Individual and Consolidated Interim Financial Information

International Meal Company Alimentação S.A.

March 31, 2020
with Independent Auditor's Report


imc
INTERNATIONAL MEAL COMPANY
Now available for delivery in São Paulo
SEMOLINA BREAD
1Q20
RESULTS

São Paulo, June 1, 2020 - International Meal Company Alimentação S.A. (B3: MEAL3), one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the first quarter of 2020 (1Q20). Unless otherwise indicated, the information herein is presented in a consolidated manner, in millions of Brazilian reais (R$), and in accordance with the International Financial Reporting Standards (IFRS) and the accounting principles adopted in Brazil.

HIGHLIGHTS

(Non-IFRS 16 Figures)

Pro Forma Consolidated Same-store Sales (SSS)
-9.0% in 1Q20

Net Revenue
R$ 367 M in 1Q20
(up 1.2% over 1Q19).

Adjusted EBITDA
R$ (7 M) in 1Q20
(+R$ 25 M in 1Q19)

Adjusted EBITDA Margin
-1.8% in 1Q20
(+6.9% in 1Q19)

Net Loss
R$ (50 M) in 1Q20
(versus R$ (5 M) in 1Q19)

Operating Cash Flow
R$ (47 M) in 1Q20
(against R$ (4 M) in 1Q19)

CONFERENCE CALL IN PORTUGUESE

06/02/2020
10:00 a.m. (Brasília) / 9:00 a.m. (US ET)

Webcast: **click here**

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Code: IMC

CONFERENCE CALL IN ENGLISH

06/02/2020
11:00 a.m. (Brasília) / 10:00 a.m. (US ET)

Webcast: **click here**

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+1 (412) 317-6387

Code: IMC

ir.internationalmealcompany.com

IFRS 16

The IASB published IFRS 16 - Leases in January 2016, effective as of January 1, 2019. The new standard requires lessees to recognize nearly all leases on the balance sheet, which will reflect their right to use an asset for a certain period of time and the associated liability for payments. For further information, please visit https://www.ey.com/gl/en/issues/ifrs/ifrs_slider_leases.

For a better analyses of the Company's numbers, all the performance comments related to 1Q20 will be based on the regulation prior to IFRS 16. Below, we present the consolidated effect on our financial statements. For additional details on IFRS results, please refer to page 31 of this document.

Consolidated Results	Prior IFRS 16		Audited	
(mm R$)	1Q20		1Q20	chg.
Net Revenue	**366,6**		**366,6**	***0,0%***
COGS	**(281,5)**	**+0,3**	**(281,1)**	***0,1%***
Depreciation & Amortization	(13,9)	(0,4)	(14,3)	*(3,0%)*
Gross Profit	**85,2**		**85,5**	***(0,4%)***
Gross Margin (%)	*23,2%*		*23,3%*	*(0,1)p.p.*
Operating Expenses	**(119,5)**	**+10,9**	**(108,5)**	***10,1%***
Operating Expenses	(106,9)	29,5	(77,4)	
Depreciation & Amortization	(12,6)	(18,5)	(31,1)	
(-) Special Items - Others	(10,1)		(10,1)	
(-) Pre-Opening Expenses	(3,3)	0,0	(3,3)	
Amortization of investment in joint venture	(0,7)		(0,7)	
Equity Income	**1,3**		**1,3**	
EBIT	**(47,1)**		**(35,8)**	
Financial Results	**(8,5)**	**(8,6)**	**(17,1)**	
EBT	**(55,5)**		**(52,9)**	
Taxes	**5,3**	**+1,4**	**6,7**	
Net Earnings	**(50,2)**	**+4,1**	**(46,1)**	
(+) D&A and Asset Sale	27,1	+18,9	46,1	*(41,1%)*
EBITDA	**(19,9)**	**+30,1**	**10,3**	***na***
EBITDA Margin (%)	*(5,4%)*		*2,8%*	*na*
(+) Special Items - Others	10,1		10,1	
(+) Pre-Opening Expenses	3,3	+0,0	3,3	
Adjusted EBITDA[1]	**(6,5)**	**+30,2**	**23,7**	***na***
Adjusted EBITDA Margin (%)	*(1,8%)*		*6,5%*	*na*

[1]Before special items (severance expenses, impairment due to store closures and stock option program).

MESSAGE FROM THE MANAGEMENT

The first quarter of 2020 was to be the quarter for the consolidation of the operations of IMC, Pizza Hut and KFC were integrated, Central Kitchen opened, conversations for the expansion of Frango Assado well underway and our US operation with a robust store opening pipeline. However, in mid-March, with the Covid-19 pandemic, our focus shifted from consolidating the operation to strengthening IMC, since our sales have been strongly affected by the measures taken by governments in each of the regions where we operate, to combat the spread of the virus.

In January and February our consolidated pro forma same stores sales stores were 9.3% and the Pizza Hut and KFC operations performed 4.7% and 13.8%, respectively. Numbers that in March, already with the impact of the pandemic, turned to -39.6% in the consolidated.

Same Store Sales with a good performance in the first two months (in R$)

	Jan-Feb	March
Roads	8.9%	(31.9%)
Air	0.7%	(39.5%)
Malls Pro Forma	8.8%	(44.1%)
Pizza Hut	4.7%	(37.1%)
KFC	13.8%	(45.8%)
Brazil Pro Forma	7.3%	(37.2%)
USA	16.8%	(45.9%)
Caribbean	9.2%	(34.1%)
IMC Pro Forma	9.5%	(39.6%)

Since then, some points have been important in the company's management

i) Safety and Health of employees and customers

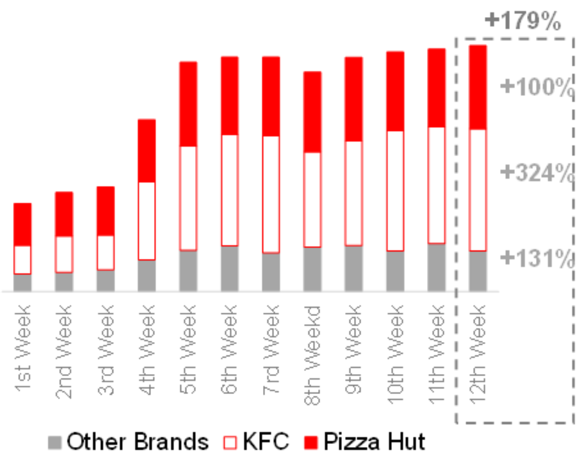
We follow our health and safety protocols, where we distribute equipment to our offices' employees to do the home office and protective equipment to store employees. We space tables in open restaurants and provide alcohol gel to customers.

ii) Reinforcement of Delivery - Alternatives for generating revenue in the period

The reinforcement in the delivery operation caused the revenue to grow 2.8x in the period (17 to 23/May vs. 1 to 7 / March pre-covid19). This was an important step to mitigate the effects of the drop in sales over-the-counter in stores. In addition to the already known Pizza Hut, KFC, Olive Garden, Viena and Batata Inglesa, we also inaugurated the delivery of Frango Assado in the city of São Paulo, a project that was anticipated, with the dishes being prepared in the kitchens of our Vienas.

Delivery expanded 2.8x since the first week of March (1st to 7th) ...

(Brazilian Delivery Revenues by channel)

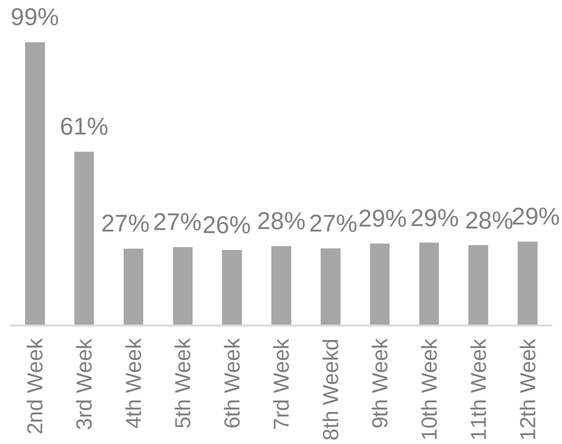


Other brands: Viena, Olive Garden, Batata Inglesa and Frango Assado

Source: IMC

... contributing to mitigate the drop in revenue in Brazil

(% of revenues Brazil consolidated vs. the 1st week of March)



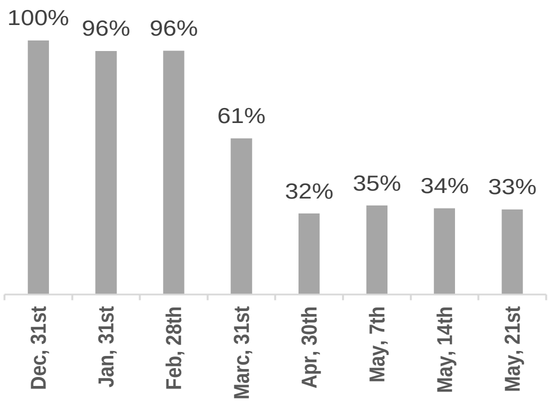
Source: IMC

iii) Alternative to reduce expenses and preserve cash

We reduced the menu to focus only on high-turnover items, adjusted our base of stores available on delivery, focusing on efficiency (stores that absorbed 95% of the sale of others that were closed), suspension of investments in projects that were in the initial phase and, unfortunately, we had to make progress in reducing the team. We renegotiated rents, focused on a zero-based budget, in addition to already seeing a structural reduction in the post-pandemic situation. That said, we made progress in simplifying IMC, with the closure of operations, approximately 11% of the total, which were close to zero contribution margin.

We reduced the team ...

(Active Employees[1] at consolidated IMC Consolidada vs. Dec 2019)



[1]Active Employees = (Employee base Dec / 2019 - layoffs in the period - contract suspensions in the period)

Source: IMC

... and we move forward in simplifying IMC by closing unprofitable stores

(Owned stores base; May 25th)

Operations	Total	Permanently Closed	Final Stores	%
Pizza Hut	34	0	34	0.0%
KFC	37	0	37	0.0%
Other Brands	66	(16)	50	(24.2%)
Malls	137	(16)	121	(11.7%)
Airports	44	(12)	32	(27.3%)
Roads	25	0	25	0.0%
Brazil	**206**	**(28)**	**178**	**(13.6%)**
USA	**22**	**0**	**22**	**0.0%**
Caribbean	**47**	**(2)**	**45**	**(4.3%)**
IMC	**275**	**(30)**	**245**	**(10.9%)**

Source: IMC

iv) Liquidity

In terms of liquidity, we renegotiated the terms of our debentures as a way of easing the company's cash flow in the short term by capitalizing semi-annual interest until the end of 2021 in exchange for an increase in rates. We renegotiated financing in the USA and the Caribbean, with a grace period for payments and extended payment terms (for the grace period) without increasing costs, and we also accessed the US government's PPP “Paychek Protection Program” for our operations in the USA (US$ 11mm).

Below we highlight some of the main points negotiated with the debenture holders, and the full document can be found on the Investor Relations website (ir.internationalmealcompany.com).

