

(Convenience Translation into English from the
Original Previously Issued in Portuguese)

International Meal Company Alimentação S.A. and Subsidiaries

Individual and Consolidated
Financial Statements for the
Year Ended December 31, 2024 and
Independent Auditor's Report

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

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INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Management and Shareholders of
International Meal Company Alimentação S.A.

Opinion

We have audited the accompanying individual and consolidated financial statements of International Meal Company Alimentação S.A. ("Company"), identified as Parent and Consolidated, respectively, which comprise the individual and consolidated balance sheet as at December 31, 2024, and the related individual and consolidated statements of income, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the standalone and consolidated financial position of International Meal Company Alimentação S.A. as at December 31, 2024, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended in accordance with Accounting practices adopted in Brazil and IFRS Accounting Standards, issued by the International Accounting Standards Board - IASB.

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council (CFC), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key audit matters

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

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Impairment of goodwill and intangible assets with finite useful lives

Why it is a KAM

As mentioned in note 14 to the individual and consolidated financial statements, as at December 31, 2024, the balances of goodwill and intangible assets with finite useful lives, less accumulated depreciation, amounted to R\$940,481 thousand in the Consolidated statements. The Company and its subsidiaries support the realization of these assets based on estimated future earnings and cash generation of each Cash Generating Unit (CGU), prepared by the Executive Board, based on their judgment and supported by the business plan and budget, approved by the corporate governance bodies. Due to the materiality of the balances and the use of internal subjective and market assumptions to determine the recoverable amount of the assets by CGU, which involves significant Executive Board's judgment, this matter was considered a key audit matter.

How the matter was addressed in our audit

Our audit procedures included, among others: (a) identifying and understanding the control activities put in place by the Company in relation to the preparation and reviews of the asset impairment tests; (b) involving valuation specialists in the analysis and review of the methodologies and models used by the Executive Board and assessment of the main assumptions that support the projections that determined the business plan by CGU, budget, and impairment tests of the Company's goodwill and intangible assets with finite useful lives; (c) assessing the reasonableness and consistency of the data and main assumptions used in the preparation of these documents, including growth rates, discount rates (WAAC), and cash flow projections, among others, as provided by the Company's Executive Board and comparing them with external market information; (d) verifying the accuracy of the mathematical calculations of the projections; (e) comparing the assertiveness of projections by CGU prepared in previous periods in relation to the Company's performance in the year to identify any potential inconsistency in the development of the cash flow projections; (f) comparing the recoverable amount adopted by the Executive Board, based on the discounted cash flow, with the carrying amount by CGU; and (g) assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements.

In the course of our audit, we identified a deficiency in internal control relating to impairment testing, which led us to change the nature and scope of our substantive procedures initially planned to obtain sufficient and appropriate audit evidence.

Based on the results of the audit procedures performed and the audit evidence obtained, we consider that the recognition of the impairment of goodwill and intangible assets with indefinite useful lives, as well as the related disclosures in notes to the financial statements, are acceptable within the context of the financial statements taken as a whole.

Recoverable amount of deferred tax assets

Why it is a KAM

As described in note 10 to the individual and consolidated financial statements as at December 31, 2024, the consolidated balance of deferred tax assets arising from tax loss carryforwards and temporary differences, whose recognition and realization are supported by a study prepared by the Executive Board on the generation of future taxable income, amounts to R\$319,769 thousand in the Consolidated statements. The estimated generation of future taxable income requires significant judgment to determine the projected future income. Due to the materiality of the balances and the use of internal subjective and market assumptions to determine the projected future taxable income, which involves high degree of judgment by the Executive Board, the matter was considered a key audit matter.

How the matter was addressed in our audit

Our audit procedures included, among others: (a) identifying the control activities put in place by the Company in relation to the preparation and reviews of the projected future taxable income; (b) analyzing the tax bases that gave rise to the tax credits in accordance with the prevailing tax laws and regulations; (c) assessing the main assumptions and methodology used by the Company for the preparation of the projected future taxable income and adjustments for permanent and temporary differences that are part of taxable income calculations, tax planning, tax rates, and arithmetical calculations; (d) comparing certain projection data, when available, with other external sources and aligning these assumptions with the business plans; (e) comparing the assertiveness of the projections made in previous periods in relation to the Company's performance in those annual periods; and (f) reviewing the disclosures in note 10 to the individual and consolidated financial statements.

In the course of our audit, we identified a deficiency in internal control relating to the impairment testing of deferred taxes. We assessed the nature, timing, and extent of our initially planned substantive procedures and concluded that they remain appropriate.

Based on the results of the audit procedures performed and the audit evidence obtained, we consider that the recognition of the impairment of deferred taxes, as well as the related disclosures in notes to the financial statements, are acceptable within the context of the financial statements taken as a whole.

Tax and social security credits

Why it is a KAM

As disclosed in notes 10 and 23 to the individual and consolidated financial statements, the Company has been offsetting untimely tax and social security credits. In light of the materiality of the tax credits claimed and the level of complexity related to the Brazilian laws and regulations governing indirect and social security taxes, the matter was considered a key audit matter.

How the matter was addressed in our audit

Our audit procedures included, among others: (a) identifying the control activities designed and implemented by the Company; (b) involving our tax and social security specialists; (c) assessing the prevailing tax laws and regulations and case law; (d) reviewing the tax bases that gave rise to the tax credits; (e) reviewing the legal opinions of the Company's legal counsel; (f) selecting a sample for documentation tests; and (g) assessing the adequacy of the disclosures in the respective notes to the individual and consolidated financial statements.

In the course of our audit, we identified corrected and uncorrected adjustments by the Executive Committee as they were considered immaterial, and deficiencies in internal control related to the calculation of tax credits, which led us to change the nature and scope of our substantive procedures initially planned to obtain sufficient and appropriate audit evidence.

Based on the results of the audit procedures performed and the audit evidence obtained, we consider that the recognition of the tax and social security credits, as well as the related disclosures in notes to the financial statements, are acceptable within the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2024, prepared under the Company's management's responsibility and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed together with the audit of the Company's individual and consolidated financial statements. In forming our opinion, we assess whether these statements of value added are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these individual and consolidated statements of value added were prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Audit of the figures corresponding to the prior year

The corresponding figures for the year ended December 31, 2023, presented for purposes of comparison in the individual and consolidated financial statements for the current year, have been corrected relative to the full financial statements originally disclosed for that year, which were audited by another auditor. The corresponding amounts now corrected as a result of improvements in the individual and consolidated statements of value added, were audited by another auditor who expressed an unmodified opinion on those statements on March 26, 2025.

Other information accompanying the individual and consolidated financial statements and the independent auditor's report

The Executive Board is responsible for the other information. Such other information comprises the Management Report.

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

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

Responsibilities of the Executive Board and those charged with governance for the individual and consolidated financial statements

The Executive Board is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil, IFRS Accounting Standards, issued by the IASB, and standards issued by the Brazilian Securities and Exchange Commission (CVM) and for such internal control Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.

- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We planned and performed the Group's audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group's financial statement. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Convenience translation

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

São Paulo, March 26, 2025



DELOITTE TOUCHE TOHMATSU
Auditores Independentes Ltda.



Wagner Ricardo Alves
Engagement Partner

BALANCE SHEETS

ASSETS	Note	Parent		Consolidated	
		12/31/2024	12/31/2023	12/31/2024	12/31/2023
CURRENT ASSETS					
Cash and cash equivalents	7	46,572	16,101	217,796	229,159
Financial investments	7	-	-	-	4,950
Trade receivables	8	633	9,862	106,917	105,351
Inventories	9	216	2,465	60,059	52,765
Taxes recoverable	10	4,348	11,477	31,334	63,217
Prepaid expenses		2,129	2,132	15,160	9,217
Receivables from related parties	25	-	2,334	-	2,334
Other assets		302	879	54,300	37,270
Total current assets		54,200	45,250	485,566	504,263
NON-CURRENT ASSETS					
Financial investments	7	-	6,760	-	6,760
Judicial deposits		1,568	2,061	4,635	4,933
Receivables from related parties	25	519,185	422,779	-	12,026
Deferred taxes	10.2	-	-	58,875	49,827
Taxes recoverable	10.1	3,290	5,030	55,226	56,137
Other assets	17	309	240	7,904	6,291
		524,352	436,870	126,640	135,974
Investments	12	806,223	860,010	63,548	26,585
Property, plant and equipment	13	11,277	31,390	556,425	509,637
Intangible assets	14	435,742	449,538	940,481	952,571
Right of use	15	2,555	9,787	624,209	610,970
Total non-current assets		1,780,149	1,787,595	2,311,303	2,235,737
Total assets		1,834,349	1,832,845	2,796,869	2,740,000

The accompanying notes are an integral part of these individual and consolidated financial statements.

BALANCE SHEETS

	Note	Parent		Consolidated	
LIABILITIES AND EQUITY		12/31/2024	12/31/2023	12/31/2024	12/31/2023
CURRENT LIABILITIES					
Trade payables	16	10,248	29,945	188,664	239,268
Trade payables - agreements	16	-	-	30,200	-
Borrowings and debentures	17	158,402	63,656	159,762	76,883
Payroll and related taxes	20	5,315	41,534	75,843	83,987
Taxes payable		695	961	16,051	12,546
Deferred revenue	23	332	332	4,424	5,117
Agreements and installment payment of labor and civil suits		991	1,314	2,118	3,709
Lease liabilities	15	956	3,109	113,656	99,841
Other liabilities		-	-	33,826	25,673
Total current liabilities		176,939	140,851	624,544	547,024
NON-CURRENT LIABILITIES					
Borrowings and debentures	17	389,717	452,671	418,767	452,671
Installment payment of business acquisitions		-	6,760	-	6,760
Payables to related parties	31	73,784	15,771	-	-
Taxes payable		114	196	492	196
Provision for labor, civil and tax risks	18	16,691	50,121	66,407	94,662
Deferred revenue	23	23	303	8,080	4,057
Deferred taxes	10.2	23,194	25,572	36,094	40,107
Lease liabilities	15	1,678	6,505	575,096	550,575
Provision for investment losses	12	110,911	111,244	-	-
Other liabilities		-	-	26,091	21,097
Total non-current liabilities		616,112	669,143	1,131,027	1,170,125
EQUITY					
Capital	19	1,154,462	1,154,462	1,154,462	1,154,462
Capital reserve	19	349,993	349,993	349,993	349,993
Incentive plan	20	44,848	40,700	44,848	40,700
Treasury shares	19	(5,551)	(5,551)	(5,551)	(5,551)
Accumulated losses		(646,661)	(570,383)	(646,661)	(570,383)
Valuation adjustment to equity		144,207	53,630	144,207	53,630
Total equity		1,041,298	1,022,851	1,041,298	1,022,851
Total liabilities and equity		1,834,349	1,832,845	2,796,869	2,740,000

The accompanying notes are an integral part of these individual and consolidated financial statements.

STATEMENTS OF PROFIT OR LOSS

	Note	Parent		Consolidated	
		12/31/2024	12/31/2023	12/31/2024	12/31/2023
Net revenue	21	36,546	117,572	2,224,984	2,226,345
Cost of sales and services	22	(27,978)	(87,287)	(1,494,928)	(1,455,747)
Gross profit		8,568	30,285	730,056	770,598
Operating income (expenses)					
Selling and operating expenses	22	(12,815)	(24,559)	(612,153)	(615,602)
Reversal (recording) of allowance for expected credit losses	8	192	(47)	5,865	(3,073)
General and administrative expenses	22	(5,570)	(22,083)	(228,376)	(229,775)
Other operating income (expenses), net	23	32,484	(758)	104,573	150,915
Share of profit (loss) of investees	12	(82,942)	(32,235)	30,252	5,996
		(60,083)	(49,397)	30,217	79,059
Finance income (expense), net	24	(16,166)	(46,397)	(118,436)	(136,078)
Loss before income tax and social contribution		(76,249)	(95,794)	(88,219)	(57,019)
Current income tax and social contribution	10	(2,407)	25,646	(16,362)	26,472
Deferred income tax and social contribution	10	2,378	(11,849)	28,303	(54,756)
LOSS FROM CONTINUING OPERATIONS		(76,278)	(81,997)	(76,278)	(85,303)
<u>Discontinued operations</u>					
Profit for the year from discontinued operations	11	-	-	-	3,306
LOSS FOR THE YEAR		(76,278)	(81,997)	(76,278)	(81,997)
Owners of the Company					
Basic loss per share - R\$	26	(0.26723)	(0.28726)	(0.26726)	(0.28726)
Continuing operations		(0.26723)	(0.28726)	(0.26726)	(0.29884)
Discontinued operations		-	-	-	0.01158
Diluted loss per share - R\$	26	(0.26723)	(0.28726)	(0.26726)	(0.28726)
Continuing operations		(0.26723)	(0.28726)	(0.26726)	(0.29884)
Discontinued operations		-	-	-	0.01158

The accompanying notes are an integral part of these individual and consolidated financial statements.

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Loss from continuing operations	(76,278)	(81,997)	(76,278)	(85,303)
Profit (loss) from discontinued operations	-	-	-	3,306
	(76,278)	(81,997)	(76,278)	(81,997)
Translation adjustments in the balance sheet of foreign subsidiaries (Continuing operations)	90,577	(26,082)	90,577	(26,082)
Translation adjustments in the balance sheet of foreign subsidiaries (Discontinued operations)	-	221	-	221
Total comprehensive income (loss) for the year	90,577	(25,861)	90,577	(25,861)
Comprehensive income (loss) for the year	14,299	(107,858)	14,299	(107,858)
Comprehensive income (loss) from continuing operations	14,299	(108,079)	14,299	(111,385)
Comprehensive income (loss) from discontinued operations	-	221	-	3,527

The accompanying notes are an integral part of these individual and consolidated financial statements.

STATEMENTS OF CHANGES IN EQUITY

		Capital reserves						
	Capital	Capital reserve	Treasury shares	Reserve for stock option plan	Treasury shares	Accumulated losses	Valuation adjustment to equity	Total equity
Balances as of January 01, 2023	1,154,462	349,993	(5,551)	40,780	-	(488,386)	79,491	1,130,789
Loss for the year	-	-	-	-	-	(81,997)	-	(81,997)
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	(25,861)	(25,861)
Comprehensive income (loss) for the year	-	-	-	-	-	(81,997)	(25,861)	(107,858)
Stock option plan (Note 26)	-	-	-	(80)	-	-	-	(80)
Reclassification	-	-	5,551	-	(5,551)	-	-	-
Balances as of December 31, 2023	1,154,462	349,993	-	40,700	(5,551)	(570,383)	53,630	1,022,851
Loss for the year	-	-	-	-	-	(76,278)	-	(76,278)
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	90,577	90,577
Comprehensive income (loss) for the year	-	-	-	-	-	(76,278)	90,577	14,299
Stock option plan (Note 26)	-	-	-	4,148	-	-	-	4,148
Balances as of December 31, 2024	1,154,462	349,993	-	44,848	(5,551)	(646,661)	144,207	1,041,298

The accompanying notes are an integral part of these individual and consolidated financial statements.

STATEMENTS OF CASH FLOWS

	Note	Parent		Consolidated	
		12/31/2024	12/31/2023	12/31/2024	12/31/2023
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before income tax from continuing operations		(76,250)	(95,794)	(88,219)	(57,018)
Profit before income tax from discontinued operations		-	-	-	3,306
Adjustments to reconcile loss for the year					
Depreciation and amortization	22	27,122	27,732	143,869	105,947
Amortization of right-of-use asset	22	1,797	5,964	123,971	122,119
Reversal of provision for impairment of assets	13 and 14	(700)	(794)	(7,286)	(32,684)
Disposal of property, plant and equipment and intangible assets	13 and 14	(17)	4,382	(18,726)	18,034
Share of profit (loss) of investees	12	82,942	32,235	(30,252)	(5,996)
Provision for (reversal of) risks and monetary adjustment	18	(27,102)	(1,094)	(12,307)	(1,459)
Interest on borrowings	17	77,569	88,233	79,243	88,928
Interest on lease liabilities	15	658	1,229	37,708	36,495
Exchange gains (losses)	24	5,615	2,905	13,532	5,534
Share-based payment	20	4,148	(80)	4,148	(80)
Deferred revenue and discounts recognized		(280)	(307)	(4,925)	(7,425)
Previous period's credits	23	(13,674)	(10,449)	(47,633)	(63,473)
Accrued interest on intercompany loans	25	(859)	-	-	-
Allowance for (reversal of allowance for) expected credit losses	22	(192)	47	(5,865)	3,073
Other adjustments to profit from discontinued operations	11	-	-	-	5,836
Gain on sale of discontinued operation, net of taxes	11	-	-	(9,984)	(52,967)
Sundry provisions and others		(5,427)	(1,423)	(2,923)	(3,631)
		75,350	52,786	174,351	164,539
Trade receivables		9,474	6,059	5,581	5,298
Inventories		2,764	(109)	(1,362)	(1,019)
Taxes recoverable		20,069	30,801	74,966	66,043
Trade payables and Trade payables - agreements		(20,082)	13,857	(68,431)	(8,129)
Related parties		(64,269)	(135,729)	(188)	(23)
Payment of labor, civil and tax risks	18	(6,328)	(3,913)	(15,947)	(10,684)
Other assets and liabilities		(30,647)	(11,690)	8,126	16,748
Income tax and social contribution paid		-	-	(128)	(2,976)
Dividends received	12	39,273	7,711	4,414	11,600
Interest paid on borrowings	17	(75,777)	(96,089)	(77,041)	(96,783)
Interest paid on lease liabilities	15	(658)	(1,229)	(37,708)	(36,495)
Others in discontinued operations		-	-	-	(2,486)
		(37,162)	(89,607)	(110,463)	(127,140)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(50,830)	(137,546)	66,633	105,633
Cash flows from investing activities					
Amounts received from related parties	25	2,357	-	-	-
Redemption of financial investments		-	88,584	4,950	114,940
Loans granted	25	(29,441)	(43,492)	-	-
Cash received on disposal of assets		7,564	-	52,463	-
Disposal of discontinued operations, net of cash disposed of	1.2	-	-	67,875	103,830
Additions to property, plant and equipment and intangible assets, net of balance payable in installments	13 and 14	(13,392)	(21,344)	(126,865)	(130,217)
Additions to property, plant and equipment and intangible assets in discontinued operations		-	-	-	(2,541)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(32,912)	23,748	(1,577)	86,012
Contracted loans		56,213	75,500	-	-
Capital reduction in subsidiaries		29,721	-	-	-
New borrowings and debentures, net of borrowing costs	17	80,000	502,400	110,000	502,400
Amortization of lease liabilities	15	(1,720)	(4,404)	(124,206)	(110,000)
Repayment of borrowings and debentures	17	(50,000)	(569,614)	(66,918)	(623,123)
Amortization of lease liabilities from discontinued operations		-	-	-	(6,883)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		114,214	3,882	(81,124)	(237,606)
Effect of exchange rate changes on cash and cash equivalents		-	-	4,705	(10,135)
NET CHANGE IN THE YEAR		30,471	(109,915)	(11,363)	(56,096)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		16,101	126,016	229,159	285,255
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		46,572	16,101	217,796	229,159

STATEMENTS OF VALUE ADDED

	Note	Parent		Consolidated	
		12/31/2024	12/31/2023	12/31/2024	12/31/2023
Revenues					
Sales of goods, products and services	21	39,486	127,806	2,325,363	2,316,485
Other revenues		14,911	12,845	98,305	185,692
Expected credit losses	8	185	(47)	586	(3,074)
		54,582	140,604	2,424,254	2,499,103
Inputs purchased from third parties					
Cost of sales and services		(12,290)	(37,804)	(809,565)	(806,653)
Materials, energy, third-party services and other		(5,050)	(28,903)	(478,905)	(573,801)
Other		24,779	2,085	2,364	27,379
		7,439	(64,622)	(1,286,106)	(1,353,075)
Gross value added		62,021	75,982	1,138,148	1,146,028
Depreciation and amortization	22	(18,829)	(33,696)	(252,120)	(228,066)
Value added created by the Company		43,192	42,286	886,027	917,962
Value added received through transfer					
Share of profit (loss) of investees	12	(82,942)	(32,235)	30,252	5,996
Exchange rate changes	24	(5,451)	(2,525)	(12,732)	(4,808)
Finance income	24	15,701	23,327	48,673	44,266
		(72,692)	(11,433)	66,193	45,454
Total value added for distribution		(29,500)	30,853	952,221	963,417
Total value added for distribution (discontinued operations)		-	-	-	56,830
Value added distributed					
Personnel:					
Direct compensation		2,507	8,752	529,088	490,739
Benefits		6,029	20,533	57,266	80,841
UNEMPLOYMENT COMPENSATION FUND (FGTS)		1,837	5,403	16,735	17,343
		10,373	34,688	603,089	588,923
Taxes, fees and contributions:					
Municipal		514	1,557	6,239	6,661
State		508	735	26,060	24,573
Federal		6,537	4,685	96,956	122,908
		7,559	6,977	129,255	154,142
Lenders and lessors:					
Interest	24	25,474	65,550	149,598	169,461
Royalties		123	126	71,714	45,695
Rents		3,250	5,509	74,843	90,498
		28,847	71,185	296,155	305,655
Shareholders:					
Profit (loss) for the year from continuing operations		(76,278)	(81,997)	(76,278)	(85,303)
Loss for the year from discontinued operations		-	-	-	3,306
Loss for the year		(76,278)	(81,997)	(76,278)	(81,997)
Total value added distributed from continuing operations		(29,500)	30,853	952,221	963,417
Total value added distributed from discontinued operations		-	-	-	56,830

The accompanying notes are an integral part of these individual and consolidated financial statements.

