

International Meal Company Alimentação S.A.

**Individual and Consolidated Interim Financial
Information at September 30, 2021**

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Report on Review of Quarterly Financial Information - ITR

To the Management and Shareholders of
International Meal Company Alimentação S.A.
São Paulo - SP

Introduction

We have reviewed the individual and consolidated interim financial information of International Meal Company Alimentação S.A. ("The Company"), contained in the Quarterly Financial Information Form (ITR) for the quarter ended September 30, 2021, comprising the balance sheets as of September 30, 2021 and the respective statements of profit or loss, comprehensive income (loss) for the three and nine-month period then ended and statements of changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of review

We conducted our review in accordance with the Brazilian and International standards on review engagements (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain

assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1), applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Financial Information (ITR) and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters – Statements of value added

The quarterly information referred above includes the financial statements the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2021, prepared under the responsibility of the Company's management, and presented as supplementary information for the purposes of IAS 34. These statements were submitted to the review procedures performed together with the review of the Company's quarterly financial information in order to conclude whether the statements are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 – *Demonstração do Valor Adicionado*. Based on our review, nothing has come to our attention that causes us to believe that the statements of value added have not been prepared, in all material respects, in accordance with the criteria set forth in this standard and with the individual and consolidated interim financial information taken as a whole.

Corresponding amounts

The corresponding amounts related to the individual and consolidated balance sheets for the year ended December 31, 2020 were previously audited by other independent auditors who issued a report dated March 29, 2021, without qualification, and the corresponding amounts related to the individual and consolidated statements of profit or loss and comprehensive income (loss) for the three and nine-month period then ended and statements of changes in equity and cash flows for the nine-month period ended September 30, 2020 were previously reviewed by other independent auditors who issued a report dated November 16, 2020, without qualification. The corresponding figures of the individual and consolidated statements of value added for the nine-month period ended September 30, 2020 were submitted to the same review procedures by the previous independent auditors and, based on their review, nothing has come to their attention that caused them to believe that the DVA was not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, November 11, 2021

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6

*Original report in Portuguese signed by
Fabio Lopes do Carmo
Contador CRC 1SP192172/O-3*

International Meal Company Alimentação S.A. and Subsidiaries

Balance sheets September 30, 2021 and December 31, 2020

(Amounts in thousands of reais - R\$)

| | | Parent | | Consolidated | |
|--|------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Note | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 7 | 162,825 | 271,896 | 536,569 | 537,581 |
| Trade receivables | 8 | 11,489 | 4,559 | 99,106 | 35,380 |
| Inventories | 9 | 2,513 | 4,658 | 45,233 | 44,120 |
| Income tax and social contribution recoverable | 10 | 4,283 | 4,733 | 16,969 | 21,294 |
| Taxes recoverable | 10 | 10,801 | 12,035 | 66,201 | 69,472 |
| Prepaid expenses | | 2,665 | 1,456 | 20,571 | 12,043 |
| Receivables from related parties | 31 | 1,568 | - | 1,568 | - |
| Other current assets | | 334 | 332 | 3,650 | 3,601 |
| Total current assets | | <u>196,478</u> | <u>299,669</u> | <u>789,867</u> | <u>723,491</u> |
| Noncurrent assets | | | | | |
| Trade receivables | 8 | - | 700 | - | 1,000 |
| Judicial deposits | | 2,335 | 2,774 | 8,945 | 10,977 |
| Receivables from related parties | 31 | 188,777 | 96,888 | 10,977 | - |
| Deferred income tax and social contribution | 22.a | - | - | 105,834 | 134,072 |
| Other noncurrent assets | | <u>3,076</u> | <u>3,677</u> | <u>20,776</u> | <u>18,939</u> |
| Total long-term assets | | <u>194,188</u> | <u>104,039</u> | <u>146,532</u> | <u>164,988</u> |
| Investments | 11 | 921,846 | 902,487 | 41,458 | 23,136 |
| Property, plant and equipment | 12 | 20,647 | 24,383 | 378,109 | 356,447 |
| Intangible assets | 13 | 485,501 | 494,857 | 1,042,769 | 1,085,858 |
| Right of use | 14 | <u>18,657</u> | <u>14,157</u> | <u>577,382</u> | <u>399,058</u> |
| Total noncurrent assets | | <u>1,640,839</u> | <u>1,539,923</u> | <u>2,186,250</u> | <u>2,029,487</u> |
| Total assets | | <u><u>1,837,317</u></u> | <u><u>1,839,592</u></u> | <u><u>2,976,117</u></u> | <u><u>2,752,978</u></u> |

The accompanying notes are an integral part of this individual and consolidated interim financial information.

International Meal Company Alimentação S.A. and Subsidiaries

Balance sheets September 30, 2021, and December 31, 2020

(Amounts in thousands of reais - R\$)

| | Note | Parent | | Consolidated | |
|---|------|------------|------------|--------------|------------|
| | | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Trade payables | 15 | 8,513 | 10,275 | 182,927 | 162,857 |
| Borrowings and debentures | 16 | 39,676 | 28,872 | 40,195 | 70,093 |
| Payroll and related taxes | 18 | 15,498 | 10,848 | 69,250 | 52,898 |
| Taxes payable | | - | - | 22,433 | 15,428 |
| Deferred revenue | 21 | 788 | 436 | 8,946 | 10,792 |
| Installment payment of business acquisitions | 19 | 604 | 1,996 | 2,006 | 1,996 |
| Agreements and installment payment of labor suits | | 1,348 | 1,793 | | 2,749 |
| Lease liabilities ("right of use") | 14 | 5,087 | 5,087 | 69,772 | 54,177 |
| Other current liabilities | | - | - | 38,821 | 28,086 |
| Total current liabilities | | 71,514 | 59,307 | 435,723 | 399,076 |
| Noncurrent liabilities | | | | | |
| Borrowings and debentures | 16 | 399,938 | 384,613 | 668,767 | 603,692 |
| Payables to related parties | 31 | 39,316 | 40,664 | - | 1,459 |
| Agreements and installment payment of labor suits | | - | 368 | - | 368 |
| Provision for labor, civil and tax risks | 20 | 43,906 | 43,627 | 82,637 | 85,654 |
| Deferred revenue | 21 | 1,523 | 637 | 17,473 | 14,644 |
| Deferred income tax and social contribution | 22.a | 20,765 | 24,225 | 42,560 | 56,774 |
| Installment payment of business acquisitions | 19 | 5,000 | 5,000 | 7,720 | 7,598 |
| Lease liabilities ("right of use") | 14 | 10,187 | 10,304 | 505,668 | 374,272 |
| Provision for investment losses | 11 | 78,099 | 83,386 | - | - |
| Other noncurrent liabilities | | 9,018 | 6,061 | 57,518 | 28,041 |
| Total noncurrent liabilities | | 607,752 | 598,885 | 1,382,343 | 1,172,502 |
| Equity | | | | | |
| Capital | 23 | 1,154,358 | 1,154,358 | 1,154,358 | 1,154,358 |
| Capital reserve | | 344,442 | 344,442 | 344,442 | 344,442 |
| Reserve for stock option plan | 24 | 35,099 | 33,897 | 35,099 | 33,897 |
| Accumulated losses | | (519,354) | (480,606) | (519,354) | (480,606) |
| Other comprehensive income (loss) | | 143,506 | 129,309 | 143,506 | 129,309 |
| Total equity | | 1,158,051 | 1,181,400 | 1,158,051 | 1,181,400 |
| Total liabilities and equity | | 1,837,317 | 1,839,592 | 2,976,117 | 2,752,978 |

The accompanying notes are an integral part of this individual and consolidated interim financial information.

International Meal Company Alimentação S.A. and Subsidiaries

Statements of profit or loss

Three and nine-month periods ended September 30, 2021, and 2020

(Amounts in thousands of reais - R\$, except basic and diluted loss per share)

| | Note | Parent | | | | Consolidated | | | |
|---|-----------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | | 07/01/2021 to 09/30/2021 | 01/01/2021 to 09/30/2021 | 07/01/2020 to 09/30/2020 | 01/01/2020 to 09/30/2020 | 07/01/2021 to 09/30/2021 | 01/01/2021 to 09/30/2021 | 07/01/2020 to 09/30/2020 | 01/01/2020 to 09/30/2020 |
| Net revenue | 25 | 21,814 | 50,293 | 7,642 | 42,754 | 540,402 | 1,307,730 | 298,669 | 815,882 |
| Cost of sales and services | 30 | (14,683) | (37,915) | (6,551) | (38,455) | (354,893) | (886,598) | (207,901) | (628,641) |
| Gross profit | | 7,131 | 12,378 | 1,091 | 4,299 | 185,509 | 421,132 | 90,768 | 187,241 |
| Operating income (expenses) | | | | | | | | | |
| Selling and operating expenses | 26 and 30 | (3,161) | (8,344) | (1,692) | (9,108) | (94,068) | (237,684) | (44,526) | (136,920) |
| (Reversal of) allowance for expected credit losses | 30 | 769 | 3,578 | (701) | (3,171) | 597 | 3,800 | (5,675) | (12,941) |
| General and administrative expenses | 27 and 30 | (8,442) | (18,147) | (5,496) | (18,482) | (39,726) | (108,960) | (26,045) | (90,892) |
| Depreciation and amortization | 30 | (7,022) | (21,778) | (6,762) | (20,648) | (30,854) | (88,598) | (27,652) | (89,413) |
| Impairment of assets | | - | - | - | (50,930) | - | - | - | (327,432) |
| Other operating income (expenses), net | 28 | (539) | 10,349 | (278) | (9,304) | 3,585 | 28,159 | 6,043 | (30,808) |
| Share of profit (loss) of investees | 30 | 16,883 | 10,448 | 16,527 | (318,362) | 2,836 | 10,002 | (815) | (6,020) |
| Operating profit (loss) before finance income (expense), net and income tax and social contribution | | 5,619 | (11,516) | 2,689 | (425,706) | 27,879 | 27,851 | (7,902) | (507,185) |
| Finance income (expense), net | 29 | (10,656) | (26,742) | (4,965) | (19,265) | (15,769) | (40,173) | (10,477) | (45,335) |
| Profit (loss) before income tax and social contribution | | (5,037) | (38,258) | (2,276) | (444,971) | 12,110 | (12,322) | (18,379) | (552,520) |
| Current income tax and social contribution | 22.c | - | - | - | - | (13,808) | (20,047) | - | - |
| Deferred income tax and social contribution | 22.c | 587 | (490) | (2,774) | 10,950 | (2,752) | (6,379) | 13,329 | 118,499 |
| Profit (loss) for the period | | (4,450) | (38,748) | (5,050) | (434,021) | (4,450) | (38,748) | (5,050) | (434,021) |
| Attributable to: | | | | | | | | | |
| Owners of the Company | | (4,450) | (38,748) | (5,050) | (434,021) | (4,450) | (38,748) | (5,050) | (434,021) |
| Earnings (loss) per share – R\$ | | | | | | | | | |
| Basic (cents per share) | | (0.01123) | (0.13103) | (0.00914) | (1.50713) | (0.01123) | (0.13103) | (0.00914) | (1.50713) |

The accompanying notes are an integral part of this individual and consolidated interim financial information.

International Meal Company Alimentação S.A. and Subsidiaries

Statements of comprehensive income

Three and nine-month periods ended September 30, 2021 and 2020

(Amounts in thousands of reais - R\$)

| | Parent | | | | Consolidated | | | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 07/01/2021 to 09/30/2021 | 01/01/2021 to 09/30/2021 | 07/01/2020 to 09/30/2020 | 01/01/2020 to 09/30/2020 | 07/01/2021 to 09/30/2021 | 01/01/2021 to 09/30/2021 | 07/01/2020 to 09/30/2020 | 01/01/2020 to 09/30/2020 |
| Loss for the period | (4,450) | (38,748) | (5,050) | (434,021) | (4,450) | (38,748) | (5,050) | (434,021) |
| Translation adjustments in the balance sheet of foreign subsidiaries | (2,010) | 14,197 | 12,550 | 122,972 | (2,010) | 14,197 | 12,550 | 122,972 |
| | (2,010) | 14,197 | 12,550 | 122,972 | (2,010) | 14,197 | 12,550 | 122,972 |
| Total comprehensive income (loss) for the period, attributable to owners of the Company | (6,460) | (24,551) | 7,500 | (311,049) | (6,460) | (24,551) | 7,500 | (311,049) |
| Comprehensive income (loss) attributable to Owners of the Company | (6,460) | (24,551) | 7,500 | (311,049) | (6,460) | (24,551) | 7,500 | (311,049) |

The accompanying notes are an integral part of this individual and consolidated interim financial information.

International Meal Company Alimentação S.A. and Subsidiaries

Statements of changes in equity

Nine-month periods ended September 30, 2021 and 2020

(Amounts in thousands of reais - R\$)

| | Capital reserve | | | | Reserve for stock option plan | Earnings reserve | | | Other comprehensive income (loss) | Total equity |
|--|------------------|-----------------|-----------------|-----------------------|-------------------------------|------------------|------------------|--------------------|-----------------------------------|------------------|
| | Capital | Capital reserve | Treasury shares | Total capital reserve | | Legal reserve | Earnings reserve | Accumulated losses | | |
| Balance as of December 31, 2019 | 786,065 | 337,960 | (40,917) | 297,043 | 28,937 | 578 | (578) | (7,028) | 40,089 | 1,145,106 |
| Loss for the period | - | - | - | - | - | - | - | (434,021) | - | (434,021) |
| Translation adjustments in the balance sheet of foreign subsidiaries | - | - | - | - | - | - | - | - | 122,972 | 122,972 |
| Total comprehensive income (loss) for the period | - | - | - | - | - | - | - | (434,021) | 122,972 | (311,049) |
| Treasury shares sold | - | - | 47,399 | 47,399 | - | - | - | - | - | 47,399 |
| Stock option plan | - | - | 4,369 | 4,369 | - | - | - | - | - | 4,369 |
| Capital increase | 384,413 | - | - | - | - | - | - | - | - | 384,413 |
| Cost with issuance of shares | (16,106) | - | - | - | - | - | - | - | - | (16,106) |
| Balance as of September 30, 2020 | <u>1,154,372</u> | <u>337,960</u> | <u>10,851</u> | <u>348,811</u> | <u>28,937</u> | <u>578</u> | <u>(578)</u> | <u>(441,049)</u> | <u>163,061</u> | <u>1,254,132</u> |
| Balance as of December 31, 2020 | 1,154,358 | 349,993 | (5,551) | 344,442 | 33,897 | - | - | (480,606) | 129,309 | 1,181,400 |
| Loss for the period | - | - | - | - | - | - | - | (38,748) | - | (38,748) |
| Translation adjustments in the balance sheet of foreign subsidiaries | - | - | - | - | - | - | - | - | 14,197 | 14,197 |
| Total comprehensive income (loss) for the period | - | - | - | - | - | - | - | (38,748) | 14,197 | (24,551) |
| Stock option plan | - | - | - | - | 1,202 | - | - | - | - | 1,202 |
| Balance as of September 30, 2021 | <u>1,154,358</u> | <u>349,993</u> | <u>(5,551)</u> | <u>344,442</u> | <u>35,099</u> | <u>-</u> | <u>-</u> | <u>(519,354)</u> | <u>143,506</u> | <u>1,158,051</u> |

The accompanying notes are an integral part of this individual and consolidated interim financial information.