Pre-negotiation debentures terms

	1st Issue	1st series	2nd series	2a Issue	Total
Amount (R$ million)	**250**	**125**	**125**	**150**	**400**
Interest		CDI+1.15%	CDI+1.6%	CDI+1.3%	
Interest Payment	Semester			Semester	
Principal		**1/3 Mar 22, 1/3 Mar 23 e 1/3 Mar 24**	**1/2 Mar 25 e 1/2 Mar 26**	**1/3 Sep 23, 1/3 Sep 24 e 1/3 Sep 25**	
Covenants (Net Debt/EBITDA not adjusted)	3.0x measured quaterly			3,0x measured quaterly	
Pre-payment	45bps with lock-up until Dec/23			45bps with lock-up until Sep/23	

Post-negotiation debentures terms

	1st Issue	1st series	2nd series	2a Issue	Total
Amount (R$ million)	**250**	**125**	**125**	**150**	**400**
Interest		CDI+4.85%	CDI+5.3%	CDI+5,0%	
Interest Payment	Semester, with payments of May/20, Sep/20, Mar/21 e Sep/21 being capitalized			Semester, being May/20, Sep/20, Mar/2021 e Sep/21	
Principal		**1/3 Mar 22, 1/3 Mar 23 e 1/3 Mar 24**	**1/2 Mar 25 e 1/2 Mar 26**	**1/3 Sep 23, 1/3 Sep 24 e 1/3 Sep 25**	
Covenants (Net Debt/EBITDA not adjusted)	Measuring starting in Sep 21, being: (i) 3Q21: 7.5x; (ii) 4Q21: 5.0x; and (iii) 1Q22 onwards: 3.0x.			Measuring starting in Sep 21, being: (i) 3Q21: 7.5x; (ii) 4Q21: 5.0x; and (iii) 1Q22 onwards: 3.0x.	
Pre-payment	45bps anytime			45bps anytime	

v) Change in the Expansion Guidance

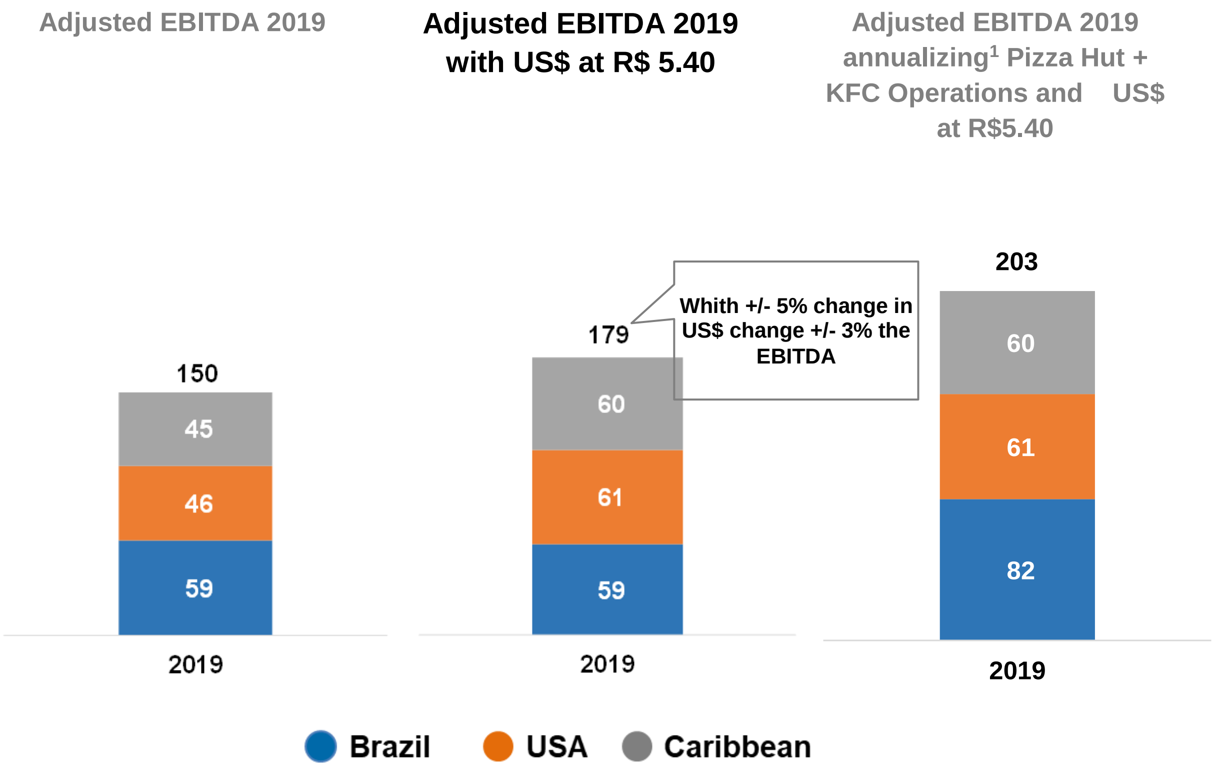
We continued with the postponement of the expansion guidance and stopped all projects that were in their initial phase and the cost of cancellation was low.

vi) Support to the community

In support of the community, we were pleased to distribute 9,000 Olive Garden meals to charities and 60,000 KFC sandwiches to healthcare professionals, all with the help of suppliers who secured supplies and logistics.

vii) Exchange Impact on Operations

Finally, we highlight an important point in IMC, which is the exchange rate. The devaluation of the Real in the last few weeks brings an important monetary benefit to the company. To illustrate a little more, using the adjusted 2019 numbers, each 5% variation in the Dollar, impacts the adjusted EBITDA by approximately 3%. At the currency levels today, our adjusted EBITDA for 2019 would be 20% higher.



[1]Annualized by multiplying by six the two months (Nov + Dec / 19) of Pizza Hut and KFC operation

Colombian Peso updated at R$ 0,001435 = COP 1

Update and Outlook

Within our businesses we have:

- **Roads:** We continue with the 25 Frango Assado stores open (Pizza Hut closed) and operating at reduced hours. Expectation to move forward with the normalization of stores, as soon as road traffic shows a cooling off.
- **Airports**: Our 5 catering companies continue to operate, given that the airports are open, and we only have 2 stores open. According to the airlines and news in the media, the month of June should already show a recovery in the number of flights. Gol expects 100 daily flights for June 68 in May, LATAM estimates 9% of pre-covid19 capacity in June, ~ 18% in July and Azul with the expectation of 20% of flights vs. pre-covid period in June.
- **Malls:** We have 227 stores in operation, 59 of which are owned, and 90% with delivery.
- **USA**: We already have 16 stores open with revenues 54% below (17-23rd of May) vs. last year even with restrictions and reduced hours.
- **Caribbean:** Airports remain closed. While in Panama Copa Airlines expects to resume 10% of flights (vs the pre-covid19 operation) this month, in Colombia airports should be reopened now in June for domestic flights only.

Moving on to the performance of 1Q20, already with the effects of COVID-19 in March, same-store sales (SSS) in Reais (R$) for the quarter fell 9.0%, with total net revenue reaching R$ 366.6 million (+ 1.2% vs 1Q19) and gross profit of R$ 85.2 million (23.2% margin, -6.6 pp y / y). Adjusted EBITDA was negative by R$ 6.5 million and net loss was R$ 50.2 million, higher than the loss of R$ 4.8 million in 1Q19.

As for operating performance, adjusted EBITDA in Brazil was negative by R$ 1.7 million (vs. R$ 11.8 million in 1Q19). The Highways segment showed adjusted operating profit of R$ 7.9 million, a reduction of 55.7%

compared to last year. In the segment (shopping malls + PH / KFC), the adjusted operating result was R$ 3.4 million (vs. R$ 2.3 million in 1Q19). Finally, the Airports segment posted an adjusted operating result of R$ 2.3 million (vs. R$ 7.7 million in 1Q19).

In the USA, our Margaritaville and LandShark restaurants recorded a 24.8% drop in same-store sales in dollars, with a negative adjusted EBITDA of US $ 2.4 million (vs. positive US $ 0.5 million in 1Q19). In the two months (Jan and Feb), same-store sales were + 4.3%. In reais, sales decreased by 12.0%, with a negative adjusted EBITDA of R$ 11.1 million (vs. a positive R$ 1.9 million in 1Q19).

In the Caribbean, the adjusted operating margin was 14.9% (vs. 24.0% in 1Q19) even with a month of COVID-19, with operating profit of R$ 6.3 million (R$ 11 , 2 million in 1Q19), despite the 15.0% drop in same-store sales performance in constant currency.

Finally, we remain attentive to the news and protocols to ensure the safety of everyone and are ready to resume activities within normal parameters as restrictions are lifted.

Management

COVID-19

Status of Operations on May 25, 2020

On May 25, 57% of our stores were open (49% owned stores), of which 80% were providing delivery services (66% owned stores).

Store Base May 25th	Total Stores (a+b)	Open (a)	Open (%Total)	Open with delivery	Delivery (%open)	Closed (b)	Closed (%Total)	Closed Permanently	Closed Permanently (%Total)
Total IMC	**500**	**287**	**57%**	**231**	**80%**	**213**	**43%**	**30**	**6%**
Owned	245	119	49%	78	66%	126	51%	30	11%
Franchisee	255	168	66%	153	91%	87	34%	0	0%
Brasil Total	**433**	**259**	**60%**	**206**	**80%**	**174**	**40%**	**28**	**6%**
Owned	178	91	51%	53	58%	87	49%	28	14%
Franchisee	255	168	66%	153	91%	87	34%	0	0%
Air	**32**	**7**	**22%**	**0**	**0%**	**25**	**78%**	**12**	**27%**
Malls	**376**	**227**	**60%**	**206**	**91%**	**149**	**40%**	**16**	**4%**
Owned	121	59	49%	53	90%	62	51%	16	12%
Franchisee	255	168	66%	153	91%	87	34%	0	0%
PH	**234**	**149**	**64%**	**133**	**89%**	**85**	**36%**	**0**	**0%**
PH Equity	34	23	68%	20	87%	11	32%	0	0%
PH Franchisee	200	126	63%	113	90%	74	37%	0	0%
KFC	**92**	**62**	**67%**	**60**	**97%**	**30**	**33%**	**0**	**0%**
KFC Equity	37	20	54%	20	100%	17	46%	0	0%
KFC Franchisee	55	42	76%	40	95%	13	24%	0	0%
Malls (Others Brands)	**50**	**16**	**32%**	**13**	**81%**	**34**	**68%**	**16**	**24%**
Roads	**25**	**25**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
USA	**22**	**16**	**73%**	**13**	**81%**	**6**	**27%**	**0**	**0%**
Caribbean	**45**	**12**	**27%**	**12**	**100%**	**33**	**73%**	**2**	**4%**

COMMENTS ABOUT IMC'S PERFORMANCE (1Q20 vs 1Q19)

PRO FORMA SAME-STORE SALES (SSS)

Brazil

-8.0%
Road: -4.4%
Air: -13.5%
Malls: -10.5%
PH/KFC: -9.7%

US

-13.2%
(BRL)
-24.8%
(Constant Currency)

Caribbean

-5.7%
(BRL)
-15.0%
(Constant Currency)

Total

-9.0%
(BRL)
-12.8%
(Constant Currency)

The same store sales index will be presented as pro forma due to the inclusion of the Pizza Hut and KFC operations, which were not present in 2019. In 1Q20, consolidated same-store sales decreased 9.0% in reais and 12.8% in constant currency.