1. General information

International Meal Company Alimentação S.A. ("Company" or "IMC"), headquartered at Avenida Doutora Ruth Cardoso, 4.777, 12th floor, in the city of São Paulo, State of São Paulo, established in 1965, is a publicly-held company with shares traded on B3 S.A. - Brasil Bolsa Balcão ("B3") under the ticker "MEAL3" and listed in the *Novo Mercado* (New Market) segment.

The Company and its subsidiaries ("Group") are engaged in the sale of food and beverages to restaurants, snack bars and coffee shops ("stores"), sale of food for airline catering services ("catering"), operation of KFC and Pizza Hut franchises and sale of fuels. The Group also subleases stores and spaces for promotional and commercial purposes in its store chain, and provides general services related to these segments.

As of December 31, 2024, the Group has operations in Brazil and in the United States of America.

1.2. Sale of a unit of the Margaritaville restaurant

According to a material fact disclosed to the market on February 26, 2024, the sale of a unit, with all the assets allocated in this unit, of the Margaritaville restaurant located in the city of Pigeon Forge, State of Tennessee, United States of America, owned by IMCMV PIGEON FORGE LLC, indirect subsidiary of the Company, to ISLAND PARADISE PARTNERS, LLC was concluded. The total price for the sale of this asset is US\$13,320. US\$ 12,969 was received in February 2024, US\$ 175 in April 2024 and US\$ 175 in June 2024. After this event, the Company continues operating 28 restaurants with the Margaritaville and Landshark brands in the main American tourist centers, being one of the largest themed casual dining chains in the United States.

1.3. Corporate restructuring - RA Catering do Brasil Ltda.

On April 1, 2024, the Company's Executive Board approved the dropdown of the assets of five of its commercial establishments located in the airports of São Paulo, Porto Alegre, Campinas, Brasília and Confins that were allocated in the parent company. This operation was carried out through a capital increase in RA Catering do Brasil Ltda. in the 7th contract amendment, totaling R\$ 10,219.

	04/01/2024		04/01/2024
CURRENT ASSETS		CURRENT LIABILITIES	
Inventories	1,985	Payroll and related taxes	1,955
Taxes recoverable	678	Lease liabilities	2,812
Total current assets	2,662	Total current liabilities	4,768
NON-CURRENT ASSETS		NON-CURRENT LIABILITIES	
Property, plant and equipment	10,484	Lease liabilities	5,754
Right of use	7,595	Total non-current liabilities	5,754
Total non-current assets	18,079		
		EQUITY	
		Capital	10,864
		Loss for the period	(644)
		Total equity	10,219
ASSETS	20,741	LIABILITIES AND EQUITY	20,741

1.4. Corporate restructuring - Viena Restaurantes Ltda.

On April 1, 2024, the Company's Executive Board approved the dropdown of the assets of four of its commercial establishments located in the airports of São Paulo, Porto Alegre, Campinas, Brasília and Confins, which were allocated in the parent company and at Pimenta Verde Ltda. This operation was carried out through a capital increase in Viena Restaurantes Ltda. in the 6th contract amendment, totaling R\$ 7,842.

	04/01/2024		04/01/2024
CURRENT ASSETS		CURRENT LIABILITIES	
Inventories	754	Lease liabilities	2,753
Taxes recoverable	713	Total current liabilities	2,753
Total current assets	1,468		
NON-CURRENT LIABILITIES		NON-CURRENT ASSETS	
Property, plant and equipment	5,631	Lease liabilities	573
Intangible assets	5	Total non-current liabilities	573
Right-of-use assets	4,064		
Total non-current assets	9,700	EQUITY	
		Capital	10,807
		Loss for the period	(2,965)
		Total equity	7,842
ASSETS	11,168	LIABILITIES AND EQUITY	11,168

1.5. Rio Grande do Sul - State of public calamity

At the beginning of May 2024, the State of Rio Grande do Sul was impacted by a high volume of rainfall, which is the greatest climate disaster ever recorded in the State. The Company supported its employees located in that region by providing shelter and psychological assistance, actively monitoring the employees, in addition to offering financial resources.

The Company has 16 stores (franchises and own stores), in addition to the Catering operation, located in the State, and 14 stores and the Catering operation have been affected. Store operations were resumed during the second quarter of 2024 and the Catering operation was resumed on October 21, 2024, with the reopening of the airport. Despite the events, Management assessed that the impact on the Company's results is immaterial.

1.6. IMCMV Holdings Inc. – Climate events in the United States

IMC's operations in the United States were affected by weather events in the third and fourth quarters, which historically have a high operational performance, due to American summer demand. The strong hurricanes in August, September and October, such as Hurricane Debby, which hit northern Florida and reached Myrtle Beach, Hurricane Helene, which impacted Florida, Georgia, South Carolina, North Carolina and Tennessee, and Hurricane Milton in the State of Florida. These phenomena resulted in the early closing of some stores and affected traffic during the week, in addition to causing a drop in movement in previous weeks due to the heavy rains that preceded the storms. Despite the events, Management assessed that the impact on the Company's results is immaterial.

2. Preparation and presentation of the financial statements

2.1. Basis of preparation

a) Statement of compliance

The individual and consolidated financial statements have been prepared in accordance with accounting practices adopted in Brazil, which comprise the standards issued by the Brazilian Securities and Exchange Commission (CVM) and the pronouncements of the Brazilian Accounting Standards Committee (CPC), and are in compliance with the International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board - IASB.

The Company's financial statements were approved by the Board of Directors on March 26, 2025. Information on the accounting policies adopted by the group, including amendments to such policies, is presented in Note 3.

All significant information specific to the financial statements is being disclosed and corresponds to the information used by Management in managing the Company's activities.

2.2. Functional and reporting currency

These financial statements are presented in Reais (R\$), which is the Company's functional currency. All balances have been rounded to the nearest thousand, unless otherwise stated.

The Company defines the functional currency of each of its subsidiaries by analyzing which currency significantly influences the sales price of its products and services and the currency in which most of its operating and administrative costs is paid or incurred, as follows:

Country	Functional currency
Brazil	Real - R\$
United States of America	US Dollar - US\$
Colombia (operation discontinued through sale on 12/28/2023 - see note 12)	Colombian Peso - COP\$

2.3. Measurement basis

The individual and consolidated financial statements has been prepared based on the historical cost, except for (i) certain financial instruments, such as cash and cash equivalents and financial investments; (ii) assets and liabilities arising from business combinations; and (iii) share-based payment transactions, recognized in equity, which are measured at fair value.

2.4. Continuity as a going concern

As of December 31, 2024, the Company had negative working capital amounting to R\$ 149,186 in consolidated. Management is working to reverse this scenario, with debt restructuring, extending the term with better market rates.

The Company's Management has been strictly following its financial discipline policy, seeking alternatives for managing its operating cash and maintaining control over short-term debt. This has allowed the Company to be in compliance with its obligations to its creditors.

Furthermore, as described in Note 29, even in an economic scenario that still requires caution and discipline, a new cycle begins focused on increasing IMC's competitiveness and, at the same time, unlocking value generation in the long term. Among the main strategic initiatives, we highlight efficient portfolio management, aiming to optimize our asset structure and the current cost of capital. Along these lines, a significant move was announced to accelerate the expansion of the KFC brand in Brazil, ensuring the necessary allocation of capital to this business and expanding the brand's presence in the national territory. This move is essential to ensure the expansion of our operations without compromising IMC's financial solidity, in addition to allowing us to redirect resources to strengthen other brands in the portfolio with high return potential from now on.

Management has assessed the Company's ability to continue as a going concern and believes that it has resources to continue its businesses in the future.

In addition to that, Management is not aware of any material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the assumption that the Company will continue as a going concern.

3. Material accounting policies

The material accounting policies described below have been consistently applied for all reporting years in the individual and consolidated financial statements.

a) Foreign currency

a.1) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate on the date in which the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance expense.

a.2) Foreign subsidiaries (operations)

The assets and liabilities of foreign operations are translated into Real at the exchange rates at the balance sheet date. The income and expenses of foreign operations are translated into Real at the exchange rates calculated based on the average rates for the year.

Foreign currency differences arising from translation to the presentation currency are recognized in other comprehensive income and accumulated in other comprehensive income (loss), in equity.

The results of operations and the financial position of all subsidiaries included in the financial statements that have a functional currency different from the reporting currency are translated into the reporting currency, as follows:

- (i) Assets and liabilities are translated into reais at the exchange rate prevailing at the end of the reporting period.
- (ii) Income and expense accounts are translated at the average monthly exchange rate.
- (iii) All currency translation differences are recognized in the statement of comprehensive income (loss) in line item "Translation adjustments in the balance sheet of foreign subsidiaries" and accumulated in equity.

b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries.

(i) Subsidiaries

Control over an entity is achieved when the Company has the power to govern the financial and operating policies of an entity so as to benefit from its activities.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control until the date on which the control ceases to exist.

In the Company's individual financial statements, the financial information of subsidiaries is accounted for using the equity method. When necessary, the subsidiaries' financial statements are adjusted to conform their accounting policies to those set by the Group.

All intragroup transactions, balances, income, and expenses were fully eliminated in the consolidated financial statements.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of profit or loss from the acquisition date to the disposal date, as appropriate.

(ii) Loss of control

If the entity loses control over a subsidiary, the Group does not recognize the assets and liabilities and other components recorded in equity referring to that subsidiary. Any gain or loss arising from the loss of control is recognized in the statement of profit or loss. If the Group retains any interest in the former subsidiary, that interest is measured at fair value at the date on which control is lost.

(iii) Investments in equity-accounted investees

The Group's investments in equity-accounted investees comprise its interests in jointly-controlled entities (joint ventures).

In order to be classified as a jointly controlled entity, there must be a contractual agreement that allows the Group to share control of the entity and gives to the Group the right to the net assets of the jointly controlled entity, not the right to its specific assets and liabilities.

These investments are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of the profit or loss and other comprehensive income of the investee, until the date on which joint control ceases to exist. In the Company's individual financial statements, investments in subsidiaries are also accounted for using this method.

(iv) Transactions eliminated on consolidation

Intercompany balances and transactions, and any unrealized income and expenses (except for foreign currency transaction gains or losses) arising from intragroup transactions, are eliminated. Unrealized gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The companies included in the consolidated financial statements are as follows:

	12/31/2024		12/31/2023	
	Direct interest - %	Indirect interest - %	Direct interest - %	Indirect interest - %
<u>Brazil</u>				
Pimenta Verde Alimentos Ltda.	100%	-	100%	-
Niad Restaurantes Ltda. (*)	64.74%	35.26%	64.74%	35.26%
Centro de Serviços Frango Assado Norte Ltda.	91.30%	8.70%	91.30%	8.70%
PHSR Master Franquia Ltda.	100%	-	100%	-
KSR Master Franquia Ltda.	100%	-	100%	-
RA Catering Ltda.	100%	-	100%	-
Batata Inglesa Ltda.	100%	-	100%	-
Viena Restaurantes Ltda.	100%	-	100%	-
<u>The Caribbean</u>				
IMC Porto Rico Ltd. (Bermudas) (*)	100%	-	100%	-
<u>United States of America:</u>				
IMCMV Holdings Inc.	100%	-	100%	-
IMCMV Atlantic City, LLC	-	100%	-	100%
IMCMV Destin, LLC	-	100%	-	100%
IMCMV Key West Cafe, LLC	-	100%	-	100%
IMCMV MB Landshark, LLC	-	100%	-	100%
IMCMV LV, LLC	-	-	-	100%
IMCMV Chicago, LLC	-	100%	-	100%
IMCMV Panama City, LLC	-	100%	-	100%
IMCMV Myrtle Beach, LLC	-	100%	-	100%
IMCMV Nashville, LLC	-	100%	-	100%
IMCMV Pigeon Forge, LLC	-	-	-	100%
IMCMV Syracuse, LLC	-	100%	-	100%
IMCMV MIA Airport, LLC	-	100%	-	100%
IMCMV Management, LLC	-	100%	-	100%
IMCMV Hospitality, LLC	-	100%	-	100%
IMCMV Cleveland, LLC	-	100%	-	100%
IMCMV San Antonio, LLC	-	100%	-	100%
IMCMV Virginia Beach, LCC	-	100%	-	100%
IMCMV Texas, LLC	-	100%	-	100%
IMCMV Daytona, LLC	-	100%	-	100%
IMCMV MOA, LLC	-	100%	-	100%
IMCMV WH, LLC	-	100%	-	100%
IMCMV Times Square, LLC	-	100%	-	100%
IMCMV Branson, LLC	-	100%	-	100%
Landshark Bayside, LLC	-	100%	-	100%
IMCMV LS Rivercenter, LLC	-	-	-	100%
IMCMV LS at Barefoot Landing, LLC	-	100%	-	100%
MV Bayside Restaurant, LLC	-	100%	-	100%
IMCMV Fan Hall, LLC	-	100%	-	100%
IMCMV Bayside, LLC	-	100%	-	100%
IMCMV Baytowne LS, LLC	-	100%	-	100%
Fan Hall MV Restaurant, LLC	-	100%	-	100%
IMCMV San Francisco, LLC	-	100%	-	100%
IMCMV Orlando, LLC	-	50%	-	100%

(*) Not operational as of December 31, 2024 and 2023.

c) Adjustment to present value

The adjustment to present value of monetary assets and liabilities is calculated, and only recognized, if considered material in relation to the financial statements. The adjustment to present value, when necessary, is calculated taking into consideration the contractual cash flows and the related explicit and implicit interest rate.

d) Statement of value added

The purpose of this statement is to evidence the wealth created by the Company and its distribution during a certain year and is presented by the Company, as required by the Brazilian corporate law, as part of its individual financial statements and as supplemental information to the consolidated financial statements, since this statement is not established or required by IFRSs.

The statement of value added was prepared using information obtained from the accounting records used as a basis to prepare the financial statements and following the requirements of CPC 09 (R1) - Statement of Value Added. The first part of the DVA presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied thereon, other revenues and the effects of the allowance for expected credit losses), inputs purchased from third parties (cost of sales and purchases of materials, electric power and outside services, including taxes levied on purchase, the effects of impairment and recovery of assets, and depreciation and amortization) and the value added received from third parties (share of profit of associates, subsidiaries and joint ventures, finance income and other income). The second part of the statement of value added presents the distribution of wealth among personnel and payroll taxes, taxes and contributions, lenders and lessors, and shareholders.

Certain balances of the statement of value added have been adjusted for better presentation and, accordingly, the Company is restating the position as of the prior year for purposes of comparability and consistency of the balances due to these immaterial changes adopted by the Company.

e) New standards and interpretations effective in the current year

e.1) Amendments to IAS 7

Statement of Cash Flows and IFRS 7 — Financial Instruments: Disclosures - Supplier Finance Arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enable users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

e.2) Amendments to IAS 1

Classification of Liabilities as Current or Non-current / Presentation of Financial Statements - Non-Current Liabilities with Covenants

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The amendments did not have impacts on the Company's financial statements.

e.3) Amendments to IFRS16

Leases — Lease Liability in a Sale and Leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognize a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date. The amendments did not have impacts on the Company's financial statements.

f) New standards and interpretations not yet effective

At the date of authorization of these financial statements, the Group has not applied the following new and revised IFRS.

f.1) Amendments to IAS 21

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The directors of the Company do not expect that the adoption of these amendments will have an impact on the consolidated financial statements.

f.2) IFRS18 – Presentation and Disclosures in Financial Statements

IFRS 18 introduced new requirements to:

- present specific categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve information aggregation and disaggregation requirements

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as amended the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

f.3) IFRS19 – Subsidiaries without Public Accountability: Disclosures

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in the appendix to IFRS 19.

The directors the Company do not anticipate that IFRS 19 will be applied for purposes of the group's consolidated financial statements.

4. Key estimates and judgments

In preparing these financial statements, Management has made judgments and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

These are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

a) Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Note 15 - lease term: whether the Group is reasonably certain to exercise extension options.

Note 16 - supplier finance arrangements: the presentation of amounts related to supplier finance arrangements in the balance sheet and in the statement of cash flows.

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at December 31, 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 8 – measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate;

Notes 13 and 14 – impairment test of property, plant and equipment, intangible assets and goodwill: key assumptions underlying recoverable amounts;

Note 18 - recognition and measurement of provisions and provision for risks: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 10 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized;

c) Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities

Management regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair values, then Management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (not adjusted) in an active market for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group recognizes transfers between fair value hierarchy levels at the end of the reporting period in which the changes occurred.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change occurred.

Additional information on the assumptions adopted in the measurement of fair values is included in the following note:

Note 6 – Financial instruments

Note 26(b) - Share-based payment transactions;

5. Segment information

Accounting policy:

The information reported to the Group's chief operating decision maker, for the purpose of capital allocation and segment performance evaluation, is more specifically focused on the categories of customer for each type of product and service. The main categories of customers for these products and services are restaurants and services of the brand Frango Assado, restaurants of the brands Pizza Hut, KFC, Viena, Batata Inglesa and Brunella and restaurants in airports, as well as operations in the United States of America.

Each of these operating segments is managed separately, considering that each one of these product lines requires different resources, including differentiated marketing approaches. The Company's main products consist of meals and related services.

Therefore, the Group's reportable segments, pursuant to technical pronouncement CPC 22/IFRS 8 – Operating Segments, are as follows:

- Frango Assado: food courts in service stations and restaurant chains located along highways, and sale of vehicle fuel.
- Airports: supply of meals in restaurants and coffee shops in airports and for airline companies (catering) in Brazil.
- PH, KFC & Others: meals in restaurant chains and coffee shops in Brazil of the brands Pizza Hut, KFC, Viena, Batata Inglesa and Brunella and provision of services to franchisees of the brands KFC and Pizza Hut.
- The Caribbean: supply of meals in restaurants and coffee shops in airports and for airline companies (catering) in Colombia (operation discontinued on December 28, 2023).
- United States of America: meals in restaurants in themed markets in the United States of America and consumables in the retail market.

In addition to the segments above, the Company has corporate expenses with maintenance, office supplies, personnel expenses, travel and general services not directly allocated to each of the business segments presented. These amounts are presented in a specific column ("Corporate expenses and others") in the table below.

Geographical information

The Group operates in the following main areas: Brazil, the Caribbean (operation discontinued on December 28, 2023) and the United States of America.

	Brazil						
	Airports	Pizza Hut, KFC and others	Frango Assado	The Caribbean	United States of America (i)	Corporate expenses and others	Total
<u>December 31, 2024</u>							
Net revenue	141,740	704,824	637,447	-	740,973	-	2,224,984
EBITDA	23,794	104,234	94,575	-	119,805	(44,351)	298,057
Depreciation and amortization	(36,837)	(77,922)	(30,652)	-	(122,429)	-	(267,840)
Finance income	19,272	15,832	8,898	7,053	1,690	-	52,745
Finance expense	(39,292)	(78,651)	(23,963)	(6,315)	(22,960)	-	(171,181)
Income tax income (expense)	402	8,037	245	-	3,257	-	11,941
Profit (loss) for the year	(32,661)	(28,470)	49,103	738	(20,637)	(44,351)	(76,278)
<u>December 31, 2023</u>							
Net revenue	127,593	633,740	644,697	-	820,315	-	2,226,345
EBITDA (continuing operations)	21,800	91,574	89,867	30,203	120,045	(46,364)	307,125
Depreciation and amortization	(39,241)	(60,225)	(29,794)	-	(98,806)	-	(228,066)
Finance income	26,641	13,354	7,142	1,730	1,933	-	50,800
Finance expense	(73,531)	(70,215)	(23,538)	(1,861)	(17,733)	-	(186,878)
Income tax income (expense)	13,795	(34,130)	(5,450)	-	(2,499)	-	(28,284)
Profit (loss) from continuing operations	(50,536)	(59,642)	38,227	30,072	2,940	(46,364)	(85,303)
Profit (loss) from discontinued operations	1,636	8,290	-	(6,620)	-	-	3,306

(i) In the year ended December 31, 2024, they include the proceeds from the sale of IMCMV's assets.

The reconciliation of EBITDA to loss for the year is as follows:

	Consolidated	
	12/31/2024	12/31/2023
<u>Reconciliation of loss for the year:</u>		
Profit (loss) for the year (continuing operations)	(76,278)	(85,303)
Depreciation and amortization	(267,840)	(228,066)
Finance income	52,745	50,800
Finance expense	(171,181)	(186,878)
Income tax and social contribution	11,941	(28,284)
EBITDA	298,057	307,125

The Group does not have customers or a group of customers under common control accounting for more than 10% of its revenue.

6. Financial instruments

Accounting policy:

Financial assets are recognized when the Company or its subsidiaries assume contractual rights to receive cash or other financial assets from contracts to which they are parties. Financial assets are not recognized when the rights to receive cash related to the financial asset expire or when the risks and rewards have been substantially transferred to third parties. Assets and liabilities are recognized when the rights and/or obligations are retained on the transfer by the Company.

Financial liabilities are recognized when the Company and/or its subsidiaries assume contractual obligations to settle in cash or when they assume third party obligations through a contract to which they are parties. Financial liabilities are not recognized when they are settled, extinguished or have expired.