International Meal Company Alimentação S.A. and Subsidiaries

Statements of cash flows

Nine-month periods ended September 30, 2021 and 2020

| | | Parent | | Consolidated | |
|---|-----------|------------|------------|--------------|------------|
| | | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Cash flows from operating activities | | | | | |
| Loss for the period | | (38,748) | (434,021) | (38,748) | (434,021) |
| Adjustments to reconcile loss for the period to net cash provided by (used in) continuing operations: | | | | | |
| Depreciation and amortization | 30 | 21,609 | 21,470 | 76,556 | 77,527 |
| Depreciation of right of use | 30 | 2,724 | - | 56,500 | - |
| Impairment of assets (uses) | 12 and 13 | - | (1,284) | - | (9,597) |
| Impairment of intangible assets (provision/reversal) | 12 and 13 | - | 50,930 | - | 327,431 |
| Disposal of property, plant and equipment and intangible assets | 12 and 13 | (456) | 879 | 13,171 | 20,752 |
| Amortization of investment in joint venture | | - | - | 2,280 | 2,180 |
| Share of profit (loss) of investees | 11 | (10,448) | 318,362 | (10,002) | 3,840 |
| Provision for labor, civil and tax risks | 20 | 3,286 | 36,772 | 8,587 | 3,518 |
| Income tax and social contribution | 22 | 490 | (3,321) | 26,426 | (118,499) |
| Interest on borrowings | 29 | 26,496 | 18,234 | 29,218 | 23,478 |
| Interest on business acquisitions and on commercial rights | 29 | - | - | - | 837 |
| Interest on lease liabilities ("right of use") | 14 | 1,036 | 799 | 13,357 | 20,019 |
| Exchange gains (losses) | 29 | 91 | 686 | (985) | (642) |
| Share-based payment | | 1,202 | 4,369 | 1,202 | 4,369 |
| Deferred revenue and discounts recognized | | 1,238 | (553) | 3,656 | (11,603) |
| Amortization of lease liabilities ("right of use") | 14 | - | 2,278 | - | 55,556 |
| Net effect of addition and write-off of lease contracts | | - | 138 | - | - |
| Related parties | 31 | (15,558) | - | (15,558) | - |
| Several provisions and others | | (3,780) | 6,827 | 9,233 | 4,160 |
| Changes in operating assets and liabilities: | | | | | |
| Trade receivables | | (903) | 7,970 | (44,402) | 22,821 |
| Inventories | | 2,145 | (2,673) | (479) | (6,873) |
| Taxes recoverable | | 925 | 2,111 | 3,228 | 842 |
| Prepaid expenses | | (1,208) | (386) | (63,491) | (4,824) |
| Trade payables | | (9,907) | (1,758) | 27,762 | 5,002 |
| Government grant | | - | - | 1,271 | 51 |
| Related parties | | (76,451) | (10,535) | 12,545 | - |
| Payment of labor, civil and tax risks | 20 | (3,007) | (3,231) | (11,604) | (11,871) |
| Other assets and liabilities | | 4,775 | 4,127 | 1,391 | (17,143) |
| Cash provided by (used in) operating activities | | (93,637) | 18,190 | 101,114 | (42,689) |
| Income tax and social contribution paid | | 227 | - | 4,568 | (1,143) |
| Interest paid on borrowings | | - | (11,495) | (838) | (14,641) |
| Interest paid on lease liabilities ("right of use") | 14 | (334) | (360) | (1,030) | (9,644) |
| Interest paid on business acquisitions and on commercial rights | | (1,391) | - | - | (1,005) |
| Net cash provided by (used in) operating activities | | (95,135) | 6,335 | 102,423 | (69,122) |
| Cash flows from investing activities | | | | | |
| Capital increase in subsidiaries | | - | 173,804 | - | - |
| Payment of business acquisitions made in prior periods | | - | - | - | (6,085) |
| Dividends received | 11 | - | - | - | 3,275 |
| Proceeds from sale of discontinued operation | | - | - | - | 908 |
| Additions to intangible assets, net of balance payable in installments | 13 | (367) | (433,058) | (1,417) | (8,078) |
| Additions to property, plant and equipment, net of balance payable in installments | 12 | (10,226) | (12,289) | (65,886) | (73,320) |
| Net cash used in investing activities | | (10,593) | (271,543) | (67,303) | (83,300) |
| Cash flows from financing activities for payment of dividends | | | | | |
| Treasury shares sold | | - | 47,399 | - | 47,399 |
| Capital reduction | | - | 370,258 | - | 370,258 |
| Payment of business acquisitions made in prior periods | | - | - | (4,351) | - |
| Payment of dividends | | - | - | (2,314) | (353) |
| Amortization of lease liabilities ("right of use") | 14 | (3,343) | (2,495) | (30,973) | (56,287) |
| Repayment of borrowings | | - | 2,370 | (730) | (46,535) |
| Net cash provided by (used in) financing activities | | (3,343) | 417,532 | (38,368) | 308,397 |
| Effect of exchange rate changes on cash and cash equivalents | | - | - | 2,236 | 37,918 |
| Net change in the period | | (109,071) | 152,324 | (1,012) | 199,978 |
| Cash and cash equivalents at the beginning of the period | | 271,896 | 140,081 | 537,581 | 332,806 |
| Cash and cash equivalents at the end of the period | | 162,825 | 292,405 | 536,569 | 532,784 |

The accompanying notes are an integral part of this individual and consolidated interim financial information.

International Meal Company Alimentação S.A. and Subsidiaries

Statements of value added

Nine-month periods ended September 30, 2021 and 2020

(Amounts in thousands of reais - R\$)

| | | Parent | | Consolidated | |
|--|------|-----------------|------------------|------------------|------------------|
| | Note | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Revenues | | | | | |
| Sales of goods, products and services | 25 | 55,945 | 46,991 | 1,418,957 | 876,723 |
| Other revenues | 28 | 18,797 | 332 | 41,131 | 23,941 |
| Allowance for expected credit losses | 8 | (3,578) | (3,170) | 3,800 | (12,927) |
| | | <u>71,094</u> | <u>44,153</u> | <u>1,456,288</u> | <u>887,737</u> |
| Inputs purchased from third parties | | | | | |
| Cost of sales and services | | (14,172) | (11,949) | (515,040) | (342,483) |
| Materials, energy, services and other | | (20,298) | (13,748) | (163,216) | (120,500) |
| Other | | <u>22,826</u> | <u>7,384</u> | <u>(105,546)</u> | <u>(61,209)</u> |
| Gross value added | | <u>59,450</u> | <u>25,840</u> | <u>672,486</u> | <u>363,545</u> |
| Depreciation and amortization | 30 | (24,333) | (23,748) | (135,336) | (135,263) |
| Impairment of intangible assets (uses) | | - | (50,930) | - | (327,432) |
| Other | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Value added created by the Company | | <u>35,117</u> | <u>(48,838)</u> | <u>537,150</u> | <u>(99,150)</u> |
| Value added received through transfer | | | | | |
| Share of profit (loss) of subsidiaries | 11 | 10,448 | (318,362) | 10,002 | (5,253) |
| Exchange rate changes | 29 | (91) | (686) | 985 | (1,558) |
| Finance income | 29 | <u>4,875</u> | <u>2,466</u> | <u>8,704</u> | <u>5,140</u> |
| Total value added for distribution | | <u>50,349</u> | <u>(365,420)</u> | <u>556,841</u> | <u>(100,821)</u> |
| Value added distributed | | | | | |
| Personnel: | | | | | |
| Payroll and related taxes | | 36,099 | 33,552 | 335,513 | 262,122 |
| Management fees | 32 | 11,400 | 12,711 | 11,400 | 12,711 |
| Share-based payment | 24 | 2,060 | 4,030 | 2,060 | 4,030 |
| | | <u>49,599</u> | <u>50,293</u> | <u>348,973</u> | <u>278,863</u> |
| Taxes, fees and contributions: | | | | | |
| Taxes on sales | 25 | 5,328 | 4,119 | 45,863 | 32,456 |
| Income tax and social contribution | 22 | 490 | (10,949) | 26,426 | (115,527) |
| | | <u>5,818</u> | <u>(6,830)</u> | <u>72,289</u> | <u>(83,071)</u> |
| Lenders and lessors: | | | | | |
| Interest | | 27,532 | 19,265 | 42,575 | 44,334 |
| Royalties | 30 | 57 | - | 34,356 | 19,328 |
| Rentals | | 6,131 | 5,873 | 97,396 | 73,746 |
| | | <u>33,720</u> | <u>25,138</u> | <u>174,327</u> | <u>137,408</u> |
| Shareholders: | | | | | |
| Loss for the period | | <u>(38,748)</u> | <u>(434,021)</u> | <u>(38,748)</u> | <u>(434,021)</u> |
| | | <u>50,349</u> | <u>(365,420)</u> | <u>556,841</u> | <u>(100,821)</u> |

The accompanying notes are an integral part of this individual and consolidated interim financial information.

Notes to the interim financial information

(Amounts in thousands of reais - R\$, unless otherwise stated)

1 General information

1.1 Operations

International Meal Company Alimentação S.A. (“Company” or “IMC”), headquartered at Avenida Doutora Ruth Cardoso, 4.777, 12o andar, 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 symbol “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”) and operation of franchises. The Group also subleases stores and spaces for promotional and commercial purposes in its store chain, with the sale of fuel, and provides general services related to these segments.

As of September 30, 2021, the Group has operations in Brazil, Panama, Colombia and the United States of America.

2 Preparation and presentation of the interim financial information

The interim financial information was prepared: (i) in the consolidated, in accordance with the accounting practices adopted in Brazil CPC 21 (R1) and in accordance with the International Financial Reporting Standards (IFRS) issued by IASB (International Accounting Standards Board) (IAS 34) and (ii) in the parent, in accordance with accounting practices adopted in Brazil CPC 21 (R1).

The individual and consolidated interim financial information has been prepared based on the historical cost, except for (i) certain financial instruments; (ii) assets and liabilities arising from business combinations measured at their fair values, when applicable and (iii) liabilities for share-based payment transactions are measured at fair value.

During the preparation of the interim financial information, the effects caused by the COVID-19 crisis were considered, as described below:

2.1 Analysis of the effects of COVID-19

On January 30, 2020, the World Health Organization (WHO) announced that the “new coronavirus” (COVID-19) is a global health emergency. The outbreak triggered significant decisions by governments and private sector entities, which, added to the potential impact of the outbreak, increased the degree of uncertainty about the amounts recognized in the financial statements.

2 Preparation and presentation of interim financial information-- **Continued**

2.1 Analysis of the effects of COVID-19---Continued

In accordance with the guidance of the Brazilian Securities and Exchange Commission - CVM, through OFÍCIO-CIRCULAR/CVM/SNC/SEP nº 02/2020 of March 10, 2020 and OFÍCIO-CIRCULAR/CVM/SNC/SEP/n.º 01/2021 of January 29, 2021, the Company and its subsidiaries assess and observe the risks and uncertainties arising from the current pandemic scenario, always considering the applicable accounting standards, where their main concern throughout all quarters of the year was the preservation of the cash, aiming to guarantee the functioning of its entire operation.

In this sense, among the several risks and uncertainties to which the Company is exposed, Management has paid particular attention to economic events related to going concern and/or to accounting estimates used, such as: recoverability of financial and non-financial assets, income taxes, measurement of lease assets and liabilities, fair value measurement, provisions and contingent liabilities, recognition of revenue and liquidity risk, and compliance with financial commitments.

The Company constantly monitors the unexpected changes that may result in a downturn of the economic and business environment and, consequently, affect its ability to meet its obligations and/or lead to the recognition of impairment losses related to its assets.

The detailed assessments and conclusions regarding the impacts of the pandemic on the main transactions of the Company are presented below.

Impairment of financial assets

As disclosed in Note 7 - Financial instruments, the Company is subject to credit risk regarding its balances of cash and cash equivalents, financial investments, receivables from credit card company and receivables from franchisees and airlines.

Financial investments and bank deposits

The Group has amounts invested in financial institutions totaling R\$ 531,208. These funds are held at solid financial institutions and, although in the current scenario there is a possibility of an increase in the default of its customers, there are no indications of a significant increase in the credit risk of these counterparties. In addition, it should be noted that the Central Bank of Brazil has implemented several measures to increase the liquidity of financial institutions, so that no loss is expected due to the pandemic.

2 Preparation and presentation of interim financial information-- Continued

2.1 Analysis of the effects of COVID-19---Continued

Trade receivables (allowance for expected credit losses)

The credit risk of the balance of “trade receivables” is mitigated by the fact that approximately 70% of the Group's sales are made through debit and credit cards. Concentration of operations on the main credit card companies, normally linked to solid financial institutions.

Consequently, the Company considers that the risk of default by credit card companies is extremely low and that the effects of the pandemic on these counterparties are not significant and, therefore, an additional loss is little expected.

Transactions with airlines have been reduced due to decisions from government and private sector entities to prevent the spread of the disease.

As of September 30, 2021, Management reassessed the allowance for expected credit losses with these airlines, including receivables from franchisees, and concluded that the amount already recorded in the period was sufficient.

Impairment of non-financial assets

Inventories

The operations of the food trade sector, the Company’s main activity, were considered essential by the public authorities, allowing the realization of the Company's inventories through the partial operation of some stores, notably those located on highways or through delivery in restaurants.

Thus, as in stores, the distribution center and carriers were authorized to operate, through the adoption of measures to contain the spread of the virus. In compliance with the guidelines of the authorities, the Company started to place its purchase orders with suppliers, but in a reduced volume, and these continue to be delivered normally, with no interruption in the supply chain.

As of September 30, 2021, Management revised the calculation of the provision for losses on perishable and/or slow-moving inventories and concluded on the sufficiency of the provisioned amount.

2 Preparation and presentation of interim financial information-- Continued

2.1 Analysis of the effects of COVID-19---Continued

Analysis and impairment of assets with indefinite useful lives

Management monitors the future cash flow generation capacity of its segments to ensure that the discounted cash flows at present value are not lower than the carrying amount of business units, including goodwill.

Management performed an impairment test at December 31, 2020 considering, among other factors, the market value-to-book value ratio, aiming to identify indications of impairment. Additionally, the Company did not identify any indicators of additional impairment losses as of September 30, 2021.

Income taxes

The Company updated for December 31, 2020 the projections and analyses carried out on the recoverability of the income taxes, considering the effects of COVID-19, and did not identify any adjustments to be made. As of September 30, 2021, the Company reviewed these analyses and did not identify any adjustments to be made. The Company did not recognize any new deferred credits in the period.

Measurement of lease assets and liabilities

Management is assessing, on a preventive basis, cash preservation measures, such as the deferral or reduction of rents related to properties that are temporarily closed.

The Brazilian Securities and Exchange Commission (CVM) issued, on July 7, 2020, CVM Resolution 859, which approves the Document for Revision of Technical Pronouncements 16. The document approves and makes mandatory for publicly-held companies the amendments to Technical Pronouncement CPC 06, issued by the Brazilian Accounting Standards Committee (CPC), and is related to the revision approved by the International Accounting Standards Board (IASB) in 2020, in view of the impacts caused on leases due to the COVID-19 pandemic.

The impacts of this resolution are presented in Note 14, as established by the new paragraphs included in the aforementioned standard.

2 Preparation and presentation of interim financial information-- Continued

2.1 Analysis of the effects of COVID-19---Continued

Provisions and contingent liabilities

Management assessed the nature of provisions and contingent liabilities and concluded that COVID-19 has no impact on the accounting measurement of these transactions.

Revenue recognition

Management assessed the revenue recognition criteria, as well as the existence of any changes in the return policies or other performance commitments assumed with our customers and considering and concluded that COVID-19 did not have impacts on the Group's revenue recognition criteria.

3 Significant accounting policies

The accounting policies adopted in preparing this individual and consolidated interim financial information were the same as those adopted in preparing the individual and consolidated financial statements for the year ended December 31, 2020, disclosed on March 29, 2021 and, accordingly, they should be read in conjunction, except for income taxes, which were determined in accordance with CPC 21 / IAS 34, by applying the estimated annual effective rate on Income (loss) before Income Tax and Social Contribution for the interim period. The accounting practices adopted in Brazil comprise the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), and in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

3.1 Basis of consolidation

The consolidated interim financial information includes the interim financial information of the Company and its 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.

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

In the Company's individual interim financial information, investments in subsidiaries are accounted for under the equity method.

3 Significant accounting policies--Continued

3.1 Basis of consolidation--Continued

The investments disclosed in Note 11 represent the same consolidated companies disclosed in the individual and consolidated financial statements for the year ended December 31, 2020, disclosed on March 29, 2021.

