQUITY	1,551.0	1,786.6
TOTAL LIABILITIES AND EQUITY	3,537.3	3,528.1



2Q20 CONSOLIDATED STATEMENT OF CASH FLOWS (R\$ MILLION)

	2Q20	2Q19
CASH FLOW FROM OPERATING ACTIVITIES	(77.8)	86.1
CASH GENERATED BY OPERATING ACTIVITIES	(78.0)	99.6
EARNINGS (LOSS) BEFORE INCOME TAX AND SOCIAL CONTRIBUTION	(186.8)	0.8
DEPRECIATION AND AMORTIZATION OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS	51.5	48.1
LEASING AMORTIZATION	28.1	25.9
INTEREST, CHARGES, EXCHANGE DIFFERENCES AND MONETARY VARIATIONS	17.4	15.1
OTHERS	11.9	9.8
CHANGES IN ASSETS AND LIABILITIES	0.2	(13.5)
TRADE RECEIVABLES, NET	5.3	(2.8)
INVENTORIES	(3.1)	(9.6)
CORPORATE PAYABLES	(2.3)	1.6
ADVANCES PAID	2.2	4.3
TRADE AND RENTAL PAYABLES	25.0	27.4
PAYROLL AND SOCIAL CHARGES	6.2	1.1
OTHERS CHANGES IN ASSETS AND LIABILITIES	(33.1)	(35.5)
NET CASH USED IN INVESTING ACTIVITIES	(178.9)	9.1
PURCHASES OF PROPERTY AND EQUIPMENT	(37.4)	(93.0)
PURCHASES OF INTANGIBLE ASSETS	(0.5)	(15.0)
REIMBURSABLE EXPENSES WITH SHARES OFFERING	-	(2.2)
INVESTMENT IN MARKETABLE SECURITIES	(444.9)	(30.2)
REDEMPTION OF MARKETABLE SECURITIES	304.0	149.6
NET CASH USED IN FINANCING ACTIVITIES	223.0	(49.6)
CAPITAL CONTRIBUTED IN THE PERIOD	-	3.0
NEW LOANS AND FINANCINGS	250.0	-
LOANS AND FINANCINGS COSTS	(1.7)	-
PAYMENT OF LOANS AND FINANCINGS (PRINCIPAL)	(6.3)	(16.8)
INTEREST ON CAPITAL PAYABLE	-	(3.6)
LEASING LIABILITIES PAYMENT	(19.0)	(32.3)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(33.6)	45.6
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	69.3	99.9
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	35.7	145.5