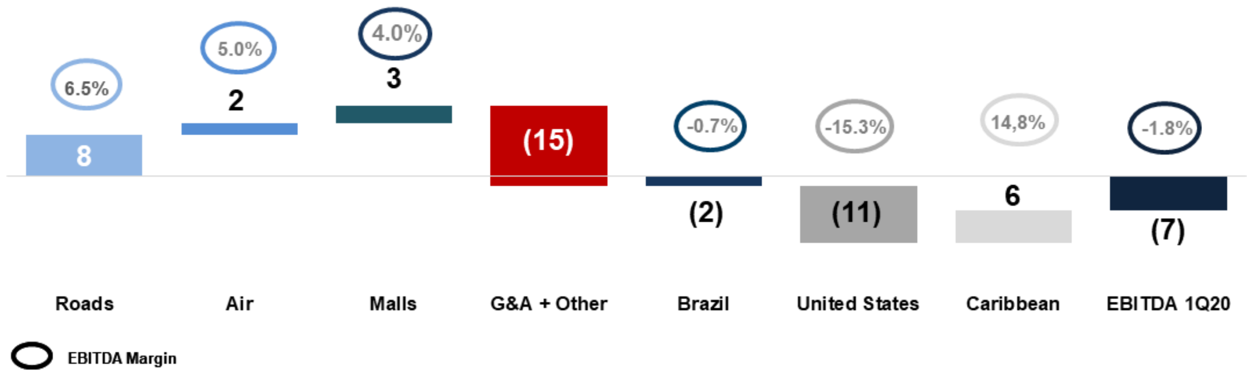
In Brazil, same-store sales in the the Roads segment fell 4.4% in 1Q20, reflecting the impact of the decline in highway traffic. In the Air segment, same-store sales fell 13.5%, as the catering segment was negatively impacted by a reduction in the number of flights, which also affected retail operations in airports due to lower passenger traffic. In the Malls segment, same-store sales dropped 10.6%, reflecting the temporary closure of malls. The Pizza Hut and KFC brands, which are part of the performance of shopping malls, fell by 9.7% in the period.

In the United States, same-store sales decreased 13.2% in reais and 24.8% in U.S. dollars, also reflecting the impacts of COVID-19 and the temporary closure of stores.

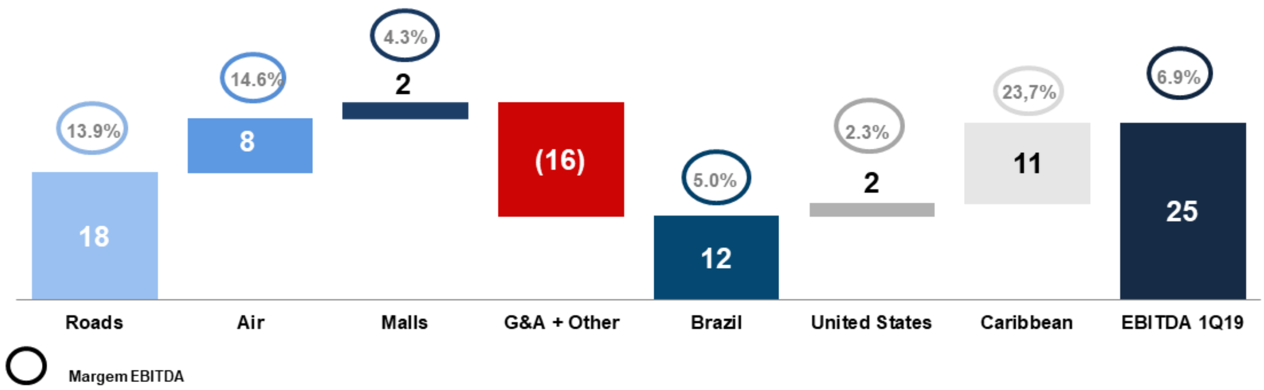
Same-store sales in the Caribbean fell 5.7% in reais and 15.0% in constant currency in 1Q20, reflecting the reduction in flight numbers due to the COVID-19 pandemic.

1Q20 EBITDA GROWTH

1Q20 EBITDA Bridge



1Q19 EBITDA Bridge



IMC's adjusted EBITDA totaled a negative ~R$7 million in 1Q20, versus a positive ~R$25 million in 1Q19. The drop in customer traffic, mainly due to the temporary closure of stores as a result of the impact of COVID-19, was the main effect on our operations.

In Brazil, EBITDA was negative by R$ 2 million. In the Roads segment, adjusted operating result fell 56% from 1Q19, to ~R$ 8 million, with a margin of 6.5% (-7.5 p.p. YoY). The Air segment reported adjusted operating result of ~R$ 2 million, against ~R$ 8 million in 1Q19. The adjusted operating result of the Malls segment, including Pizza Hut and KFC, was ~ R$ 3 million vs. ~ R$ 2 million in 2019.

In the U.S., EBITDA totaled a negative ~R$ 11 million in 1Q20, versus a positive ~R$ 2 million in 1Q19. In dollars, EBITDA came to a negative ~US$ 2 million, versus a positive US$ 0.5 million last year.

In the Caribbean, EBITDA came to ~R$ 6 million, down from ~R$ 11 million a year ago.

CONSOLIDATED RESULTS

(in R$ million)	1Q20	1Q19	YoY	*1Q20[2]*	YoY[2]
Net Revenues	**366.6**	**362.4**	**1.2%**	**351.6**	**(3.0%)**
COGS	(281.5)	(254.3)	10.7%	(271.6)	6.8%
Gross Profit	**85.2**	**108.1**	**(21.2%)**	**80.0**	**(26.0%)**
Gross Profit	*23.2%*	*29.8%*	*-660bps*	*22.7%*	*-709bps*
Operating Expenses[1]	(118.8)	(103.1)	15.2%	(114.5)	11.0%
(+) Special Items - Other	(10.1)	(2.1)	379.9%	(10.1)	379.9%
(+) Store Pre-Openings	(3.3)	(1.4)	136.4%	(3.2)	129.8%
EBIT	**(47.1)**	**1.5**	**na**	**(47.9)**	**na**
(+) Depreciation & Amortization	(27.1)	(19.9)	36.3%	(26.0)	30.6%
EBITDA	**(19.9)**	**21.4**	**na**	**(21.9)**	**na**
EBITDA Margin	*-5.4%*	*5.9%*	*-1133bps*	*-6.2%*	*-1211bps*
(+) Special Items - Other	10.1	2.1	379.9%	10.1	379.9%
(+) Store Pre-Openings	3.3	1.4	136.4%	3.2	129.8%
Adjusted EBITDA	**(6.5)**	**24.9**	**na**	**(8.6)**	**na**
Adjusted EBITDA Margin	*-1.8%*	*6.9%*	*-865bps*	*-2.4%*	*-930bps*

[1]Before special items and pre-opening expenses; [2]In constant currencies as of the previous year.

The information in the table above is presented in reais and in constant currency (using the 1Q19 exchange rate to convert the 1Q20 results) to eliminate the effect of exchange rate fluctuations**. The comments below also refer to 1Q20 figures in constant currency.**

Consolidated adjusted EBITDA totaled a negative R$ 8.6 million, versus a positive R$ 24.9 million in 1Q19. The impacts of the COVID-19 pandemic were the main reasons for this decline. Revenue declined 3.0% from 1Q19.

RESULTS BY GEOGRAPHIC REGION

	Brazil	USA	Caribbe	Consolidated	Brazil	USA	Caribbe	Consolidated	
(in R$ million)	1Q20	1Q20	1Q20	1Q20	1Q19	1Q19	1Q19	% VA	YoY
Net Revenue	**252.1**	**72.3**	**42.3**	**366.6**	**233.5**	**82.1**	**46.8**	**362.4**	**1.2%**
COGS	(207.1)	(53.4)	(21.0)	(281.5)	(178.4)	(54.0)	(21.9)	(254.3)	10.7%
Gross Profit	**45.0**	**18.9**	**21.3**	**85.2**	**55.1**	**28.1**	**24.9**	**108.1**	**(21.2%)**
Gross Profit	*17.9%*	*26.1%*	*50.3%*	*23.2%*	*23.6%*	*34.3%*	*53.2%*	*29.8%*	***-660bps***
Operating Expenses[1]	(66.3)	(35.3)	(17.3)	(118.8)	(55.5)	(31.2)	(16.3)	(103.1)	15.3%
(+) Depreciation & Amortization	19.5	5.3	2.3	27.1	12.2	5.0	2.7	19.9	36.2%
Special Items - Other	0.0	0.0	0.0	(10.1)	0.0	0.0	0.0	(2.1)	379.9%
Store Pre-Openings	(2.9)	(0.4)	(0.0)	(3.3)	(1.3)	(0.0)	(0.1)	(1.4)	136.4%
EBITDA	**(4.7)**	**(11.5)**	**6.2**	**(19.9)**	**10.5**	**2.0**	**11.1**	**21.5**	**na**
EBITDA Margin	*-1.8%*	*-15.9%*	*14.8%*	*-5.4%*	*4.5%*	*2.4%*	*23.7%*	*5.9%*	***na***
(+) Special Items				10.1				2.1	379.9%
(+) Store Pre-Openings				3.3				1.4	
Adjusted EBITDA				**(6.5)**				**25.0**	**na**
Adjusted EBITDA Margin				*-1.8%*				*6.9%*	***na***

[1]Before special items and pre-opening expenses.

RESULTS OF THE BRAZILIAN OPERATIONS

(in R$ million)	1Q20	1Q19	YoY
Net Revenues	**252.1**	**233.5**	**8.0%**
COGS	(207.1)	(178.4)	16.1%
Gross Profit	**45.0**	**55.1**	**(18.2%)**
Gross Profit	*17.9%*	*23.6%*	*-573bps*
Operating Expenses¹	(66.3)	(55.5)	19.4%
(+) Depreciation & Amortization	19.5	12.2	59.9%
Store Pre-Openings	(2.9)	(1.3)	4.6%
EBITDA	**(4.7)**	**10.5**	**(144.4%)**
(+) Store Pre-Openings	2.9	1.3	(126.3%)
Adjusted EBITDA	**(1.7)**	**11.8**	**na**
Adjusted EBITDA Margin	*-0.7%*	*5.0%*	*-573bps*

¹Before special items and pre-opening expenses.

In Brazil, EBITDA was negative by R$ 1.7 million in 1Q20, with a margin of -0.7%, versus R$ 11.8 million and 5.0%, respectively, in 1Q19. The main drivers of this performance were i) a reduction in the operating hours of Frango Assado stores and a decrease in passenger vehicle traffic on highways, ii) a decrease in the number of flights and passenger traffic at airports and iii) the temporary closure of shopping malls due to the COVID-19 pandemic.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R$ million)	1Q20	1Q19	YoY
Net Revenues	**122.6**	**128.4**	**(4.5%)**
Restaurants & Others	58.3	67.4	(13.5%)
Gas Stations	64.3	61.0	5.4%
COGS	(108.5)	(103.0)	5.3%
Gross Profit	**14.1**	**25.4**	**(44.3%)**
Gross Profit	*11.5%*	*19.8%*	*-823bps*
Operating Expenses¹	(11.7)	(11.5)	1.8%
Store Pre-Openings	(0.1)	(0.4)	(85.4%)
EBIT	**2.4**	**13.5**	**(82.2%)**
(+) Depreciation & Amortization	5.5	4.0	36.5%
(+) Store Pre-Openings	0.1	0.4	85.4%
Adjusted Operating Income	**7.9**	**17.9**	**(55.7%)**
Adjusted Operating Margin	*6.5%*	*13.9%*	*-748bps*

¹Before special items and pre-opening expenses.

In the Roads segment, adjusted operating result reached R$ 7.9 million, with a margin of 6.5%, versus R$ 17.9 million and 13.6% (-7.48 p.p. YoY), respectively, in 1Q19.

Net revenue totaled R$122.6 million, 4.5% lower than in 1Q19, mainly affected by the COVID-19, as some stores reduced their operating hours, and a decline in passenger vehicle traffic on highways due to the quarantine (-7.9% in Nova Dutra and -8.1% in AutoBan, for example). Same-store sales fell 4.4% in the period.

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R$ million)	1Q20	1Q19	YoY
Net Revenues	**45.8**	**52.9**	**(13.3%)**
COGS	(33.2)	(35.5)	(6.5%)
Gross Profit	**12.6**	**17.3**	**(27.2%)**
Gross Profit	*27.6%*	*32.8%*	*-526bps*
Operating Expenses¹	(18.8)	(15.0)	25.7%
Store Pre-Openings	(0.0)	0.0	0.0%
EBIT	**(6.2)**	**2.4**	**(360.6%)**
(+) Depreciation & Amortization	8.5	5.3	59.2%
(+) Store Pre-Openings	0.0	0.0	0.0%
Adjusted Operating Income	**2.3**	**7.7**	**(70.2%)**
Adjusted Operating Margin	*5.0%*	*14.6%*	*-955bps*

¹Before special items and pre-opening expenses.