3.2 Functional and reporting currency

The financial statements of each subsidiary included in the consolidated interim financial information are prepared based on the functional currency of each entity. An entity functional currency is the currency of the primary economic environment in which it operates. The functional currency of the Company and its subsidiaries is the local currency of each of them.

The interim financial information is presented in Reais (R\$), which is the Group's reporting currency, and the translation adjustments are recognized in the statement of comprehensive income (loss) in line item "Translation adjustments in the balance sheet of foreign subsidiaries".

4 Key estimates and judgments

The preparation of interim financial information requires the Company's management to use certain accounting estimates and judgment in applying the accounting policies. The accounting estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors that are considered to be reasonable in the circumstances. Actual results may differ from those estimates. The effects resulting from the revision of accounting estimates are recognized in the period in which the review is made.

The key assumptions and estimates used for the individual and consolidated interim financial information for the nine-month period ended September 30, 2021 are the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2020, disclosed on March 29, 2021.

5 Segment information

The key assumptions and estimates reported to the Group's chief decision maker, for the purpose of allocating resources and assessing the segment performance, used for the individual and consolidated interim financial information for the nine-month period ended September 30, 2021 are the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2020, disclosed on March 29, 2021.

5 Segment information--Continued

| | Consolidated | | | | | |
|---|---------------------|-----------------------|-----------------|---------------------------------|--------------------|------------------|
| | Airports | Shopping malls | Highways | United States of America | Others (**) | Total |
| September 30, 2021: | | | | | | |
| Net revenue | 129,210 | 279,442 | 377,974 | 521,104 | - | 1,307,730 |
| Operating profit (loss) (*) | 39,432 | (8,942) | 3,442 | 120,131 | 9,121 | 163,184 |
| Depreciation and amortization | (27,673) | (16,358) | (13,343) | (21,447) | (15) | (78,836) |
| Depreciation of right of use | (13,746) | (12,729) | (6,678) | (23,347) | - | (56,500) |
| Finance income (expense) | (22,885) | (2,147) | (6,747) | (6,964) | (1,430) | (40,173) |
| Current and deferred income tax and social contribution | (2,649) | (5,630) | (5,755) | (12,392) | - | (26,426) |

(*) Excluding the effects of depreciation, amortization and amortization of right of use.

(**) Comprise corporate costs not allocated directly to each of the presented business segments.

| | Consolidated | | | | | |
|--|---------------------|-----------------------|-----------------|---------------------------------|--------------------|--------------|
| | Airports | Shopping malls | Highways | United States of America | Others (**) | Total |
| September 30, 2020: | | | | | | |
| Net revenue | 89,126 | 187,301 | 279,954 | 259,501 | - | 815,882 |
| Operating profit (loss) (*) | (37,885) | (43,520) | (3,092) | 56,147 | (16,143) | (44,493) |
| Depreciation and amortization | (28,617) | (17,128) | (15,919) | (18,026) | (17) | (79,707) |
| Depreciation of right of use | (18,321) | (15,577) | (5,614) | (16,044) | - | (55,556) |
| Reduction in the recoverable amount of intangible assets | (50,930) | (276,502) | - | - | - | (327,432) |
| Finance income (expense) | (26,329) | (6,333) | (5,064) | (7,687) | 78 | (45,335) |
| Current and deferred income tax and social contribution | 10,887 | 102,306 | (557) | 5,863 | - | 118,499 |

(*) Excluding the effects of depreciation, amortization and amortization of right of use.

(**) Comprise corporate costs not allocated directly to each of the presented business segments.

The reconciliation of operating profit, adjusted by profit before taxes, is as follows:

| | Consolidated | |
|--|---------------------|-------------------|
| | 09/30/2021 | 09/30/2020 |
| Reconciliation of loss for the period: | | |
| Operating profit (loss) from reportable segments, excluding the effects of depreciation and amortization | 157,972 | (28,374) |
| Operating profit (loss) from other segments, excluding the effects of depreciation and amortization | 5,215 | (16,143) |
| | 163,187 | (44,490) |
| Depreciation and amortization | (78,836) | (79,707) |
| Amortization of right of use asset | (56,500) | (55,556) |
| Impairment of intangible assets | - | (327,432) |
| Finance income (expense) | (40,173) | (45,335) |
| Income tax and social contribution | (26,426) | 118,499 |
| Loss for the period | (38,748) | (434,021) |

5 Segment information-Continued

The Company's total assets by business segment are as follows:

| | Consolidated | |
|--------------------------------------|-------------------------|-------------------------|
| | 09/30/2021 | 12/31/2020 |
| Shopping malls | 592,731 | 681,455 |
| Airports | 737,781 | 731,335 |
| Highways | 560,990 | 559,018 |
| United States of America | 1,080,055 | 777,629 |
| Subtotal | 2,971,557 | 2,749,436 |
| Assets not allocated to the segments | 4,560 | 3,542 |
| | <u>2,976,117</u> | <u>2,752,978</u> |

a. Disclosures at the Company's level

Geographical information

The Group operates in the following main areas: Brazil, the Caribbean (Colombia and Panama), and the United States of America. Segment reporting on the Group's sales by geographic market based on the location of its customers, regardless of the origin of assets/services, is as follows:

| | Consolidated | |
|--------------------------|-------------------------|-----------------------|
| | 09/30/2021 | 09/30/2020 |
| Net revenue: | | |
| Brazil | 677,404 | 502,981 |
| The Caribbean | 109,221 | 53,400 |
| United States of America | 521,105 | 259,501 |
| | <u>1,307,730</u> | <u>815,882</u> |

6 Financial instruments

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.

6 Financial instruments—Continued

d. Liquidity

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

Management monitors the Group's liquidity level considering the expected cash flows against unused credit facilities.

The table below details 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 assets and financial liabilities based on the nearest date on which the Group can be required to make the related payment or collect its receivables. As interest flows are based on floating rates, the undiscounted amount obtained is based on the Company's borrowings interest rates in the nine-month period ended September 30, 2021. Accordingly, the disclosed balances do not match the balances stated in the balance sheets.

| | Weighted average effective interest rate | Parent | | | | | Total | Carrying amount |
|---|---|-------------------------|--------------------------|-----------------------|------------------|-----------------|----------------|--------------------|
| | | Less than 1 month | Less than 3 months | 3 months to 1 year | 1 to 5 y ears | Over 5 years | | |
| September 30, 2021: | | | | | | | | |
| Trade payables | | 4,534 | - | 3,979 | - | - | 3,979 | 8,513 |
| Borrowings | 9.33% | | 3,658 | 105 | 546,419 | 82,423 | 632,605 | 439,614 |
| Right of use | 11.99% | 475 | 949 | 4,273 | 11,408 | | 17,105 | 15,274 |
| Installment payment of business acquisitions | 6.15% | | | 672 | 5,565 | | 6,237 | 5,604 |
| Total | | 5,009 | 4,607 | 9,029 | 565,392 | 82,423 | 659,926 | 469,005 |

| | Weighted average effective interest rate | Consolidated | | | | | Total | Carrying amount |
|--|---|----------------------|-----------------------|-----------------------|------------------|-----------------|------------------|--------------------|
| | | Less than 1 month | Less than 3 months | 3 months to 1 year | 1 to 5 yea rs | Over 5 years | | |
| September 30, 2021: | | | | | | | | |
| Trade payables | | 134,871 | 342 | 47,567 | 147 | | 182,927 | 182,927 |
| Borrowings | 7.17% | | 3,658 | 73,116 | 816,713 | 82,423 | 975,910 | 630,294 |
| Right of use | 9.06% | 6,511 | 12,512 | 63,581 | 551,482 | | 634,086 | 575,440 |
| Installment payment of business acquisitions | 6.15% | | | 2,232 | 8,592 | | 10,324 | 9,726 |
| Total | | 141,382 | 16,485 | 184,267 | 1,376,934 | 82,423 | 1,803,748 | 1,398,387 |

6 Financial instruments--Continued

e. 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 basically made using various means of payment, especially credit and debit cards, which reduce significantly the risk of default. A portion of the catering segment sales is made to airlines, the creditworthiness of which is monitored, as mentioned in Note 8.

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 short-term investments. Management believes that the credit risk of transactions with financial institutions is low, as these are considered by the market as prime banks, such as Bradesco, Itaú, Santander etc.

f. Interest rate risk

The Group has loans and debt agreements denominated in US dollars (US\$), Colombian pesos (COP) and Brazilian reais (R\$), indexed to LIBOR (long-term rate), Colombian Banking Reference Index - IBR and Brazilian Interbank Deposit Rate - CDI. There is an inherent risk in these liabilities due to usual fluctuations of rates in the markets in which they were contracted.

The Group does not have any derivative contract to mitigate this risk.

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 for loans and a reduction in the rate for cash equivalents were projected, the Group uses for a probable scenario the market rate being the future 12-month CDI (B3), the future 6-month Libor (Fedprimerate) and the future 6-month IBR (Central Bank of Colombia), the proportional projection was obtained for each of the analyzed transactions, and this rate was set to a probable scenario and considers an increase in this rate of 25% and 50% in scenarios I and II, respectively. Considering the sensitization of the rates, the balances would be:

| Parent Transactions | | Rate | Probable | Scenario I | Scenario II |
|--|------------------|---------|-----------------|-----------------|-----------------|
| Equivalents to cash – CDI of 99% to 106%. | 162,667 | 11,29 % | 3,76% | 2,96% | 1,98% |
| CDI reduction | | | 6,124 | 4,593 | 3,062 |
| Obligations - CDI plus interest of 4,85% to 5,30% p.a. | (439,615) | 11,29% | 16,14% | 16,59% | 17,75% |
| CDI increase | | | (71,821) | (84,229) | (96,637) |
| Total | (276,947) | | (65,697) | (79,636) | (93,575) |

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| Consolidated Transactions | | Rate | Probable | Scenario I | Scenario II |
|--|------------------|-------------|-----------------|-------------------|--------------------|
| Equivalents to cash – CDI of 99% to 106%. | 221,788 | 11,29 % | 4,95% | 3,71% | 2,48% |
| CDI reduction | | | 10,895 | 8,238 | 5,492 |
| Obligations - CDI plus interest of 4,85% to 5,30% p.a. | (439,615) | 11,29 % | 16,34% | 19,16% | 21,98% |
| CDI increase | | | (71,821) | (84,229) | (96,637) |
| 30-day LIBOR plus interest from 3.00% p.a. | (186,813) | 0,08% | 4,33% | 4,36% | 4,39% |
| Libor increase | | | (8,082) | (8,146) | (8,210) |
| 180-day LIBOR plus interest from 3,40% to 4,05% p.a. | (65,355) | 0,15% | 3,55% | 3,59% | 3,63% |
| Libor increase | | | (2,321) | (2,346) | (2,371) |
| IBR (p.a.) plus interest of 3,40 to 4,05% p.a. | (13,027) | 3,19% | 6,89% | 7,69% | 8,49% |
| Estimated charges | | | (898) | (1,002) | (1,106) |
| Total | (483.022) | | (72,138) | (87.485) | (102,832) |

6 Financial instruments--Continued

g. Exchange risk

The Group companies only have transactions in their own currency, so there is no risk of exchange exposure, since the Group does not have operations transacted in currencies other than the local currencies of each of the Group companies.

7 Cash and cash equivalents

| | Parent | | Consolidated | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Cash | 126 | 119 | 5,361 | 5,989 |
| Banks | 32 | 30 | 297,223 | 170,576 |
| Financial investments | 162,667 | 271,747 | 233,985 | 361,016 |
| | <u>162,825</u> | <u>271,896</u> | <u>536,569</u> | <u>537,581</u> |

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

| Transactions | Average yield | Liquidity | Country | Parent | |
|---------------------------------|---------------------|-----------|---------|----------------|----------------|
| | | | | 09/30/2021 | 12/31/2020 |
| Bank Deposit Certificates (CDB) | 100% to 106% of CDI | Immediate | Brazil | 162,604 | 269,095 |
| Overnight deposits (CDB) | 30% to 60% of CDI | Immediate | Brazil | 63 | 2,652 |
| | | | | <u>162,667</u> | <u>271,747</u> |

| Transactions | Average yield | Liquidity | Country | Consolidated | |
|---------------------------------|--------------------|-----------|----------|----------------|----------------|
| | | | | 09/30/2021 | 12/31/2020 |
| Bank Deposit Certificates (CDB) | 99% to 106% of CDI | Immediate | Brazil | 215,046 | 348,547 |
| Overnight deposits (CDB) | 30% to 60% of CDI | Immediate | Brazil | - | 2,577 |
| Overnight deposits (CDT) | 7.41% p.a. | Immediate | Colombia | 12,197 | 9,391 |
| Overnight deposits (CDB) | 10% CDI | Immediate | Brazil | 6,742 | 501 |
| | | | | <u>233,985</u> | <u>361,016</u> |

8 Trade receivables

| | Parent | | Consolidated | |
|---|----------------|------------|-----------------|------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Means of payment (credit and debit cards, and meal tickets) | 892 | - | 37,048 | 12,675 |
| Trade receivables (*) | 13,027 | 11,485 | 55,513 | 27,118 |
| Rebates and commercial agreements | 737 | 700 | 12,460 | 10,513 |
| Trade receivables - franchisees (**) | - | - | 22,527 | 23,714 |
| Others | - | - | 348 | 174 |
| | 14,656 | 12,185 | 127,896 | 74,194 |
| Allowance for expected credit losses | (3,167) | (6,926) | (28,790) | (37,814) |
| | 11,489 | 5,259 | 99,106 | 36,380 |
| Current | 11,489 | 4,559 | 99,106 | 35,380 |
| Noncurrent | - | 700 | - | 1,000 |

(*) The balance of “Trade receivables” refers mainly to receivables from airlines.

(**) Include amounts receivable from franchisees of the KFC and Pizza Hut brands, mainly related to royalties calculated based on percentages on sales of franchised stores.

The balance of Trade receivables before deduction of allowance for expected credit losses is denominated in the following local currencies of the countries where the Group operates:

| | Consolidated | |
|--|----------------|---------------|
| | 09/30/2021 | 12/31/2020 |
| In Reais - R\$ | 105,874 | 53,586 |
| In US dollars - US\$ (*) | 15,082 | 11,445 |
| In Panamanian balboas - PAB\$ (*) | 861 | 1,602 |
| In Colombian pesos - COP\$ (*) 12,506 11,587 | 6,079 | 7,561 |
| | 127,896 | 74,194 |

(*) Balances presented in foreign currencies refer to trade receivables in the respective countries of origin. Therefore, there is an exchange variation between the recognized revenue and the respective balance receivable recorded in the statements of profit or loss. While trade receivables is recognized at the closing rate of the period, revenue is recognized at the average monthly rate.

Receivables are comprised of current and past-due receivables, as follows:

| | Parent | | Consolidated | |
|--------------------------------------|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Not yet due | 3,967 | 2,912 | 47,467 | 42,211 |
| Past due: | | | | |
| Up to 30 days | 6,806 | 1,977 | 33,091 | 5,452 |
| 31 to 60 days | 16 | 931 | 10,028 | 1,782 |
| 61 to 90 days | 700 | 3,720 | 8,520 | 7,465 |
| Over 90 days | 3,167 | 2,645 | 28,790 | 17,284 |
| Allowance for expected credit losses | (3,167) | (6,926) | (28,790) | (37,814) |
| | 11,489 | 5,259 | 99,106 | 36,380 |

Allowance for expected credit losses

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

| | Parent | | Consolidated | |
|--------------------------------|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| At the beginning of the period | (6,926) | (3,750) | (37,814) | (19,428) |
| Additions | (5,417) | (5,941) | (17,902) | (24,111) |
| Reversals and write-offs | 9,176 | 2,765 | 26,926 | 5,725 |
| At the end of the period | (3,167) | (6,926) | (28,790) | (37,814) |

Rebates and commercial agreements

These amounts are set in contracts or agreements and comprise amounts relating to discounts based on sales volume, joint marketing programs and other similar programs.

The Group did not recognize any present value adjustment since all transactions are short term and it considers the effect of these adjustments immaterial when compared with the individual and consolidated interim financial information taken as a whole.