Purchases or sales of financial assets require delivery of the assets within a term defined by regulation or market convention (negotiations under normal conditions), that is, on the date in which the Company and its subsidiaries commit to purchasing or selling the asset.

a) Initial recognition

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus or minus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

b) Classification and measurement - Financial assets and financial liabilities

In accordance with CPC 48 / IFRS 9, on initial recognition, a financial asset is classified as measured: at amortized cost; at fair value through other comprehensive income ("FVOCI"); or at fair value through profit or loss (FVTPL). The classification of financial assets under the CPC 48 / IFRS 9 is generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. Embedded derivatives in which the main contract is a financial asset within the scope of the standard are never separated. Instead, the hybrid financial instrument is assessed for classification as a whole.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

b.1) it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and

b.2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

b.3) is held within a business model whose purpose is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost, FVOCI or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise (fair value option available in CPC 48 / IFRS 9).

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value, plus, for an item not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Financial assets measured at FVTPL – these assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost - These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, and foreign exchange gains and losses are recognized in profit or loss.

Financial assets measured at FVOCI – These assets are subsequently measured at fair value. The interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI.

c) Impairment of assets

The impairment model applies to financial assets measured at amortized cost, contract assets and debt instruments measured at FVOCI. In accordance with CPC 48 / IFRS 9, the allowances for losses are measured on one of the following bases: (i) 12-month expected credit losses (general model); (ii) lifetime expected credit losses (simplified model); and (iii) practical expedients that correspond to expected credit losses and consistent with reasonable and sustainable information available at the balance sheet date, on past events, current conditions and forecasts of future economic conditions that allow to verify the future probable loss based on the historical credit loss occurred according to the maturity of the bills.

The Group considers a financial asset in situation of default when contractual payments are more than 45 days past due or it is unlikely that the debtor will fully pay its credit obligations to the Group, without resorting to actions such as the realization of the guarantee (if any). However, in certain cases, the Group may also consider that a financial asset is in default when internal or external information indicates that it is improbable that the Group will receive fully the contractual amounts outstanding before taking into account any credit improvements maintained by the Group. A financial asset is derecognized when there is no reasonable expectation of recovery of the contractual cash flows.

a) Capital management

The Group's Management manages the Group's capital to ensure the continuity of the Group as a going concern and to maximize its funds to allow for investments in new stores, refurbishments, and redesign of existing stores, as well as the acquisition of other entities.

The Group's capital structure consists of financial liabilities with financial institutions, cash and cash equivalents and financial investments, including issued capital.

The Group can change its capital type and structure, depending on economic conditions, to optimize its financial leverage. In addition, Management periodically reviews the capital structure and its capacity to settle its liabilities taking the appropriate actions, when necessary, to balance the Group's debt and liquidity ratios.

b) Fair value of financial instruments

In transactions involving financial instruments, it was identified that the borrowings and debentures have differences between the carrying amounts and their fair values because they have extended terms for their settlement or early settlement.

For borrowings and debentures, the fair value was calculated projecting future flows and using the interest rates acquired in each of the contracts (note 17), adjusting these amounts to present value using the average borrowing rates, in accordance with those used by the market. The discount rate used for financial liabilities as of December 31, 2024 was 11.46% (13.51% as of December 31, 2023).

The table below presents the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

		Parent			
		12/31/2024		12/31/2023	
	Level	Carrying amount	Fair value	Carrying amount	Fair value
<u>Amortized cost</u>					
Cash and cash equivalents		259	259	359	359
Trade receivables		633	633	9,862	9,862
Payables to related parties		519,185	519,185	425,113	425,113
Right of use		2,555	2,555	9,787	9,787
Other assets		327	327	712	712
<u>Fair value through profit and loss</u>					
Financial investments	2	46,313	46,313	22,502	22,502
Assets		569,272	569,272	468,335	468,335
Trade payables		10,248	10,248	29,945	29,945
Borrowings and debentures	2	548,119	568,082	516,327	532,290
Installment payment of business acquisitions		-	-	6,760	6,760
Lease liabilities		2,634	2,634	9,614	9,614
Payables to related parties		73,784	73,784	15,771	15,771
Liabilities		634,784	654,748	578,417	594,380

		Consolidated			
		As of December 31, 2024		As of December 31, 2023	
	Level	Carrying amount	Fair value	Carrying amount	Fair value
<u>Amortized cost</u>					
Cash and cash equivalents		33,687	33,687	139,760	139,760
Trade receivables		106,917	106,917	105,351	105,351
Receivables from related parties		-	-	14,360	14,360
Right of use		624,209	624,209	610,970	610,970
Other assets		41,779	41,779	34,370	34,370
<u>Fair value through profit and loss</u>					
Financial investments	2	184,109	184,109	101,109	101,109
Assets		990,701	990,701	1,005,920	1,005,920
Trade payables		218,864	218,864	239,268	239,268
Borrowings and debentures	2	578,529	598,294	529,554	545,485
Lease liabilities		688,752	688,752	650,416	650,416
Installment payment of business acquisitions		-	-	6,760	6,760
Liabilities		1,486,145	1,505,910	1,425,998	1,441,929

c) Liquidity

Liquidity management entails maintaining sufficient funds, such as cash, securities, and committed credit facilities, to manage the capacity to settle the Group's obligations.

Management monitors the Group's liquidity level considering the expected cash flows against unused credit facilities. The tables below detail the remaining contractual maturity of the Group's financial liabilities, and the agreed repayment terms. The tables below were prepared using the undiscounted cash flows of the financial liabilities based on the nearest date on which the Group can be required to make the related payment. As interest flows fluctuate, the undiscounted amount is obtained based on interest rate curves for the year ended December 31, 2024. Accordingly, the disclosed balances do not match the balances stated in the balance sheets.

Parent		December 31, 2024						
	Carrying amount	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	3 to 5 years	Over 5 years	Contractual cash flow
Trade payables	10,248	8,681	1,321	246	-	-	-	10,248
Borrowings and debentures	548,119	-	16,943	230,781	409,112	121,215	-	778,051
Lease liabilities	2,634	83	257	737	1,653	-	-	2,730
Payables to related parties	73,784	-	-	-	73,784	-	-	73,784
	634,785	8,764	18,521	231,764	484,549	121,214	-	864,813

Consolidated		December 31, 2024						
	Carrying amount	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	3 to 5 years	Over 5 years	Contractual cash flow
Trade payables	218,864	180,753	24,013	14,098	-	-	-	218,864
Borrowings and debentures	578,529	-	18,152	237,791	441,105	121,214	-	818,263
Lease liabilities	688,752	12,114	36,195	96,876	272,671	296,049	106,255	820,160
	1,486,145	192,867	78,360	348,765	713,776	417,263	106,255	1,857,287

d) Credit risk

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Group. Group sales are mostly made using credit and debit cards, which significantly reduce the risk of default. A portion of the catering segment sales that is made to airlines and receivables from the Company's franchisees have their creditworthiness monitored. As a result of such management, expected losses are recorded in 'Allowance for expected credit losses', as described in note 9. The Group also has other assets receivable (note 17), for which Management considers the credit risk as low.

The Group is also exposed to credit risks related to financial instruments contracted for the management of its business, which consist basically of cash and cash equivalents and financial investments. Management believes that the credit risk of transactions with financial institutions is low, as these are considered by the market as first tier banks, with a rating of BB- in Brazil and a rating of A+ in the United States.

e) Interest rate risk

As of December 31, 2024, the Company is exposed to interest rate risk on operations contracted in reais (R\$), indexed to the CDI (interbank deposit rate), in line items "Borrowings", "Cash and cash equivalents" and "Bank investments".

We present below a summary of the Company's financial assets and liabilities exposed to interest rate fluctuation risk, as reported to Management:

	12/31/2024	
	Parent	Consolidated
Financial assets	46,313	184,109
Financial liabilities	(556,108)	(586,518)
Net balance sheet exposure	(509,795)	(402,409)

e.1) Sensitivity analysis

In order to carry out the sensitivity analysis of the interest rate levied on the exposed assets and liabilities, an increase in rates was projected for financial instruments that may generate material losses for the Company and its subsidiaries, thus increasing or decreasing the result whose sensitivity is presented through scenarios I and II, which were estimated with interest rates of 25% and 50%, respectively, while scenarios III and IV estimate a decrease in interest rates of 25% and 50% at the closing date, as shown below:

	Parent					
	12/31/2024					
Transactions	Carrying amount	Current rate	Scenario I	Scenario II	Scenario III	Scenario IV
Financial investments	46,313	12.15%	15.19%	18.23%	9.11%	6.08%
Impact related to CDI increase			1,407	2,813	(1,407)	(2,813)
Debentures	(395,000)	12.15%	15.19%	18.23%	9.11%	6.08%
Impact related to CDI increase			(11,998)	(23,996)	11,998	23,996
Borrowing modality 4131	(161,108)	12.15%	15.19%	18.23%	9.11%	6.08%
Impact related to CDI increase			(4,894)	(9,787)	4,894	9,787
Effect on profit or loss for the year			(15,485)	(30,970)	15,485	30,970
Net effect of taxes on equity			(10,220)	(20,440)	10,220	20,440

	Consolidated					
	12/31/2024					
Transactions	Carrying amount	Current rate	Scenario I	Scenario II	Scenario III	Scenario IV
Financial investments	184,109	12.15%	15.19%	18.23%	9.11%	6.08%
Impact related to CDI increase			5,593	11,185	(5,593)	(11,185)
Debentures	(424,050)	12.15%	15.19%	18.23%	9.11%	6.08%
Impact related to CDI increase			(12,881)	(25,761)	12,881	25,761
Borrowing modality 4131	(162,468)	12.15%	15.19%	18.23%	9.11%	6.08%
Impact related to CDI increase			(4,935)	(9,870)	4,935	9,870
Effect on profit or loss for the year			(12,223)	(24,446)	12,223	24,446
Net effect of taxes on equity			(8,067)	(16,135)	8,067	16,135

f) Foreign exchange risk

The Company is exposed to foreign exchange risk on foreign operations arising from differences between the currencies in which sales, purchases, receivables and borrowings are denominated and the Company's functional currency. The Company's functional currency in which transactions are primarily denominated is the Brazilian Real (R\$), except for operations in the United States for which the functional currency is the US Dollar (USD) (see note 2.2).

We present below a summary of the Company's exposure to foreign exchange risk (USD), as reported to Management:

Parent	
12/31/2024	
USD	
Receivables from related parties	1,184
Payables to related parties	(2,647)
Loans	(4,600)
Net balance sheet exposure	(6,063)

Consolidated	
12/31/2024	
USD	
Receivables - sale of subsidiary	2,751
Net balance sheet exposure	2,751

The exchange rate applied at the closing date for the quarter was as follows:

Closing rate (i)	
12/31/2024	12/31/2023
6.1923	4.8413

(i) Information from the website of the Central Bank of Brazil.

As of December 31, 2024, the Group companies have no derivative financial instruments contracted to hedge the foreign exchange exposure in the cash flow.

f.1) Sensitivity analysis

A reasonably possible appreciation or depreciation of the US Dollar (USD) against the Brazilian Real (R\$) as of December 31, 2024 would have affected the measurement of financial instruments denominated in foreign currency. The sensitivity of the scenarios of gains or losses in equity and profit or loss is presented in scenarios I and II, which estimate an additional appreciation of 25% and 50%, respectively, and scenarios III and IV estimate an additional depreciation of 25% and 50% of the closing rates, respectively, as presented below:

	Parent									
	12/31/2024									
	Balance	Currency	Rate	Scenario I Gain or (loss) in R\$	Rate	Scenario II Gain or (loss) in R\$	Rate	Scenario III Gain or (loss) in R\$	Rate	Scenario IV Gain or (loss) in R\$
Receivables from related parties	1,184	USD	7.7404	1,833	9.2885	3,666	4.6442	(1,833)	3.0962	(3,666)
Payables to related parties	(2,647)	USD	7.7404	(4,099)	9.2885	(8,197)	4.6442	4,099	3.0962	8,197
Loans	(4,600)	USD	7.7404	(7,121)	9.2885	(14,243)	4.6442	7,121	3.0962	14,243
Effect on profit or loss for the year				(9,387)		(18,774)		9,387		18,774
Net effect of taxes on equity				(6,195)		(12,391)		6,195		12,391
	Consolidated									
	12/31/2024									
	Balance	Currency	Rate	Scenario I Gain or (loss) in R\$	Rate	Scenario II Gain or (loss) in R\$	Rate	Scenario III Gain or (loss) in R\$	Rate	Scenario IV Gain or (loss) in R\$
Receivables - sale of subsidiary	2,751	USD	7.7404	4,259	9.2885	8,517	4.6442	(4,259)	3.0962	(8,517)
Effect on profit or loss for the year				4,259		8,517		(4,259)		(8,517)
Net effect of taxes on equity				2,811		5,621		(2,811)		(5,621)

7. Cash and cash equivalents and financial investments

Accounting policy:

Cash and cash equivalents include cash on hand and in banks and highly-liquid short-term investments intended to meet short-term commitments, readily convertible into cash and without significant change in value.

The balances of sales made using debit cards readily convertible into cash and cash equivalents are classified as "Cash and cash equivalents".

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Cash	50	126	8,891	5,244
Banks	209	233	24,796	134,516
Financial investments	46,313	15,742	184,109	89,399
	46,572	16,101	217,796	229,159

Financial investments with immediate liquidity and classified as cash and cash equivalents are broken down as follows:

Transactions	Average yield	Parent		Consolidated	
		12/31/2024	12/31/2023	12/31/2024	12/31/2023
Bank deposit certificate	100% to 103% of CDI	46,168	15,619	178,131	88,495
Overnight deposits	30% to 60% of CDI	145	123	5,978	904
		46,313	15,742	184,109	89,399

There was no change in average yield in the years ended December 31, 2024 and 2023.

As of December 31, 2023, the Company had a bank deposit certificate in the amount of R\$6,760 invested in an escrow account with yield of 101.75% and an overdraft account in the United States amounting to R\$4,950 with yield of 0.012% to 0.60% p.a. These amounts were presented in the line item of financial investments in the balance sheet.

8. Trade receivables

Accounting policy:

CPC 48 / IFRS 9 requires a financial asset (except for certain trade receivables) to be measured on initial recognition at its fair value plus, for financial assets not subsequently measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Trade receivables that do not have a significant financing component (determined in accordance with CPC 47 / IFRS 15 - Revenue from Contracts with Customers) are not initially measured at fair value, but are initially measured at the amount determined by applying IFRS 15.

The allowance for expected credit losses (ECLs) is estimated based on the risk of loss and based on the historical experience of credit losses of each of the subsidiaries, observed in each group of the aging list of trade receivables. The Group also assesses the individual characteristics of each customer and considers forward-looking information to be included in the allowance for expected credit losses.

The allowance for expected credit losses is always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Trade receivables arising from commercial agreements from bonus and contractually established and calculated on the purchase and sales volumes, marketing actions and assignment of advertising spaces, among others.

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Means of payment (credit cards and meal tickets)	365	1,563	55,199	69,769
Trade receivables	254	8,638	30,686	17,863
Rebates and commercial agreements	161	-	6,448	4,864
Trade receivables - franchisees	-	-	35,527	39,667
Other	-	-	266	179
	780	10,201	128,126	132,342
Allowance for expected credit losses	(147)	(339)	(21,209)	(26,991)
	633	9,862	106,917	105,351
In Reais (R\$)	780	10,201	126,219	130,859
In US dollars (US\$)	-	-	1,907	1,483
	780	10,201	128,126	132,342

The aging of receivables is shown below:

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Not yet due	597	9,270	100,470	101,246
Past due:				
Up to 30 days	28	319	4,401	2,385
31 to 60 days	1	125	732	1,195
61 to 90 days	1	71	766	696
Over 90 days	153	416	21,757	26,820
Allowance for expected credit losses	(147)	(339)	(21,209)	(26,991)
	633	9,862	106,917	105,351

Allowance for expected credit losses

The variation in the allowance for expected credit losses is as follows:

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
At the beginning of the year	(339)	(292)	(26,991)	(27,198)
Additions	(12)	(209)	(3,107)	(16,234)
Reversals	204	162	8,972	13,161
Discontinued operation	-	-	-	1,515
Exchange rate changes	-	-	(83)	1,765
At the end of the year	(147)	(339)	(21,209)	(26,991)

Advance payment of receivables

Parent IMC and some of its subsidiaries assign, with no right of recourse, part of their receivables from card companies, aiming at advancing their cash flow. The discount rate used in the last operation carried out in December 2024 was 0.05% per day and the amount was written off from trade receivables in the balance sheet, as all risks related to receivables were substantially transferred to the counterparty in these transactions. The term of these receivables is up to 30 days, as they are receivables from card companies.

The cost of the advance payment of receivables was recorded in finance expense (see Note 24). In the year ended December 31, 2024, receivables of R\$ 36,214 (R\$35,894, net of interest) were paid in advance and in the year ended December 31, 2023 the amount of R\$47,477 (R\$46,873, net of interest) was paid in advance.

9. Inventories

Accounting policy:

Inventories are stated at the lower of cost and net realizable value. Costs of inventories are determined under the average cost method, including warehousing and handling costs, to the extent that such costs are necessary to bring inventories to their conditions for sales in stores, less bonuses received from suppliers, when applicable. Net realizable value represents the selling price in the normal course of business, less all estimated costs necessary to make the sale. Inventories are reduced by a provision for loss when inventory turnover exceeds 90 days, which is periodically analyzed and assessed with respect to its adequacy. The effects of losses are recognized against costs of sales and services in the statement of profit or loss.

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Food and beverages	175	1,546	27,673	27,250
Fuel and vehicle accessories	-	-	4,639	5,482
Non-food products and souvenirs for resale	-	-	21,439	13,889
Supplies and fixtures	41	919	6,308	6,144
	216	2,465	60,059	52,765

In the year ended December 31, 2024, the cost of inventories disclosed in line item “Cost of sales and services” was R\$12,302 (R\$37,806 in the year ended December 31, 2023) in Parent and R\$807,474 (R\$805,128 in the year ended December 31, 2023) in Consolidated (see Note 22).

The balance of food and beverages is net of the provision for losses on inventories and the variations in such provision are shown below:

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Opening balance	(515)	(639)	(1,929)	(1,586)
Additions	(2,149)	(7,752)	(11,223)	(15,237)
Reversals	2,664	7,876	11,940	14,859
Exchange rate changes	-	-	(141)	35
Closing balance	-	(515)	(1,353)	(1,929)

The reductions of account balances and reversals are included in “Cost of sales and services”.

10. Income tax and social contribution and taxes recoverable

Accounting policy:

Income tax expense represents the sum of current and deferred taxes.

a) Current taxes

Income tax and social contribution are recorded based on annual profit, as prescribed by the tax laws prevailing in the jurisdiction of each consolidated entity. Taxable profit differs from profit as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The provision for income tax and social contribution is calculated individually, for each Group company, based on the rates prevailing at the end of the reporting period.

In Brazil, current and deferred income tax and social contribution are calculated based on the rates of 15%, plus a 10% surcharge on the taxable profit exceeding R\$ 240 per year for income tax and 9% on the taxable profit for the social contribution, and take into account the offset of tax loss carryforwards, limited to 30% of the taxable profit for the year.

Current tax expense is the tax payable or receivable on the taxable income or loss for the year and any adjustments to taxes payable in relation to prior years. The amount of current taxes payable or receivable is recognized in the balance sheet as a tax asset or liability at the best estimate of the expected amount of taxes to be paid or received reflecting the uncertainties related to their calculation, if any. It is measured based on the tax rates enacted at the balance sheet date. Current tax assets and liabilities are offset only if certain criteria are met.

b) Deferred taxes

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced when it is no longer probable that there will be sufficient taxable profit available to allow all or a deferred tax asset to be recognized in relation to unused tax losses and deductible temporary differences. Future taxable profits are determined based on the reversal of material taxable temporary differences. If the amount of taxable temporary differences is insufficient to fully recognize a deferred tax asset, future taxable profits will be considered, adjusted for reversals of existing temporary differences, based on the business plans of the parent company and its individual subsidiaries.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax asset against the current tax liability, when they are related to the income tax applied by the same tax authority, and the Group intends to settle its current tax assets and liabilities at their net amount.

10.1. Taxes recoverable

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Prepaid income tax and social contribution	-	-	15	2,459
Withholding income tax (IRRF)	5,494	7,625	19,712	17,620
	5,494	7,625	19,727	20,079
Taxes on revenue (PIS and COFINS)	1,446	813	53,970	77,977
National Institute of Social Security (INSS) (i)	698	8,023	6,693	18,017
Other (ii)	-	46	6,170	3,282
Subtotal of taxes recoverable	2,144	8,882	66,833	99,276
Total	7,638	16,507	86,560	119,355
Current assets	4,348	11,477	31,334	63,217
Non-current assets	3,290	5,030	55,226	56,137

(i) Limitation of contributions to "Sistema S"

In addition to the social security contribution of 20% levied on the Group's payroll, the Group also pays contributions to "Sistema S", which comprises a group of organizations of the corporate entities engaged in professional training, social assistance, consulting services, research and technical assistance.

After studies carried out together with the Company's legal advisors, the Group began to consider the payment ceiling. The credits recorded in the last five years amounted to R\$8,409 (R\$10,867 updated by SELIC) in Parent and R\$23,129 (R\$29,979 updated by SELIC) in Consolidated. The principal amount (overpaid) was recorded under "Other operating income (expenses), net" in June 2023 and the adjustments by the SELIC rate under "Finance income", according to the monetary adjustment of the amount to be offset. The Group offset social security credits referring to the last five years.