The Air segment recorded operating income of R$2.3 million in 1Q20 (vs. R$7.7 million in 1Q19), with a margin of 5.0% (-9.55 p.p. vs. 1Q19). The main impact in the quarter was a reduction in the number of flights and passenger traffic after the beginning of COVID-19 quarantine, which caused our revenue to fall 13.3%. The number of flights at the airports where we have catering operations dropped 10.3% in the period, while passenger traffic at the airports where we have restaurants decreased 10.6%.

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R$ million)	1Q20	1Q19	YoY
Net Revenues	**83.7**	**52.2**	**60.3%**
Restaurants & Others	**40.1**	**52.2**	**(23.3%)**
Pizza Hut and KFC	**43.6**	**0.0**	**na**
COGS	(65.4)	(39.9)	64.1%
Gross Profit	**18.3**	**12.4**	**47.8%**
Gross Profit	*21.8%*	*23.7%*	*-184bps*
Operating Expenses¹	(20.4)	(13.0)	57.6%
Store Pre-Openings	(2.9)	(0.9)	235.1%
EBIT	**(5.0)**	**(1.5)**	**335.1%**
(+) Depreciation & Amortization	5.5	2.9	93.9%
(+) Store Pre-Openings	2.9	0.9	(61.4%)
Adjusted Operating Income	**3.4**	**2.3**	**149.8%**
Adjusted Operating Margin	*4.0%*	*4.3%*	*+1bps*

¹Before special items and pre-opening expenses.

The operating result of the Malls segment was a loss of R$ 3.4 million, versus income of R$ 2.3 million in 1Q19.

Net revenue rose 60.3% (1Q20 vs. 1Q19), mainly due to the addition of Pizza Hut and KFC operations. Pizza Hut and KFC together recorded pro forma same-store sales decreased 10.5% in the quarter, due to the closing of several malls in the period. It should be noted that the operational performance was benefited by occasional negotiations with Yum! (R$ 4.0m) and recovery of receivables from franchisees (R$ 4.2m).

PIZZA HUT and KFC

The two brands, added to our portfolio in November 2019, showed a 9.7% reduction in the same stores sales (own + 6% franchise royalties) in 1Q20. In the two-month period (Jan and Feb), the system's performance was + 10.3%. The revenue of the two brands (own stores plus royalties from franchisees) was R$ 43.6 million, being mainly impacted by the drop in over-the-counter sales and the closing of shopping malls due to the pandemic. All KFC's own stores are located in shopping malls, while in Pizza Hut of the 34 own stores, 12 are located in shopping malls and 10 in Frango Assado stores. Delivery sales in operations grew 2.9x in the third week of May (17 to 23) vs. the first week of March (1 to 7, pre COVID-19).

	Jan-Feb	March	1Q20
Pizza Hut	4.7%	(37.1%)	(11.2%)
KFC	13.8%	(45.8%)	(8.8%)
Pizza Hut + KFC	10.3%	(42.5%)	(9.7%)

RESULTS OF THE U.S. OPERATIONS

(in US$ million)	1Q20	1Q19	YoY
Net Revenues	**16.3**	**21.7**	**(24.8%)**
COGS	(12.1)	(14.3)	(15.5%)
Gross Profit	**4.2**	**7.4**	**(42.7%)**
Gross Profit	*26.0%*	*34.2%*	*-813bps*
Operating Expenses[1]	(7.9)	(8.3)	(5.2%)
(+) Depreciation & Amortization	1.2	1.3	0.0%
Store Pre-Openings	(0.1)	(0.0)	317.6%
EBIT	**(2.5)**	**0.5**	**(652.8%)**
(+) Store Pre-Openings	0.1	0.0	(10.2%)
Adjusted EBITDA	**(2.4)**	**0.5**	**na**
Adjusted EBITDA Margin (%)	*-14.8%*	*2.1%*	*na*

[1]Before special items and pre-opening expenses.

The U.S. operations consist mainly of Margaritaville, currently with 22 restaurants. The comments below, as well as the table above, are in local currency (US$) to provide a better understanding of the region's results, excluding the impact of foreign exchange variation.

Adjusted EBITDA was a negative US$ 2.4 million, versus a positive US$ 0.5 million last year, mainly affected by lower store traffic as of March, which culminated in the closure of stores in late March (18 stores temporarily closed in late March). Same-store sales fell 24.8% in 1Q20, while demand for hotel rooms in the cities where we operate dropped 25.4% in the period.

RESULTS OF THE CARIBBEAN OPERATIONS

R$ million	1Q20	1Q19	YoY	1Q20²	YoY²
Net Revenues	**42.3**	**46.8**	**(9.7%)**	**38.1**	**(18.6%)**
COGS	(21.0)	(21.9)	(4.1%)	(19.1)	(12.6%)
Gross Profit	**21.3**	**24.9**	**(14.6%)**	**19.0**	**(23.8%)**
Gross Profit	*50.3%*	*53.2%*	*+2bps*	*49.8%*	*+1bps*
Operating Expenses¹	(17.3)	(16.3)	5.5%	(15.4)	(5.8%)
(+) Depreciation & Amortization	2.3	2.7	7.0%	2.0	(3.7%)
Store Pre-Openings	(0.0)	(0.1)	(72.1%)	(0.0)	(100.0%)
EBITDA	**6.2**	**11.1**	**(43.7%)**	**5.6**	**(49.4%)**
(+) Store Pre-Openings	0.0	0.1	72.1%	0.0	100.0%
Adjusted EBITDA	**6.3**	**11.2**	**(44.0%)**	**5.6**	**(50.0%)**
Adjusted EBITDA Margin (%)	*14.9%*	*24.0%*	*-910bps*	*14.7%*	*-923bps*

¹Before special items and pre-opening expenses; ²In constant currencies as of the previous year.

The information in the table above is presented in reais and in constant currency (using the 1Q19 exchange rate to convert the 1Q20 results) to eliminate the effect of exchange rate fluctuations. **The comments below also refer to 1Q20 figures in constant currency.**

Adjusted EBITDA reached R$5.6 million in 1Q20, a 50.0% decrease compared to 1Q19, with an operating margin of 14.7%, 9.23 p.p. lower than in 1Q19.

Net revenue totaled R$ 38.1 million, an 18.6% reduction compared to 1Q19. In our main operation in the region, passenger traffic declined 20.9% at terminal 1 of Panama airport in the period.

ADJUSTED EBITDA AND ADJUSTED MARGIN

(R$ million)	1Q20	1Q19	YoY
NET INCOME (LOSS)	**(50.2)**	**(4.8)**	**943.0%**
(+) Income Taxes	(5.3)	(0.2)	3024.5%
(+) Net Financial Result	8.5	6.4	31.3%
(+) D&A and Write-offs	26.4	19.3	36.8%
(+) Amortization of Investments in Joint Venture	0.7	0.6	18.1%
EBITDA	**(19.9)**	**21.4**	**na**
(+) Special Items	10.1	2.1	379.9%
(+) Pre-Opening Expenses	3.3	1.4	136%
Adjusted EBITDA	**(6.5)**	**24.9**	**na**
EBITDA / Net Revenues	*-5.4%*	*5.9%*	*na*
Adjusted EBITDA / Net Revenues	*-1.8%*	*6.9%*	*na*

Adjusted EBITDA came to a negative R$ 6.5 million in 1Q20, versus a positive R$ 24.9 million in 1Q19. Special items mainly refer to severance expenses totaling R$ 4.6 million, due to layoffs; impairment of discontinued operations amounting to R$3.5 million; and the stock option plan totaling R$ 1.8 million.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

IMC had a net financial expense of R$ 8.5 million in 1Q20, versus R$ 6.4 million in 1Q19.

Current and deferred income taxes totaled a positive R$ 5.3 million, compared to a positive R$ 0.2 million in 1Q19.

The Company recorded a net loss of R$ 50.2 million in 1Q20, against a net loss of R$ 4.8 million in 1Q19.

SELECTED CASH FLOW INFORMATION

R$ million	1Q20	1Q19	YoY
Adjusted EBITDA	**(6.5)**	**24.9**	**(126.3%)**
Special Items	(4.8)	(2.1)	127.7%
(-) Store Pre-Openings Expenses	(3.3)	(1.4)	136.4%
(+/-) Working Capital and Other Non-Cash Items	(29.7)	(17.7)	68.1%
Operating Cash Flow	**(44.3)**	**3.7**	**(1294.3%)**
(-) Paid Taxes	(0.9)	(4.5)	-80.9%
(-) Maintenance Capex	(2.5)	(2.8)	-10.8%
Net Operating Cash Flow	**(47.7)**	**(3.6)**	**1230.1%**
Operating Net Cash/EBITDA	**728.2%**	**-14.4%**	**742.6 p.p.**

Operating cash flow fell R$47.4 million (vs. a reduction of R$3.6 million in 1Q19), mainly impacted by the effects of COVID-19 on the company's EBITDA.

INVESTMENT ACTIVITIES

(R$ million)	1Q20	1Q19	YoY
Property and Equipment	(41.7)	(15.9)	162.4%
Additions to Intangible Assets	(2.9)	(1.1)	150.8%
(=) Total Invested (CAPEX)	**(44.6)**	**(17.1)**	**161.6%**
Payment of Acquisitions	(2.4)	(1.5)	62.1%
Dividends Received	3.3	2.2	47.0%
Other*	0.9	3.7	-75.4%
Total Investments	**(42.8)**	**(12.6)**	**239.3%**

*Others related to the cash received from the sale of Puerto Rican, Mexican and Dominican operations.

CAPEX (in R$ million)	1Q20	1Q19	YoY
Expansion			
Brazilian Operations	**17.7**	**9.9**	**78.1%**
Brazil - Air	0.6	1.6	-62.3%
Brazil - Roads	11.5	1.4	746.5%
Brazil - Malls	5.5	6.9	-20.2%
USA Operations	**6.3**	**3.9**	**61.3%**
KFC + PH Operations	**14.4**	**0.0**	**-**
Caribbean Operations	**1.8**	**0.2**	**657.6%**
Holding	**1.9**	**0.2**	**1039.9%**
Total Expansion Investments	**42.1**	**14.3**	**195.4%**
Maintenance			
Brazilian Operations	**1.3**	**2.2**	**-40.6%**
Brazil - Air	0.1	0.4	-64.6%
Brazil - Roads	0.5	1.3	-59.5%
Brazil - Malls	0.6	0.5	31.6%
USA Operations	**-0.3**	**0.4**	**-179.3%**
Caribbean Operations	**1.5**	**0.1**	**1043.5%**
Holding	**0.0**	**0.1**	**-100.0%**
Total Maintenance Investments	**2.5**	**2.8**	**-10.8%**
Total CAPEX Investments	**44.6**	**17.1**	**161.6%**

In 1Q20, CAPEX was impacted by investments in the central kitchen, Pizza Hut and KFC stores.

NET DEBT

R$ million	1Q20	1Q19
Debt	552.6	380.4
Financing of past acquisitions	47.9	35.4
Total Debt	**600.5**	**415.7**
(-) Cash	**(276.6)**	**(232.0)**
Net Debt	**323.9**	**183.7**

At the end of 1Q20, net debt was R$ 323.9 million, including cash, cash equivalents and short-term investments.