9 Inventories

| | Parent | | Consolidated | |
|---|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Food and beverages | 1,380 | 1,748 | 21,315 | 19,450 |
| Fuel and vehicle accessories | - | - | 5,961 | 5,199 |
| Nonfood products and souvenirs for resale | - | - | 12,589 | 12,232 |
| Supplies and fixtures | 1,133 | 2,910 | 5,368 | 7,239 |
| | 2,513 | 4,658 | 45,233 | 44,120 |

Additionally, inventories were written down to net realizable value in the amount of R\$399 (R\$ 650 as of December 31, 2020) in the Parent and R\$1,131 (R\$ 2,056 as of December 31, 2020) in the Consolidated. Such write-down was recorded as cost as of September 30, 2021.

The activity in the provision for inventory losses is as follows:

| | Parent | | Consolidated | |
|-----------------------|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Opening balance | (650) | (303) | (2,056) | (1,101) |
| Additions | - | (349) | - | (1,286) |
| Reversals | 251 | 2 | 945 | 206 |
| Exchange rate changes | - | - | (20) | 125 |
| Closing balance | (399) | (650) | (1,131) | (2,056) |

10 Income tax and social contribution and taxes and contributions recoverable

| | Parent | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Prepaid income tax and social contribution | - | - | 7,349 | 11,353 |
| Withholding income tax (IRRF) on financial investments | 4,283 | 4,733 | 9,620 | 9,941 |
| Taxes on revenue (PIS and COFINS) | 10,438 | 11,744 | 64,404 | 66,294 |
| Other | 363 | 291 | 1,797 | 3,178 |
| | 15,084 | 16,768 | 83,170 | 90,766 |

11 Investments

Information on subsidiaries

The summarized financial information relating to each of the subsidiaries in which the Company has interests are presented below, before the elimination of transactions between the Group companies on September 30, 2021.

| <u>Direct subsidiaries</u> | Ownership interest - % | Total assets | Total liabilities | Equity (*) | Profit (loss) for the year | Revenue | Share of profit (loss) of investees (*) |
|---|------------------------|------------------|--------------------|------------------|----------------------------|------------------|---|
| IMCMV Holdings Inc. | 100.00 | 1,080,055 | (690,877) | (389,178) | 55,981 | 521,105 | 55,981 |
| IMC Puerto Rico Ltd. (The Caribbean) | 100.00 | 315,733 | (175,176) | (140,557) | 17,539 | 109,221 | 17,539 |
| Pimenta Verde Alimentos Ltda. (Brazil) | 100.00 | 770,121 | (441,431) | (328,690) | (66,118) | 334,267 | (66,118) |
| Niad Restaurantes Ltda. (Brazil) | 64.74 | 18,107 | (51,000) | 32,893 | (6,002) | 15,371 | (3,886) |
| Centro de Serviços Frango Assado Norte Ltda. (Brazil) | 91.30 | 118,659 | (55,238) | (63,421) | 495 | 244,448 | 452 |
| KSR Master Franquias Ltda. (Brazil) | 100.00 | 31,998 | (45,975) | 13,977 | 3,455 | 7,689 | 3,455 |
| PHSR Master Franquia Ltda. (Brazil) | 100.00 | 37,145 | (68,374) | 31,229 | 3,025 | 14,803 | 3,025 |
| Total | | 2,371,818 | (1,528,071) | (843,747) | 8,375 | 1,246,904 | 10,448 |

(*) The negative equity values of the subsidiaries, amounting to R\$78,099, are presented as provision for losses on investments proportionally to the interest held in each subsidiary.

The variation in investments in subsidiaries for the nine-month period ended September 30, 2021 is as follows:

| | Tob's | Pimenta Verde and Niad | Gas stations | IMC USA | IMC The Caribbean | Multi QSR | Total |
|---|--------------|-------------------------------|---------------------|----------------|--------------------------|------------------|--------------|
| Balance as of December 31, 2019 | 4,666 | 535,917 | 56,408 | 249,110 | 141,694 | 212,524 | 1,200,319 |
| Share of profit (loss) of investees | (82) | (286,796) | 1,831 | (13,508) | (39,767) | (595) | (338,917) |
| Provision for losses on investments recorded at the merger date | - | - | - | - | - | (72,071) | (72,071) |
| Addition (write-off) due to merger, net | (4,584) | 68,935 | - | - | - | (191,543) | (127,192) |
| Capital increase | - | 52,385 | - | 15,357 | - | - | 67,742 |
| Translation adjustments | - | - | - | 67,971 | 21,249 | - | 89,220 |
| Balance as of December 31, 2020 | - | 370,441 | 58,239 | 318,930 | 123,177 | (51,685) | (819,102) |
| Share of profit (loss) of investees | - | (70,004) | 452 | 55,981 | 17,539 | 6,480 | 10,448 |
| Translation adjustments | - | - | - | 14,398 | (201) | - | 14,197 |
| Balance as of September 30, 2021 | - | 300,437 | 58,691 | 389,309 | 140,515 | (45,205) | 843,747 |
| Total registered as investment | - | - | - | - | - | - | 921,846 |
| Total recorded as provision for investment losses | - | - | - | - | - | - | (78,099) |

The variation in investments in joint venture presented in the consolidated interim financial information is as follows:

| | Margaritaville (Orlando) |
|--|---------------------------------|
| Balance as of December 31, 2019 | 22,832 |
| Share of profit (loss) of investees | (2,686) |
| Dividends received | (3,275) |
| Translation adjustments of foreign joint venture | (285) |
| Balance as of December 31, 2020 | 23,136 |
| Share of profit (loss) of investees (*) | 10,002 |
| Translation adjustments of foreign joint venture | 8,320 |

Balance as of September 30, 2021

41,458

- (*) Equity in the nine-month period ended is R\$12,282 and the amortization of investment in joint venture in the same period is R\$2,280, totaling the net amount of R\$10,002. The investment is amortized, since the joint venture has a determined closing date..

12 Property, plant and equipment

The composition and movement of fixed assets for the periods ended September 30, 2021 and December 31, 2020 are as follows:.

| | Parent | | | |
|---|-------------------------------------|--------------------------|---|---|
| | Balance as of 12/31/2020 | Additions (*) | Transfers, write-offs and others | Balance as of 09/30/2021 |
| Cost | | | | |
| Machinery and equipment | 28,716 | - | 1,162 | 29,878 |
| Furniture and fixtures | 8,815 | - | 471 | 9,286 |
| Leasehold improvements | 24,764 | - | 3,123 | 27,887 |
| Computers, vehicles and other items | 25,339 | - | 452 | 25,791 |
| Works and construction in progress | 2,067 | 13,073 | (7,789) | 7,351 |
| Total cost | 89,701 | 13,073 | (2,581) | 100,193 |
| Depreciation | | | | |
| Machinery and equipment | (18,301) | (1,563) | 129 | (19,735) |
| Furniture and fixtures | (6,322) | (429) | 2 | (6,749) |
| Leasehold improvements | (14,534) | (1,485) | 9 | (16,010) |
| Computers, vehicles and other items | (22,482) | (921) | 48 | (23,356) |
| Total depreciation | (61,639) | (4,398) | 188 | (65,849) |
| Provision for impairment of assets | | | | |
| Leasehold improvements (*) | (217) | - | - | (217) |
| Works and construction in progress | (776) | - | - | (776) |
| Furniture and fixtures | (223) | - | - | (223) |
| Machinery, equipment and facilities | (2,000) | - | - | (2,000) |
| Computers, vehicles and other items | (463) | - | - | (463) |
| Total provision | (3,679) | - | - | (3,679) |
| Total, net | 24,383 | 8,675 | (2,393) | 30,665 |

(*) Provisions with leasehold improvements of new business.

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| Parent | | | | | | |
|-------------------------------------|--------------------------|-------|---------------|--------------------------------|----------------------------------|--------------------------|
| | Balance as of 12/31/2019 | Uses | Additions (*) | Additions due to Incorporation | Transfers, write-offs and others | Balance as of 12/31/2020 |
| Cost | | | | | | |
| Machinery and equipment | 25,404 | - | - | 5,918 | (2,606) | 28,716 |
| Furniture and fixtures | 7,908 | - | - | 1,804 | (897) | 8,815 |
| Leasehold improvements | 30,129 | - | - | - | (5,365) | 24,764 |
| Computers, vehicles and other items | 25,863 | - | 17 | 685 | (1,226) | 25,339 |
| Works and construction in progress | 480 | - | 4,780 | - | (3,193) | 2,067 |
| Total cost | 89,784 | - | 4,797 | 8,407 | (13,287) | 89,701 |
| Depreciation | | | | | | |
| Machinery and equipment | (19,067) | - | (1,757) | (259) | 2,782 | (18,301) |
| Furniture and fixtures | (6,711) | - | (567) | - | 956 | (6,322) |
| Leasehold improvements | (17,987) | - | (1,965) | - | 5,418 | (14,534) |
| Computers, vehicles and other items | (22,711) | - | (1,369) | - | 1,598 | (22,482) |
| Total depreciation | (66,476) | - | (5,658) | (259) | 10,754 | (61,639) |
| Provision for impairment of assets | | | | | | |
| Leasehold improvements | - | - | (217) | - | - | (217) |
| Works and construction in progress | - | 601 | (1,377) | - | - | (776) |
| Furniture and fixtures | - | - | (223) | - | - | (223) |
| Machinery, equipment and facilities | - | 683 | (2,683) | - | - | (2,000) |
| Computers, vehicles and other items | (408) | - | (55) | - | - | (463) |
| Total provision | (408) | 1,284 | (4,555) | - | - | (3,679) |
| Total, net | 22,900 | 1,284 | (5,416) | 8,148 | (2,533) | 24,383 |

12 Property, plant and equipment—Continued

The composition and movement of fixed assets for the periods ended September 30, 2021 and December 31, 2020 are as follows:

| | Consolidated | | | | |
|---|-----------------------------|-----------------|--|---------------------------------------|-----------------------------|
| | Balance as of 12/31/2020 | Additions (*) | Transfers, write-offs and others | Effects of exchange differences | Balance as of 09/30/2021 |
| Cost | | | | | |
| Land and buildings | 5,612 | - | - | (206) | 5,406 |
| Machinery, equipment and facilities | 258,868 | 6,868 | (16,455) | 377 | 249,658 |
| Furniture and fixtures | 101,838 | 2,777 | (3,104) | 624 | 102,135 |
| Leasehold improvements | 483,651 | 35,825 | 2,691 | (10,529) | 511,638 |
| Computers, vehicles and other items | 91,184 | 6,385 | (4,974) | (45) | 92,550 |
| Works and construction in progress | 55,865 | 65,530 | (13,212) | (18,634) | 89,549 |
| Total cost | 997,018 | 117,385 | (35,055) | (28,413) | 1,050,935 |
| Depreciation | | | | | |
| Land and buildings | (3,838) | - | - | (20) | (3,858) |
| Machinery and equipment | (157,174) | (17,991) | 9,004 | 1,816 | (164,345) |
| Furniture and fixtures | (76,286) | (7,143) | 3,809 | 872 | (78,748) |
| Leasehold improvements | (262,506) | (25,473) | (11,429) | 8,904 | (290,504) |
| Computers, vehicles and other items | (71,337) | (4,995) | 1,328 | 704 | (74,300) |
| Total depreciation | (571,141) | (55,602) | 2,712 | 12,276 | (611,755) |
| Provision for impairment of assets | | | | | |
| Machinery and equipment | (11,496) | - | - | - | (11,496) |
| Furniture and fixtures | (2,186) | - | - | - | (2,186) |
| Leasehold improvements | (55,241) | - | 8,359 | - | (46,882) |
| Computers, vehicles and other items | (507) | - | - | - | (507) |
| Total provision | (69,430) | - | 8,359 | - | (61,071) |
| Total, net | 356,447 | 70,142 | (23,984) | (16,137) | 378,109 |

(*) The value of additions to property, plant and equipment presented in the cash flow reflects what was actually paid throughout of the period, therefore, the amount of R\$ 10,226 was added in the Parent Company and in the Consolidated the amount of BRL 65,886.

12 Property, plant and equipment—Continued

| | Consolidated | | | | | |
|-------------------------------------|-----------------------------|-------|-----------|---------------------------------------|---------------------------------------|-----------------------------|
| | Balance as of 12/31/2019 | Uses | Additions | Transfers, write- offs, and others | Effects of exchange differences | Balance as of 12/31/2020 |
| Cost | | | | | | |
| Land and buildings | 6,161 | - | - | (1,505) | 956 | 5,612 |
| Machinery, equipment and facilities | 245,739 | - | 16,628 | (15,751) | 12,252 | 258,868 |
| Furniture and fixtures | 90,307 | - | 4,467 | (2,498) | 9,562 | 101,838 |
| Leasehold improvements | 419,083 | - | 30,210 | (12,193) | 46,551 | 483,651 |
| Computers, vehicles and other items | 82,372 | - | 6,146 | (4,438) | 7,104 | 91,184 |
| Works and construction in progress | 41,641 | - | 47,767 | (41,445) | 7,902 | 55,865 |
| Total cost | 885,303 | - | 105,218 | (77,830) | 84,327 | 997,018 |
| Depreciation | | | | | | |
| Land and buildings | (3,192) | - | (8) | 16 | (654) | (3,838) |
| Machinery and equipment | (149,887) | - | (20,050) | 20,979 | (8,216) | (157,174) |
| Furniture and fixtures | (66,110) | - | (7,227) | 4,856 | (7,805) | (76,286) |
| Leasehold improvements | (219,109) | - | (38,293) | 21,527 | (26,631) | (262,506) |
| Computers, vehicles and other items | (68,287) | - | (7,917) | 10,391 | (5,524) | (71,337) |
| Total depreciation | (506,585) | - | (73,495) | 57,769 | (48,830) | (571,141) |
| Provision for impairment of assets | | | | | | |
| Machinery and equipment | (2,109) | 2,354 | (55,411) | - | (75) | (55,241) |
| Furniture and fixtures | (106) | 55 | (2,135) | - | - | (2,186) |
| Leasehold improvements | (3,261) | 5,293 | (12,850) | (678) | - | (11,496) |
| Computers, vehicles and other items | (565) | 932 | (633) | (241) | - | (507) |
| Works and construction in progress | - | 9 | (250) | 241 | - | - |
| Total provision | (6,041) | 8,643 | (71,279) | (678) | (75) | (69,430) |
| Total, net | 372,677 | 8,643 | (52,258) | (20,739) | 35,422 | 356,447 |

12 Property, plant and equipment—Continued

The balances net of depreciation are as follows:

| | Parent | | Consolidated | |
|-------------------------------------|---------------|---------------|----------------|----------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Net balances | | | | |
| Land and buildings | - | - | 1,548 | 1,774 |
| Machinery and equipment | 8,143 | 9,639 | 73,817 | 46,453 |
| Furniture and fixtures | 2,314 | 2,270 | 21,202 | 23,366 |
| Leasehold improvements | 10,311 | 8,230 | 174,251 | 209,649 |
| Computers, vehicles and other items | 1,973 | 2,393 | 17,744 | 19,340 |
| Works and construction in progress | 6,575 | 1,851 | 89,547 | 55,865 |
| | <u>29,316</u> | <u>24,383</u> | <u>378,109</u> | <u>356,447</u> |

Depreciation charges are allocated as follows:

| | Parent | | Consolidated | |
|--|--------------|--------------|---------------|---------------|
| | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Allocated to cost of sales and services | 3,000 | 3,433 | 46,111 | 44,903 |
| Allocated to general and administrative expenses | 1,398 | 729 | 9,491 | 10,124 |
| Total depreciation expenses | 4,398 | 4,162 | 55,602 | 55,027 |
| PIS and COFINS credits on depreciation (*) | (445) | (471) | (2,437) | (2,322) |
| Total depreciation expenses, net of tax credits | <u>3,953</u> | <u>3,691</u> | <u>53,165</u> | <u>52,705</u> |

(*) PIS and COFINS credits on items on property, plant and equipment allocated to operations.