With regard to this matter, the understanding issued by the Superior Court of Justice (STJ) in the judgment of Case 1.079 was that Decree-Law 2,318/1986 revoked the limit of 20 (twenty) minimum wages for quasi-fiscal contributions due to "Sistema S".

However, although the initial claim (from taxpayers) requested the limitation of the ceiling of 20 (twenty) minimum wages for all entities of Sistema S, Case 1.079 refers exclusively to SESI, SESC, SENAI and SENAC, with no other case or legal proceeding affected (in the STJ or STF) related to the other entities of Sistema S. In addition, the decision of Case 1.079 was published on 05/02/2024 and the requests for resolution of conflict and admissibility of the Extraordinary Appeal (RE) are currently pending analysis and judgment by the STJ.

The Company has suspended proceedings and is monitoring the evolution of the matter, and awaiting the judgment of the motions for clarification of the leading case to determine the exact enforcement terms and impacts on its individual proceedings.

- (ii) During the years, the Company has recognized previous period's PIS/COFINS credits related to the following four hypotheses:
 - a) Essential and significant expenses: following the STJ's understanding (Special Appeal 1.221.170/PR), expenses that are essential or important to a company's business are considered inputs for the purposes of PIS and COFINS credits.
 - b) Exclusion of ICMS from the PIS and COFINS calculation base: based on the judgment of Extraordinary Appeal 574.706, in accordance with art. 195, I, b, of the Brazilian Federal Constitution.
 - c) PIS and COFINS on fuels: Supplementary Law 192/22, published in 2022, reduced the PIS and COFINS rates on various fuels to zero, allowing credits to all legal entities in the chain.
 - d) Zero rate on pasta/pizzas: Law 10,925/04, amended by Law 12,655/12, reduced to zero the PIS and COFINS rates on revenue from the sale of pasta products classified under Code 19.02 of the IPI Tax Table (TIPI).

Of the total amount recorded as of December 31, 2024, the amounts by hypotheses are: a) R\$ 43,633 in Consolidated; b) R\$ 2,147 in Consolidated; c) R\$ 7,075 in Consolidated and d) R\$ 1,351 in Parent and R\$ 19,056 in Consolidated.

10.2. Deferred taxes

Deferred income tax and social contribution arise from recognized tax loss carryforwards and temporary differences. These tax credits are recorded in non-current assets and non-current liabilities, based on expected future taxable income measured as per the prevailing tax law at the balance sheet date.

As of December 31, 2024 and 2023, deferred income tax and social contribution are as follows:

	12/31/2022	Profit (loss) for the year	12/31/2023	Profit (loss) for the year	12/31/2024
<u>Deferred assets</u>					
Allowance for expected credit losses	37	(23)	14	(14)	-
Tax loss carryforwards	35,601	7,156	42,757	4,506	47,263
Provision for labor, civil and tax risks	6,912	(1,506)	5,406	606	6,012
Difference between accounting and tax law depreciation rates	2,841	(932)	1,909	(45)	1,864
Adjustments of lease liabilities	3,504	(235)	3,269	(2,373)	896
Impairment of assets	3,658	368	4,026	(3,372)	654
Share-based payment plan (stock options)	7,141	(27)	7,114	1,410	8,524
Provision for bonus, profit sharing, hours bank and collective labor agreement	6,308	2,332	8,640	(7,116)	1,524
Other provisions	1,709	1,250	2,959	(1,836)	1,123
Total deferred assets	67,711	8,383	76,094	(8,234)	67,860
<u>Deferred liabilities</u>					
Amortization of goodwill of acquired companies	(28,979)	-	(28,979)	-	(28,979)
Effects of right of use	(3,154)	(174)	(3,328)	2,459	(869)
Surplus value of merged companies	(5,165)	940	(4,225)	939	(3,286)
Rights over trademarks	(1,394)	1,394	-	-	-
Total deferred liabilities	(38,692)	2,160	(36,532)	3,398	(33,134)
Assets (Liabilities), Net	29,019	10,543	39,562	(4,836)	34,726
Unrecognized deferred tax assets	(42,742)	(22,392)	(65,134)	7,214	(57,920)
Recognized deferred income tax and social contribution	(13,723)	(11,849)	(25,572)	2,378	(23,194)

	12/31/2022	Profit (loss) for the year	Discontinued operations	Other adjustments (i)	12/31/2023	Profit (loss) for the year	Other adjustments (i)	12/31/2024
<u>Deferred assets</u>								
Allowance for expected credit losses	221	1,152	(1)	-	1,372	(562)	-	810
Tax loss carryforwards	183,124	28,371	-	-	211,495	35,846	-	247,341
Provision for labor, civil and tax risks	23,063	(2,894)	-	-	20,169	3,118	-	23,287
Difference between accounting and tax law depreciation rates	13,030	(4,307)	(42)	-	8,681	1,970	-	10,651
Adjustments of lease liabilities	163,671	6,855	(5,558)	-	164,968	2,361	-	167,329
Impairment of assets	24,747	(12,422)	-	-	12,325	(3,803)	-	8,522
Share-based payment plan (stock options)	7,141	(27)	-	-	7,114	1,410	-	8,524
Provision for bonus, profit sharing, hours bank and collective labor agreement	2,289	490	(109)	-	2,670	10,828	-	13,498
Other provisions	55,460	1,590	(687)	4,256	60,619	(10,910)	(15,242)	34,467
Total deferred assets	472,746	18,808	(6,397)	4,256	489,413	40,258	(15,242)	514,429
<u>Deferred liabilities</u>								
Amortization of goodwill of acquired companies	(127,358)	(365)	6,614	-	(121,109)	3,508	-	(117,601)
Effects of right of use	(149,519)	(15,021)	2,726	-	(161,814)	528	-	(161,286)
Surplus value of merged companies	(5,165)	940	-	-	(4,225)	939	-	(3,286)
Rights over trademarks	(20,345)	3,061	4,894	-	(12,390)	-	-	(12,390)
Other temporary differences - liabilities	(364)	(1,244)	313	-	(1,295)	(1,130)	-	(2,425)
Total deferred liabilities	(302,751)	(12,629)	14,547	-	(300,833)	3,845	-	(296,988)
Assets (Liabilities), Net	169,995	6,179	8,150	4,256	188,580	44,103	(15,242)	217,441
Unrecognized deferred tax assets	(117,925)	(60,935)	-	-	(178,860)	(15,800)	-	(194,660)
Recognized deferred income tax and social contribution assets	52,070	(54,756)	8,150	4,256	9,720	28,303	(15,242)	22,781
Recognized in non-current assets	83,432				49,827			58,875
Recognized in non-current liabilities	(31,362)				(40,107)			(36,094)

i. Amount referring to foreign exchange adjustments to foreign operations (United States).

As of December 31, 2024, there are tax loss carryforwards in the amount of R\$139,010 (R\$140,913 as of December 31, 2023) in Parent and R\$727,475 (R\$652,008 as of December 31, 2023) in Consolidated, for which deferred taxes have been recorded in the amount of R\$72,340 (R\$72,340 as of December 31, 2023) in Consolidated, based on projections of future taxable income. Additionally, there are unrecognized deferred taxes on temporary differences in the amount of R\$10,657 (R\$ 22,377 as of December 31, 2023) in Parent and also in some companies of the Group, totaling R\$19,351 (R\$34,936 as of December 31, 2023) in Consolidated referring to stock option plan and temporary differences (allowance for expected credit losses, provisions for bonuses, hours bank, collective labor agreement and provisions for costs and expenses in general), based on projections of future taxable income.

Based on the study of the projected recoverability of deferred tax, it is estimated that the amount will be realized as shown in the table below:

Years	Projection of realization of tax loss carryforwards						Total
	2025	2026	2027	2028	2029	After 2029	
Tax loss carryforwards	-	-	-	7,557	23,533	41,250	72,340
Temporary differences	81,921	76,417	70,612	20,498	7,367	822	257,637
	81,921	76,417	70,612	28,055	30,900	42,072	329,977

10.3 Effective rate reconciliation

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Loss before income tax and social contribution	(76,250)	(95,794)	(88,219)	(57,019)
Statutory tax rate	34%	34%	34%	34%
Income tax and social contribution credit at statutory rate	25,925	32,570	29,994	19,386
Adjustments made:				
Non-deductible expenses	(40)	(1,778)	(448)	(3,266)
Share of profit (loss) of investees	(28,200)	(10,960)	67	2,039
Monetary adjustment gains	-	999	-	3,172
Variation in the portion of unrecognized deferred taxes	7,214	(22,392)	(15,800)	(60,935)
Other (a)	(4,927)	15,358	(1,872)	11,320
Income tax and social contribution	(28)	13,797	11,941	(28,284)
Current income tax and social contribution	(2,406)	25,646	(16,362)	26,472
Deferred income tax and social contribution	2,378	(11,849)	28,303	(54,756)
	(28)	13,797	11,941	(28,284)
Effective rate	(0.04%)	14.40%	13.54%	(49.60%)

- (a) Adjustments/write-offs of right-of-use assets /lease liabilities (IFRS 16) and discounts obtained under the tax self-regularization program (LC 14,740/2023).

11. Profit (loss) from discontinued operations

Accounting policy:

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- a) represents a separate major line of business or geographic area of operations;
- b) are part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- c) are from a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss and of comprehensive income are restated as if the operation had been discontinued from the beginning of the comparative year.

11.1. Sale of the indirect wholly-owned subsidiary OG do Brasil

According to the Notice to the Market on August 23, 2023, its direct subsidiary Pimenta Verde Alimentos Ltda. entered into a Share Purchase and Sale Agreement with Wow Restaurantes Ltda. for the sale of the Company's indirect subsidiary OG do Brasil Alimentação Ltda., which operates the Olive Garden brand in Brazil. The total price of the proposal was R\$ 45,000.

The operation was completed on September 21, 2023 and it was agreed that, considering the early receipt of amounts that would be previously received on a deferred basis, the total acquisition price was R\$42,000, paid in a single installment on the closing date. The gain on the operation was R\$ 19,278.

11.2. Sale of the indirect wholly-owned subsidiary IMC Colombia

In August 2023, IMC and its direct subsidiary IMC Colombia classified the operation of J&C Delícias stores as an asset held for sale due to the corporate reorganization of its brand portfolio.

In order to facilitate future sales negotiations, on September 1, 2023 Management approved the transfer of the activities of the J&C Delícias stores through a partial spin-off of the assets of IMC Colombia with the merger of the spun-off portion by the legal entity Indústrias Alimentícias Gourmet S.A.S.

On December 22, 2023, its subsidiary IMC Colombia signed a binding agreement with Inflight Holdings (Cayman) Limited for the sale of the Company's indirect subsidiary, IMC Airport Shoppes S.A.S, comprising:

- (a) the operation of food and beverage concessions located at certain airports in Colombia and its indirect subsidiary Imobiliária Cart S.A.S, which has two plants, a plot of land located in Cartagena, Colombia, and a structure for providing catering services in Barranquilla, Colombia.

The total price of this transaction for the sale of IMC Airport Shoppes, including Imobiliária Cart S.A.S, is US\$ 13,907. On December 28, 2023, US\$12,556 was received, remaining a portion of US\$1,351 that was deposited in an escrow account, from which US\$600 was redeemed during the year ended December 31, 2024 and the release of the remaining US\$751 is scheduled for the first quarter of 2025 after the completion of the regularization of certain conditions related to the sale.

- (b) and the indirect subsidiary, Indústrias Alimentícias Gourmet S.A.S, company that operates the J&C Delícias store chain in Colombia. The total price of this transaction is COP\$ 3,807,969, approximately USD 917, of which USD 485 was paid in December 2023, USD 216 was paid in June 2024 and USD 216 was paid in December 2024.

- a) Profit (loss) from discontinued operations

	12/31/2023		
	Colombia	OG	Total
Net revenue	76,508	52,288	128,796
Cost of sales and services	(44,306)	(31,318)	(75,624)
Gross profit	32,202	20,970	53,172
<i>Operating income (expenses)</i>			
Selling and operating expenses	(19,770)	(12,166)	(31,936)
(Expense with) reversal of allowance for expected credit losses	(954)	(14)	(968)
Impairment of assets	(9,834)	-	(9,834)
General and administrative expenses	(5,318)	(77)	(5,395)
Other operating income (expenses), net	(4,240)	517	(3,723)
Operating profit (loss) before finance income (expense)	(7,914)	9,230	1,316
Finance income (expense), net	(101)	(743)	(844)
Profit (loss) before income tax and social contribution	(8,015)	8,487	472
Current income tax and social contribution	(73)	999	926
Deferred income tax and social contribution	1,468	440	1,908
Profit (loss) from discontinued operations	(6,620)	9,926	3,306

b) Cash flows provided by (used in) discontinued operations

	12/31/2023	
	Colombia	OG
Net cash provided by operating activities	7,679	(1,023)
Net cash used in investing activities	(2,468)	(73)
Net cash used in financing activities	(3,889)	(2,994)
Effect of exchange rate changes on cash and cash equivalents	(8,823)	-
Net cash provided by discontinued operations	(7,501)	(4,090)
Cash and cash equivalents at the beginning of the year	9,638	6,338
Cash and cash equivalents at the end of the year	2,137	2,248
Net cash provided by discontinued operations	(7,501)	(4,090)

c) Effect of the sale on the Group's financial position:

	12/31/2023	
	Colombia	OG
Trade receivables	8,815	3,622
Inventories	1,640	2,288
Taxes recoverable	3,504	2,479
Prepaid expenses	150	118
Other current assets	6,105	332
Deferred income tax and social contribution assets	-	7,114
Property, plant and equipment	3,421	15,116
Intangible assets	24,484	774
Right of use	6,593	17,114
Trade payables	(2,676)	(3,329)
Payroll and related taxes	(1,109)	(2,630)
Taxes payable	(1,083)	(350)
Other current liabilities	(2,566)	-
Lease liabilities	(7,439)	(19,455)
Provision for risks	-	(123)
Deferred income tax and social contribution	(6,125)	(5,920)
Net assets and liabilities (except cash and cash equivalents)	33,714	17,150
Amount received in cash for the sale	66,215	42,000
Cash and cash equivalents from the segment disposed of	(2,137)	(2,248)
Net cash inflow	64,078	39,752

12. Investments

Information on subsidiaries and joint ventures

The summarized financial information relating to each of the subsidiaries is presented below:

a) 12/31/2024

Direct subsidiaries	Ownership interest	Total assets	Total liabilities	Equity	Investments	Profit (loss) for the year	Revenue	Share of profit (loss) of investees
IMCMV Holdings Inc.	100%	1,270,260	(834,712)	(435,549)	435,549	(5,080)	740,973	(5,080)
IMC Puerto Rico Ltd.	100%	21,467	-	(21,467)	21,467	8,198	-	8,198
Pimenta Verde Alimentos Ltda.	100%	1,095,080	(812,653)	(282,427)	282,427	(75,807)	919,148	(75,807)
Niad Restaurantes Ltda. (*)	64.74%	1,783	(1,735)	(49)	32	845	-	547
Centro de Serviços Frango Assado Norte Ltda.	91.30%	205,881	(148,959)	(56,922)	51,970	(1,014)	342,995	(926)
KSR Master Franquias Ltda. (*)	100%	107,221	(148,064)	40,843	(40,843)	(4,640)	26,064	(4,640)
PHSR Master Franquia Ltda. (*)	100%	54,353	(124,420)	70,068	(70,068)	4,473	27,380	4,473
RA Catering do Brasil Ltda. (Brazil)	100%	43,368	(37,081)	(6,286)	6,286	(6,376)	75,503	(6,376)
Batata Inglesa Ltda.	100%	25,005	(22,497)	(2,508)	2,508	(3,291)	24,142	(3,291)
Viena Restaurantes Ltda.	76.85%	22,631	(14,844)	(7,787)	5,984	(54)	32,409	(42)
Total share of profit (loss) of investees		2,847,049	(2,144,965)	(702,084)	695,312	(82,746)	2,188,614	(82,942)

The negative equity amounts of the subsidiaries, as shown in the table above, totaling R\$110,911, are presented as a provision for losses on investments in the parent's non-current liabilities.

b) 12/31/2023

Direct subsidiaries	Ownership interest	Total assets	Total liabilities	Equity	Investments	Profit (loss) for the year	Revenue	Share of profit (loss) of investees
IMCMV Holdings Inc.	100%	1,006,555	(650,829)	(355,726)	355,726	(5,561)	820,315	(5,561)
IMC Puerto Rico Ltd. (The Caribbean)	100%	139,248	(26,808)	(76,589)	76,589	17,869	-	5,667
Pimenta Verde Alimentos Ltda. (Brazil)	100%	1,013,945	(651,693)	(362,253)	362,253	14,190	871,512	23,145
Niad Restaurantes Ltda. (Brazil) (*)	64.74%	2,633	(3,405)	772	(500)	(1,037)	-	(672)
Centro de Serviços Frango Assado Norte Ltda. (Brazil)	91.30%	182,355	(117,028)	(65,327)	59,643	(4,188)	344,043	(3,824)
Batata Inglesa Ltda. (Brazil)	100%	20,430	(14,631)	(5,799)	5,799	1,033	23,474	1,033
KSR Master Franquias Ltda. (Brazil) (*)	100%	80,614	(116,817)	36,203	(36,203)	(19,925)	22,871	(19,925)
PHSR Master Franquia Ltda. (Brazil) (*)	100%	52,372	(126,913)	74,541	(74,541)	(35,345)	27,394	(35,345)
Total		2,498,152	(1,708,124)	(754,178)	748,766	(32,964)	2,109,609	(35,482)
Share of profit (loss) of investment in discontinued operations								3,247
Total share of profit (loss) of investees								(32,235)

The variation in investments in subsidiaries and joint ventures presented in the individual financial statements is as follows:

(a) Subsidiaries

	IMCMV Holdings Inc	IMC Puerto Rico Ltd.	Pimenta Verde	Niad	Centro de Serviços Frango Assado	KSR Master	PHSR Master	Batata Inglesa	RA Catering	Viena	Total
Balance as of December 31, 2022	392,066	61,514	359,183	155	64,796	(16,140)	(39,196)	4,766			827,144
Share of profit (loss) of investees	(5,561)	5,667	23,145	(672)	(3,824)	(19,925)	(35,345)	1,033			(35,482)
Translation adjustments	(30,779)	4,917	-	-	-	-	-	-	-	-	(25,862)
Share of profit (loss) of investees from discontinued operations	-	12,202	(8,955)	-	-	-	-	-	-	-	3,247
Dividends	-	(7,711)	-	-	-	-	-	-	-	-	(7,711)
Effect of adjustment to present value calculated on loans, recorded against equity	-	-	(11,120)	17	(1,329)	(138)	-	-	-	-	(12,570)
Balance as of December 31, 2023	355,726	76,589	362,253	(500)	59,643	(36,203)	(74,541)	5,799	-	-	748,766
Total assets											860,010
Total liabilities											(111,244)
Share of profit (loss) of investees	(5,080)	8,198	(75,807)	548	(926)	(4,640)	4,473	(3,291)	(6,376)	(42)	(82,942)
Translation adjustments	84,903	5,674	-	-	-	-	-	-	-	-	90,577
Dividends	-	(39,273)	-	-	-	-	-	-	-	-	(39,273)
Capital reduction	-	(29,721)	-	-	-	-	-	-	-	-	(29,721)
Dropdown of assets	-	-	(487)	-	-	-	-	-	10,219	6,026	15,758
Effect of adjustment to present value calculated on loans, recorded against equity	-	-	(3,532)	(16)	(6,747)	-	-	-	2,443	-	(7,853)
Balance as of December 31, 2024	435,549	21,467	282,427	32	51,970	(40,843)	(70,068)	2,508	6,286	5,984	695,312
Total assets											806,223
Total liabilities											(110,911)

(b) Joint venture

	Universal City Restaurant Venture, LLC
Balance as of December 31, 2022	31,227
Share of profit (loss) of investees (i)	8,007
Amortization of surplus value (i)	(2,011)
Other adjustments	(11,600)
Translation adjustments	962
Balance as of December 31, 2023	26,585
Share of profit (loss) of investees (i)	32,422
Amortization of surplus value (i)	(2,169)
Dividends	(4,414)
Translation adjustments	11,124
Balance as of December 31, 2024	63,548

- (i) The effect of share of profit (loss) of investees recorded in the Company's consolidated statement of profit or loss is the net result from the sum of share of profit (loss) of investees and amortization of surplus value allocation derived from business combination.

13. Property, plant and equipment

Accounting policy:

Property, plant and equipment are stated at acquisition or construction cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is calculated under the straight-line method over the estimated economic useful lives of the assets, as shown below. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for prospectively. The Company reviewed the estimated useful lives of the items of its property, plant and equipment in 2024 and concluded that there are no changes to be made for this year.

When significant parts of an item of property, plant and equipment have different useful lives, they are recorded taking into account the useful life of the main item.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss. Subsequent costs are capitalized only when it is probable that future economic benefits associated with the costs will flow to the Group.

Property, plant and equipment acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, property, plant and equipment acquired in a business acquisition are stated at initial recognized cost, less accumulated depreciation and impairment losses, if applicable.

<u>Category</u>	<u>Useful life in years</u>
Buildings	6 to 20
Machinery and equipment	3 to 35
Furniture and fixtures	8 to 20
Leasehold improvements *	1 to 25
Computers, vehicles and other items	3 to 25

*The depreciation is measured for the shorter of the contractual period or the useful life of the asset.