Given that we were still under negotiation with the debenture holders at the end of the quarter (March 31) and in compliance with the accounting pronouncement CPC (R1) 26 - Financial statements, we reclassified the debenture liabilities to current liabilities.

With the conclusion of these negotiations at the General Debenture Holders' Meeting held on May 27, 2020, the balances are presented again in non-current liabilities. The presentation of the balances of loans and financing would be as follows, if the negotiations were concluded in a period prior to March 31, 2020:

R$ million	Audited	Change	Pro forma
Current	444	(390)	54
Non Current	109	390	499
Total	**553**		**553**

NUMBER OF STORES

(end of period)	1Q20	1Q19	YoY	Var. (#)
Brazil	**176**	**145**	**21.4%**	**31**
Air	*30*	*31*	*-3.2%*	*-1*
Roads	*25*	*25*	*0.0%*	*0*
Shopping Malls	*121*	*89*	*36.0%*	*32*
Pizza Hut	*33*	*0*	*n.a.*	*33*
KFC	*35*	*0*	*n.a.*	*35*
Viena / Batata Inglesa / Olive Garden	*53*	*89*	*-40.4%*	*-36*
USA	**22**	**22**	**0.0%**	**0**
Caribbean	**39**	**43**	**-9.3%**	**-4**
Total Number of Owned Stores	**237**	**210**	**12.9%**	**27**
Brazil	**254**	**0**	**n.a.**	**254**
Shopping Malls	*254*	*0*	*n.a.*	*254*
Pizza Hut	*199*	*0*	*n.a.*	*199*
KFC	*55*	*0*	*n.a.*	*55*
Total Number of Franchisee Stores	**254**	**0**	**n.a.**	**254**
Total Owned + Franchisee	**491**	**210**	**133.8%**	**281**
Catering	**13**	**14**	**-7.1%**	**-1**
Brazil	*5*	*6*	*-16.7%*	*0*
Caribbean	*8*	*8*	*0.0%*	*0*
Total Owned + Franchisee + Catering	**504**	**224**	**125.0%**	**280**

At the end of 1Q20, the Company had 491 stores, a net increase of 281 stores compared to 1Q19, due to the merger of Pizza Hut and KFC. Of the total, 237 are company-owned stores and 254 are franchises.

CONSOLIDATED INCOME STATEMENT (non-IFRS 16)

(R$ thousand)	1Q20	1Q19
NET REVENUE	**366,642**	**362,392**
COST OF SALES AND SERVICES	**(281,480)**	**(254,286)**
GROSS PROFIT	**85,162**	**108,106**
OPERATING INCOME (EXPENSES)		
Commercial and operating expenses	(85,929)	(73,751)
General and administrative expenses	(36,188)	(27,559)
Depreciation and amortization	(12,552)	(7,148)
Redução do valor recuperável dos ativos	(3,481)	0
Other income (expenses)	5,306	(708)
Equity income result	624	2,520
Net financial expenses	(8,466)	(6,446)
EARNINGS BEFORE TAXES	**(55,524)**	**(4,985)**
Income Taxes	**5,301**	**170**
NET PROFIT (LOSS)	**(50,223)**	**(4,815)**

CONSOLIDATED BALANCE SHEET (non-IFRS 16)

(R$ thousand)	1Q20	4Q19	1Q19
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	276,557	332,806	232,003
Accounts receivable	60,927	62,905	79,582
Inventories	54,725	53,202	34,175
Derivatives	637	149	72
Other current assets	125,879	107,217	76,031
Total current assets	**518,725**	**556,279**	**421,863**
NONCURRENT ASSETS			
Deferred income taxes	21,707	17,509	9,513
Derivatives	0	0	36
Other noncurrent assets	50,056	53,803	55,345
Property and equipment	418,764	372,677	262,092
Intangible assets	1,355,234	1,300,340	851,539
Total noncurrent assets	**1,845,761**	**1,744,329**	**1,178,525**
TOTAL ASSETS	**2,364,486**	**2,300,608**	**1,600,388**
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	179,660	188,097	64,324
Loans, financing and acquisitions' payables	457,351	89,596	46,463
Salaries and payroll charges	60,859	65,935	55,442
Other current liabilities	70,825	59,274	43,489
Total current liabilities	**768,695**	**402,902**	**209,718**
NONCURRENT LIABILITIES			
Loans, financing and acquisitions' payables	143,751	513,634	369,392
Provision for labor, civil and tax disputes	82,363	84,680	12,071
Deferred income tax liability	74,593	80,892	69,833
Other noncurrent liabilities	68,933	62,142	22,565
Total noncurrent liabilities	**369,640**	**741,348**	**473,861**
EQUITY			
Capital and reserves	1,161,271	1,112,045	886,926
Accumulated losses	(57,251)	4,224	3,999
Other comprehensive income	122,131	40,089	25,884
Total equity	**1,226,151**	**1,156,358**	**916,809**
TOTAL LIABILITIES AND EQUITY	**2,364,486**	**2,300,608**	**1,600,388**

CASH FLOW STATEMENT (non-IFRS 16)

(R$ thousand)	1Q20	1Q19
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the quarter	(50,223)	(4,815)
Depreciation and amortization	26,425	19,313
Impairment of intangible assets (using)	(4,586)	(81)
Investiment amortization	695	589
Equity income result	1,957	(3,108)
Provision for labor, civil and tax disputes	1,631	1,450
Income taxes	(8,192)	(171)
Interest expenses	7,591	6,618
Effect of exchange rate changes	16	(24)
Disposal of property and equipment	4,654	142
Deferred Revenue, Rebates	(459)	(1,196)
Expenses in payments to employees based in stock plan	1,826	600
Others	(8,470)	3,136
Changes in operating assets and liabilities	(20,666)	(18,742)
Cash generated from operations	(44,320)	3,711
Income tax paid	(860)	(4,497)
Interest paid	(12,358)	(5,058)
Net cash generated by (used in) operating activities	**(57,538)**	**(5,844)**
CASH FLOW FROM INVESTING ACTIVITIES		
Payment of business acquisitions made in prior years	(2,432)	(1,500)
Dividends received	3,275	2,228
Sale of controlling interest in discontinued operations, net of cash	908	3,694
Additions to intangible assets	(2,874)	(1,146)
Additions to property and equipment	(41,725)	(15,904)
Net cash used in investing activities from continued operations	**(42,848)**	**(12,628)**
CASH FLOW FROM FINANCING ACTIVITIES		
Shares in Treasury	47,399	(96,856)
New loans	-	238,710
Payment of loans	(37,010)	(159,852)
Net cash used in financing activities	**10,389**	**(17,998)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	33,748	(88)
NET INCREASE (DECREASE) FOR THE PERIOD	**(56,249)**	**(36,558)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**332,806**	**268,561**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**276,557**	**232,003**

APPENDIX – Detailed 1Q20 Results (non-IFRS 16)

CONSOLIDATED RESULTS

(in R$ million)	1Q20	1Q19	YoY	*1Q20²*	YoY²
Net Revenue	**366.6**	**362.4**	**1.2%**	***351.6***	***-3.0%***
Restaurants & Others	302.3	301.4	0.3%	*287.3*	*-4.7%*
Gas Stations	64.3	61.0	5.4%	*64.3*	*5.4%*
Brazil	252.1	233.5	8.0%	*252.1*	*8.0%*
US	72.3	82.1	-12.0%	*61.4*	*-25.2%*
Caribbean	42.3	46.8	-9.7%	*38.1*	*-18.6%*
Cost of Sales and Services	**(281.5)**	**(254.3)**	**10.7%**	***(271.6)***	***6.8%***
Direct Labor	(101.3)	(95.9)	5.6%	*(96.1)*	*0.2%*
Food	(86.4)	(77.5)	11.5%	*(83.2)*	*7.4%*
Others	(21.3)	(19.6)	8.8%	*(20.5)*	*4.7%*
Fuel and Automotive Accessories	(58.6)	(49.1)	19.4%	*(58.6)*	*19.4%*
Depreciation & Amortization	(13.9)	(12.2)	14.0%	*(13.2)*	*8.6%*
Gross Profit	**85.2**	**108.1**	**-21.2%**	***80.0***	***-26.0%***
Gross Margin (%)	*23.2%*	*29.8%*	*-6.6p.p.*	*22.7%*	*-7.1p.p.*
Operating Expenses	**(118.8)**	**(103.1)**	**15.2%**	***(114.5)***	***11.0%***
Selling and Operating	(39.1)	(38.2)	2.5%	*(35.4)*	*-7.4%*
Rents of Stores	(43.0)	(35.5)	21.1%	*(40.8)*	*14.8%*
Depreciation & Amortization	(12.6)	(7.1)	75.6%	*(12.2)*	*70.2%*
J.V. Investment Amortization	(0.7)	(0.6)	18.1%	*(0.6)*	*4.9%*
Equity income result	1.3	3.1	-57.6%	*1.2*	*-61.3%*
General & Administative and Others	(24.7)	(24.8)	-0.1%	*(26.7)*	*8.0%*
Special Items - Other	(10.1)	(2.1)	379.9%	*(10.1)*	*379.9%*
Store Pre-Openings	(3.3)	(1.4)	136.4%	*(3.2)*	*129.8%*
EBIT	**(47.1)**	**1.5**	**na**	***(47.9)***	***na***
(+) D&A	27.1	19.9	36.3%	*26.0*	*30.6%*
EBITDA	**(19.9)**	**21.4**	**na**	***(21.9)***	***na***
EBITDA Margin (%)	*(5.4%)*	*5.9%*	*-11.3p.p.*	*-6.2%*	*-12.1p.p.*
(+) Special Items - Other	10.1	2.1	379.9%	*10.1*	*379.9%*
(+) Store Pre-Openings	3.3	1.4	136.4%	3.2	*129.8%*
Adjusted EBITDA¹	**(6.5)**	**24.9**	***na***	***(8.6)***	***na***
Adjusted EBITDA Margin (%)	*-1.8%*	*6.9%*	*-8.6p.p.*	*-2.4%*	*-9.3p.p.*

¹Before special items and pre-opening expenses; ²In constant currencies as of the previous year.