13 Intangible assets

The breakdown and activity in intangible assets for the periods ended September 30, 2021 and December 31, 2020, are as follows:

| | Parent | | | |
|---|----------------------|----------------------|---|----------------------|
| | Balance as of | Additions (*) | Transfers, write-offs and others | Balance as of |
| | 12/31/2020 | | | 09/30/2021 |
| Cost: | | | | |
| Goodwill | 250,417 | - | - | 250,417 |
| Software | 30,710 | - | 2,777 | 33,487 |
| Rights over trademarks | 4,100 | - | - | 4,100 |
| Commercial rights (a) | 30,921 | - | (30,921) | - |
| Licensing rights | 354,628 | 367 | 686 | 355,681 |
| Leasehold rights | 25,532 | - | (25,532) | - |
| Total cost | 696,308 | 367 | (52,990) | 643,685 |
| Amortization: | | | | |
| Software | (19,227) | (2,270) | 2 | (21,495) |
| Commercial rights | (22,059) | (2,050) | 24,109 | - |
| Licensing rights | (85,720) | (7,765) | (4,308) | (97,793) |
| Leasehold rights | (25,532) | - | 25,532 | - |
| Total amortization | (152,538) | (12,085) | 45,335 | (119,288) |
| Provision for impairment of assets | | | | |
| Goodwill | (34,673) | - | - | (34,673) |
| Software (*) | (1,278) | - | 1,155 | (123) |
| Rights over trademarks | (4,100) | - | - | (4,100) |
| Commercial rights | (8,862) | - | 8,862 | - |
| Total provision | (48,913) | - | 10,017 | (38,896) |
| Total, net | 494,857 | (11,718) | 2,362 | 485,501 |

(a) Right to commercial points of R\$3,624 net, referring to the Company's new businesses, were reclassified to the Right of use group.

(b) Lease rights were reclassified to the Company's right of use group, but the net effect was equal to zero.

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| | Parent | | | | |
|--|-----------------------------|-----------------|-----------------------------------|--------------------------------------|-----------------------------|
| | Balance as of 12/31/2019 | Additions (*) | Additions due to Incorporation | Transfers, write- offs and others | Balance as of 12/31/2020 |
| <u>Cost:</u> | | | | | |
| Goodwill | 91,790 | - | 161,236 | (2,609) | 250,417 |
| Software | 21,326 | - | - | 9,384 | 30,710 |
| Rights over trademarks | 4,100 | - | - | - | 4,100 |
| Commercial rights | 30,748 | - | - | 173 | 30,921 |
| Licensing rights | 70,130 | - | 259,754 | 24,744 | 354,628 |
| Non-compete agreements | - | - | 21,145 | (21,145) | - |
| Leasehold rights | 25,532 | - | - | - | 25,532 |
| Intangibles in progress | 7,173 | 1,192 | - | (8,365) | - |
| Total cost | 250,799 | 1,192 | 442,135 | 2,182 | 696,308 |
| Amortization: | | | | | |
| Software | (17,143) | (2,675) | - | 591 | (19,227) |
| Commercial rights | (19,256) | (2,846) | - | 43 | (22,059) |
| Licensing rights | (63,495) | (18,275) | (3,950) | - | (85,720) |
| Leasehold rights | (25,203) | (329) | - | - | (25,532) |
| Total amortization | (125,097) | (24,125) | (3,950) | 634 | (152,538) |
| Provision for impairment of assets | | | | | |
| Goodwill | - | (34,673) | - | - | (34,673) |
| Software | - | (18) | - | (1,260) | (1,278) |
| Rights over trademarks | (2,537) | (1,562) | - | (1) | (4,100) |
| Commercial rights | - | (10,123) | - | 1,261 | (8,862) |
| Total provision | (2,537) | (46,376) | - | - | (48,913) |

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Total, net

| | | | | |
|----------------|-----------------|----------------|--------------|----------------|
| 123,165 | (69,309) | 438,185 | 2,816 | 494,857 |
|----------------|-----------------|----------------|--------------|----------------|

The breakdown and activity in intangible assets for the periods ended September 30, 2021 and December 31, 2020 are as follows:

| | Consolidated | | | | |
|---|-------------------------------------|--------------------------|---|--|-------------------------------------|
| | Balance as of 12/31/2020 | Additions (*) | Transfers, write- offs, and others | Effects of exchange differences | Balance as of 09/30/2021 |
| Cost | | | | | |
| Goodwill | 922,759 | - | 10,876 | - | 933,635 |
| Software | 47,095 | 785 | 3,737 | (726) | 50,891 |
| Rights over trademarks | 79,446 | - | - | (928) | 78,518 |
| Commercial rights (c) | 120,979 | 521 | (121,500) | - | - |
| Licensing rights | 397,263 | 896 | 976 | (452) | 398,683 |
| Leasehold rights (d) | 27,291 | - | (27,291) | - | - |
| Non-compete agreements | 3,963 | - | 1 | (146) | 3,818 |
| Intangibles in progress and other assets | 1,071 | - | (76) | - | 995 |
| Total cost | 1,599,867 | 2,202 | (133,277) | (2,252) | 1,466,540 |
| Amortization: | | | | | |
| Software | (31,804) | (3,458) | 149 | 513 | (34,600) |
| Commercial rights (c) | (71,551) | (3,740) | 75,291 | - | - |
| Licensing rights | (118,848) | (16,978) | 2,656 | (45) | (133,215) |
| Leasehold rights (d) | (25,531) | - | 25,531 | - | - |
| Non-compete agreements | (2,933) | - | 13 | 107 | (2,813) |
| Other | (750) | - | 30 | - | (720) |
| Total amortization | (251,417) | (24,176) | 103,670 | 575 | (171,348) |
| Provision for impairment of assets | | | | | |
| Goodwill | (223,849) | - | - | - | (223,849) |
| Software | (7,315) | - | 81 | - | (7,234) |
| Rights over trademarks | (21,323) | - | - | - | (21,323) |
| Commercial rights (c) | (10,088) | - | 10,088 | - | - |
| Licensing rights | (17) | - | - | - | (17) |
| Total provision | (262,592) | - | 10,169 | - | (252,423) |
| Total, net | 1,085,858 | (21,974) | (19,438) | (1,677) | 1,042,769 |

(*) The amount of additions to intangible assets presented in the cash flow reflects what was actually paid over the period, thus, the amount of R\$367 was added in the Parent Company and in the Consolidated amount of R\$1,417.

(c) Right to commercial points of R\$1,402 net, referring to the Company's new businesses, were reclassified to the Right of use group.

(d) Lease rights of R\$5,763 net, referring to the Company's new businesses, were reclassified to the Right of use group.

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| Consolidated | Balance as of 12/31/2019 | Uses | Additions (*) | Transfers, write-offs and others | Effects of exchange differences | Balance as of 12/31/2020 |
|---|-------------------------------------|-------------|----------------------|---|--|-------------------------------------|
| Cost | | | | | | |
| Goodwill | 864,833 | - | - | (3,674) | 61,600 | 922,759 |
| Software | 37,490 | - | 1,669 | 7,337 | 599 | 47,095 |
| Rights over trademarks | 66,919 | - | - | 8,223 | 4,304 | 79,446 |
| Commercial rights | 118,898 | - | 8,841 | (7,926) | 1,166 | 120,979 |
| Licensing rights | 394,137 | - | 459 | (3,141) | 5,808 | 397,263 |
| Right over trademarks and exploitation of franchises | 7,670 | - | - | (7,670) | - | - |
| Leasehold rights | 27,536 | - | - | (831) | 586 | 27,291 |
| Non-compete agreements | 3,880 | - | - | (592) | 675 | 3,963 |
| Intangibles in progress and other assets | 7,909 | - | 1,287 | (8,325) | 200 | 1,071 |
| Total cost | 1,529,272 | - | 12,256 | (16,599) | 74,938 | 1,599,867 |
| Amortization: | | | | | | |
| Software | (29,478) | - | (3,949) | 2,042 | (419) | (31,804) |
| Commercial rights | (67,412) | - | (6,409) | 2,953 | (683) | (71,551) |
| Licensing rights | (95,114) | - | (23,450) | 3,637 | (3,921) | (118,848) |
| Leasehold rights | (25,204) | - | (329) | 2 | - | (25,531) |
| Non-compete agreements | (3,232) | - | (259) | 1,068 | (510) | (2,933) |
| Others | (620) | - | - | - | (130) | (750) |
| Total amortization | (221,060) | - | (34,396) | 9,702 | (5,663) | (251,417) |
| Provision for impairment of assets | | | | | | |
| Goodwill | - | - | (223,796) | - | (53) | (223,849) |
| Software | (497) | 13 | (6,831) | - | - | (7,315) |

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| | | | | | | |
|------------------------|-----------|-----|-----------|---------|--------|-----------|
| Rights over trademarks | (7,351) | - | (13,836) | - | (136) | (21,323) |
| Commercial rights | (6) | 941 | (11,690) | 667 | - | (10,088) |
| Licensing rights | (17) | - | - | - | - | (17) |
| Total provision (**) | (7,871) | 954 | (256,153) | 667 | (189) | (262,592) |
| | | | - | | | |
| Total, net | 1,300,341 | 954 | (278,293) | (6,230) | 69,087 | 1,085,858 |

13 Intangible assets--Continued

(*) The value of additions of intangible assets presented in the statements of cash flows reflects what was actually paid over the nine-month period ended September 30, 2020.

| | Parent | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Net balances | | | | |
| Goodwill (f) | 215,744 | 215,744 | 709,786 | 698,910 |
| Software | 11,869 | 10,205 | 9,057 | 7,976 |
| Rights over trademarks (g) | - | - | 57,195 | 58,123 |
| Commercial rights (h) | - | - | - | 39,340 |
| Licensing rights (i) | 257,888 | 268,908 | 265,451 | 278,398 |
| Non-compete agreements | - | - | 1,005 | 1,030 |
| Leasehold rights (j) | - | - | - | 1,760 |
| Intangibles in progress and other assets | - | - | 275 | 321 |
| | <u>485,501</u> | <u>494,857</u> | <u>1,042,769</u> | <u>1,085,858</u> |

a. Goodwill

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

| | Consolidated | |
|--------------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 |
| Brazil: | | |
| Shopping malls | 158,626 | 158,626 |
| Airports | 57,119 | 57,119 |
| Highways | 206,187 | 206,187 |
| | <u>421,932</u> | <u>421,932</u> |
| Caribbean: | | |
| Airports | 23,774 | 24,681 |
| | <u>23,774</u> | <u>24,681</u> |
| United States of America | 264,080 | 252,297 |
| | <u>264,080</u> | <u>252,297</u> |
| | <u>709,786</u> | <u>698,910</u> |

13 Intangible assets--Continued

Main intangible assets--Continued

b. Rights over trademarks

Refers to those trademarks identified in the acquisitions made. Including Viena, Frango Assado, Batata Inglesa and J&C Delícias (the Caribbean).

c. Commercial rights

Refer to amounts paid to acquire commercial rights and/or acquired in business combinations.

d. Licensing rights

A portion of the price attributable to the acquisition of catering operations was allocated to the licenses and permits to operate airline-catering services and restaurants in certain airports.

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

e. Leasehold rights

Refers to the portion of the purchase price allocated to lease agreements entered into with airport authorities (leasehold rights) and/or airport managers for the lease of space in the airports to operate restaurants, snack bars, coffee shops, and other similar retail outlets.

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.

14 Right of use and lease liabilities (“right of use”)

The changes in the right-of-use assets and lease liabilities (“right of use”) are substantially comprised of real estate contracts.

The activity in the nine-month period ended September 30, 2021 is as follows:

a. Changes in the right-of-use asset

| | Parent | | | | |
|---------------------------------|---------------|-------------------------|----------|-------------------------|---------------|
| | Real estate | Machinery and equipment | Vehicles | Commercial point rights | Total |
| Balance as of 12/31/2019 | 15,158 | 1,066 | 34 | - | 16,258 |
| (-) Accumulated depreciation | (2,944) | (119) | (31) | - | (3,094) |
| (+) Additions | 8,139 | 114 | 6 | - | 8,259 |
| (-) Write-offs | (7,136) | (130) | - | - | (7,266) |
| Balance as of 12/31/2020 | 13,217 | 931 | 9 | - | 14,157 |
| (-) Accumulated depreciation | (2,706) | (18) | - | - | (2,724) |
| (+) Additions | 6,104 | - | - | - | 6,104 |
| (-) Write-offs | (4,118) | - | - | - | (4,118) |
| (-) Transfers | - | - | - | 5,238 | 5,238 |
| Balance as of 09/30/2021 | 12,497 | 913 | 9 | 5,238 | 18,657 |

| | Consolidated | | | | |
|---------------------------------|----------------|-------------------------|----------|-------------------------|----------------|
| | Real estate | Machinery and equipment | Vehicles | Commercial point rights | Total |
| Balance as of 12/31/2019 | 383,942 | 1,066 | 34 | - | 385,042 |
| (-) Accumulated depreciation | (71,925) | (119) | (31) | - | (72,075) |
| (+) Additions | 89,105 | 114 | 6 | - | 89,225 |
| (-) Write-offs | (86,885) | (130) | - | - | (87,015) |
| (+) Exchange rate changes | 40,217 | - | - | - | 40,217 |
| (+) Remeasurement | 43,665 | - | - | - | 43,665 |
| Balance as of 12/31/2020 | 398,119 | 931 | 9 | - | 399,059 |
| (-) Accumulated depreciation | (56,482) | (18) | - | - | (56,500) |
| (+) Additions | 209,969 | - | - | - | 209,969 |
| (-) Write-offs | (28,536) | - | - | - | (28,536) |
| (+) Exchange rate changes | 15,510 | - | - | - | 15,510 |
| (-) Transfers | - | - | - | 37,881 | 37,881 |
| Balance as of 09/30/2021 | 538,580 | 913 | 9 | 37,881 | 577,382 |

b. Change in the lease liabilities (“right of use”)

| | Parent | | | |
|--------------------------|-------------|-------------------------|----------|---------|
| | Real estate | Machinery and equipment | Vehicles | Total |
| Balance as of 12/31/2019 | 15,881 | 1,119 | 36 | 17,036 |
| (+) Interest | 1,262 | 43 | 1 | 1,306 |
| (-) Principal paid | (3,349) | (106) | (2) | (3,456) |
| (-) Interest paid | (440) | (45) | (2) | (487) |
| (+) Additions | 8,139 | 114 | 6 | 8,259 |
| (-) Write-offs | (1,823) | (130) | - | (1,953) |
| (-) Discounts obtained | (5,313) | - | - | (5,313) |
| Balance as of 12/31/2020 | 14,357 | 995 | 39 | 15,391 |

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| | | | | |
|---------------------------------|---------------|------------|-----------|---------------|
| (+) Interest | 1,569 | 5 | - | 1,574 |
| (-) Principal paid | (3,347) | 4 | - | (3,343) |
| (-) Interest paid | (321) | (13) | - | (334) |
| (+) Additions | 6,104 | - | - | 6,104 |
| (-) Write-offs | (4,118) | - | - | (4,118) |
| Balance as of 09/30/2021 | 14,244 | 991 | 39 | 15,274 |

| | |
|------------|--------|
| Current | 5,087 |
| Noncurrent | 10,187 |

| | Consolidated | | | |
|---------------------------------|----------------|-------------------------|-----------|----------------|
| | Real estate | Machinery and equipment | Vehicles | Total |
| Balance as of 12/31/2019 | 400,067 | 1,119 | 36 | 401,222 |
| (+) Interest | 17,088 | 43 | 1 | 17,132 |
| (-) Principal paid | (69,053) | (106) | (2) | (69,161) |
| (-) Interest paid | (13,003) | (45) | (2) | (13,050) |
| (+) Additions | 89,105 | 114 | 6 | 89,225 |
| (-) Write-offs | (55,506) | (130) | - | (55,636) |
| (-) Discounts obtained | (31,379) | - | - | (31,379) |
| (+) Exchange rate changes | 46,431 | - | - | 46,431 |
| (+) Remeasurement | 43,665 | - | - | 43,665 |
| Balance as of 12/31/2020 | 427,415 | 995 | 39 | 428,449 |
| (+) Interest | 13,352 | 5 | - | 13,357 |
| (-) Principal paid | (30,969) | (4) | - | (30,973) |
| (-) Interest paid | (1,025) | (5) | - | (1,030) |
| (+) Additions | 209,969 | - | - | 209,969 |
| (-) Write-offs | (28,536) | - | - | (28,536) |
| (+) Exchange rate changes | (15,796) | - | - | (15,796) |
| Balance as of 09/30/2021 | 574,410 | 991 | 39 | 575,440 |

| | |
|------------|---------|
| Current | 69,772 |
| Noncurrent | 505,668 |

14 Right of use and lease liabilities (“right of use”)--Continued

c. Schedule of the lease liabilities (“right of use”) recognized in noncurrent liabilities

| Year | Parent | Consolidated |
|--------------------------|---------------|----------------|
| October to December/2022 | 3,153 | 47,279 |
| 2023 | 3,206 | 89,873 |
| 2024 | 1,420 | 63,892 |
| 2025 | 1,427 | 211,922 |
| Over 5 years | 981 | 92,703 |
| | 10,187 | 505,668 |

Pursuant to CVM Resolution 859 of July 7, 2020, with the revisions of technical pronouncement 16/2020, which amends NBC TG 6 (R2), the Company applied the practical expedient to all

contracts that met the conditions of item 46B, electing to not assess the benefits received in lease payments and directly related to the COVID-19 pandemic as a contractual amendment.