The breakdown and variation in property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

	Parent				
	Balances as of 12/31/2023	Additions (i)	Write-offs	Transfers (ii)	Balances as of 12/31/2024
Cost					
Machinery and equipment	17,111	5	(5,803)	(9,659)	1,654
Furniture and fixtures	7,256	-	(2,928)	(2,441)	1,887
Leasehold improvements	37,099	-	-	(32,152)	4,947
Computers, vehicles and other items	23,608	-	(840)	(6,002)	16,766
Works and construction in progress	3,222	1,492	(11)	(2,684)	2,019
Total	88,296	1,497	(9,582)	(52,938)	27,273
Depreciation					
Machinery and equipment	(11,323)	(577)	2,916	7,989	(995)
Furniture and fixtures	(5,632)	(227)	1,884	2,280	(1,695)
Leasehold improvements	(22,964)	(963)	-	21,866	(2,061)
Computers, vehicles and other items	(13,250)	(4,035)	809	6,863	(9,613)
Total	(53,169)	(5,802)	5,609	38,998	(14,364)
Impairment of assets					
Machinery and equipment	-	(10)	-	-	(10)
Furniture and fixtures	-	(29)	-	-	(29)
Leasehold improvements	(3,737)	-	207	1,937	(1,593)
Total	(3,737)	(39)	207	1,937	(1,632)
Total, net	31,390	(4,344)	(3,766)	(12,003)	11,277

	Parent				Balances as of 12/31/2023
	Balances as of 12/31/2022	Additions (i)	Write-offs	Transfers (ii)	
Cost					
Machinery and equipment	22,372	4	(9,457)	4,192	17,111
Furniture and fixtures	9,334	28	(2,128)	22	7,256
Leasehold improvements	37,393	37	(612)	281	37,099
Computers, vehicles and other items	24,214	-	(8,414)	7,808	23,608
Works and construction in progress	5,150	10,764	(389)	(12,303)	3,222
Total	98,463	10,833	(21,000)	-	88,296
Depreciation					
Machinery and equipment	(16,558)	(1,229)	6,464	-	(11,323)
Furniture and fixtures	(7,412)	(313)	2,093	-	(5,632)
Leasehold improvements	(21,455)	(1,982)	473	-	(22,964)
Computers, vehicles and other items	(18,508)	(3,083)	8,341	-	(13,250)
Total	(63,933)	(6,607)	17,371	-	(53,169)
Impairment of assets					
Machinery, equipment and facilities	(1,326)	-	1,326	-	-
Furniture and fixtures	(532)	-	532	-	-
Leasehold improvements	(3,274)	(3,737)	3,274	-	(3,737)
Computers, vehicles and other items	(159)	-	159	-	-
Total	(5,291)	(3,737)	5,291	-	(3,737)
Total, net	29,239	489	1,662	-	31,390

	Consolidated					Balances as of 12/31/2024
	Balances as of 12/31/2023	Additions (i)	Write-offs	Transfers (ii)	Effects of exchange differences	
Cost						
Machinery and equipment	216,874	2,107	(13,182)	29,980	9,933	245,712
Furniture and fixtures	101,425	4,755	(7,378)	10,426	12,409	121,637
Leasehold improvements	639,219	18,657	(20,404)	48,589	68,744	754,805
Computers, vehicles and other items	82,670	3,590	(3,087)	6,268	9,113	98,554
Works and construction in progress	45,010	108,263	(6,919)	(95,634)	6,834	57,554
Total	1,085,198	137,372	(50,970)	(371)	107,033	1,278,262
Depreciation						
Machinery and equipment	(113,650)	(35,164)	7,149	7,797	(5,396)	(139,264)
Furniture and fixtures	(61,828)	(13,183)	5,657	(3,873)	(7,604)	(80,831)
Leasehold improvements	(324,493)	(61,869)	15,381	(3,946)	(37,961)	(412,888)
Computers, vehicles and other items	(51,083)	(17,036)	2,965	393	(5,651)	(70,412)
Total	(551,054)	(127,252)	31,152	371	(56,612)	(703,395)
Impairment of assets						
Machinery, equipment and facilities	-	(621)	-	-	-	(621)
Furniture and fixtures	-	(1,302)	-	-	-	(1,302)
Leasehold improvements	(24,507)	-	8,000	-	-	(16,507)
Computers, vehicles and other items	-	(12)	-	-	-	(12)
Total	(24,507)	(1,935)	8,000	-	-	(18,442)
Total, net	509,637	8,185	(11,818)	-	50,421	556,425

	Consolidated						Balances as of 12/31/2023
	Balances as of 12/31/2022	Additions (i)	Write-offs	Transfers (ii)	Transfers to assets held for sale (iii)	Effects of exchange differences	
Cost							
Land and buildings	4,084	-	-	-	(4,084)	-	-
Machinery and equipment	208,465	11,307	(27,171)	43,861	(17,498)	(2,090)	216,874
Furniture and fixtures	109,127	8,077	(11,502)	5,189	(5,621)	(3,845)	101,425
Leasehold improvements	599,238	52,602	(8,888)	47,035	(36,395)	(14,373)	639,219
Computers, vehicles and other items	92,614	8,577	(16,613)	11,928	(11,963)	(1,873)	82,670
Works and construction in progress	91,625	66,559	(1,540)	(108,013)	(20)	(3,601)	45,010
Total	1,105,153	147,122	(65,714)	-	(75,581)	(25,782)	1,085,198
Depreciation							
Land and buildings	(2,951)	-	-	-	2,951	-	-
Machinery and equipment	(130,071)	(21,004)	21,897	-	14,287	1,241	(113,650)
Furniture and fixtures	(71,070)	(7,666)	10,644	-	4,382	1,882	(61,828)
Leasehold improvements	(318,336)	(43,235)	6,439	-	21,639	9,000	(324,493)
Computers, vehicles and other items	(67,761)	(11,812)	16,451	-	10,904	1,135	(51,083)
Total	(590,189)	(83,717)	55,431	-	54,163	13,258	(551,054)
Impairment of assets							
Machinery, equipment and facilities	(7,332)	-	6,279	-	1,053	-	-
Furniture and fixtures	(4,457)	-	4,457	-	-	-	-
Leasehold improvements	(35,070)	(24,507)	35,070	-	-	-	(24,507)
Computers, vehicles and other items	(910)	-	910	-	-	-	-
Works and construction in progress	(1,396)	-	1,396	-	-	-	-
Total	(49,165)	(24,507)	48,112	-	1,053	-	(24,507)
Total, net	465,799	38,898	37,829	-	(20,365)	(12,524)	509,637

- (i) The additions to property, plant and equipment and intangible assets that were paid in the year ended December 31, 2024 total R\$13,392 in parent and R\$126,865 in consolidated. The amount of R\$15,486 in consolidated refers to amounts paid in 2024 relating to additions to property, plant and equipment and intangible assets acquired in 2023. The additions to property, plant and equipment and intangible assets that were actually paid in the year ended December 31, 2023 total R\$21,344 in parent and R\$132,758 in consolidated. The amounts of R\$815 in parent and R\$10,918 in consolidated refer to amounts paid in 2023 relating to additions to property, plant and equipment and intangible assets acquired in 2022.
- (ii) Transfers in 2023 are between property, plant and equipment and intangible assets, and in 2024 they refer to assets resulting from the spin-off of the parent company to the subsidiaries RA Catering do Brasil Ltda. and Viena Restaurantes Ltda.
- (iii) Transfers between property, plant and equipment and intangible assets reclassified to assets held for sale as of December 31, 2023.

The balances of assets net of depreciation are as follows:

	Parent			
	Cost	Depreciation	Impairment of assets	Net
Machinery and equipment	1,654	(995)	(10)	649
Furniture and fixtures	1,887	(1,695)	(29)	163
Leasehold improvements	4,947	(2,061)	(1,593)	1,293
Computers, vehicles and other items	16,766	(9,613)	-	7,153
Construction in progress	2,019	-	-	2,019
Balance as of 12/31/2024	27,273	(14,364)	(1,632)	11,277
Machinery and equipment	17,111	(11,323)	-	5,788
Furniture and fixtures	7,256	(5,632)	-	1,624
Leasehold improvements	37,099	(22,964)	(3,737)	10,398
Computers, vehicles and other items	23,608	(13,250)	-	10,358
Construction in progress	3,222	-	-	3,222
Balance as of 12/31/2023	88,296	(53,169)	(3,737)	31,390

	Consolidated			
	Cost	Depreciation	Impairment of assets	Net
Machinery and equipment	245,712	(139,264)	(621)	105,827
Furniture and fixtures	121,637	(80,831)	(1,302)	39,504
Leasehold improvements	754,805	(412,888)	(16,507)	325,410
Computers, vehicles and other items	98,554	(70,812)	(12)	28,130
Construction in progress	57,554	-	-	57,554
Balance as of 12/31/2024	1,278,262	(703,395)	(18,442)	556,425
Machinery and equipment	216,874	(113,650)	-	103,224
Furniture and fixtures	101,425	(61,828)	-	39,597
Leasehold improvements	639,219	(324,493)	(24,507)	290,219
Computers, vehicles and other items	82,670	(51,083)	-	31,587
Construction in progress	45,010	-	-	45,010
Balance as of 12/31/2023	1,085,198	(551,054)	(24,507)	509,637

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Allocated to cost of sales and services	1,349	2,687	62,031	41,224
Allocated to general and administrative expenses, and selling and operating expenses	4,453	3,920	65,221	42,493
Total depreciation expenses	5,802	6,607	127,252	83,717
PIS and COFINS credits on depreciation	(105)	(477)	(4,480)	(4,577)
Total depreciation expenses, net of tax credits	5,697	6,130	122,772	79,140

14. Intangible assets

Accounting policy:

Intangible assets consist mainly of goodwill, software acquired from and developed by third parties and/or internally, non-compete agreements, brand license rights (KFC, Pizza Hut and MargaritaVille), catering operations and brands acquired in business combination. Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally-generated intangible assets, excluding capitalized software development costs, are recognized as an expense in the year in which they are incurred.

Intangible assets with finite useful lives are amortized on a straight-line basis. The amortization period and method are reviewed at least at the end of each reporting period. Changes in the estimated useful life or the expected consumption pattern of the future economic benefits incorporated into the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting assumptions.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment at the end of the reporting period or whenever there is an indication that their carrying amount will not be recovered, either individually or at the level of the cash-generating unit. The assessment is reviewed annually to determine whether the indefinite useful life continues valid. The estimated useful life would be changed prospectively from indefinite to finite. Intangible assets with an indefinite useful life are brands and goodwill recorded in a business combination.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

Subsequent expenditures are capitalized only when they increase the future economic benefits embedded to the specific asset to which they relate.

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business acquisition are reported at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets are amortized over the useful lives of the assets, as follows:

<u>Category</u>	<u>Useful life (years)</u>
Software	3 to 5
Licensing rights*	10 to 20
Non-compete agreements*	7
*The amortization is measured for the shorter of the contractual period or the useful life of the asset.	

h.1) Impairment of goodwill

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination. Cash-generating units correspond to each business segment or country. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in subsequent years.

Upon disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

h.2) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

The variation in intangible assets for the years ended December 31, 2024 and 2023 is as follows:

	Parent				12/31/2024
	12/31/2023	Additions (i)	Write-offs	Transfers (ii)	
Cost					
Goodwill	243,858	-	-	-	243,858
Software	41,151	-	(958)	1,883	42,076
Rights over trademarks	4,100	-	-	-	4,100
Licensing rights	389,816	-	-	(78,677)	311,139
Intangibles in progress	4,179	12,280	(3,138)	(5,721)	7,600
Total	683,104	12,280	(4,096)	(82,515)	608,773
Amortization					
Software	(31,273)	(5,634)	522	2,229	(34,156)
Licensing rights	(169,269)	(15,791)	-	78,677	(106,383)
Total	(200,542)	(21,425)	522	80,906	(140,539)
Impairment of assets					
Goodwill	(28,114)	-	-	-	(28,114)
Software	(494)	-	494	-	-
Rights over trademarks	(4,100)	-	-	-	(4,100)
Licensing rights	(316)	-	38	-	(278)
Total	(33,024)	-	532	-	(32,492)
Total, net	449,538	(9,145)	(3,042)	(1,609)	435,742

	Parent				Balances as of 12/31/2023
	Balances as of 12/31/2022	Additions (i)	Write-offs	Transfers (ii)	
Cost					
Goodwill	243,858	-	-	-	243,858
Software	38,146	-	(1)	3,006	41,151
Rights over trademarks	4,100	-	-	-	4,100
Licensing rights	391,424	-	(1,608)	-	389,816
Intangibles in progress	-	7,185	-	(3,006)	4,179
Total	677,528	7,185	(1,609)	-	683,104
Amortization					
Software	(25,463)	(5,810)	-	-	(31,273)
Licensing rights	(154,333)	(15,792)	856	-	(169,269)
Total	(179,796)	(21,602)	856	-	(200,542)
Impairment of assets					
Goodwill	(28,114)	-	-	-	(28,114)
Software	(49)	(494)	49	-	(494)
Rights over trademarks	(4,100)	-	-	-	(4,100)
Licensing rights	-	(316)	-	-	(316)
Total	(32,263)	(810)	49	-	(33,024)
Total, net	465,469	(15,227)	(704)	-	449,538

	Consolidated					Balances as of 12/31/2024
	Balances as of 12/31/2023	Additions (i)	Write-offs	Transfers (ii)	Effects of exchange differences	
Cost						
Goodwill	684,487	-	(56,690)	-	61,035	688,832
Software	63,835	3,138	(4,812)	5,594	-	67,755
Rights over trademarks	49,372	-	-	-	-	49,372
Licensing rights	438,064	12,255	(10,391)	(13)	3,473	443,388
Intangibles in progress and other	4,204	12,679	(3,138)	(5,979)	-	7,766
Total	1,239,962	28,072	(75,031)	(398)	64,508	1,257,113
Amortization						
Software	(43,378)	(12,019)	4,356	385	-	(50,656)
Licensing rights	(183,972)	(20,029)	66	13	(3,234)	(207,156)
Total	(227,350)	(32,048)	4,422	398	(3,234)	(257,812)
Impairment of assets						
Goodwill	(43,837)	-	-	-	-	(43,837)
Software	(494)	-	494	-	-	-
Rights over trademarks	(12,930)	-	-	-	-	(12,930)
Licensing rights	(2,780)	-	727	-	-	(2,053)
Total	(60,041)	-	1,221	-	-	(58,820)
Total, net	952,571	(3,976)	(69,388)	-	61,274	940,481

	Consolidated						Balances as of 12/31/2023
	Balances as of 12/31/2022	Additions (i)	Write- offs	Transfers (ii)	Transfers to assets held for sale (iii)	Effects of exchange differences	
Cost							
Goodwill	719,581	-	(120)	-	(17,960)	(17,014)	684,487
Software	55,372	7,294	(159)	4,180	(2,852)	-	63,835
Rights over trademarks	74,418	-	(6,666)	-	(18,380)	-	49,372
Licensing rights	440,494	13,163	(3,672)	1,600	(12,555)	(966)	438,064
Non-compete agreements	2,884	-	-	-	(2,884)	-	-
Intangibles in progress	-	9,984	-	(5,780)	-	-	4,204
Total	1,292,749	30,441	(10,617)	-	(54,631)	(17,980)	1,239,962
Amortization							
Software	(38,856)	(6,938)	159	-	2,257	-	(43,378)
Licensing rights	(177,961)	(19,028)	2,707	-	9,461	849	(183,972)
Non-compete agreements	(2,125)	-	-	-	2,125	-	-
Total	(218,942)	(25,966)	2,866	-	13,843	849	(227,350)
Provision for impairment of assets							
Goodwill	(43,837)	-	-	-	-	-	(43,837)
Software	(415)	(494)	415	-	-	-	(494)
Rights over trademarks	(20,176)	-	4,814	-	2,432	-	(12,930)
Licensing rights	(7,124)	(2,780)	7,124	-	-	-	(2,780)
Total	(71,552)	(3,274)	12,353	-	2,432	-	(60,041)
Total, net	1,002,255	1,201	4,602	-	(38,356)	(17,131)	952,571

- (i) The additions to property, plant and equipment and intangible assets that were paid in the year ended December 31, 2024 total R\$13,392 in parent and R\$126,865 in consolidated. The amount of R\$15,486 in consolidated refers to amounts paid in 2024 relating to additions to property, plant and equipment and intangible assets acquired in 2023. The additions to property, plant and equipment and intangible assets that were actually paid in the year ended December 31, 2023 total R\$21,344 in parent and R\$132,758 in consolidated. The amounts of R\$815 in parent and R\$10,918 in consolidated refer to amounts paid in 2023 relating to additions to property, plant and equipment and intangible assets acquired in 2022.
- (ii) Transfers in 2023 are between property, plant and equipment and intangible assets, and in 2024 they refer to assets resulting from the spin-off of the parent company to the subsidiaries RA Catering do Brasil Ltda. and Viena Restaurantes Ltda.
- (iii) Transfers between property, plant and equipment and intangible assets reclassified to assets held for sale as of December 31, 2023 and in 2022.

Parent				
	Cost	Depreciation	Impairment of assets	Net
Goodwill	243,858	-	(28,114)	215,744
Software	42,076	(34,156)	-	7,920
Rights over trademarks	4,100	-	(4,100)	-
Licensing rights	311,139	(106,383)	(278)	204,478
Intangibles in progress and other	7,600	-	-	7,600
Balance as of 12/31/2024	608,773	(140,539)	(32,492)	435,742
Goodwill	243,858	-	(28,114)	215,744
Software	41,151	(31,273)	(494)	9,384
Rights over trademarks	4,100	-	(4,100)	-
Licensing rights	389,816	(169,269)	(316)	220,231
Intangibles in progress and other	4,179	-	-	4,179
Balance as of 12/31/2023	683,104	(200,542)	(33,024)	449,538
Consolidated				
	Cost	Depreciation	Impairment of assets	Net
Goodwill	688,832	-	(43,837)	644,995
Software	67,755	(50,656)	-	17,099
Rights over trademarks	49,372	-	(12,930)	36,442
Licensing rights	443,388	(207,156)	(2,053)	234,179
Intangibles in progress and other	7,766	-	-	7,766
Balance as of 12/31/2024	1,257,113	(257,812)	(58,820)	940,481
Goodwill	684,487	-	(43,837)	640,650
Software	63,835	(43,378)	(494)	19,963
Rights over trademarks	49,372	-	(12,930)	36,442
Licensing rights	438,064	(183,972)	(2,780)	251,313
Intangibles in progress and other	4,204	-	-	4,204
Balance as of 12/31/2023	1,239,962	(227,350)	(60,041)	952,571

Main intangible assets

a) Goodwill

Allocation of goodwill to cash-generating units

Goodwill is allocated to each cash-generating unit, defined as follows:

Pizza Hut, KFC & Others (Shopping malls): fast food in restaurant chains and coffee shops located in shopping malls in Brazil and provision of services to franchisees of the KFC and Pizza Hut brands, and other stores, after the acquisition of MultiQSR operations.

Airports: meals served in restaurants and coffee shops, airline catering and other related services in Brazil.

Frango Assado: food courts in service stations and restaurant chains located along highways in Brazil, and sale of vehicle fuel.

United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.

The carrying amount of goodwill was allocated to the following cash-generating units:

	Consolidated	
	12/31/2024	12/31/2023
Brazil		
Shopping malls	158,626	158,626
Airports	57,119	57,119
Highways	206,187	206,187
	421,932	421,932
United States of America	223,063	218,718
	644,995	640,650

b) Rights over trademarks

Refers to those trademarks identified in the acquisitions made, namely Viena, Frango Assado and Batata Inglesa.

c) Licensing rights

These refer to the portions of the price attributable to the acquisition of catering operations allocated to licenses to operate airline catering services and licenses and authorizations to operate restaurants in certain commercial regions of airports in Brazil.

After the acquisition of MultiQSR operations in 2019, the Company acquired the right to operate exclusively the KFC and Pizza Hut brands in Brazil under Master Franchise agreements.

The caterer's operations have already been fully amortized and the licensing rights of the master franchises of KFC and Pizza Hut acquired in 2019 are amortized over a period of 20 years, according to the purchase price allocation report. Licensing fees paid for store openings are amortized over a period of up to 10 years, with a maximum term of up to October 31, 2032 for KFC and up to April 27, 2030 for Pizza Hut.

In the United States there are the licensing rights of the brands Margaritaville (starting in August 2021 with a term of 10 years), LandShark Bar & Grill (some units starting in March 2018 and others starting in May 2021, both with a term of 10 years) and Pollo Tropical (starting in March 2015 with a term of 12 years). Amortizations are made over the period set forth in the agreement.

d) Intangibles in progress

The amounts recorded as intangibles in progress in the year ended December 31, 2024 substantially refer to the acquisition of new software and development of delivery applications.

Impairment testing for assets with indefinite useful lives and provision for stores closing

Assets with indefinite useful lives and the provision for stores closing are tested for impairment annually or whenever there are indications that some of the cash-generating units might be impaired. As of December 31, 2024, Management concluded that there were no indicators of impairment of any of its cash-generating units (CGU). In the year ended December 31, 2023, we have a net balance of R\$ 27,781 recorded in impairment, including property, plant and equipment and intangible assets relating to the provision for store closures.