RESULTS BY GEOGRAPHIC REGION

(in R$ million)	Brazil 1Q20	USA 1Q20	Caribbe 1Q20	Consolidated 1Q20	Brazil 1Q19	USA 1Q19	Caribbe 1Q19	Consolidated 1Q19	YoY
Net Revenue	**252.1**	**72.3**	**42.3**	**366.6**	**233.5**	**82.1**	**46.8**	**362.4**	**1.2%**
Restaurants & Others	144.2	72.3	42.3	258.7	172.4	82.1	46.8	301.4	-14.1%
Gas Stations	64.3	0.0	0.0	64.3	61.0	0.0	0.0	61.0	5.4%
Cost of Sales and Services	**(207.1)**	**(53.4)**	**(21.0)**	**(281.5)**	**(178.4)**	**(54.0)**	**(21.9)**	**(254.3)**	**10.7%**
Direct Labor	(62.7)	(29.8)	(8.8)	(101.3)	(58.6)	(28.9)	(8.5)	(95.9)	5.6%
Food	(60.8)	(14.3)	(11.3)	(86.4)	(49.2)	(15.9)	(12.4)	(77.5)	11.5%
Others	(15.6)	(5.1)	(0.6)	(21.3)	(14.1)	(5.0)	(0.6)	(19.6)	8.8%
Fuel and Automotive Accessories	(58.6)	0.0	0.0	(58.6)	(49.1)	0.0	0.0	(49.1)	19.4%
Depreciation & Amortization	(9.3)	(4.2)	(0.4)	(13.9)	(7.5)	(4.2)	(0.5)	(12.2)	14.0%
Gross Profit	**45.0**	**18.9**	**21.3**	**85.2**	**55.1**	**28.1**	**24.9**	**108.1**	**-21.2%**
Operating Expenses[1]	**(66.3)**	**(35.3)**	**(17.3)**	**(118.8)**	**(55.5)**	**(31.2)**	**(16.3)**	**(103.1)**	**15.3%**
Selling and Operating	(12.6)	(19.8)	(6.7)	(39.1)	(13.8)	(18.1)	(6.3)	(38.2)	2.5%
Rents of Stores	(28.1)	(9.1)	(5.8)	(43.0)	(20.9)	(9.4)	(5.3)	(35.5)	21.1%
Depreciation & Amortization	(10.2)	(0.5)	(1.9)	(12.6)	(4.7)	(0.1)	(2.2)	(7.1)	77.8%
J.V. Investment Amortization	0.0	(0.7)	0.0	(0.7)	0.0	(0.6)	0.0	(0.6)	18.1%
Equity income result	0.0	1.3	0.0	1.3	0.0	3.1	0.0	3.1	-57.6%
General & Administative	(15.4)	(6.6)	(2.8)	(24.7)	(16.1)	(6.1)	(2.5)	(24.8)	-0.1%
Special Items - Other				(10.1)				(2.1)	379.9%
Store Pre-Openings	(2.9)	(0.4)	(0.0)	(3.3)	(1.3)	(0.0)	(0.1)	(1.4)	136.4%
EBIT	**(24.2)**	**(16.8)**	**4.0**	**(47.1)**	**(1.7)**	**(3.1)**	**8.4**	**1.5**	**na**
(+) D&A				27.1				19.9	36.2%
EBITDA				**(19.9)**				**21.4**	**na**
(+) Special Items				10.1				2.1	379.9%
(+) Store Pre-Openings				3.3				1.4	
Adjusted EBITDA				**(6.5)**				**24.9**	**na**

[1]Before special items and pre-opening expenses.

RESULTS OF THE BRAZILIAN OPERATIONS

(in R$ million)	1Q20	1Q19	YoY
Net Revenue	**252.1**	**233.5**	**8.0%**
Restaurants & Others	144.2	172.4	(16.4%)
Gas Stations	64.3	61.0	5.4%
Cost of Sales and Services	**(207.1)**	**(178.4)**	**16.1%**
Direct Labor	(62.7)	(58.6)	7.1%
Food	(60.8)	(49.2)	23.6%
Others	(15.6)	(14.1)	11.2%
Fuel and Automotive Accessories	(58.6)	(49.1)	19.4%
Depreciation & Amortization	(9.3)	(7.5)	24.2%
Gross Profit	**45.0**	**55.1**	**(18.2%)**
Operating Expenses[1]	**(66.3)**	**(55.5)**	**19.4%**
Selling and Operating	(12.6)	(13.8)	(8.8%)
Rents of Stores	(28.1)	(20.9)	34.7%
Depreciation & Amortization	(10.2)	(4.7)	116.8%
General & Administative Others[2]	(15.4)	(16.1)	(4.6%)
Store Pre-Openings	(2.9)	(1.3)	126.3%
EBITDA	**(24.2)**	**(1.7)**	**1314.5%**
(+) Depreciation & Amortization	19.5	12.2	59.9%
EBITDA	**(4.7)**	**10.5**	**(144.4%)**
(+) Store Pre-Openings	2.9	1.3	126.3%
Adjusted EBITDA	**(1.7)**	**11.8**	**(114.8%)**
Expansion Capex	17.7	9.9	78.1%
Maintenance Capex	1.3	1.3	0.0%
Total Capex	**19.0**	**11.2**	**68.9%**
Adjusted Operating Inc. - Maintenance Capex[3]	**(3.1)**	**10.5**	**0.0%**

[1]Before special items and pre-opening expenses; [2]Not allocated in segments; [3]Maint. Capex vs Op. Res.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R$ million)	1Q20	1Q19	YoY
Net Revenue	**122.6**	**128.4**	**-4.5%**
Restaurants & Others	58.3	67.4	-13.5%
Gas Stations	64.3	61.0	5.4%
Cost of Sales and Services	**(108.5)**	**(103.0)**	**5.3%**
Direct Labor	(23.2)	(24.2)	-4.2%
Food	(21.3)	(20.5)	3.8%
Others	(5.9)	(6.0)	-1.6%
Fuel and Automotive Accessories	(53.3)	(49.1)	8.7%
Depreciation & Amortization	(4.7)	(3.2)	46.4%
Gross Profit	**14.1**	**25.4**	**-44.3%**
Operating Expenses[1]	**(11.7)**	**(11.5)**	**1.8%**
Selling and Operating	(6.5)	(5.3)	23.1%
Rents of Stores	(4.5)	(5.4)	-17.9%
Depreciation & Amortization	(0.8)	(0.8)	-4.1%
Store Pre-Openings	(0.1)	(0.4)	-85.4%
EBIT	**2.4**	**13.5**	**-82.2%**
(+) Depreciation & Amortization	5.5	4.0	36.5%
EBITDA	**7.9**	**17.5**	**-55.1%**
(+) Store Pre-Openings	0.1	0.4	-85.4%
Adjusted Operating Income	**7.9**	**17.9**	**-55.7%**
Expansion Capex	11.5	1.4	746.5%
Maintenance Capex	0.5	1.3	-59.5%
Total Capex	**12.1**	**2.7**	**348.1%**
Adjusted Operating Inc. - Maintenance Capex[2]	**7.4**	**16.6**	**184.6%**

[1]Before special items; [2]Maint. Capex vs. Op. Res.

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R$ million)	1Q20	1Q19	YoY
Net Revenue	**45.8**	**52.9**	**-13.3%**
Restaurants & Others	45.8	52.9	-13.3%
Cost of Sales and Services	**(33.2)**	**(35.5)**	**-6.5%**
Direct Labor	(16.6)	(17.4)	-4.5%
Food	(11.7)	(12.9)	-9.9%
Others	(3.4)	(3.3)	1.6%
Depreciation & Amortization	(1.5)	(1.9)	-16.7%
Gross Profit	**12.6**	**17.3**	**-27.2%**
Operating Expenses[1]	**(18.8)**	**(15.0)**	**25.7%**
Selling and Operating	(4.2)	(4.2)	-1.3%
Rents of Stores	(7.7)	(7.3)	5.9%
Depreciation & Amortization	(6.9)	(3.5)	99.7%
Store Pre-Openings	(0.0)	0.0	0.0%
EBIT	**(6.2)**	**2.4**	**-360.8%**
(+) Depreciation & Amortization	8.5	5.3	59.2%
EBITDA	**2.3**	**7.7**	**-70.2%**
Store Pre-Openings	(0.0)	0.0	0.0%
Adjusted Operating Income[1]	**2.3**	**7.7**	**-70.2%**
Expansion Capex	0.6	1.6	-62.3%
Maintenance Capex	0.1	0.4	-64.6%
Total Capex	**0.8**	**2.1**	**-62.7%**
Adjusted Operating Inc. - Maintenance Capex[2]	**2.2**	**7.3**	**-1.0%**

[1]Before special items; [2]Maint. Capex vs. Op. Res.

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R$ million)	1Q20	1Q19	YoY
Net Revenue	**83.7**	**52.2**	**60.3%**
Restaurants & Others	40.1	52.2	-23.3%
Pizza Hut and KFC	43.6	0.0	0.0%
Cost of Sales and Services	**(65.4)**	**(39.9)**	**64.1%**
Direct Labor	(22.9)	(17.0)	34.9%
Food	(27.8)	(15.7)	77.2%
Others	(6.4)	(4.7)	34.1%
Depreciation & Amortization	(3.1)	(2.4)	25.9%
Gross Profit	**18.3**	**12.4**	**47.8%**
Operating Expenses[1]	**(20.4)**	**(13.0)**	**57.6%**
Selling and Operating	(2.0)	(4.4)	-54.6%
Rents of Stores	(16.0)	(8.2)	95.3%
Depreciation & Amortization	(2.5)	(0.4)	472.0%
Store Pre-Openings	(2.9)	(0.9)	217.9%
EBIT	**(5.0)**	**(1.5)**	**235.1%**
(+) Depreciation & Amortization	5.5	2.9	93.9%
EBITDA	**0.5**	**1.4**	**-61.4%**
Store Pre-Openings	2.9	0.9	217.9%
Adjusted Operating Income	**3.4**	**2.3**	**49.8%**
Expansion Capex	5.5	6.9	-20.2%
Maintenance Capex	0.6	0.5	31.6%
Total Capex	**6.1**	**7.4**	**-16.9%**
Adjusted Operating Inc. - Maintenance Capex[2]	**2.8**	**1.8**	**-69.3%**

[1]Before special items; [2]Maint. Capex vs. Op. Res.

RESULTS OF THE U.S. OPERATIONS

(in US$ Million)	1Q20	1Q19	YoY
Net Revenue	**16.3**	**21.7**	**-24.8%**
Restaurants & Others	16.3	21.7	-24.8%
Cost of Sales and Services	**(12.1)**	**(14.3)**	**-15.5%**
Direct Labor	(6.7)	(7.6)	-11.8%
Food	(3.2)	(4.2)	-22.9%
Others	(1.1)	(1.3)	-13.4%
Depreciation & Amortization	(0.9)	(1.1)	-15.6%
Gross Profit	**4.2**	**7.4**	**-42.7%**
Operating Expenses[1]	**(7.9)**	**(8.3)**	**-5.2%**
Selling and Operating	(4.4)	(4.8)	-7.4%
Rents of Stores	(2.0)	(2.5)	-18.2%
Depreciation & Amortization	(0.1)	(0.1)	57.1%
J.V. Investment Amortization	(0.2)	(0.2)	0.0%
Equity income result	0.3	0.8	-60.1%
General & Administative and Others	(1.5)	(1.6)	-9.6%
Store Pre-Openings	(0.1)	(0.0)	19893%
EBIT	**(3.7)**	**(0.9)**	**317.6%**
(+) Depreciation & Amortization	1.2	1.3	-10.2%
EBITDA	**(2.5)**	**0.5**	**-652.8%**
(+) Store Pre-Openings	0.1	0.0	19893%
Adjusted EBITDA	**(2.4)**	**0.5**	**-633.2%**
Expansion Capex	1.4	1.0	37.8%
Maintenance Capex	(0.1)	0.1	-167.8%
Total Capex	**1.4**	**1.1**	**20.7%**
Adjusted Operating Inc. - Maintenance Capex[2]	**(3.8)**	**(0.7)**	**456.4%**

[1]Before special items; [2]Maint. Capex vs. Op. Res.