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

As of September 30, 2021, payments made by the Company relating to short-term lease contracts and low value assets referring to printers, peripherals, and office equipment totaled R\$16 in the Parent (R\$9 as of September 30, 2020) and R\$40 in the consolidated (R\$2,665 as of September 30, 2020). Payments for contracts with variable value totaled R\$120 in the Parent (R\$5 as of September 30, 2020) and R\$1,278 in the consolidated (R\$7,075 as of September 30, 2020).

e. PIS and COFINS credits

The entities located in Brazil are entitled to PIS and COFINS credit on lease contracts that are compliant with CPC 06 when making payments.

15 Trade payables

| | Parent | | Consolidated | |
|--------------------|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Product suppliers | 2,883 | 2,357 | 92,860 | 66,580 |
| Service providers | 5,431 | 7,841 | 84,190 | 94,974 |
| Suppliers - others | 199 | 77 | 5,877 | 1,303 |
| | 8,513 | 10,275 | 182,927 | 162,857 |

16 Borrowings and debentures

| | Financial charges | Maturity | Parent | | Consolidated | |
|---|--|---------------------------|----------------|----------------|----------------|----------------|
| | | | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Bank Credit Note - CCB – United States of America (a) | LIBOR + spread of 3.00% p.a. | Monthly until 11/21/2023 | - | - | 186,813 | 177,773 |
| Bank Credit Note – CCB – The Caribbean (b) | IBR 6-months + spread from 3.47% to 43.7% p.a. | Quarterly up to 2/12/2025 | - | - | 78,381 | 77,757 |
| Debentures 1st Series (c) | CDI + spread of 4.85% p.a. | Annual until 03/15/2024 | 136,278 | 132,015 | 136,278 | 132,015 |
| Debentures 2nd Series (c) | CDI + spread of 5.30% p.a. | Annual until 3/15/2026 | 137,395 | 132,452 | 137,395 | 132,452 |
| Single series issuance (d) | CDI + spread of 5.00% p.a. | Annual until 09/10/2025 | 165,676 | 158,779 | 165,676 | 158,779 |
| Costs to be recognized | | | - | (11,581) | - | (11,581) |
| Other | | | 265 | 1,820 | 4,419 | 6,591 |
| | | | 439,617 | 413,485 | 708,962 | 673,786 |

Classified as:

| | Parent | | Consolidated | |
|---|----------------|----------------|----------------|----------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Current: | | | | |
| Foreign currency-denominated borrowings | - | - | - | 39,960 |
| Local currency-denominated borrowings (R\$) | 39,676 | 28,872 | 40,195 | 30,133 |
| | 39,676 | 28,872 | 40,195 | 70,093 |
| Noncurrent: | | | | |
| Foreign currency-denominated borrowings | - | - | 264,890 | 215,613 |
| Local currency-denominated borrowings (R\$) | 399,938 | 384,613 | 403,877 | 388,079 |
| | 399,938 | 384,613 | 668,767 | 603,692 |
| | 439,614 | 413,485 | 708,962 | 673,786 |

The following is the activity of the Company's borrowings and debentures for the periods ended September 30, 2021 and September 30, 2020:

| | Parent | | Consolidated | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Opening balance | 413,485 | 395,274 | 673,785 | 561,672 |
| Addition - Principal | - | - | - | 181,885 |
| Interest accrued | 26,496 | 25,824 | 29,218 | 33,086 |
| Liability held for sale | - | - | - | - |
| Interest paid | - | (11,495) | (1,725) | (12,643) |
| Repayment of principal | - | - | (899) | (81,553) |
| Foreign exchange differences | (1,584) | - | 2,436 | (5,456) |
| Other | 1,217 | 2,062 | 6,147 | (3,206) |
| | 439,614 | 413,485 | 708,962 | 673,785 |

Guarantees and commitments

The Group has bank loans 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 the Management to ensure that the contracts are being fulfilled. Interest payments on loans at a post-fixed interest rate and the debt securities included in the table above reflect forward market interest rates at the balance sheet date and these amounts may change as the post-fixed interest rates change.

- (a) Borrowing raised in US dollars (US\$) with annual floating interest rate determined by bank of 3% above the Libor. The borrowing is guaranteed by the parent International Meal Company Alimentação S.A. and has certain covenants for the maintenance of minimum cash.
- (b) Borrowings payable in 12 quarterly installments beginning February 2022 and collateralized by certain Company's subsidiaries. The agreement contains certain covenants that require the compliance with the net debt-to-EBITDA ratio, the debt service coverage ratio and the total indebtedness, calculated based on the financial statements, which are measured semiannually beginning June 2022.
- (c) First issue of 250,000 simple non-convertible debentures, in two series of 125,000 debentures each, with unit par value of R\$1,000.00, of the unsecured type with collateral, issued on March 18, 2019, with interest of 100% of the accumulated variation of the average rates of DI – Interbank Deposits of one day, plus a spread of 4.85% p.a., with maturity in 2024, with interest paid semiannually until the due date for the first series, and 5.30% p.a., with maturity in 2026 for the second series.

The financial ratios established in the agreement are evaluated quarterly, by the trustee, and consist basically of net debt-to-EBITDA ratios and minimum cash.

As of June 4, 2020, the Company renegotiated the following clauses of the debenture indenture, which was unanimously approved by the debenture holders:

- Suspension of verification of the Financial Ratio based on the reviewed consolidated quarterly financial information (ITRs) as of March 31, June 30 and September 30, 2020 and March 31 and June 30, 2021; and on the annual consolidated financial statements as of December 31, 2020, related to the net debt-EBITDA ratio;
 - Change in the exponential spread of the 1st series, from 1.15% p.a. to 4.85% p.a., maturing in 2024;
 - Change in the exponential spread of the 1st series, from 1.60% p.a. to 5.30% p.a., maturing in 2026.
- (d) Second issue of 150,000 simple non-convertible debentures, in two series of 150,000 debentures each (only one series was issued up to December 31, 2019), with par value of R\$ 1, of the unsecured type with collateral, issued September 14, 2019, with interest of 100% of the accumulated variation of the average rates of DI - Interbank Deposits of one day, plus a spread of 5.00% p.a., with maturity in 2025, with interest paid semiannually until the due date.

The financial ratios established in the agreement are evaluated quarterly, by the trustee, and consist basically of net debt-to-EBITDA ratios and minimum cash.

As of June 4, 2020, the Company renegotiated the following clauses of the debenture indenture, which was unanimously approved by the debenture holders:

- Suspension of verification of the Financial Ratio based on the consolidated interim financial information (ITRs) as of March 31, June 30, and September 30, 2020; and on the annual consolidated financial statements as of December 31, 2020, related to the net debt-EBITDA ratio;
- Change in the exponential spread of the 2nd series, from 1.30% p.a. to 5.00% p.a., maturing in 2025.

16 Borrowings and debentures—Continued

The maturities of the portion recorded in noncurrent liabilities are as follows:

| | <u>Parent</u> | <u>Consolidated</u> |
|--------------------------|-----------------------|-----------------------|
| October to December 2022 | 11,330 | 29,849 |
| 2023 | 70,833 | 115,058 |
| 2024 | 93,123 | 137,135 |
| 2025 onwards | 224,652 | 386,730 |
| | <u>399,938</u> | <u>668,767</u> |

17 Government grant

On December 27, 2020, the United States government signed the H.R. 133 law called the Consolidated Appropriations Act., authorizing an additional amount for the second part of the PPP, a financial aid program that provides small American businesses with cash flow assistance during the COVID-19 crisis.

The loan can be forgiven and converted into a grant by the government. The amount forgiven will be determined based on the amount used to cover salaries of up to US\$ 100 thousand, medical insurance, social security contributions, interest on loans for individuals, rents and public services. The rules and regulations state that at least 60% of the funds must be used to cover payroll costs, with only 30% allowed for rent, utilities and other overheads. No collateral is required.

As of September 30, 2021, Management concluded that there was reasonable assurance for the recognition of R\$20,400 in profit or loss, in the line item Selling and operating expenses, as a reduction of the line item Payroll expenses (see note 30).

Changes in government grants are as follows:

| | Consolidated |
|--|---------------------|
| Amount received December 2020 – <i>Paycheck Protection Program</i> | 22,553 |
| (-) Amount used for salary payment | (20,400) |
| (-) Exchange rate changes | (2,153) |
| Balance as of September 30, 2021 | - |

18 Payroll and related taxes

| | Parent | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Payroll and related taxes | 4,609 | 4,635 | 14,002 | 23,891 |
| Accrual for vacation pay, 13th month salary and payroll charges, and severance pay | 9,210 | 5,069 | 52,830 | 27,118 |
| Other | 1,679 | 1,144 | 2,418 | 1,889 |
| Balance as of September 30, 2021 | 15,498 | 10,848 | 69,250 | 52,898 |

19 Installment payment of business acquisitions

| | Parent | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Business acquisitions in Brazil | 5,604 | 6,996 | 6,611 | 6,996 |
| Business acquisitions in other countries | - | - | 3,115 | 2,598 |
| | 5,604 | 6,996 | 9,726 | 9,594 |
| Current | 604 | 1,996 | 2,006 | 1,996 |
| Noncurrent | 5,000 | 5,000 | 7,720 | 7,598 |

20 Provision for labor, civil and tax risks

The Group is a party to labor and social security, civil and tax proceedings. The Group filed appeals against claims filed with courts. Judicial deposits were made when required by the authorities.

| | Parent | | Consolidated | |
|-------------------------------|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Labor and social security (a) | 19,370 | 20,509 | 44,946 | 51,747 |
| Tax (c) | 19,993 | 19,993 | 27,546 | 27,547 |
| Civil (b) | 4,543 | 3,125 | 10,145 | 6,360 |
| | 43,906 | 43,627 | 82,637 | 85,654 |

- (a) Provision recognized to cover labor and social security risks arising from labor relationships established in the normal course of its businesses. As the Group is a defendant in labor lawsuits that have similar nature, that is, lawsuits with recurring content filed in general by plaintiffs who held certain positions and functions and that make claims based on common offenders, it is understood that the best estimate of the risk of loss (and consequently of the recognition of a provision) is the assessment of the historical performance based on actual losses on lawsuits of such nature. Based on the analyses performed by the Company, the historical losses of the last 5 years were on average approximately 17% when compared with the amounts of the respective causes.
- (b) The Group is a party to civil and various other lawsuits, such as, claim of economic imbalance 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.
- (c) The Group is exposed to risks related to challenges by tax authorities (federal, state and municipal) and, based on the opinion of its legal counsel, recognized a provision to cover probable losses for such risks.

As of September 30, 2021, the Group is a party to tax and civil lawsuits that, according to the opinion of its legal counsel, involve possible risk of losses amounting to R\$6,035 (R\$3,578 as of December 31, 2020) in Parent and R\$88,133 (R\$ 32,353 as of December 31, 2020) in Consolidated and, therefore, no provision for these lawsuits was recognized.

Among the main lawsuits classified as possible loss we highlight the infringement notices issued against the subsidiary Pimenta Verde Alimentos, in October 2019, relating to the requirement of PIS and COFINS tax credit for the period from January to December 2015. As of September 30, 2021, the amount involved is R\$7,654 (R\$4,791 as of December 31, 2020). The lawsuit is under discussion at the administrative level.

Among the main civil actions classified as possible loss, we highlight a contractual resolution action combined with a request for indemnity for damages and a request for the granting of urgent relief filed against the subsidiary PHSR Master Franquia Ltda., in March 2021, referring to the request for a declaration of contractual termination due to the franchisor's fault, abstention from charging any amount as royalties and advertising contribution of the terminating contracts, removal of the barrier clause for ceasing to operate with the Pizza Hut brand and system, as well such as the conviction of the Franchisor in loss of profits. As of September 30, 2021, the amount involved is R\$48,731. The lawsuit is suspended until September 16, 2021.

As of September 30, 2021, the Group has a total exposure related to labor lawsuits in the amount of R\$34,800 (R\$49,629 as of December 31, 2020) in Parent and R\$91,364 (R\$89,567 as

of December 31, 2020) in Consolidated, and of this amount R\$28,148 (R\$24,156 as of December 31, 2020) refers to lawsuits for which the likelihood of loss was assessed as possible in Parent and R\$67,953 (R\$49,091 as of December 31, 2020) in Consolidated.

The Company has R\$ 27,005 (R\$6,662 related to labor lawsuits, R\$ 19,365 to tax lawsuits and R\$978 to civil lawsuits) related to causes not materialized and recorded in the context of the business combination. Those of a tax nature basically correspond to the PIS and COFINS taxes and ancillary obligations.

20 Provision for labor, civil and tax risks—Continued

The activity in the provision for risks in the periods is as follows:

| | Parent | | | |
|----------------------------------|----------------------------------|---------------|--------------|---------------|
| | Labor and social security | Tax | Civil | Total |
| Balance as of December 31, 2019 | 6,190 | - | 619 | 6,809 |
| Additions | 18,872 | 19,993 | 3,141 | 42,006 |
| Uses | (4,554) | - | (634) | (5,188) |
| Balance as of December 31, 2020 | 20,508 | 19,993 | 3,126 | 43,627 |
| Additions | 1,869 | - | 1,417 | 3,286 |
| Uses | (3,007) | - | - | (3,007) |
| Balance as of September 30, 2021 | <u>19,370</u> | <u>19,993</u> | <u>4,543</u> | <u>43,906</u> |

| | Consolidated | | | |
|----------------------------------|----------------------------------|---------------|--------------|---------------|
| | Labor and social security | Tax | Civil | Total |
| Balance as of December 31, 2019 | 50,663 | 28,269 | 5,748 | 84,680 |
| Additions | 19,418 | 378 | 96 | 19,892 |
| Uses | (18,168) | - | (469) | (18,637) |
| Reversals | (165) | - | (406) | (571) |
| Exchange rate changes | - | - | 290 | 290 |
| Balance as of December 31, 2020 | 51,748 | 28,647 | 5,259 | 85,654 |
| Additions | 4,825 | - | 3,879 | 8,704 |
| Uses | (11,604) | - | - | (11,604) |
| Reversals | (23) | - | (103) | (126) |
| Exchange rate changes | - | - | 9 | 9 |
| Balance as of September 30, 2021 | <u>44,946</u> | <u>28,647</u> | <u>9,044</u> | <u>82,637</u> |

21 Deferred revenue

Refers to bonuses and discounts received from suppliers for preference and exclusivity in the use of their services and/or resale of their products. These bonuses and discounts are recognized mainly in line item “Cost of sales and services” in the statement of profit or loss when the service is provided, or the product is sold and based on the expiration of the agreements entered into between the Group and its suppliers.