Impairment testing for J&C Delícias assets at IMC Colombia

In the year ended December 31, 2023, Management conducted an impairment testing for J&C Delícias operation and, based on the higher of the value in use and the fair value, it verified that the fair value is lower than the value of the equity of said subsidiary. Therefore, Management concluded that it was necessary to recognize a loss to reflect the estimated recoverable amount of these assets in the financial statements. Accordingly, on August 31, 2023, IMC Colombia formalized with the local Chamber of Commerce the registration of the loss on assets related to the brand and non-compete agreements of J&C Delícias totaling R\$ 9,834 in the year, as shown in the table below:

	<u>Impairment</u>
Balance as of 12/31/2022	(2,432)
Impairment of rights over trademarks	(8,986)
Impairment on non-compete agreements	(848)
(+/-) Exchange rate changes	(354)
Balance as of 12/31/2023	<u>(12,620)</u>

Impairment testing for assets with indefinite useful lives

Assets with indefinite useful lives are tested for impairment annually or whenever there are indications that some of the cash-generating units might be impaired.

As of December 31, 2024, Management concluded that there were no indicators of impairment of any of its cash-generating units (CGUs), since the tests performed showed that the recoverable amounts of these CGUs exceeded their carrying amounts.

The value in use calculation was determined in view of the cash flow projections, based on financial budgets approved by Management over a five-year period. The discounted cash flow methodology, which is calculated from the capitalization of free cash flows, discounted at a rate of return (WACC) that corresponds to the required return, considering the weighted average cost of the different forms of financing present in the company's capital structure, at the nominal rates.

In Brazil the discount rate, after tax, applied to cash flow projections as of December 31, 2024 was 12.8% (14.5% as of December 31, 2023) for all CGUs.

For Brazil, the cash flow for the period beyond five years considers a growth rate as of December 31, 2024 of 4% (3.5% as of December 31, 2023), according to the growth rate disclosed by BACEN (equivalent to a long-term inflation rate of 4.0%). The estimated growth rate over the next five years for EBITDA is on average of 4% p.a.

For the United States, the cash flow for the period beyond five years considers a growth rate of 3.9% (2.5% as of December 31, 2023), in line with the long-term inflation in the local market.

In the United States the discount rate, after tax, applied to cash flow projections as of December 31, 2024 was 11.2% (12% as of December 31, 2023) for all CGUs.

The main aspects and considerations on the most significant assumptions used in the analyses, applicable to all of the Company's cash generating units, are as follows:

Sales forecasts	The average sales growth in the period immediately prior to the projection period, plus an annual growth rate for the next five years. The amounts attributed to the assumption reflect the past experience, except for the growth factor, which is consistent with Management's plans to concentrate operations in these markets and in certain brands of the Company's current portfolio. Management believes that the annual market share growth for the next five years is feasible.
Inflation adjustment of raw material prices	Projected consumer price indexes for the projection period of the countries from which raw materials are purchased. The amounts allocated to the main assumptions are consistent with external sources of information.
Projected gross margin	Average gross margins in the period immediately prior to the projection period, which were increased as a result of expected efficiency improvements. Reflect past experience, except for estimated efficiency improvements, which the Company believes to be reasonably achievable.

15.Right of use and lease liabilities

Accounting policy:

The Company recognizes a right-of-use asset and a lease liability at the date of commencement of the lease.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. Variable payments are recognized monthly as operating expenses.

The right-of-use asset is subsequently depreciated by the straight-line method from the date of commencement to the end of the useful life of the right-of-use asset or the end of the lease term.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not made at the date of inception, discounted at the interest rate implicit in the lease or, if this rate cannot be readily determined, at the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost, using the effective interest method. It is remeasured when there is a change in future lease payments resulting from a change in an index or a rate, if there is a change in the amounts that are expected to be paid in accordance with the residual value guarantee, if the Group changes its valuation of whether it will exercise an option for purchase, extension or termination or if there is a revised fixed lease payment in essence.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making certain adjustments to reflect the terms of the contract and the type of the leased asset.

When the lease liability is remeasured in this manner, a corresponding adjustment is made to the carrying amount of the right-of-use asset or recognized in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and making certain adjustments to reflect the terms of the contract and the type of the leased asset.

The assessment of whether the Company is reasonably certain to exercise these options has an impact on the lease term, which significantly affects the amount of the recognized lease liabilities and right-of-use assets. Based on the history of the last renewals, in which the terms and amounts negotiated differ substantially from those of the expired contracts, the Company considers renewals as new contracts and, therefore, does not consider renewal in the term.

The Company opts to not recognize right-of-use assets and lease liabilities for some leases of low-value assets or with terms of less than 12 months. The Company recognizes payments associated with these leases as an expense using the straight-line method over the lease term.

j.1) Effects of the adoption of the Guidelines contained in Circular Letter/CVM/SNC/SEP/No. 01/2020

With the issuance of the aforementioned Circular Letter and the clarification of some controversial issues related to the adoption of the new standard, the Company revised its assumptions for calculating the right-of-use assets and lease liabilities and started to consider the future payment flows, gross of potential PIS and COFINS tax credits, and continued to discount them at a nominal incremental interest rate. This methodology is in accordance with IFRS16/CPC 06 (R2). As of December 31, 2019, the effects of this change were considered prospectively as remeasurement in the changes of lease balances.

The term of the Company's lease agreements varies from 1 (one) year and 3 (three) months to 20 (twenty) years.

The variations in the right-of-use assets and lease liabilities are substantially comprised of real estate contracts. The variation in the years ended December 31, 2024 and 2023 was as follows:

a) Variations in the right-of-use asset

	Parent	Consolidated
	Real estate	Real estate
Balance as of 12/31/2023	9,787	610,970
(-) Amortization	(1,972)	(130,392)
(+) Additions	-	29,190
(-) Write-offs	-	(30,369)
(-) Transfers	(8,678)	-
(+) Exchange rate changes	-	105,788
(+) Remeasurement	3,418	35,984
(+) Reclassifications	-	3,038
Balance as of 12/31/2024	2,555	624,209

	Parent		
	Real estate	Commercial rights	Total
Balance as of 12/31/2022	9,610	1,548	11,158
(-) Amortization	(4,525)	(1,879)	(6,404)
(+) Additions	106	-	106
(-) Transfers	989	(989)	-
(+) Remeasurement	3,607	-	3,607
(+) Reclassifications	-	1,320	1320
Balance as of 12/31/2023	9,787	-	9,787

	Consolidated		
	Real estate	Commercial rights	Total
Balance as of 12/31/2022	566,306	31,761	598,067
(-) Amortization	(122,939)	(5,600)	(128,539)
(+) Additions	170,496	-	170,496
(-) Write-offs	(33,252)	(101)	(33,353)
(-) Transfers	27,941	(27,941)	-
(+) Exchange rate changes	(456)	-	(456)
(+) Remeasurement	24,895	-	24,895
(-) Other	-	699	699
(-) Reclassifications	(18)	1,338	1,320
(+) Reclassification to assets held for sale	(22,003)	(156)	(22,159)
Balance as of 12/31/2023	610,970	-	610,970

b) Variations in lease liabilities

	Parent	Consolidated
	Real estate	Real estate
Balance as of 12/31/2023	9,614	650,416
(+) Interest	658	37,708
(-) Principal paid	(1,720)	(124,206)
(-) Interest paid	(658)	(37,708)
(+) Additions	-	29,190
(-) Write-offs	-	(33,292)
(-) Transfers	(8,678)	-
(+) Remeasurement	3,418	35,984
(+) Other	-	3,718
(+/-) Exchange rate changes	-	126,942
Balance as of 12/31/2024	2,634	688,752
Current	956	113,656
Non-current	1,678	575,096

	Parent	Consolidated
	Real estate	Real estate
Balance as of 12/31/2022	10,305	636,172
(+) Interest	1,229	36,495
(-) Principal paid	(4,404)	(110,000)
(-) Interest paid	(1,229)	(36,495)
(+) Additions	106	170,496
(-) Write-offs	-	(33,252)
(+) Remeasurement	3,607	24,895
(-) Reclassification to assets held for sale	-	(24,204)
(+) Exchange rate changes	-	(13,691)
Balance as of 12/31/2023	9,614	650,416
Current	3,109	99,841
Non-current	6,505	550,575

c) Schedule of lease liabilities recognized in non-current liabilities

Year	Parent	Consolidated
2026	92	9,727
2027	1,168	112,563
2028	418	109,627
2029	-	102,058
Over 5 years	-	241,121
Total	1,678	575,096

d) Short-term leases, leases of low-value assets and variables:

As of December 31, 2024, payments made by the Company relating to short-term lease contracts and low-value assets referring to printers, peripherals, and office equipment totaled R\$884 in parent (R\$1,459 as of December 31, 2023) and R\$6,939 in consolidated (R\$4,622 as of December 31, 2023). Payments for contracts with variable value totaled R\$1,866 in parent (R\$4,606 as of December 31, 2023) and R\$44,972 in consolidated (R\$83,450 as of December 31, 2023).

e) PIS and COFINS credits

The entities located in Brazil are entitled to PIS and COFINS credit on lease contracts when making payments. PIS and COFINS credits are deducting the amounts of amortization of right of use, according to CVM Circular Letter 02/2019. We present below the potential amounts of these taxes, considering the par values and the amounts adjusted to present value:

Parent			
	Par value	Interest	Adjustment to present value
Lease consideration	2,993	(359)	2,634
Potential PIS and COFINS (9.25%)	277		

Consolidated			
	Par value	Interest	Adjustment to present value
Lease consideration	254,807	(55,764)	199,043
Potential PIS and COFINS (9.25%)	23,570		

f) Additional information

If the Group had adopted the calculation methodology projecting the inflation embedded in the nominal incremental rate and bringing it to present value by the nominal incremental rate, the following data should be considered:

	Projected inflation by year	Average contract term
Operations in Brazil	4.34%	3 years
Operations in the United States of America	2.90%	6 years

16. Trade payables and Trade payables - agreements

Accounting policy:

Accounts payable recorded as trade payables are obligations to pay for goods or services that were acquired or provided to the Company in the ordinary course of business, in addition to new investments of the Company.

- Supplier finance arrangements (Trade payables - agreements)

The Company presents the amounts due for the purchase of goods or provision of services related to supplier finance arrangements as "Trade payables - agreements" because it considers that the nature or function of this financial liability does not differ from other accounts payable.

The Company must exercise judgment to consider whether the supplier finance arrangements contain new contractual terms and different circumstances from supplier transactions, and whether a separate presentation of amounts is required. The lack of this assessment may generate distortions in relation to the real financial situation by failing to recognize finance expenses in the statement of profit or loss, in addition to not recognizing the onerous liability as financing and adjusting it to present value, when appropriate, without the proper segregation of interest embedded in the operation.

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Product suppliers	5,739	14,589	138,635	148,395
Service providers	4,509	15,229	50,029	80,415
Trade payables - agreements	-	127	30,200	10,221
Suppliers - others	-	-	-	237
	10,248	29,945	218,864	239,268

The Company has a confirming operation with Santander bank, in order to provide its suppliers with the possibility of advancing the receipt of invoices related to purchases made by the Company. In this operation, the financial institution pays the supplier in advance, if requested (the decision is solely and exclusively of the supplier), in exchange for a discount, which is borne by the supplier. On the original due date, the Company pays the bank the original nominal amount. This operation does not change the original economic essence of the commercial transaction, and the amounts, therefore, are accounted for in trade payables - agreements.

17. Borrowings

Description	Effective rate	Financial charges	Maturity	Contract value	Parent	
					12/31/2024	12/31/2023
Borrowing modality 4131 (a)	13.44% p.a.	CDI + spread of 2.45% p.a.	Annual until 11/25/2024	53,149	-	50,520
Borrowing modality 4131 (b)	13.30% p.a.	CDI + spread of 2.23% p.a.	Annual until 10/23/2025	30,000	30,652	-
Borrowing modality 4131 (c)	13.30% p.a.	CDI + spread of 2.23% p.a.	Annual until 11/24/2025	50,000	50,500	-
Debentures 3 rd Series (d)	14.82% p.a.	CDI + spread of 3.60% p.a.	Semiannual up to 03/15/2028	200,000	208,284	208,855
Debentures 4 th Series (e)	15.49% p.a.	CDI + spread of 4.20% p.a.	Annual from 10/11/2025 to 10/11/2028	200,000	206,412	206,542
Debentures 5 th Series (f)	15.49% p.a.	CDI + spread of 4.20% p.a.	Annual from 12/19/2025 to 12/19/2028	60,000	60,260	60,108
Costs to be recognized					(7,989)	(9,698)
					548,119	516,327
Current					158,402	63,656
Noncurrent					389,717	452,671

Description	Effective rate	Financial charges	Maturity	Contract value	Consolidated	
					12/31/2024	12/31/2023
Borrowing modality 4131 (a)	13.44% p.a.	CDI + spread of 2.45% p.a.	Annual until 11/25/2024	53,149	-	50,520
Borrowing modality 4131 (b)	13.30 % p.a.	CDI + spread of 2.23% p.a.	Annual until 10/23/2025	30,000	30,652	-
Borrowing modality 4131 (c)	13.30% p.a.	CDI + spread of 2.23% p.a.	Annual until 11/24/2025	50,000	50,500	-
Finame (d)	14.65% p.a.	Spread of 3.45% p.a.	Monthly until 10/31/2027	30,000	30,409	-
Debentures 3 rd Series (e)	14.82% p.a.	CDI + spread of 3.60% p.a.	Semiannual up to 03/15/2028	200,000	208,284	208,855
Debentures 4 th Series (f)	15.49% p.a.	CDI + spread of 4.20% p.a.	Annual from 10/11/2025 to 10/11/2028	200,000	206,412	206,542
Debentures 5 th Series (g)	15.49% p.a.	CDI + spread of 4.20% p.a.	Annual from 12/19/2025 to 12/19/2028	60,000	60,260	60,108
Bank Credit Note (CCB) - USA (h)	3.05% p.a.	30-day LIBOR + spread of 3% p.a.	Monthly until 07/01/2027	182,620	-	13,227
Costs to be recognized					(7,988)	(9,698)
					578,529	529,554
Current					159,762	76,883
Non-current					418,767	452,671

The variations in borrowings are presented below:

	Parent	Consolidated
Balance as of 12/31/2022	592,695	664,332
Proceeds from borrowings	502,400	502,400
Repayment of borrowings	(569,614)	(623,123)
Changes in cash flows from financing activities	(67,214)	(120,723)
Interest paid on borrowings	(96,089)	(96,783)
Changes in cash flows from operating activities	(96,089)	(96,783)
Transaction costs	(1,298)	(1,031)
Provision for interest on borrowings	88,233	88,928
Exchange rate changes on borrowings	-	(5,169)
Total non-cash variation adjusted to Profit (Loss) for the year	86,935	82,728
Balance as of 12/31/2023	516,327	529,554
Proceeds from borrowings	80,000	110,000
Repayment of borrowings	(50,000)	(66,918)
Changes in cash flows from financing activities	30,000	43,082
Interest paid on borrowings	(75,777)	(77,041)
Changes in cash flows from operating activities	(75,777)	(77,041)
Transaction costs	1,710	1,710
Provision for interest on borrowings	75,859	77,533
Exchange rate changes on borrowings	-	3691
Total non-cash variation adjusted to Profit (Loss) for the year	77,569	82,934
Balance as of 12/31/2024	548,119	578,529

Guarantees and commitments

Debentures are guaranteed by sureties issued by Pimenta Verde and Centro de Serviço Norte.

The Group has bank loans with guarantee that contain covenants. Future non-compliance with these covenants may require the Group to repay the loans before the date indicated in the table above. The covenants are regularly monitored by the treasury and periodically reported to Management to ensure that the contracts are being fulfilled. The Company also has covenants related to non-financial indicators according to each contract. For the year ended December 31, 2024, the Group was compliant with these covenants.

- (a) On November 29, 2023, the Company made an amendment to the direct external borrowing (4131) with Banco do Brasil of R\$ 53,149 with rollover in the amount of R\$ 50,000 (fifty million reais) and settlement of R\$ 3,149, with interest equivalent to 100% of the CDI, plus a spread of 2.45% p.a., replacing the previous rate of 3.35% p.a., and maturity postponed from November 29, 2023 to November 25, 2024, with payment of interest and principal of R\$57,807 on the due date.

- (b) On October 28, 2024, the Company obtained a borrowing modality 4131 from Banco do Brasil in the amount of R\$30,000 (thirty million reais), with interest of 100% of the CDI, plus a spread of 2.23% p.a., maturing on October 23, 2025, with payment of interest and principal on the due date. The contract does not contain financial covenants.
- (c) On November 29, 2024, the Company obtained a borrowing modality 4131 from Banco do Brasil in the amount of R\$50,000 (fifty million reais), with interest of 100% of the CDI, plus a spread of 2.23% p.a., maturing on November 24, 2025, with payment of interest and principal on the due date. The contract does not contain covenants.
- (d) On October 28, 2024, the Company obtained a BNDES Finame borrowing from Bradesco in the amount of R\$30,000 (thirty million reais), with interest of SELIC, plus a spread of 3.45% p.a., with quarterly interest payments from February 17 to November 17, 2025, and monthly payments of principal and interest from December 15, 2025 to November 16, 2027. The contract does not contain financial covenants.

Covenant description	Required ratio
Receivables	Transfer 10% of the receivables referring to the domiciles defined in the operation's restricted account

- (e) On March 15, 2023, the 3rd issuance of debentures was concluded (MEAL13). Within the scope of the issuance and offering, 200,000 simple, non-convertible, unsecured debentures were issued, with security interest and collateral, in a single series, with unit par value of R\$ 1,000.00 (one thousand reais), totaling R\$ 200,000,000 (two hundred million reais) on their issuance date, subject to interest equivalent to the accumulated variation of the DI rate, plus a spread of 3.60% p.a., and effective for five years, with maturity on March 15, 2028. The installments and interest will be paid semiannually, with a grace period for principal amortization in the first three years. Covenants established in the contract are monitored quarterly according to the financial ratios below:

Covenant description	Required ratio
Net debt/EBITDA	< 3.0x as from June/2023
Divestments	≤ 300MM until 04/10/2024

- (f) On October 11, 2023, the 4th issuance of debentures was concluded (MEAL14). Within the scope of the issuance and offering, 200,000 simple, non-convertible, unsecured debentures were issued, with security interest and collateral, in a single series, with unit par value of R\$ 1,000.00 (one thousand reais), totaling R\$ 200,000,000 (two hundred million reais) on their issuance date, subject to interest equivalent to the accumulated variation of the DI rate, plus a spread of 4.20% p.a., and effective for five years, with maturity on October 11, 2028. The installments and interest will be paid semiannually, with a grace period for principal amortization in the first two years. Covenants established in the contract are monitored quarterly according to the financial ratios below:

Covenant description	Required ratio
Net debt/EBITDA	< 3.0x as from December/2023
Divestments	≤ 255MM until 04/11/2024

- (g) On December 22, 2023, the 5th issuance of debentures was concluded (MEAL15). Within the scope of the issuance and offering, 60,000 simple, non-convertible, unsecured debentures were issued, with security interest and collateral, in a single series, with unit par value of R\$ 1,000.00 (one thousand reais), totaling R\$ 60,000,000 (sixty million reais) on their issuance date, subject to interest equivalent to the accumulated variation of the DI rate, plus a spread of 4.20% p.a., and effective for five years, with maturity on December 22, 2028. The installments and interest will be paid semiannually, with a grace period for principal amortization in the first two years. Covenants established in the contract are monitored quarterly according to the financial ratios below.

Covenant description	Required ratio
Net debt/EBITDA	< 3.0x as from December/2023
Divestments	≤ 255MM until 06/22/2024

- (h) A borrowing was obtained from Seacoast Bank, in the United States, in the amount of USD 15,000,000.00 (fifteen million dollars) on June 30, 2022 with fixed interest of 3.05% p.a., payable monthly (principal + interest) as from August 1, 2022, in 60 installments up to July 1, 2027. On February 15, 2023, the Company renegotiated and advanced the payment of USD 8,000,000.00 (eight million U.S. dollars) and the outstanding balance of R\$ 17,919 was settled on November 30, 2024. The financial ratios established in the agreement are monitored quarterly for compliance with the covenants below.

Covenant description	Required ratio
EBITDA/Gross debt	> 1.35
Total liabilities/Equity	< 4.0
Net debt/EBITDA	< 3.0
	40% of the debt on the contracting date - (USD 2,150)
Minimum cash	25% of the outstanding debt principal balance at the end of the 1 st year
	20% of the outstanding debt principal balance at the end of the 2 nd year
	15% of the outstanding debt principal balance at the end of the 3 rd year
	10% of the outstanding debt principal balance at the end of the 4 th year
	40% of the debt on the contracting date - (USD 2,150)
Overdraft account	25% of the outstanding debt principal balance at the end of the 1 st year
	20% of the outstanding debt principal balance at the end of the 2 nd year
	15% of the outstanding debt principal balance at the end of the 3 rd year
	10% of the outstanding debt principal balance at the end of the 4 th year

18.Provision for labor, civil and tax risks

Accounting policy:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Based on the information as of the date of these financial statements, the Group believes that the provision for tax, civil and labor risks is sufficient to cover any losses on administrative and judicial proceedings, as presented below:

18.1. Contingencies with risk of loss assessed as probable

The balances of the provision for tax, civil and labor risks as of December 31, 2024 and 2023 are presented below:

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Labor	4,828	24,787	19,268	44,428
Tax	10,944	20,793	46,031	45,173
Civil	919	4,541	1,108	5,061
	16,691	50,121	66,407	94,662

Variations in the provision in the years are presented below:

	Parent			
	Labor	Tax	Civil	Total
Balances as of December 31, 2022	30,646	19,842	4,640	55,128
Additions/(reversals) (i) (ii)	(3,319)	951	1,274	(1,094)
Payments	(2,540)	-	(1,373)	(3,913)
Balances as of December 31, 2023	24,787	20,793	4,541	50,121
Additions/(reversals) (i) (ii)	(16,333)	(9,849)	(920)	(27,102)
Payments	(3,626)	-	(2,702)	(6,328)
Balances as of December 31, 2024	4,828	10,944	919	16,691

	Consolidated			
	Labor	Tax	Civil	Total
Balances as of December 31, 2022	48,289	49,593	8,923	106,805
Additions/(reversals) (i) (ii)	2,622	(4,406)	325	(1,459)
Payments	(6,483)	(14)	(4,187)	(10,684)
Balances as of December 31, 2023	44,428	45,173	5,061	94,662
Additions/(reversals) (i) (ii)	(14,238)	1,813	118	(12,307)
Payments	(10,922)	(955)	(4,071)	(15,948)
Balances as of December 31, 2024	19,268	46,031	1,108	66,407

- (i) Includes principal and monetary adjustment amounts.
- (ii) Reversals mainly of contingencies prescribed, arising from the opening balance sheet of units acquired in 2019.