RESULTS OF THE CARIBBEAN OPERATIONS

(in R$ million)	1Q20	1Q19	YoY	1Q20²	YoY²
Net Revenue	**42.3**	**46.8**	**-9.7%**	***38.1***	***-18.6%***
Restaurants & Others	42.3	46.8	-9.7%	*38.1*	*-18.6%*
Cost of Sales and Services	**(21.0)**	**(21.9)**	**-4.1%**	***(19.1)***	***-12.6%***
Direct Labor	(8.8)	(8.5)	3.5%	*(8.0)*	*-5.5%*
Food	(11.3)	(12.4)	-9.4%	*(10.2)*	*-17.8%*
Others	(0.6)	(0.6)	8.6%	*(0.6)*	*3.8%*
Depreciation & Amortization	(0.4)	(0.5)	-18.2%	*(0.3)*	*-24.8%*
Gross Profit	**21.3**	**24.9**	**-14.6%**	***19.0***	***-23.8%***
Operating Expenses¹	**(17.3)**	**(16.3)**	**5.5%**	***(15.4)***	***-5.8%***
Selling and Operating	(6.7)	(6.3)	7.0%	*(6.0)*	*-3.7%*
Rents of Stores	(5.8)	(5.3)	9.2%	*(5.1)*	*-4.6%*
Depreciation & Amortization	(1.9)	(2.2)	-13.9%	*(1.7)*	*-23.3%*
General & Administative and Others	(2.8)	(2.5)	11.3%	*(2.6)*	*1.8%*
Store Pre-Openings	(0.0)	(0.1)	-72.1%	*(0.0)*	*-100.0%*
EBIT	**4.0**	**8.4**	**-52.9%**	**3.6**	***-57.6%***
(+) Depreciation & Amortization	2.3	2.7	-14.6%	*2.0*	*-23.6%*
EBITDA	**6.2**	**11.1**	**-43.7%**	**5.6**	***-49.4%***
(+) Store Pre-Openings	0.0	0.1	-72.1%	*(0.0)*	*-100.0%*
Adjusted EBITDA	**6.3**	**11.2**	**-44.0%**	**5.6**	***-50.0%***
Expansion Capex	1.8	0.2	657.6%	*1.7*	*583.3%*
Maintenance Capex	1.5	0.1	1043.5%	*1.3*	*931.2%*
Total Capex	**3.3**	**0.4**	**790.7%**	**3.0**	***703.2%***
Adjusted Operating Inc. - Maintenance Capex³	**4.8**	**11.1**	**-56.5%**	**4.3**	***-61.2%***

¹Before Special Items; ²In constant currency with respect to the same period in the previous year; ³ VA vs. Op. Res.

APPENDIX II – 1Q20 and 12M19 Results under IFRS 16

Geographic Region – 1Q20

	Brazil		USA		Caribbean		Consolidated	
(in R$ million)	1Q20	% VA	1Q20	% VA	1Q20	% VA	1Q20	% VA
Net Revenue	**252.1**	**100.0%**	**72.3**	**100.0%**	**42.3**	**100.0%**	**366.6**	**100.0%**
Restaurants & Others	187.8	74.5%	72.3	100.0%	42.3	100.0%	302.3	82.5%
Gas Stations	64.3	25.5%	0.0	0.0%	0.0	0.0%	64.3	17.5%
Cost of Sales and Services	**(206.8)**	**-82.0%**	**(53.4)**	**-73.9%**	**(21.0)**	**-49.6%**	**(281.1)**	**-76.7%**
Direct Labor	(62.7)	-24.9%	(29.8)	-41.2%	(8.8)	-20.7%	(101.3)	-27.6%
Food	(60.8)	-24.1%	(14.3)	-19.8%	(11.3)	-26.7%	(86.4)	-23.6%
Others	(20.5)	-8.1%	(5.1)	-7.0%	(0.3)	-0.6%	(25.8)	-7.0%
Fuel and Automotive Accessories	(53.3)	-21.2%	0.0	0.0%	0.0	0.0%	(53.3)	-14.5%
Depreciation & Amortization	(9.4)	-3.7%	(4.2)	-5.8%	(0.7)	-1.6%	(14.3)	-3.9%
Gross Profit	**45.3**	**18.0%**	**18.9**	**26.1%**	**21.3**	**50.4%**	**85.5**	**23.3%**
Operating Expenses[1]	**(59.7)**	**-23.7%**	**(34.9)**	**-48.3%**	**(16.6)**	**-39.3%**	**(111.2)**	**-30.3%**
Selling and Operating	(16.7)	-6.6%	(19.8)	-27.4%	(6.7)	-15.9%	(43.2)	-11.8%
Rents of Stores	(9.1)	-3.6%	(4.1)	-5.6%	(1.5)	-3.4%	(14.6)	-4.0%
Store Pre-Openings	(2.9)	-1.1%	(0.4)	-0.5%	(0.0)	-0.1%	(3.3)	-0.9%
Depreciation & Amortization	(20.3)	-8.1%	(5.1)	-7.1%	(5.6)	-13.3%	(31.1)	-8.5%
J.V. Investment Amortization	0.0	0.0%	(0.7)	-1.0%	0.0	0.0%	(0.7)	-0.2%
Equity income result	0.0	0.0%	1.3	1.8%	0.0	0.0%	1.3	0.4%
Other revenues (expenses)	13.5	5.3%	0.6	0.8%	0.2	0.5%	14.3	3.9%
General & Administative	(24.2)	-9.6%	(6.7)	-9.3%	(3.0)	-7.1%	(33.9)	-9.3%
(+) Depreciation & Amortization	29.8	11.8%	10.0	13.9%	6.3	14.8%	46.1	12.6%
Operating Income	**15.4**	**6.1%**	**(6.0)**	**-8.3%**	**11.0**	**25.9%**	**20.4**	**5.6%**
Special Items - Other							(10.1)	-2.7%
EBIT							**(35.8)**	**-9.8%**
(+) D&A and Write-offs							46.1	12.6%
EBITDA							**10.3**	**2.8%**
(+) Special Items							10.1	2.7%
Store Pre-Openings							(3.3)	-0.9%
Adjusted EBITDA							**23.7**	**6.5%**

[1]Before special items.

Brazil – 1Q20

(in R$ million)	Air	% VA	Road	% VA	Malls	% VA	1Q20	% VA
Net Revenue	**45.8**	**100.0%**	**122.6**	**100.0%**	**83.7**	**100.0%**	**252.1**	**100.0%**
Restaurants & Others	45.8	100.0%	58.3	47.5%	83.7	100.0%	187.8	74.5%
Gas Stations	0.0	0.0%	64.3	52.5%	0.0	0.0%	64.3	25.5%
Cost of Sales and Services	**(33.2)**	**-72.4%**	**(108.2)**	**-88.2%**	**(65.4)**	**-78.2%**	**(206.8)**	**-82.0%**
Direct Labor	(16.6)	-36.2%	(23.2)	-18.9%	(22.9)	-27.4%	(62.7)	-24.9%
Food	(11.7)	-25.4%	(21.3)	-17.4%	(27.8)	-33.3%	(60.8)	-24.1%
Others	(3.3)	-7.1%	(5.6)	-4.6%	(11.6)	-13.9%	(20.5)	-8.1%
Fuel and Automotive Accessories	0.0	0.0%	(53.3)	-43.5%	0.0	0.0%	(53.3)	-21.2%
Depreciation & Amortization	(1.7)	-3.7%	(4.7)	-3.8%	(3.1)	-3.6%	(9.4)	-3.7%
Gross Profit	**12.6**	**27.6%**	**14.4**	**11.8%**	**18.3**	**21.8%**	**45.3**	**18.0%**
Operating Expenses[1]	**(18.0)**	**-39.3%**	**(11.0)**	**-9.0%**	**(3.6)**	**-4.3%**	**(56.8)**	**-22.5%**
Selling and Operating	(4.2)	-9.1%	(6.5)	-5.3%	(6.0)	-7.2%	(16.7)	-6.6%
Rents of Stores	(2.1)	-4.5%	(2.0)	-1.6%	(5.0)	-6.0%	(9.1)	-3.6%
Depreciation & Amortization	(11.4)	-24.8%	(2.7)	-2.2%	(6.3)	-7.6%	(20.3)	-8.1%
Other revenues (expenses)[2]	(0.4)	-0.9%	0.1	0.1%	13.7	16.4%	13.5	5.3%
General & Administative[2]							(22.0)	-8.7%
Corporate (Holding)[2]							(2.2)	-0.9%
(+) Depreciation & Amortization	13.0	28.4%	7.4	6.0%	9.4	11.2%	29.8	11.8%
Operating Income Pre-openings stores	**7.7**	**16.8%**	**10.8**	**8.8%**	**24.0**	**28.7%**	**18.3**	**7.3%**
Store Pre-Openings	0.0	0.0%	(0.1)	0.0%	(2.8)	-3.4%	(2.9)	-1.1%
Operating Income	**7.7**	**16.8%**	**10.7**	**8.8%**	**21.2**	**25.3%**	**15.4**	**6.1%**
Expansion Capex							17.7	7.0%
Maintenance Capex							1.3	0.5%
Total Capex							**19.0**	**7.5%**
Operating Inc. Pre-openings stores - Maintenance Capex[3]							**17.0**	**6.7%**

[1]Before special items; [2]Not allocated in segments; [3]Maintenance CAPEX vs. Op. Res.

United States – 1Q20

(in R$ million)	1Q20	% VA	1Q19	% VA
Net Revenue	**72.3**	**100.0%**	**82.1**	**100.0%**
Restaurants & Others	72.3	100.0%	82.1	100.0%
Cost of Sales and Services	**(53.4)**	**-73.9%**	**(53.9)**	**-65.6%**
Direct Labor	(29.8)	-41.2%	(28.9)	-35.2%
Food	(14.3)	-19.8%	(15.9)	-19.4%
Others	(5.1)	-7.0%	(4.9)	-5.9%
Depreciation & Amortization	(4.2)	-5.8%	(4.2)	-5.1%
Gross Profit	**18.9**	**26.1%**	**28.3**	**34.4%**
Operating Expenses[1]	**(34.5)**	**-47.8%**	**(30.9)**	**-37.7%**
Selling and Operating	(19.8)	-27.4%	(18.1)	-22.0%
Rents of Stores	(4.1)	-5.6%	(5.4)	-6.5%
Depreciation & Amortization	(5.1)	-7.1%	(4.0)	-4.9%
J.V. Investment Amortization	(0.7)	-1.0%	(0.6)	-0.7%
Equity income result	1.3	1.8%	3.1	3.8%
Other revenues (expenses)	0.6	0.8%	(0.2)	-0.2%
General & Administative	(6.7)	-9.3%	(5.8)	-7.1%
(+) Depreciation & Amortization	10.0	13.9%	8.8	10.7%
Adjusted EBITDA	**(5.6)**	**-7.8%**	**6.1**	**7.5%**
Store Pre-Openings	(0.4)	-0.5%	0.0	0.0%
Operating Income	**(6.0)**	**-8.3%**	**6.1**	**7.5%**
Expansion Capex	6.3	8.8%	3.9	4.8%
Maintenance Capex	(0.3)	-0.4%	0.4	0.4%
Total Capex	**6.1**	**8.4%**	**4.3**	**5.2%**
Operating Inc. Store Pre-Openings - Maintenance Capex[3]	**(5.3)**	**-7.4%**	**5.8**	**7.0%**

[1]Before special items; [2]Maintenance CAPEX vs. Op. Res.

Caribbean – 1Q20

(in R$ million)	1Q20	% VA	1Q19	% VA
Net Revenue	**42.3**	**100.0%**	**46.8**	**100.0%**
Restaurants & Others	42.3	100.0%	46.8	100.0%
Cost of Sales and Services	**(21.0)**	**-49.6%**	**(21.9)**	**-46.7%**
Direct Labor	(8.8)	-20.7%	(8.5)	-18.1%
Food	(11.3)	-26.7%	(12.4)	-26.6%
Others	(0.3)	-0.6%	(0.3)	-0.5%
Depreciation & Amortization	(0.7)	-1.6%	(0.7)	-1.5%
Gross Profit	**21.3**	**50.4%**	**24.9**	**53.3%**
		0.0%		0.0%
Operating Expenses[1]	**(16.6)**	**-39.2%**	**(15.8)**	**-33.8%**
Selling and Operating	(6.7)	-15.9%	(6.3)	-13.4%
Rents of Stores	(1.5)	-3.4%	(1.7)	-3.5%
Depreciation & Amortization	(5.6)	-13.3%	(5.4)	-11.6%
Other revenues (expenses)	0.2	0.5%	0.3	0.7%
General & Administative	(3.0)	-7.1%	(2.8)	-6.0%
(+) Depreciation & Amortization	6.3	14.8%	6.1	13.1%
Adjusted EBITDA	**11.0**	**26.0%**	**15.3**	**32.6%**
Store Pre-Openings	(0.0)	-0.1%	(0.1)	-0.3%
Operating Income	**11.0**	**25.9%**	**15.2**	**32.4%**
Expansion Capex	1.8	4.3%	0.2	0.5%
Maintenance Capex	1.5	3.5%	0.1	0.3%
Total Capex	**3.3**	**7.8%**	**0.4**	**0.8%**
Operating Inc. Store Pre-Openings - Maintenance Capex[3]	**7.7**	**18.2%**	**14.9**	**31.8%**

[1]Before special items; [2]In constant currencies as of the previous year; [3]Maintenance CAPEX vs. Op. Res.