International Meal Company Alimentação S.A.
Individual and Consolidated
Interim Financial Information
09/30/2021

| | Parent | | Consolidated | |
|-------------------------------------|---------------------|---------------------|----------------------|----------------------|
| | 09/30/2021 | 12/31/2020 | 09/30/2021 | 12/31/2020 |
| Exclusive contracts – Brazil | 2,311 | 1,073 | 15,496 | 19,312 |
| Exclusive contracts - USA | - | - | 10,621 | 5,162 |
| Exclusive contracts - The Caribbean | - | - | 302 | 962 |
| | <u>2,311</u> | <u>1,073</u> | <u>26,419</u> | <u>25,436</u> |
| Current liabilities | 788 | 436 | 8,946 | 10,792 |
| Noncurrent liabilities | 1,523 | 637 | 17,473 | 14,644 |
| | <u>2,311</u> | <u>1,073</u> | <u>26,419</u> | <u>25,436</u> |

| | Parent | Consolidated |
|--------------------------|---------------------|----------------------|
| Balance as of 12/31/2020 | 1,073 | 25,436 |
| (+) Additions | 1,506 | 6,689 |
| (-) Expenses recognized | (268) | (5,706) |
| Balance as of 09/30/2021 | <u>2,311</u> | <u>26,419</u> |

22 Income tax and social contribution

a. Deferred income tax and social contribution

Deferred income tax and social contribution arise from recognized tax loss carryforwards and temporary differences. These tax credits are recorded in noncurrent assets and noncurrent liabilities, based on expected future taxable income, as per the prevailing tax law.

As of September 30, 2021 and December 31, 2020, deferred income tax and social contribution are as follows:

| | Parent | |
|---|---------------------|-------------------|
| | 09/30/2021 | 12/31/2020 |
| Tax loss carryforwards | - | - |
| Temporary differences: | | |
| Provision for labor, civil and tax risks | 3,027 | 3,031 |
| Provision for disposal of assets | 4,699 | 4,720 |
| Accrued liabilities | 4,423 | - |
| Asset appreciation and difference between accounting and tax depreciation rates | 2,841 | - |
| Deferred income tax liability on amortization of goodwill of acquired companies | (28,979) | (28,979) |
| Deferred income tax liability on surplus value of merged companies | (7,484) | (7,398) |
| Deferred tax liability arising from fair value allocation of business combinations | - | (2,407) |
| Provision for labor, civil and tax risks | 708 | 6,808 |
| | <u>(20,765)</u> | <u>(24,225)</u> |
| Assets | - | - |
| Liabilities | (20,765) | (24,225) |
| | Consolidated | |
| | 09/30/2021 | 12/31/2020 |
| Tax loss carryforwards | 109,929 | 109,856 |
| Temporary differences: | | |
| Provision for labor, civil and tax risks | 17,118 | 17,631 |
| Provision for disposal of assets | 26,189 | 29,034 |
| Accrued liabilities | 31,144 | 29,982 |
| Deferred income tax assets of merged companies | - | 5,210 |
| Difference between accounting and tax law depreciation rates | 13,963 | 17,600 |
| Deferred income tax liability on amortization of goodwill of companies acquired and merged and/or derived from fair value allocation of business combinations | (137,919) | (129,313) |
| Deferred income tax liability on surplus value of merged companies | (7,484) | (7,398) |
| Other temporary differences | 10,334 | 4,696 |
| | <u>63,274</u> | <u>77,298</u> |
| Assets | 105,834 | 134,072 |
| Liabilities | <u>(42,560)</u> | <u>(56,774)</u> |
| | <u>(63,274)</u> | <u>77,298</u> |

22 Income tax and social contribution--Continued

b. Realization of deferred income tax and social contribution

In accordance with CPC 32 (IAS 12), the Group, based on the expected generation of future taxable profits and based on a technical study approved by Management, recognizes the tax assets and liabilities on the deductible temporary differences and on the accumulated tax losses, which can be carried forward indefinitely and can be utilized up to the limit of 30% of the annual taxable profits in Brazil.

As of September 30, 2021, the Group had tax loss carry forwards and a negative social contribution base in the amount of R\$523,766 (R\$474,789 as of December 31, 2020) in the Consolidated and R\$72,340 referring to operations located in Brazil and R\$ 37,589 referring to operations located in the USA, totaling R\$ 109,929 (R\$109,856 as of December 31, 2020) in Consolidated. The recognized portion is supported by projections of future taxable results that confirm its realization.

c. Reconciliation of income tax and social contribution at statutory and effective rates

| | Parent | |
|--|-------------------|-------------------|
| | 09/30/2021 | 09/30/2020 |
| Loss before income tax and social contribution | (38,258) | (444,971) |
| Statutory tax rate | 34% | 34% |
| Income tax and social contribution benefit (expense) at statutory rate | 13,008 | 151,290 |
| Adjustments made: | | |
| Permanent differences (*) | (459) | (1,515) |
| Share of profit (loss) of investees | (3,552) | (108,536) |
| Deferred income tax credits on tax loss carryforwards not recognized | (13,330) | (34,234) |
| Other permanent differences | 3,843 | 3,945 |
| Income tax and social contribution | (490) | 10,950 |
| Effective rate | (1.28%) | 2.46% |
| Current | - | - |
| Deferred | (490) | 10,950 |
| | (490) | 10,950 |

22 Income tax and social contribution--Continued

c. Reconciliation of income tax and social contribution at statutory and effective rates--Continued

| | Consolidated | |
|--|---------------------|-------------------|
| | 09/30/2021 | 09/30/2020 |
| Loss before income tax and social contribution | (12,322) | (552,097) |
| Statutory tax rate | 34% | 34% |
| Income tax and social contribution benefit (expense) at statutory rate | 4,189 | 187,032 |
| Adjustments made: | | |
| Permanent differences (*) | (459) | (10,426) |
| Share of profit (loss) of investees | (3,401) | - |
| Effect on differences of statutory tax rates of foreign subsidiaries | 13,850 | (13,491) |
| Deferred income tax credits on tax loss carryforwards not recognized | (34,535) | (66,492) |
| Other | (6,070) | 21,876 |
| Income tax and social contribution | (26,426) | 118,499 |
| Effective rate | (214.46%) | 21.54% |
| Current | (20,047) | - |
| Deferred | (6,379) | 118,499 |
| | (26,426) | 118,499 |

(*) Include: (a) expenses on foreign subsidiaries' nondeductible depreciation or amortization and (b) other nondeductible expenses.

23 Equity

a. Capital

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

As of September 30, 2021, the Company's capital comprises 286,369,530 shares (286,369,530 as of December 31, 2020) that represent an amount of R\$1,154,358 (R\$1,154,358 as of December 31, 2020).

Reconciliation of shares is as follows:

| | |
|--|--------------------|
| Position as of December 31, 2020 | 286,369,530 |
| New shares | - |
| Position as of September 30, 2021 | 286,369,530 |

23 Equity--Continued

a. Capital--Continued

On July 9, 2020, the Company disclosed a material fact informing that the meeting of the Company's Board of Directors approved the public offering of primary distribution of initially 67,000,000 registered, book-entry, common shares without par value, free of any lien or encumbrance, issued by the Company, notwithstanding the Additional Shares, with restricted placement efforts exclusively in Brazil, pursuant to the terms of CVM Instruction 476 and, therefore, without placement efforts of Shares abroad.

On July 21, 2020, approval was given for the price per share, set according to the Bookbuilding Process at R\$4.25 ("Share Price"), and with the Company's capital increasing by R\$384,413, as well as for the public offering of primary distribution with restricted placement efforts exclusively in Brazil, pursuant to the terms of CVM Instruction 476, and therefore, without placement efforts of Shares abroad, of 90,450,000 registered, book-entry, common shares without par value, free of any lien or encumbrance, issued by the Company, which includes the Additional Shares. Expenses arising specifically from the offering were recognized as a reduction of equity, in the amount of R\$16,106.

b. Allocation of profit

A portion of 5% of the profit shall be deducted to recognize the legal reserve, which cannot exceed 20% of the capital.

Shareholders are entitled to a noncumulative annual dividend of at least 25% of the profit, in conformity with Article 202 of Law 6404/76.

The remaining balance, after deducting legal costs, shall be allocated as decided by the Annual Shareholders' Meeting, in conformity with applicable legislation.

In conformity with applicable legal provisions and as decided by the Annual Shareholders' Meeting, the Company may pay to its shareholders interest on capital which may be deducted from the mandatory minimum dividend.

c. Treasury shares

On January 8, 2020, the Company's Board of Directors approved the closing of the Company's program to buy back Company shares approved by the Board of Directors on November 7, 2019 ("Buyback Program"); and authorized the sale of shares, by the Executive Board, issued by the Company and held in treasury.

23 Equity--Continued

c. Treasury shares--Continued

The activity in treasury shares in the nine-month period ended September 30, 2021 was as follows:

| | Number of shares | Amount | Average price per share - R\$ |
|---|---------------------|--------------|-------------------------------------|
| Balance as of December 31, 2020 | 926,500 | 5,551 | 6.03 |
| (-) Treasury shares sold | - | - | - |
| (-) Stock options exercised | - | - | - |
| Balance as of September 30, 2021 | 926,500 | 5,551 | 6.03 |

d. Other comprehensive income (loss)

Refer to differences arising on translating foreign currency-denominated profit or loss calculated on the equity of foreign subsidiaries.

24 Share-based payment plan

Under the Stock Option Plan ("Stock Option Plan - 2015"), approved at the Extraordinary General Meeting held on April 30, 2015, the Company 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 among the Company and each Beneficiary. The Agreement will define the number and class of shares which 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.

24 Share-based payment plan --Continued

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 shares and/or disposal of treasury shares held by the Company, based on the option to be adopted by the Board of Directors or Committee.

With characteristics similar to the Stock Option Plan - 2015, on October 27, 2017, the Board of Directors approved the Stock Options 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.

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 2019 Stock Option Plan has characteristics similar to previous plans.

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 amount of shares issued by the Company on each grant date; for the calculation of the Maximum Amount, 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 exercised, the Shares subject to these options will become available again for future grant of options under this Plan.

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 to Participants will be delivered.

24 Share-based payment plan --Continued

The position of the granted options outstanding as of September 30, 2021 is as follows:

| | Number of shares | | | | Fair value of the option ⁽¹⁾ | Exercise price ⁽¹⁾ | |
|--------------------------|-------------------|--|--------------------|-------------------|---|-------------------------------|---------|
| Exercise of grant | Granted | Not exercised due to withdrawal/expired ⁽²⁾ | Exercised | Outstanding | | On grant | Updated |
| Stock Option Plan - 2015 | | | | | | | |
| 2015 | 2,700,000 | (1,508,000) | (1,192,000) | - | 4.75 ⁽³⁾ | 4.00 | 6.25 |
| 2016 | 3,900,000 | (1,067,000) | (2,733,000) | 100,000 | 2.19 | 4.00 | 5.51 |
| 2017 | 4,050,000 | (2,260,000) | (1,405,000) | 385,000 | 3.57 | 4.00 | 6.01 |
| 2018 | 100,000 | (50,000) | - | 50,000 | 1.44 | 4.00 | 4.00 |
| 2019 | 350,000 | (350,000) | - | - | 3.01 | 4.00 | 4.00 |
| 2020 | 1,880,000 | (600,000) | - | 1,280,000 | 1.25 | 4.00 | 4.26 |
| | 12,980,000 | (5,835,000) | (5,330,000) | 1,815,000 | | | |
| Stock Option Plan - 2017 | | | | | | | |
| 2017 | 4,300,000 | (1,450,000) | - | 2,850,000 | 2.94 | 4.00 | 5.25 |
| 2018 | 900,000 | (270,000) | (25,000) | 605,000 | 1.91 | 4.00 | 4.22 |
| 2020 | 150,000 | - | - | 150,000 | 1.25 | 4.00 | 4.26 |
| | 5,350,000 | (1,720,000) | (25,000) | 3,605,000 | | | |
| Stock Option Plan - 2019 | | | | | | | |
| 2019 | 3,500,000 | (1,660,000) | - | 1,840,000 | 2.61 | 4.00 | 5.54 |
| | 3,500,000 | (1,660,000) | - | 1,840,000 | | | |
| Stock Option Plan - 2021 | | | | | | | |
| 2021 | 10,008,695 | - | - | 10,008,695 | 2.77 | 4.00 | 5.77 |
| | 10,008,695 | - | - | 10,008,695 | | | |
| | 31,838,695 | (9,215,000) | (5,355,000) | 17,268,695 | | | |

(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.

(3) Corresponds to the fair value of the stock option plan at the grant date, without the impact of the clauses amended in 2016.

24 Share-based payment plan — Continued

The variation in the nine-month period ended September 30, 2021 in the granted options outstanding is as follows:

| | Stock Option Plan - 2015 | Stock Option Plan - 2017 | Stock Option Plan - 2019 | Stock Option Plan - 2021 | Total |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-------------------|
| Number of options outstanding as of December 31, 2020 | 2,885,000 | 4,100,000 | 3,250,000 | - | 10,235,000 |
| (+) Options granted in 2021 | - | - | - | 10,008,695 | 10,008,695 |
| (-) Not exercised due to withdrawal / expired | | | | | |
| (-) 2020 grant | (600,000) | - | - | - | (600,000) |
| (-) 2019 grant | (350,000) | - | (1,410,000) | - | (1,760,000) |
| (-) 2018 grant | (50,000) | (155,000) | - | - | (205,000) |
| (-) 2017 grant | (70,000) | (340,000) | - | - | (410,000) |
| Number of options outstanding as of September 30, 2021 | 1,815,000 | 3,605,000 | 1,840,000 | 10,008,695 | 17,268,695 |

The fair value of the options was calculated on the grant date of each plan and adjusted in accordance with the amendment aforementioned, based on the “Black & Scholes” pricing model. The effects were reflected 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:

| Exercise of grant | Accumulated at 12/31/2020 | Appropriated to the results in 2021 | Accumulated at 09/30/2021 | Amounts to be recorded in future periods ⁽¹⁾ |
|---------------------------------|---------------------------|-------------------------------------|---------------------------|---|
| Stock Option Plan - 2015 | | | | |
| 2015 | 5,659 | - | 5,659 | - |
| 2016 | 6,213 | - | 6,213 | - |
| 2017 | 6,500 | (142) | 6,358 | 23 |
| 2018 | 144 | (72) | 72 | - |
| 2019 | 600 | (600) | - | - |
| 2020 | 248 | 427 | 675 | 931 |
| | 19,364 | (387) | 18,977 | 954 |
| Stock Option Plan - 2017 | | | | |
| 2017 | 8,624 | (360) | 8,264 | 119 |
| 2018 | 1,141 | (79) | 1,062 | 141 |
| 2020 | 20 | 59 | 79 | 109 |
| | 9,785 | (380) | 9,405 | 369 |
| Stock Option Plan - 2019 | | | | |
| 2019 | 4,745 | (88) | 4,658 | 150 |
| | 4,745 | (88) | 4,658 | 150 |
| Stock Option Plan - 2021 | | | | |
| 2021 | - | 2,060 | 2,060 | 17,190 |
| | - | 2,060 | 2,060 | 17,190 |
| | | | | |
| | 33,894 | 1,205 | 35,100 | 18,663 |

- (1) The weighted average of the remaining contractual period is 3.1 years.

24 Share-based payment plan—Continued

In determining the fair value of stock options, the following economic assumptions were used:

| | Weighted average |
|--|------------------|
| Expected life of the option ⁽¹⁾ | 3.1 years |
| Volatility ⁽²⁾ | 48.4% |
| Risk-free rate ⁽³⁾ | 5.8% |

- (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.