18.1.1. Labor

The Group is a party to labor claims filed by former employees, mainly related to the payment of severance pay, overtime, salary premiums, and amounts due as a result of secondary liability and disputes over the acknowledgment of employment relationships. None of these lawsuits is individually material. For the year ended December 31, 2023, labor claims classified as probable losses were fully provided for, and as of June 30, 2024, the recording of provisions followed the “expected value” rules, calculated based on analytical regression strategies (analysis of past events/experiences), which indicated the expected amount of loss for each proceeding.

As of June 30, 2024, the Group’s contingent liability, which was incurred in 2019 on the acquisition of PHSR Master and KSR Master, prescribed and was reversed. As of December 31, 2023, these liabilities totaled R\$14,811 and R\$15,559 in Parent and Consolidated, respectively.

18.1.2. Tax

The Group is exposed to risks related to challenges by tax authorities (federal, state and municipal) and contingencies as part of the acquisitions of Miller, Inventure, PHSR Master and KSR Master and, based on the opinion of its legal counsel, recognized a provision to cover probable losses on such risks.

As of June 30, 2024, the Group's contingent liability, which was incurred in 2019 on the acquisition of PHSR Master and KSR Master, prescribed and was reversed. As of December 31, 2023, these liabilities totaled R\$ 19,745 and R\$ 35,305 in Parent and Consolidated, respectively.

18.1.3. Civil

The Group is a party to civil lawsuits, such as claims of economic imbalance referring to the difference between the expected gain and the amount received, or claims filed by suppliers/manufacturers related to quality discounts.

Management recognized a provision for lawsuits in which the risk of loss is considered probable, based on the opinion of the Company's legal counsel. None of these lawsuits is individually material.

18.2. Contingencies with risk of loss assessed as possible

The Group has contingencies with risk of loss classified as possible, based on Management's assessment and on the opinion of its legal counsel, for which no provision was recorded.

The balances of possible losses not provisioned in the years ended December 31, 2024 and 2023 are as follows:

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Labor	3,912	8,854	64,805	43,120
Tax	12,107	2,405	60,623	39,479
Civil	7,393	6,844	10,915	20,073
Total	23,412	18,103	136,343	102,672

18.2.1. Labor

The Group does not have lawsuits individually material in both years. In general, lawsuits seek the payment of salary difference and other labor dues.

18.2.2. Tax

We present below the most significant contingencies relating to the following issues:

- a) A tax assessment notice in which the Federal Revenue Service of Brazil requires the company Pimenta Verde to pay PIS and COFINS tax debits, registered in a certificate of overdue tax liability (CDA) for the calendar year 2009. In 2022, this lawsuit was extinguished with the filing of tax foreclosure 5014925-71.2020.4.03.6182. As of December 31, 2024, the total amount in dispute classified as possible likelihood of loss was R\$4,428 (R\$4,467 as of December 31, 2023).

- b) Tax assessment notice 4.078.607-9 in which the Finance Department of the State of São Paulo requires the company Centro de Serviços Comercial Frango Assado to pay ICMS tax debits on transfers of goods, for the period from June 2015 to March 2016. As of December 31, 2024, the total amount in dispute classified as possible loss was R\$6,117 (R\$5,756 as of December 31, 2023).
- c) Tax assessment notice 10134.720558/2019-43 in which the Federal Revenue of Brazil requires the company Pimenta Verde to pay PIS and COFINS tax debits, registered in a certificate of overdue tax liability (CDA) for calendar years 2015 and 2016. As of December 31, 2024, the total amount in dispute classified as possible loss was R\$ 9,925 (R\$9,269 as of December 31, 2023).

Tax assessment notice 15746.734911/2024-73 in which the Brazilian Federal Revenue Service files a tax claim against IMC referring to PIS and COFINS tax debits in calendar year 2021.

18.2.3. Civil

We present below the most significant contingencies relating to the following issues:

- a) Lawsuit for agreement termination filed by a franchisee against PHSR Master, seeking to obtain judicial termination due to the franchisor's negligence, with the establishment of fines and compensation amounts (material damages and pain and suffering). As of December 31, 2024, the total amount in dispute classified as possible loss was R\$6,141 (R\$7,583 as of December 31, 2023).

19. Equity

Accounting policy:

Capital and expenditure on issuance of shares:

Additional costs directly attributable to the issuance of shares and stock options are recognized as a reduction of equity. Tax effects related to the costs of these transactions are accounted for in accordance with CPC 32/IAS 12.

Treasury shares:

When shares recognized as equity are repurchased, the consideration paid, which includes any directly attributable costs, is recognized as a deduction from equity. The repurchased shares are classified as treasury shares and are presented as a deduction from equity. When treasury shares are subsequently sold or reissued, the amount received is recognized as an increase in equity, and the gain or loss resulting from the transaction is presented as a capital reserve.

Profit allocation:

The payment of dividends to the Company's shareholders is recognized as a liability at the end of the reporting period based on the mandatory minimum dividends set out in the bylaws. Any amounts that exceed the minimum amount are recognized only at the date in which such additional dividends are approved by the Company's shareholders.

a) Capital

The Company is authorized to increase capital by up to 100,584,077 common shares without par value.

As of December 31, 2024 and 2023, the Company's capital comprises 286,369,530 shares that represent an amount of R\$1,154,462.

	Consolidated	
	12/31/2024	12/31/2023
Capital	1,170,479	1,170,479
Expenditure on issuance of shares	(16,017)	(16,017)
	1,154,462	1,154,462

b) Capital reserve

The capital reserve is initially comprised of R\$ 246,146 arising from the corporate reorganization process, which began on December 1, 2014 and ended in the first quarter of 2016. In that year, a capital increase of R\$ 82,049 was made and a capital reserve of R\$ 246,146 was set up.

In 2017, the Board of Directors approved the absorption of accumulated losses as of December 31, 2016, in the amount of R\$ 104,096, with a balance of R\$ 142,050 remaining in the capital reserve.

On August 28, 2019, a capital increase of R\$ 9,784 was approved, resulting from the merger of shares of MultiQSR (subsequently merged into the Parent), and a capital reserve of R\$ 207,099 was recognized, which represents the difference between the consideration paid of R\$ 216,883 based on the market value of the Group's shares on October 31, 2019, with a balance of R\$ 349,148 remaining in the capital reserve.

Between 2017 and 2020, losses net of gains on treasury shares were recorded in the capital reserve account, in the total amount of R\$ 846, with a balance of R\$ 349,993 remaining in the capital reserve.

	Consolidated
Set up from the corporate reorganization in December 2015	211,359
Set up from the corporate reorganization in March 2016	34,786
Absorption of accumulated losses as of December 31, 2016	(104,096)
Set up from the merger of MutiQSR shares	207,099
Net gains and losses on treasury share transactions between 2017 and 2020	845
	349,993

c) Treasury shares

On November 7, 2019, Company's Board of Directors approved a "share buyback program" effective through November 7, 2020 (inclusive) and for a volume of up to 4,911,436 common shares with the objective of increasing shareholder value generation. At the end of the share buyback program, the Group held 926,500 shares, with an average price of R\$ 6.03 per share, totaling R\$ 5,551.

d) Valuation adjustments to equity

These refer to the accumulated effect of exchange variation derived from the translation of the financial statements of the foreign subsidiary from its functional currency to the Company's functional and reporting currency.

20. Share-based payment plan

Accounting policy:

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as personnel expenses, with a corresponding increase in equity, over the vesting year of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment premiums that do not contain non-vesting conditions, the fair value on the granting date of share-based payment premiums is measured to reflect such conditions and no further adjustments are made for differences between expected and actual results.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as personnel expenses, with a corresponding increase in equity, over the vesting year of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment premiums that do not contain non-vesting conditions, the fair value on the granting date of share-based payment premiums is measured to reflect such conditions and no further adjustments are made for differences between expected and actual results.

Under the Stock Option Plan ("Stock Option Plan - 2015"), approved at the Extraordinary General Meeting held on April 30, 2015, the Company's and its subsidiaries' management and employees ("Beneficiaries") are eligible to receive stock options for common shares issued by the Company ("Option").

The granting of options must meet the maximum limit of 8,326,580 common shares, corresponding to 5% of the Company's capital.

The Stock Option Plan – 2015 is managed by the Company's Board of Directors or, at its discretion, by the Compensation Committee ("Committee") and, where applicable, its members will have full powers to, subject to the terms and conditions of the Plan and, in the case of the Committee, the guidelines of the Company's Board of Directors, organize and manage the Plan and the stock option agreements within its scope.

The Board of Directors or the Committee, where appropriate, will define: (a) the Beneficiaries; (b) the total number of Company's shares subject to grant; (c) the division of grant in lots, if applicable; (d) the exercise price; (e) possible restrictions on the shares received through the exercise of the Option; and (f) possible provisions on penalties, in conformity with the general guidelines set forth in the Plan, and will determine the terms and conditions of each option in a Stock Option Agreement ("Agreement"), to be entered into between the Company and each Beneficiary. The Agreement will define the number and class of shares that the Beneficiary will be entitled to acquire or subscribe upon exercise of the Option and any other terms and conditions, in conformity with the general guidelines set forth in the Plan.

The exercise price is updated monthly by the fluctuation of the Extended Consumer Price Index (IPCA) or the variation of the General Market Price Index from Fundação Getúlio Vargas (IGP- M/FGV) from the grant date.

Subject to the condition of remaining in the Company, at every 12 months the Beneficiaries will acquire the right to exercise the percentage of vested options set out in each Agreement, within a maximum period of up to two years after the vesting period.

The options will be exercised through the issuance of new shares and/or sale of treasury shares held by the Company, based on the option to be adopted by the Board of Directors or Compensation Committee.

With characteristics similar to the Stock Option Plan - 2015, on October 27, 2017, the Board of Directors approved the Stock Option Plan - 2017 with option grants limited to 4,550,000 common shares, equivalent on that date to 2.73% of the Company's issued capital. Different from Stock Option Plan - 2015, under this plan, the beneficiaries may exercise the vested options within a maximum period of up to three months after the vesting period, except if otherwise decided.

At the Extraordinary General Meeting held on August 28, 2019, the Stock Option Plan - 2019 was approved, with options granted limited to 4,325,000 common shares, equivalent to 2.21% of the Company's capital. The Stock Option Plan - 2019 has characteristics similar to previous plans. The beneficiaries of this plan will be able to exercise the vested options within a maximum period of up to 24 months after the vesting period.

At the Extraordinary General Meeting held on April 30, 2021, the Stock Option Plan – 2021 was approved, with options granted that do not exceed 7% of the total number of shares issued by the Company on each grant date; for the calculation of the Maximum Number, the Company should consider, on each grant date, all the Options granted and not exercised subject to this Plan, as well as all stock options granted and not exercised under the Company's stock option plans approved in 2015, 2017 and 2019. If any option under this Plan and the Former Plans is extinguished or canceled without being fully vested, the underlying options will become available again for future grant of options under this Plan, and the resulting effect will be recognized in profit or loss for the period. The beneficiaries of this plan will be able to exercise the vested options within a maximum period of up to 24 months after the vesting period.

At the Extraordinary General Meeting held on April 28, 2023 the Stock Option Plan – 2023 and the Stock Option Replacement Program – 2021 were approved. As a result, the Stock Option Plan – 2021 is extinguished. The Stock Option Plan – 2023 authorizes the granting of options that do not exceed 7% of the total number of shares issued by the Company on each grant date; for the calculation of the Maximum Number, the Company should consider, on each grant date, all the Options granted and not exercised subject to this Plan, as well as all stock options granted and not exercised under the Company's stock option plans approved in 2015, 2017 and 2019. If any option under this Plan and the Former Plans is extinguished or canceled without being vested, the underlying options will become available again for future grant of options under this Plan, and the resulting effect will be recognized in profit or loss for the period. In this plan, beneficiaries will be able to exercise vested options within a maximum period of up to 45 days after the vesting period and, for grants with a performance clause, up to 12 months after the vesting period.

Once the option is exercised by the participant, the corresponding shares will be issued through the Company's capital increase. Alternatively, the Company may sell, through a private operation, treasury shares. The Board of Directors will be responsible for defining how the shares arising from the exercise of the Options will be delivered to Participants. Currently, these programs are restricted to key management personnel.

The position of the granted options outstanding as of December 31, 2024 is as follows:

Exercise of grant	Number of shares				Fair value (1)	Exercise price (1)	
	Granted	Not exercised (2)	Exercised	Outstanding		On grant	Updated
Stock Option Plan - 2015							
2017	40,000	(40,000)	-	-	2.39	5.79	9.62
2020	246,000	(174,000)	-	72,000	0.59	4.00	5.16
	286,000	(214,000)	-	72,000			
Stock Option Plan - 2017							
2017	1,385,000	(1,355,000)	-	30,000	2.54	8.00	13.29
2018	500,000	(275,000)	-	225,000	1.99	7.67	11.98
2020	75,000	(75,000)	-	-	0.59	4.00	5.16
	1,960,000	(1,705,000)	-	255,000			
Stock Option Plan - 2019							
2019	1,450,000	(1,450,000)	-	-	1.63	7.53	11.46
	1,450,000	(1,450,000)	-	-			
Stock Option Plan - 2021							
2021	11,619,782	(11,619,782)	-	-	1.15	3.58	3.98
2022	2,810,381	(2,810,381)	-	-	0.77	2.15	2.26
	14,430,163	(14,430,163)	-	-			
Stock Option Plan - 2023							
2023 - Migration plan 2021	9,682,015	(1,105,656)	-	8,576,359	1.50	0.01	0.01
2023	2,500,000	(400,000)	-	2,100,000	1.91	0.01	0.01
	12,182,015	(1,505,656)	-	10,676,359			
	30,308,178	(19,304,819)	-	11,003,359			

The position of the granted options outstanding as of December 31, 2023 is as follows:

Exercise of grant	Number of shares				Fair value (1)	Exercise price (1)	
	Granted	Not exercised (2)	Exercised	Outstanding		On grant	Updated
Stock Option Plan - 2015							
2017	40,000	(40,000)	-	-	2.39	5.79	9.17
2020	246,000	(118,000)	-	128,000	0.59	4.00	4.92
	286,000	(158,000)	-	128,000			
Stock Option Plan - 2017							
2017	1,385,000	(1,335,000)	-	50,000	2.54	8.00	12.67
2018	500,000	(200,000)	-	300,000	1.99	7.67	11.43
2020	75,000	(15,000)	-	60,000	0.59	4.00	4.92
	1,960,000	(1,550,000)	-	410,000			
Stock Option Plan - 2019							
2019	1,450,000	(1,450,000)	-	-	1.63	7.53	10.93
	1,450,000	(1,450,000)	-	-			
Stock Option Plan - 2021							
2021	11,619,782	(11,619,782)	-	-	1.15	3.58	3.80
2022	2,810,381	(2,810,381)	-	-	0.77	2.15	2.16
	14,430,163	(14,430,163)	-	-			
Stock Option Plan - 2023							
2023 - Migration plan 2021	9,682,015	-	-	9,682,015	1.50	2.10	2.21
2023	2,500,000	-	-	2,500,000	1.91	1.92	2.11
	12,182,015	-	-	12,182,015			
	30,308,178	(17,588,163)	-	12,720,015			

(1) Amounts expressed in R\$.

(2) As set out in the grant agreement, the beneficiaries who resigned and/or are terminated from the Company lose the right to exercise the non-vested options. For vested options, the Company derecognizes the options.

The variation in the granted options outstanding is as follows:

	Stock Option Plan - 2015	Stock Option Plan - 2017	Stock Option Plan - 2019	Stock Option Plan - 2021	Stock Option Plan - 2023	Total
Number of options outstanding as of December 31, 2022	286,000	1,960,000	1,450,000	14,430,163	-	18,126,163
(+) Options granted in 2023	-	-	-	-	12,182,015	12,182,015
(-) Not exercised due to withdrawal / expired	-	-	-	-	-	-
2022 grant	-	-	-	(2,810,381)	-	(2,810,381)
2021 grant	-	-	-	(11,619,782)	-	(11,619,782)
2020 grant	(118,000)	(15,000)	-	-	-	(133,000)
2019 grant	-	-	(1,450,000)	-	-	(1,450,000)
2018 grant	-	(200,000)	-	-	-	(200,000)
2017 grant	(40,000)	(1,335,000)	-	-	-	(1,375,000)
2016 grant	-	-	-	-	-	-
Number of options outstanding as of December 31, 2023	128,000	410,000	-	-	12,182,015	12,720,015
2023 grant	-	-	-	-	(1,505,656)	(1,505,656)
2020 grant	(56,000)	(30,000)	-	-	-	(86,000)
2019 grant	-	(75,000)	-	-	-	(75,000)
2018 grant	-	(50,000)	-	-	-	(50,000)
Number of options outstanding as of December 31, 2024	72,000	255,000	-	-	10,676,359	11,003,359

To determine the fair value of the options issued by IMC, we used the Black & Scholes & Merton asset pricing model for the 2015/2017/2019 and 2021 Plans and Monte Carlo for the 2023 Plan.

Plan	Grant date	Fair value	Share price	Exercise price	Volatility (2)	Risk-free interest rate (3)	Dividend yield	Contractual maximum life remaining (1) (years)	Outstanding shares as of 12/31/2024
2015	10/01/2020	0.59017	3.52	4.00	38.47%	0.12%	0.00%	2.70	72,000
2017	11/09/2017	1.96830	8.71	8.39	37.32%	4.88%	0.00%	-	30,000
2017	12/21/2018	2.40699	6.99	6.75	41.11%	7.74%	0.00%	0.90	225,000
2023	04/28/2023	1.50000	2.10	0.01	51.59%	5.15%	0.00%	4.20	8,576,359
2023	12/11/2023	1.91000	1.92	0.01	59.76%	10.25%	0.00%	5.00	2,100,000
									11,003,359

- (1) Represents the period in which it is believed that the options will be exercised and was determined based on the assumption that the beneficiaries will exercise their options within the limit of maturity;
- (2) The estimated volatility took into consideration the weighing of the history of trading of Company shares;
- (3) The Company used as risk-free interest rate the reference rate of BM&F available at the calculation date and with maturity equivalent to the option term.

The expenses were recognized in line item “General and administrative expenses” in the statement of profit or loss, and in line item “Reserve for stock option plan” in equity, as follows:

a) As of December 31, 2024

Exercise of grant	Accumulated as of 12/31/2023	Appropriated to the results in 2024	Accumulated as of 12/31/2024	Amounts to be recorded in future years
Stock Option Plan - 2015				
2015	7,919	-	7,919	-
2016	7,137	-	7,137	-
2017	3,298	-	3,298	-
2018	1,360	-	1,360	-
2020	95	-	95	-
	19,809	-	19,809	-
Stock Option Plan - 2017				
2017	8,514	-	8,514	-
2018	1,187	-	1,187	-
2020	150	-	150	-
	9,851	-	9,851	-
Stock Option Plan - 2021				
2021	8,194	-	8,194	-
2022	318	-	318	-
	8,512	-	8,512	-
Stock Option Plan - 2023				
2023 - Migration plan 2021	2,476	3,336	5,812	1,365
2023	52	812	464	2,555
	2,528	4,148	6,676	3,920
Total	40,700	4,148	44,848	3,920

b) As of December 31, 2023

Exercise of grant	Accumulated as of 12/31/2022	Appropriated to the results in 2024 (i)	Accumulated as of 12/31/2023	Amounts to be recorded in future years
Stock Option Plan - 2015				
2015	7,919	-	7,919	-
2016	7,137	-	7,137	-
2017	3,394	(96)	3,298	-
2018	1,360	-	1,360	-
2020	97	(2)	95	-
	19,907	(98)	19,809	-
Stock Option Plan - 2017				
2017	8,643	(129)	8,514	-
2018	1,659	(472)	1,187	-
2020	113	37	150	-
	10,415	(564)	9,851	-
Stock Option Plan - 2019				
2019	3,405	(3,405)	-	-
	3,405	(3,405)	-	-
Stock Option Plan - 2021				
2021	6,772	1,422	8,194	-
2022	281	37	318	-
	7,053	1,459	8,512	-
Stock Option Plan - 2023				
2023 – Migration plan 2021	-	2,476	2,476	6,115
2023	-	52	52	3,798
	-	2,528	2,528	9,913
Total	40,780	(80)	40,700	9,913

(i) The negative amount in the year ended December 31, 2023 referring to the share-based payment plan comprises R\$4,104 of expenses related to the recognition of the grants according to the vesting period, less R\$4,024 related to the derecognition of grants canceled due to the end of the vesting period.