25 Net revenue

| Parent | | | | |
|--------------------------------------|---------------|------------------|------------------|------------------|
| Disaggregated revenue | Catering | Retail | Total | |
| Gross revenue | 53,563 | 1,341,544 | 1,418,957 | |
| Taxes on sales | (4,402) | (37,831) | (45,863) | |
| Returns and rebates | (2) | (65,362) | (65,364) | |
| Net revenue as of September 30, 2021 | <u>49,159</u> | <u>1,238,351</u> | <u>1,307,730</u> | |
| Gross revenue | 53,007 | 803,570 | 876,723 | |
| Taxes on sales | (4,907) | (27,937) | (35,848) | |
| Returns and rebates | (91) | (24,902) | (24,993) | |
| Net revenue as of September 30, 2020 | <u>48,009</u> | <u>750,731</u> | <u>815,882</u> | |
| Consolidated | | | | |
| Disaggregated revenue | Franchisees | Catering | Retail | Total |
| Gross revenue | 23,850 | 53,563 | 1,341,544 | 1,418,957 |
| Taxes on sales | (3,630) | (4,402) | (37,831) | (45,863) |
| Returns and rebates | - | (2) | (65,362) | (65,364) |
| Net revenue as of September 30, 2021 | <u>20,220</u> | <u>49,159</u> | <u>1,238,351</u> | <u>1,307,730</u> |
| Gross revenue | 20,146 | 53,007 | 803,570 | 876,723 |
| Taxes on sales | (3,004) | (4,907) | (27,937) | (35,848) |
| Returns and rebates | - | (91) | (24,902) | (24,993) |
| Net revenue as of September 30, 2020 | <u>17,142</u> | <u>48,009</u> | <u>750,731</u> | <u>815,882</u> |

26 Selling and operating expenses

| | Parent | | Consolidated | |
|------------------------------|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Payroll (a) | (3,473) | (4,045) | (6,082) | (6,936) |
| Publicity and advertising | (222) | (150) | (40,213) | (32,546) |
| Rental expenses (a) | (2,276) | (2,827) | (61,545) | (5,217) |
| Third-party services | (643) | (750) | (29,734) | (25,476) |
| Credit and debit card fees | (198) | (98) | (17,821) | (11,498) |
| Royalty expenses | (57) | - | (34,356) | (19,328) |
| Maintenance | (2) | (13) | (12,536) | (9,376) |
| Logistics | (365) | (425) | (6,656) | (5,910) |
| Communication infrastructure | (294) | (272) | (2,467) | (2,152) |
| Fees and charges | (573) | (196) | (11,449) | (10,445) |
| Other expenses | (241) | (332) | (14,825) | (8,036) |
| | (8,344) | (9,108) | (237,684) | (136,920) |

(a) In 2021, the payroll and rental expenses lines items were impacted by the *Consolidated Appropriations Act.*, benefit received by the United States, see details in Note 17.

27 General and administrative expenses

| | Parent | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Payroll | (28,448) | (22,973) | (63,112) | (47,739) |
| Third-party services | (11,002) | (9,012) | (18,968) | (19,541) |
| Travel expenses | (223) | (191) | (1,725) | (1,010) |
| Maintenance and utilities | (1,333) | (961) | (2,636) | (2,391) |
| Share-based payment | (1,202) | (4,369) | (1,202) | (4,369) |
| Store launchings | (23) | - | (12,031) | (5,239) |
| Office rental | - | (274) | (2,290) | (1,876) |
| Expense recovery – apportionment among related parties | 26,228 | 21,661 | - | - |
| Expenses related to joint venture agreement | - | (309) | - | (309) |
| Other expenses | (2,144) | (2,054) | (6,996) | (8,418) |
| | (18,147) | (18,482) | (108,960) | (90,892) |

28 Other operating income (expenses), net

| | Parent | | Consolidated | |
|--|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Other expenses: | | | | |
| Loss on sale and/or write-off of fixed assets | (2) | - | (73) | (6,460) |
| Provision for labor, civil and tax risks, net of reversals | (3,285) | (989) | (8,579) | (3,518) |
| Restructuring costs | (5,091) | (8,771) | (4,320) | (24,773) |
| Contractual penalties | - | - | - | (20,550) |
| Other expenses | - | - | - | (1,059) |
| | (8,378) | (9,760) | (12,972) | (56,360) |
| Other income: | | | | |
| Rebates and commercial agreements | 33 | 4 | 2,011 | 10,290 |
| Gain on sales of fixed assets and commercial rights | 19 | 450 | 365 | 1,218 |
| Recovery of tax credits (a) | 5,201 | - | 16,127 | 9,147 |
| Other revenues (b) | 13,474 | 2 | 22,628 | 4897 |
| | 18,727 | 456 | 41,131 | 25,552 |
| Total, net | 10,349 | (9,304) | 28,159 | (30,808) |

(a) Contains an amount corresponding to the recognition of PIS and COFINS on tax credits in the period.

(b) Contains the amount of R\$12,545 corresponding to the agreement with the Sforza group, see note 31.

29 Finance income (expense), net

| | Parent | | Consolidated | |
|---|-------------------|-------------------|---------------------|-------------------|
| | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Finance income: | | | | |
| Income from financial investments | 4,770 | 1,652 | 7,247 | 4,117 |
| Monetary adjustment gains | - | 398 | - | 381 |
| Exchange gains | - | 262 | 985 | 642 |
| Others | 14 | - | 1,457 | - |
| | 4,784 | 2,312 | 9,689 | 5,140 |
| Finance expense: | | | | |
| Inflation adjustment loss | (876) | (194) | (908) | - |
| Interest on borrowings | (26,496) | (18,234) | (29,218) | (23,478) |
| Transaction cost amortization | (1,680) | (1,680) | (1,680) | (1,680) |
| Interest on business acquisitions | - | - | - | (837) |
| Interest on lease liabilities ("right of use") | (1,036) | (937) | (13,043) | (20,019) |
| Inflation adjustment, interest and banking fees | (1,347) | (532) | (5,013) | (3,604) |
| Exchange losses | (91) | - | - | - |
| Others | - | - | - | (857) |
| | (31,526) | (21,577) | (49,862) | (50,475) |
| Total, net | (26,742) | (19,265) | (40,173) | (45,335) |

30 Expenses by nature

| | Parent | | Consolidated | |
|---|------------------------|-------------------------|---------------------------|---------------------------|
| | 09/30/2021 | 09/30/2020 | 09/30/2021 | 09/30/2020 |
| Inventory costs | (14,172) | (11,133) | (502,309) | (328,389) |
| Royalty costs | - | - | (12,732) | (14,095) |
| Personnel expenses | (49,559) | (50,293) | (34,973) | (278,863) |
| Selling expenses | (222) | (150) | (40,213) | (24,693) |
| Third-party services | (11,644) | (7,860) | (49,074) | (43,181) |
| Operating expenses (a and b) | (9,233) | (8,937) | (205,069) | (101,799) |
| Depreciation and amortization - Fixed and intangible assets | (21,609) | (21,470) | (76,556) | (77,527) |
| Depreciation of right of use | (2,724) | (2,278) | (56,500) | (55,556) |
| Expense recovery – related parties | 26,228 | 21,661 | - | - |
| Impairment of assets | - | (50,930) | - | (327,432) |
| Share of profit (loss) of investees | 10,448 | (318,362) | 12,282 | (3,840) |
| (Reversal of) allowance for expected credit losses | 3,578 | (3,171) | 3,800 | (12,941) |
| Amortization – Investment joint venture | - | - | (2,280) | (2,180) |
| Other expenses | (3,249) | (6,233) | (30,414) | (21,763) |
| | <u>(72,158)</u> | <u>(459,156)</u> | <u>(1,308,038)</u> | <u>(1,292,259)</u> |
| Classified as: | | | | |
| Cost of sales and services | (37,915) | (38,455) | (886,598) | (628,641) |
| Selling and operating expenses (b) | (8,344) | (9,108) | (237,684) | (136,930) |
| (Reversal of) allowance for expected credit losses | 3,578 | (3,171) | 3,800 | (12,941) |
| General and administrative expenses | (18,147) | (18,482) | (108,960) | (90,892) |
| Depreciation and amortization - fixed and intangible assets | (19,054) | (18,370) | (32,098) | (33,847) |
| Depreciation of right of use | (2,724) | (2,278) | (56,500) | (55,556) |
| Impairment of assets | - | (50,930) | - | (327,432) |
| Share of profit (loss) of investees | 10,448 | (318,362) | 10,002 | (6,020) |
| | <u>(72,158)</u> | <u>(459,156)</u> | <u>(1,308,038)</u> | <u>(1,292,259)</u> |

- (a) In 2021, the payroll expenses line item was impacted by the *Consolidated Appropriations Act.*, benefit received in the United States, see details in Note 17.
- (b) Correspond to miscellaneous expenses (Gas, Rent, Light, etc.).

31 Related parties

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

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

a. Franchise Fees and Royalties

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.

31 Related parties--Continued

a. Franchise Fees and Royalties--Continued

In addition, in view of the Master Franchise agreement between indirect subsidiaries KSR Master and PHSR Master, the Company is entitled to receive a monthly service fee for the franchisee management activities of KFC and Pizza Hut brands in Brazil. For this service, the Company receives a monthly revenue equivalent to a percentage of the net revenue of restaurants operated by these franchisees. These transactions are also carried out under specific conditions, as per the agreement with franchisees.

Due to the aforementioned agreements, the subsidiaries of the direct subsidiary MultiQSR, shown below, have the following amounts recorded as of September 30, 2021:

| | KSR Master | PHSR Master | Pimenta Verde |
|-----------------------|------------|-------------|---------------|
| Liabilities | | | |
| Royalties payable | 758 | 1,020 | 2,153 |
| Profit or loss | | | |
| Royalty expenses | (3,363) | (5,265) | - |

b. Related-party transactions and balances

Transactions with other related parties involving loans or current account balances are detailed as follows:

| | Parent | | | |
|---------------|-----------------------------|-----------|------------|-----------------------------|
| | Current assets | | | |
| | Balance as of 12/31/2020 | Additions | Write-offs | Balance as of 09/30/2021 |
| Sforza Group | - | 1,568 | - | 1,568 |
| | - | 1,568 | - | 1,568 |
| | Noncurrent assets | | | |
| | Balance as of 12/31/2020 | Additions | Write-offs | Balance as of 09/30/2021 |
| Rede Viena | 87,923 | 79,505 | - | 167,428 |
| Frango Assado | 8,965 | 1,407 | - | 10,372 |
| Sforza Group | - | 10,977 | - | 10,977 |
| | 96,888 | 91,889 | - | 188,777 |

31 Related parties--Continued

c. Related-party transactions and balances--Continued

| | Balance as of 12/31/2020 | Noncurrent liabilities | | Balance as of 09/30/2021 |
|------------|-----------------------------|------------------------|----------------|-----------------------------|
| | | Additions | Write-offs | |
| IMC Panama | 40,664 | - | (1,348) | 39,316 |
| | <u>40,664</u> | <u>-</u> | <u>(1,348)</u> | <u>39,316</u> |

d. Related-party transactions in the period

On July 25, 2019, the Joint Venture Agreement and Other Covenants was entered into, whereby the merger of the companies owners of the right to explore the KFC and Pizza Hut brands in Brazil by IMC was regulated. It established, among other provisions, an Adjustment in the Exchange Relation considering certain assumptions included in the Agreement.

On October 31, 2019, the Instrument of Closing between the Parties was entered into and the transaction established in the Agreement was concluded.

Under the Adjustment prescribed in the Agreement, the Parties made several work meetings and exchanged written communications, including e-mails, notifications and counter-notifications.

On December 18, 2020, IMC submitted a request for arbitration before the Market Arbitration Chamber against Sforza Group, with the purpose of discussing the Adjustment under the Agreement, as well as other matters, as informed to its shareholders and the market in general, through the Material Fact disclosed on the same date.

On June 15, 2021, the Parties agreed with the Adjustment prescribed in the Agreement. After meetings, negotiations and reviews of the Adjustment and Disputes, the Parties agree that the final, undisputed and binding gross value of the Adjustment under the Agreement is R\$17,600 on behalf of IMC.

The Final Value of the Adjustment will be paid by Sforza Group to IMC as follows: (i) on the date hereof, the amount of R\$2,042 was considered as paid to IMC after the clearing of the Sforza Group loan amount outstanding, (ii) the amount of R\$3,012 corresponding to the adjustment to present value was recognized and (iii) the remaining balance of the Final Value of the Adjustment will be paid in local currency through a bank deposit in the bank account of IMC, in 8 equal, annual and successive installments, monetarily adjusted using the CDI variation from October 31, 2019 to the date of the effective payment of each installment, with the first installment payable on June 10, 2022.

31 Related parties— Continued

e. Related-party transactions in the period--Continued

| Consolidated | | | | |
|---------------------|-----------------------------|---------------|----------------|-----------------------------|
| Current assets | | | | |
| | Balance as of 12/31/2020 | Additions | Write-offs | Balance as of 09/30/2021 |
| Sforza Group (*) | - | 1,568 | - | 1,568 |
| | - | 1,568 | - | 1,568 |
| Noncurrent assets | | | | |
| | Balance as of 12/31/2020 | Additions | Write-offs | Balance as of 09/30/2021 |
| Sforza Group (*) | - | 12,391 | (1,414) | 10,977 |
| | - | 12,391 | (1,414) | 10,977 |

(*) The Sforza Group comprises the companies TBB Holding, BRS Gestão and WW Holding.

In order to enhance the corporate structure, the Company and its subsidiaries agreed to share costs and expenses, focused mainly in sharing back-office and corporate structures. Intercompany reimbursement transactions are performed only among companies in Brazil.

| | Parent | |
|----------------------------------|---------------|------------|
| | 09/30/2021 | 09/30/2020 |
| Reimbursement of expenses | | |
| Rede Viena | 14,078 | 17,791 |
| Rede Frango Assado | 2,185 | 3,870 |
| | 16,263 | 21,661 |

In order to improve the portfolio of products offered, the Company entered into a merchandise purchase agreement with Mundo Verde, a company specialized in natural products.

| | Balance as of 12/31/2020 | Noncurrent liabilities | | Balance as of 09/30/2021 |
|-------------|-----------------------------|------------------------|-------------|-----------------------------|
| | | Additions | Write-offs | |
| Mundo Verde | 46 | - | (15) | 31 |
| | 46 | - | (15) | 31 |

32 Compensation of key management personnel

For the nine-month period ended September 30, 2021, key management compensation totaled R\$13,460 (R\$12,711 as of September 30, 2020) in Parent and Consolidated, including the amount of R\$1,202 (R\$4,030 as of September 30, 2020) related to the share-based payment plan. This amount was recorded in line item “General and administrative expenses”. Management does not have post-retirement benefits or other short- and long-term benefits.

33 Insurance

The Group has an insurance policy that considers principally risk of concentration and its materiality, providing insurance coverage considered sufficient in light of the type of business and according to advice from insurance brokers.

As of September 30, 2021, insurance coverage is as follows:

| | Consolidated |
|--|-----------------------|
| Civil liability | 23,799 |
| Sundry risks - inventories and property, plant and equipment | 659,221 |
| Vehicles | 75,583 |
| Others | 6,159 |
| | <u><u>764,762</u></u> |

34 Loss per share

Basic

Basic loss per share is calculated by dividing the profit or loss attributable to holders of the Company's common shares by the weighted average number of common shares held by shareholders during the period.

| | Parent and Consolidated | |
|--|--------------------------------|-------------------|
| | 09/30/2021 | 09/30/2020 |
| Loss attributable to Company's shareholders | (38,748) | (431,598) |
| Weighted average number of outstanding common shares | <u>286,370</u> | <u>286,370</u> |
| Weighted average number of available shares | | |
| Basic loss per share – R\$ | (0.13103) | (1.50713) |

Diluted

For dilutive purposes, the Company has a stock option plan granted to the beneficiaries, according to which the issue of shares is permitted at the time of the option period. We present below the dilutive calculation:

| | Parent and Consolidated | |
|--|--------------------------------|-------------------|
| | 09/30/2021 | 09/30/2020 |
| Basic and diluted numerator | | |
| Loss attributable to Company's shareholders | (38,748) | (431,598) |
| Weighted average number of outstanding common shares | 286,370 | 286,370 |
| Potential increase of common shares | - | - |
| Diluted loss per share – R\$ | (0.13103) | (1.50713) |

35 Authorization of the individual and consolidated interim financial information

At the meeting held on November 10, 2021, the Board of Directors approved and authorized for issue this individual and consolidated interim financial information.