21. Net revenue

Accounting policy:

Revenue is recognized to the extent it is probable that economic benefits will be generated to the Company and when it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

a) Sales in restaurants and gas stations (Retail)

Related to the Group's main sources of revenues and considered as without subsequent performance obligation, these revenues are recognized upon the payment of the purchase by the customer, when the good is delivered, accepted by the customer and the risks and rewards associated to the good have been transferred. Payments are mostly received in cash, debit/credit cards and vouchers.

b) Royalties and provision of services (Franchises)

Revenue from providing franchisee management and advisory service is only recognized when the service is rendered and when the related benefits are transferred to the franchisees, by applying percentages to monthly sales, at which time the respective invoice is issued. The average collection period is 20 days.

c) Sales in catering transactions

Represented by the preparation of meals and aircraft fueling, this revenue is recognized only after the acceptance by the customer, when the goods have already been delivered, their risks and rewards have been transferred, and the Company has satisfied its performance obligation. Invoices are sent to the Airlines on a bi-weekly basis and the average collection period is 30 days.

	Parent	Consolidated
Gross revenue	40,257	2,439,835
Taxes on sales	(2,940)	(100,379)
Returns and rebates	(771)	(114,472)
Net revenue as of December 31, 2024	36,546	2,224,984
Gross revenue	128,533	2,422,888
Taxes on sales	(10,234)	(90,140)
Returns and rebates	(727)	(106,403)
Net revenue as of December 31, 2023	117,572	2,226,345

22. Expenses by nature

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Inventory costs	(12,302)	(37,806)	(807,474)	(805,128)
Costs of royalties and fees	-	-	(20,965)	(20,984)
Personnel expenses	(45,433)	(125,560)	(638,851)	(636,093)
Advertising expenses	(332)	(814)	(68,381)	(61,206)
Sales commissions expenses	(242)	(265)	(38,394)	(39,097)
Third-party services (a)	(30,939)	(25,801)	(101,462)	(92,825)
Operating expenses (b)	(13,541)	(29,567)	(363,552)	(382,970)
Depreciation and amortization - property, plant and equipment and intangible assets	(27,122)	(27,732)	(143,869)	(105,947)
Amortization of right of use	(1,797)	(5,964)	(123,971)	(122,119)
Recovery in expense apportionment – related parties	87,881	122,439	-	-
(Expense with) reversal of allowance for expected credit losses	192	(47)	5,865	(3,073)
Other expenses (d)	(2,534)	(2,859)	(28,537)	(34,755)
	(46,171)	(133,976)	(2,329,592)	(2,304,197)
<u>Classified as</u>				
Cost of sales and services	(27,978)	(87,287)	(1,494,928)	(1,455,747)
Selling and operating expenses	(12,815)	(24,559)	(612,153)	(615,602)
(Expense with) reversal of allowance for expected credit losses	192	(47)	5,865	(3,073)
General and administrative expenses	(5,570)	(22,083)	(228,376)	(229,775)
	(46,171)	(133,976)	(2,329,592)	(2,304,197)

- (a) Refer to expenses with consultancy, information technology, cleaning, audit and security services.
(b) Refer to miscellaneous expenses (gas, short-term leases, leases of low-value assets and variable leases, electricity, etc.).
(c) "Other expenses" include expenses with logistics, communication infrastructure, fees and charges and office supplies.

23. Other operating income (expenses), net

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
<u>Other expenses</u>				
Loss on sale and/or write-off of property, plant and equipment	-	(4,316)	(1,540)	(7,365)
Provision for risks (a)	(18,591)	(9,735)	(85,113)	(32,201)
Expenses on labor, civil and tax lawsuits	(3,642)	(5,393)	(15,078)	(15,827)
Restructuring costs	(5,739)	(325)	(7,404)	(419)
Other expenses	(1,745)	(8,820)	(5,029)	(15,635)
	(29,717)	(28,589)	(114,164)	(71,447)
<u>Other income</u>				
Rebates and commercial agreements	2	13	589	2,624
Reversal of provision for risks (a)	47,135	15,076	107,560	47,567
Gain on sale of property, plant and equipment, discontinued operations and commercial rights (b)	17	52	18,726	50,286
Recovery of tax credits (c)	13,674	10,449	47,633	63,473
Other revenues (d)	1,372	2,241	44,229	58,412
	62,200	27,831	218,737	222,362
Total, net	32,483	(758)	104,573	150,915

- (a) In 2024, this mainly refers to the provision for PIS and COFINS tax credits on products taxed at a zero rate in the amount of R\$7,727 (parent) and R\$27,525 (consolidated). The reversals mainly refer to contingencies prescribed, arising from the opening balance sheet of units acquired in 2019.
- (b) In 2024, this mainly refers to the gain on the sale of assets (a store) in the United States in the amount of R\$17,829, and in 2023 to the gain on the sale of OG do Brasil of R\$ 19,278 and of MC Colômbia in the amount of R\$ 30,203, net of selling expenses.
- (c) In 2024, this refers to previous period's credits related to INSS R\$4,494 (parent) and R\$7,869 (consolidated), ISS R\$3,419 (consolidated), PIS/COFINS R\$10,100 (parent) and R\$41,009 (consolidated). In 2023, this refers to previous period's credits related to INSS R\$9,370 (parent) and R\$27,487 (consolidated), ICMS R\$331 (parent) and R\$11,161 (consolidated), PIS/COFINS R\$142 (parent) and R\$21,113 (consolidated) and PERSE R\$1,845 (consolidated).
- (d) In 2024, these mainly refer to the reversal of the provision for claims in the US of R\$6,812 (consolidated), reimbursement of fire insurance policy in Land Shark Atlantic City of R\$13,967, reversal of provision for store closure of R\$776 (parent) and R\$3,975 (consolidated), and appropriation of deferred revenue of R\$210 (parent) and R\$775 (consolidated).

24. Finance income (expense), net

Accounting policy:

Finance income and expenses of the Group include:

- a) Interest income;
- b) Interest expense;
- c) Net gains/losses from financial assets at fair value through profit or loss;
- d) Net gains/losses from exchange rate changes of financial assets and liabilities.

Interest income or expense is recognized using the effective interest method.

The effective interest rate is the rate that exactly discounts the payments or receivables in estimated future cash flows over the expected lifetime of the financial instrument at:

- a) Gross carrying amount of the financial asset; or
- b) Amortized cost of the financial liability.

In the calculation of interest income or expenses, the effective interest rate is levied on the gross carrying amount of the asset (when the asset is not impaired) or at the amortized cost of the liability. However, interest income is calculated by applying the effective interest rate at the amortized cost of the impaired financial asset after the initial recognition. If the asset is no longer impaired, the calculation of interest income is again based on the gross value.

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
<u>Finance income</u>				
Income from financial investments	2,462	6,961	17,792	12,367
Monetary adjustment gains (a)	11,257	12,962	28,163	25,484
Exchange gains	2,768	3,862	4,187	7,754
Other finance income	1,950	2,826	2,603	5,195
	18,437	26,611	52,745	50,800
<u>Finance expenses</u>				
Monetary adjustment loss	(4,428)	(10,392)	(15,002)	(19,580)
Interest on borrowings	(75,859)	(88,233)	(77,533)	(88,928)
Expense apportionment – related parties	64,942	55,587	-	-
Transaction cost amortization and payment of premium	(2,628)	(18,921)	(2,628)	(18,921)
Interest on lease liabilities	(658)	(1,229)	(37,708)	(36,495)
Monetary adjustment, interest and banking fees	(7,588)	(3,053)	(20,497)	(9,265)
Exchange losses	(8,384)	(6,767)	(17,719)	(13,288)
Other finance expenses	-	-	(94)	(401)
	(34,603)	(73,008)	(171,181)	(186,878)
Total, net	(16,166)	(46,397)	(118,436)	(136,078)

- (a) Refers to monetary adjustment of previous period's credits recognized in the year and the effect of monetary adjustment of contingencies reversed due to the change in the likelihood of loss or in cases in which the Company had a favorable outcome.

25. Related parties

Accounting policy:

The Company applies the accounting standards with respect to related parties in identifying and accounting for such transactions; existing balances, including commitments, between the reporting entity and such related parties; and in determining the disclosures that should be provided regarding such transactions.

These transactions and existing balances with other Group entities are prominently disclosed in the individual and consolidated financial statements. Existing intercompany transactions and balances are eliminated, except for those between the entity (as investor) and its subsidiaries, which are measured and recorded at fair value through profit or loss in the preparation of the individual and consolidated financial statements.

The entity's statement of profit or loss and balance sheet can be affected by a related party relationship even if no transactions are made between the entities. The sole existence of a relationship could be sufficient to affect the entity's transactions with other parties.

The Company and its subsidiaries carry out intercompany transactions related to the Company's financial, commercial and operating aspects.

Receivables from and payables to related parties refer to rights and obligations mainly arising from royalties, loan operations and an agreement for the apportionment of costs, corporate and financial expenses, with financial conditions mutually agreed upon by the entities.

The balance of related parties is broken down as follows:

a) Franchise Fees and Royalties

a.1) *Royalties and Franchise fees payable*

Yum! Brands, Inc. (Yum!) is a related party, since it is a shareholder of the Company. The Company entered into a Master Franchisee agreement and is required to pay franchise fees and royalties to Yum!.

Additionally, the Master Franchisee agreement guarantees the Company the right to a monthly revenue related to the management of existing franchisees in the country.

These transactions are carried out under exclusive conditions provided for in agreements between Yum! and the Company, which represents the brands KFC and Pizza Hut in Brazil, and there are no comparable conditions in the market.

Due to the aforementioned agreements, as of December 31, 2024, these subsidiaries have recorded the following amounts:

	KSR Master	PHSR Master	Total
Balance as of 12/31/2023	2,410	2,539	4,949
Costs of royalties and fees	10,609	10,356	20,965
Payments	(10,015)	(10,352)	(20,367)
Balances as of 12/31/2024	3,004	2,543	5,547

	KSR Master	PHSR Master	Total
Balance as of 12/31/2022	1,975	2,506	4,481
Royalty expenses	9,577	11,408	20,985
Payments	(9,142)	(11,375)	(20,517)
Balances as of 12/31/2023	2,410	2,539	4,949

Royalties payable are recorded under trade payables, and the corresponding expense is recognized in the statement of profit or loss under “cost of sales and services”.

b) Receivables, reimbursement of expenses and loans

The reimbursement of expenses refers to the apportionment of the Company’s expenditures to its subsidiaries. In order to enhance the corporate structure, the Company and its subsidiaries agreed to share costs and expenses, focused mainly on sharing back-office and corporate structures, which do not have any specific due dates for settlement by the related parties, and are settled according to the cash availability of each company. Intercompany reimbursement transactions are carried out among all companies in the Group.

Transactions with related parties are as follows:

Assets

Parent						
Assignor	Borrower	Nature	Amount	Annual interest rate	Currency	Last maturity
IMC	Pimenta Verde	Loan	97,143	0%	Real	09/2026
IMC	RA Catering	Loan	7,469	0%	Real	09/2026
IMC	Pimenta Verde	Transfer of expenses	185,960	0%	Real	Indeterminate
IMC	NIAD	Transfer of expenses	445	0%	Real	Indeterminate
IMC	CS Frango Assado	Transfer of expenses	79,256	0%	Real	Indeterminate
IMC	KSR Master	Transfer of expenses	59,043	0%	Real	Indeterminate
IMC	PHSR Master	Transfer of expenses	67,879	0%	Real	Indeterminate
IMC	RA Catering	Transfer of expenses	5,958	0%	Real	Indeterminate
IMC	Batata Inglesa	Transfer of expenses	5,891	0%	Real	Indeterminate
IMC	Viena	Transfer of expenses	2,809	0%	Real	Indeterminate
IMC	IMCMV Holdings	Transfer of expenses	7,332	0%	Real	Indeterminate
Total			519,185			

Liabilities

Parent						
Assignor	Borrower	Nature	Amount	Annual interest rate	Currency	Last maturity
CS Frango Assado	IMC	Loan	(28,690)	0%	Real	06/2026
KSR Master	IMC	Loan	(183)	0%	Real	09/2025
IMCMV Holdings	IMC	Loan	(28,485)	0%	Real	06/2026
Pimenta Verde	IMC	Transfer of expenses	(18)	0%	Real	Indeterminate
KSR Master	IMC	Transfer of expenses	(10)	0%	Real	Indeterminate
PHSR Master	IMC	Transfer of expenses	(4)	0%	Real	Indeterminate
IMCMV Holdings	IMC	Transfer of expenses	(16,394)	0%	US dollar	Indeterminate
Total			(73,784)			

i) Breakdown of balances according to nature

Parent							
12/31/2024							
	Assets			Liabilities			Profit or loss
	Trade receivables	Loans	Total	Trade payables	Loans	Total	Reimbursement of expenses
Pimenta Verde	185,960	97,143	283,103	(18)	-	(18)	26,493
Niad	445	-	445	-	-	-	-
Frango Assado	79,256	-	79,256	-	(28,690)	(28,690)	13,722
KSR	59,043	-	59,043	(10)	(183)	(193)	8,637
PHSR	67,879	-	67,879	(4)	-	(4)	8,063
RA Catering	5,958	7,469	13,427	-	-	-	4,898
Batata Inglesa	5,891	-	5,891	-	-	-	2,027
Viena	2,809	-	2,809	-	-	-	1,748
IMCMV Holdings	7,332	-	7,332	(16,394)	(28,485)	(44,879)	22,293
Total	414,573	104,612	519,185	(16,426)	(57,358)	(73,784)	87,881

Parent							
12/31/2023							
	Assets			Liabilities			Profit or loss
	Trade receivables	Loans	Total	Trade payables	Loans	Total	Reimbursement of expenses
Sforza Group	14,359	-	14,359	-	-	-	-
Pimenta Verde	134,418	105,232	239,650	(34)	-	(34)	26,898
Niad	443	75	518	-	-	-	-
Frango Assado	53,478	-	53,478	-	(5,382)	(5,382)	21,519
KSR	41,069	-	41,069	(7)	(183)	(190)	18,052
PHSR	46,632	-	46,632	(8)	-	(8)	18,493
OG do Brasil	-	-	-	-	-	-	890
Batata Inglesa	2,060	-	2,060	-	-	-	1,345
IMCMV Holdings	27,347	-	27,347	(10,157)	-	(10,157)	30,944
IMC Airport Shoppes	-	-	-	-	-	-	4,298
Total	319,806	105,307	425,113	(10,206)	(5,565)	(15,771)	122,439
Current	2,334	-	2,334	-	-	-	-
Non-current	317,472	105,307	422,779	(10,206)	(5,565)	(15,771)	-

ii) Loans

As of December 31, 2024, the Company adjusted to present value the loans granted to and received from the parent and its subsidiaries in Brazil in equity, pursuant to CPC 48. The rate applied was the same used in the Company's loans, average rate of CDI + spread, totaling 16.74% p.a. to 19.67% p.a., since the Company does not charge interest on loans between related parties in Brazil, and the adjustment to present value was based on the market rate calculated above. Loans between Brazil and Panama are remunerated at an annual rate of 1.84% in Parent and 2.36% in Pimenta Verde.

c) Variations for the year

	Pimenta Verde	KSR Master	CS Frango Assado	Niad	RA Catering	Total assets
Balance as of 12/31/2022	119,184	179	1,149	-	-	120,512
Loans granted	43,142	-	250	100	-	43,492
Loans offset (i)	(69,280)	(249)	(1,850)	-	-	(71,379)
Adjustment to present value	12,186	70	451	-25	-	12,682
Balances as of 12/31/2023	105,232	-	-	75	-	105,307
Loans granted	17,500	-	-	-	11,941	29,441
Loans received	(28,360)	-	-	(100)	(2,030)	(30,490)
Adjustment to present value	2,771	-	-	25	(2,442)	354
Balance as of 12/31/2024	97,143	-	-	-	7,469	104,612

	CS Frango Assado	KSR Master	Pimenta Verde	IMCV Holdings	Discontinued operation - OG do Brasil	Total liabilities
Balance as of 12/31/2022	2,514	-	-	-	3,018	5,532
Loans received	5,720	500	69,280	-	-	75,500
Loans offset (i)	(1,850)	(249)	(69,280)	-	(4,200)	(75,579)
Adjustment to present value	(1,003)	(67)	-	-	1,182	112
Balances as of 12/31/2023	5,381	184	-	-	-	5,565
Loans received	30,800	-	-	25,413	-	56,213
Loans offset (i)	(100)	-	-	-	-	(100)
Accrued interest	-	-	-	859	-	859
Interest paid	-	-	-	(860)	-	(860)
Exchange rate changes	-	-	-	3,073	-	3,073
Adjustment to present value	(7,391)	-	-	-	-	(7,391)
Balances as of 12/31/2024	28,690	184	-	28,485	-	57,359

25.1 Compensation of key management personnel

For the year ended December 31, 2024, key management compensation totaled R\$23,309 (R\$19,129 as of December 31, 2023) in Parent and Consolidated, including R\$4,148 (negative R\$80 as of December 31, 2023) related to the expense with the share-based payment plan. These amounts were recorded in line item "General and administrative expenses".

The negative amount in the year ended December 31, 2023 referring to the share-based payment plan comprises R\$4,104 of expenses related to the recognition of the grants according to the vesting period, less R\$4,024 referring to the termination of beneficiaries' agreements for non-vested periods.

26. Earnings (loss) per share

Accounting policy:

In accordance with CPC 41/IAS 33 – Earnings per Share, earnings must be presented as basic and diluted.

Basic

Basic earnings (loss) per share are calculated by dividing the profit (or loss) for the year by the weighted average number of common shares issued in the same year.

Diluted

Diluted earnings (loss) per share are calculated by adjusting the weighted average number of outstanding common shares, considering the conversion of all potential common shares that would result in dilution. As of December 31, 2024 and December 31, 2023, there was no dilution effect.

The table below presents the calculation of earnings (loss) per share pursuant to technical pronouncement CPC 41/IAS 33 - Earnings per Share:

	Consolidated	
	01/01/2024 to 12/31/2024	01/01/2023 to 12/31/2023
<i>In thousands</i>		
Profit (loss) for the year attributable to owners of the company (continuing operations)	(76,278)	(85,303)
Profit for the year attributable to owners of the company (discontinued operations)	-	3,306
Profit (loss) for the year attributable to owners of the company	(76,278)	(81,997)
Weighted average number of outstanding shares - Basic denominator	285,444	285,444
Basic earnings (loss) per share – R\$	(0.26723)	(0.28726)
<i>Continuing operations</i>	(0.26723)	(0.29884)
<i>Discontinued operations</i>	-	0.01158
Weighted average number of outstanding shares - Diluted denominator	285,444	285,444
Total	285,444	285,444
Diluted earnings (loss) per share – R\$	(0.26723)	(0.28726)
<i>Continuing operations</i>	(0.26723)	(0.29884)
<i>Discontinued operations</i>	-	0.01158

27. Additional information to the statement of cash flows

Transactions not involving cash related to financing and investing activities are shown below:

	Parent		Consolidated	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Offsetting of assets and liabilities between related parties	(30,490)	(6,750)	-	-
Addition to right of use and lease liabilities	-	-	38,579	-
Additions to property, plant and equipment and intangible assets	385	-	-	-
	(30,105)	(6,750)	38,579	-

28. Insurance

As of December 31, 2024, the Company's insurance coverage included:

Insurance:	Parent	Consolidated
	12/31/2024	12/31/2024
Property	16,873	63,493
Fleet	25,113	25,113
Civil liability	15,050	18,550
Contractual guarantees	1,111	3,784
Rent guarantee	2,515	4,950
	60,662	115,890

29. Events after the reporting period

On March 26, 2025, the Company disclosed to the market the signing of an "Investment Contract" with DEGASA Holding SpA for the formation of a Joint Venture between the Company and the Partner through Horizonte Restaurantes Ltda. [AAI1] (a company established in the first quarter of 2025), with capital currently fully held by the Company, for the operation of the KFC business in Brazil.

The execution of a binding agreement for the constitution of a Joint Venture for the operation and expansion of the KFC business in Brazil was announced to the market. The Operation is structured to maximize the growth of the chain in the country, with the exclusivity of the KFC business in Brazil. The Operation includes the segregation of IMC's assets related to the KFC brand to the Joint Venture, ensuring greater focus on and allocation of resources to the brand growth strategy in the country.

As a result of the partnership, IMC will sell to the Partner interest in the capital of the Joint Venture, so that IMC will maintain 41.7% of the total and voting capital.

The conclusion of the Operation is contingent on the compliance with certain conditions precedent, including, among others: (i) the approval of the Operation by the CADE (Brazilian antitrust regulatory agency); (ii) the implementation of the Company's corporate restructuring aiming to segregate the assets used in the KFC business in Brazil, and transform it in a corporation ("Corporate Restructuring"); and (iii) the renegotiation of the terms of the current MFA.

As part of the Operation, IMC will receive a total payment of US\$35,000,000.00 (thirty-five million U.S. dollars), of which: (i) an amount, in reais, equivalent to US\$12,500,000.00 (twelve million and five hundred thousand U.S. dollars) will be paid in cash on the closing of the Operation (“Closing Installment”); and (ii) an amount, in reais, equivalent to US\$22,500,000.00 (twelve-two million and five hundred thousand U.S. dollars), plus 5% annual interest on a pro rata die basis, will be paid in April 2027 (“Deferred Installment” and, together with the Closing Installment, the “Acquisition Price”).