Balance Sheet

(R$ thousand)	1Q20	1Q19
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	276,557	232,003
Accounts receivable	60,927	79,582
Inventories	54,725	34,175
Derivatives	637	72
Other current assets	125,879	76,031
Total current assets	**518,725**	**421,863**
NONCURRENT ASSETS		
Deferred income taxes	21,707	10,666
Other noncurrent assets	50,056	55,381
Property and equipment	418,764	262,092
Intangible assets	1,355,234	851,539
Right of use	417,886	400,475
Total noncurrent assets	**2,263,647**	**1,580,153**
TOTAL ASSETS	**2,782,372**	**2,002,016**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	179,660	64,324
Loans, financing and acquisitions' payables	457,351	46,463
Salaries and payroll charges	60,859	55,442
Other current liabilities	70,825	43,489
Liabilities from Right of use	103,339	85,642
Total current liabilities	**872,034**	**295,360**
NONCURRENT LIABILITIES		
Loans, financing and acquisitions' payables	143,751	369,392
Provision for labor, civil and tax disputes	82,363	12,071
Deferred income tax liability	73,148	69,833
Other noncurrent liabilities	44,530	22,565
Liabilities from Right of use	336,310	319,229
Total noncurrent liabilities	**680,102**	**793,090**
EQUITY		
Capital and reserves	1,161,271	886,926
Accumulated losses	-53,166	811
Other comprehensive income	122,131	25,829
Total equity	**1,230,236**	**913,566**
TOTAL LIABILITIES AND EQUITY	**2,782,372**	**2,002,016**

Cash Flow

(R$ thousand)	1Q20	1Q19
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the quarter	(46,138)	(8,003)
Depreciation and amortization	26,425	19,313
Depreciation of right of use	18,944	17,222
Impairment of intangible assets (using)	(4,586)	(81)
Impairment of intangible assets (provision)	3,481	-
Investiment amortization	695	589
Equity income result	1,957	(3,108)
Provision for labor, civil and tax disputes	1,631	1,450
Income taxes	(6,747)	(1,324)
Interest expenses	7,591	6,618
Effect of exchange rate changes	16	(24)
Interest on lease	8,640	8,930
Disposal of property and equipment	4,654	142
Deferred Revenue, Rebates	(459)	(2,034)
Expenses in payments to employees based in stock plan	1,826	600
Others	(8,470)	3,135
Changes in operating assets and liabilities	(20,666)	(17,904)
Cash generated from operations	(11,206)	25,521
Income tax paid	(860)	(4,497)
Interest on lease paid	(3,168)	(4,098)
Interest paid	(12,358)	(5,058)
Net cash generated by (used in) operating activities	**(27,592)**	**11,868**
CASH FLOW FROM INVESTING ACTIVITIES		
Additions to investments in subsidiaries	(2,432)	(1,500)
Dividends received	3,275	2,228
Sale of controlling interest in discontinued operations, net of cash	908	3,694
Additions to intangible assets	(2,874)	(1,146)
Additions to property and equipment	(41,725)	(15,904)
Net cash used in investing activities	**(42,848)**	**(12,628)**
CASH FLOW FROM FINANCING ACTIVITIES		
Capital Increase (Reduction)	-	-
Shares in Treasury	47,399	3,144
Dividends Paid	-	(100,000)
Right of use (“lease”)	(21,248)	(17,956)
New loans	-	238,710
Payment of loans	(37,010)	(159,852)
Net cash used in financing activities	**(10,859)**	**(35,954)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	25,050	155
NET INCREASE (DECREASE) FOR THE PERIOD	**(56,249)**	**(36,559)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**332,806**	**268,561**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**276,557**	**232,002**

APPENDIX - CURRENCY CONVERSION TABLE

	US$		COP	
	EoP	Average	EoP	Average
1Q16	3.559	3.857	0.001183	0.001201
2Q16	3.210	3.501	0.001149	0.001174
3Q16	3.246	3.246	0.001115	0.001102
4Q16	3.298	4.433	0.001116	0.001093
1Q17	3.168	3.145	0.001099	0.001078
2Q17	3.308	3.215	0.001086	0.001101
3Q17	3.168	3.190	0.001079	0.001082
4Q17	3.308	3.249	0.001109	0.001088
1Q18	3.324	3.247	0.001190	0.001137
2Q18	3.856	3.604	0.001320	0.001269
3Q18	4.004	3.954	0.001353	0.001337
4Q18	3.875	3.805	0.001194	0.001202
1Q19	3.897	3.772	0.001224	0.001204
2Q19	3.832	3.921	0.001195	0.001203
3Q19	4.164	3.968	0.001197	0.001188
4Q19	4.031	4.117	0.001229	0.001210
1Q20	5.199	4.466	0.001284	0.001257

MANAGEMENT NOTE

There may be some minor differences between the financial information presented in the charts and graphs in this release and that in the audited consolidated financial statements due to rounding.

Any and all non-accounting information or information arising from non-accounting figures, as well as comparable historical information, has not been reviewed by the independent auditors.

GLOSSARY

Company: International Meal Company Alimentação S.A. or IMCASA.

EBITDA and adjusted EBITDA: the Company calculates EBITDA as net income, before income and social contribution taxes, financial income (expenses) and depreciation and amortization.

Adjusted EBITDA reflects EBITDA, adjusted to exclude the effects of transactions that are deemed by Management as being unrepresentative of the normal course of business and/or do not impact cash generation, such as provisions for store closures, corporate restructuring expenses and consulting expenses related to projects' implementation.

According to the accounting practices adopted in IFRS, EBITDA and the adjusted EBITDA are not measures of financial performance and should not be considered as an alternative to net income, as an indicator of operating performance, as an alternative to operating cash flow, or as an indicator of liquidity.

Due to the fact that the calculation of EBITDA does not consider income and social contribution taxes, financial income (expense), depreciation and amortization, EBITDA is an indicator of the Company's overall financial performance, which is unaffected by changes in income and social contribution tax rates, fluctuations in interest rates or levels of depreciation and amortization.

Therefore, the Company believes that adjusted EBITDA serves as a significant comparative tool to periodically measure its operating performance and to base certain decisions of an administrative nature. The Company believes that adjusted EBITDA provides a better understanding not only of its financial performance but also of its ability to pay interest and principal on its debt and to incur more debt to finance its capital expenditures and working capital.

However, because adjusted EBITDA does not consider certain costs inherent in its business, which could, in turn, significantly affect earnings, such as interest, taxes, depreciation, capital expenditures and other related charges, EBITDA has limitations that affect its use as an indicator of the Company's profitability.

Master franchise: an arrangement in which a company allows one person or business the right to sell its products or services in a particular area or country. A master franchise typically involves control of the franchise rights for an entire geographical region.

Net store openings: references to "net store openings", "net store closures" or similar expressions correspond to the sum of stores opened or reopened in a given period less the sum of the stores closed in the same period.

Same-store sales (SSS): corresponds to sales of stores opened for more than 12 months for Pizza Hut and KFC stores or 18 months for other brands in comparable periods, excluding stores that were temporarily closed. If a store is included in the calculation of comparable store sales for only a part of one of the periods compared, then this store will be included in the calculation of the corresponding portion of the other period. Some of the reasons for the temporary closure of the Company's stores include renovation or remodeling, rebuilding, road construction and natural disasters. When there is a variation in the area of a store included in comparable store sales, said store is excluded from the comparable store sales. The variation in same-store sales is a measure used in the retail market as an indicator of the performance of the implemented business strategies and initiatives, and also represents the trends of the local economy and consumers. The Company's sales are recorded and analyzed based on the functional currency of each country where the Company operates. Therefore, as the Company's financial information is converted and demonstrated in reais, the Brazilian currency, using average exchange rates of the periods compared, the values of same-store sales may present gains or losses resulting from the exchange rate of the currency of the country where that same store is located. Same-store sales are not a measure of financial performance according to the accounting practices adopted in Brazil (BR GAAP) or IFRS. Same-store sales do not have a standardized meaning in the market, and the Company's definition may not be the same definition of same-store sales used by other companies.

DISCLAIMER

This report contains forward-looking information. Such information does not refer to historical facts only, but reflects IMC's Management's wishes and expectations. The words "anticipates", "wants", "expects", "forecasts", "intends", "plans", "predicts", "projects", "aims" and the like are intended to identify statements that necessarily involve known and unknown risks. Known risks include uncertainties not limited to the impact of price and product competitiveness, acceptance of products on the market, product transitions from the Company and its competitors, regulatory approval, currency, currency fluctuations, supply and production hurdles and changes in product sales, among other risks. This report also contains information prepared by the Company only for information and reference purposes, which, therefore, has not been audited. This report is up-to-date, and IMC has no obligation to update it with new information and/or future events. There may be some minor differences between the financial information presented in the charts and graphs in this release and that in the audited financial statements due to rounding. Any and all non-accounting information or information arising from non-accounting figures, as well as comparable historical information, has not been reviewed by the independent auditors.

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A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with NBC TG 21 (R3) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on quarterly information

The Shareholders and Officers
International Meal Company Alimentação S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of International Meal Company Alimentação S.A. (the "Company") for the quarter ended March 31, 2020, comprising the statement of financial position as of March 31, 2020 and the related statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the three-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 (R3) – Interim Financial Reporting, and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (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 Brazilian and International Standards on Review Engagements (NBC TR 2410 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 auditing standards 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 and consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above is not prepared, in all material respects, in accordance with NBC TG 21(R3) and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

São Paulo, May 29, 2020.

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

Antonio Humberto Barros dos Santos
Accountant CRC-1SP161745/O-3

International Meal Company Alimentação S.A. and Subsidiaries

Balance sheets
March 31, 2020 and December 31, 2019
(Amounts in thousands of reais - R$)

		Parent		Consolidated	
	Note	**3/31/2020**	**12/31/2019**	**3/31/2020**	**12/31/2019**
Assets					
Current assets					
Cash and cash equivalents	**8**	**96,852**	140,081	**276,557**	332,806
Trade receivables	**9**	**17,377**	15,503	**60,927**	62,905
Inventories	**10**	**3,525**	4,030	**54,725**	53,202
Taxes recoverable	**11**	**18,129**	20,099	**94,281**	90,260
Derivative financial instruments	**7.c)**	**-**	-	**637**	149
Prepaid expenses		**1,912**	1,189	**18,723**	8,646
Other current assets		**525**	807	**12,875**	8,311
Total current assets		**138,320**	181,709	**518,725**	556,279
Noncurrent assets					
Trade receivables	**9**	**701**	776	**1,300**	1,376
Judicial deposits		**3,575**	3,355	**14,509**	13,666
Receivables from related parties	**29.b)**	**186,947**	128,285	**2,201**	2,535
Deferred income tax and social contribution	**20.a)**	**-**	-	**21,707**	17,509
Other noncurrent assets		**3,793**	3,809	**5,698**	13,394
		195,016	136,225	**45,415**	48,480
Long-term achievable					
Investments in subsidiaries and joint venture	**12**	**1,260,733**	1,200,319	**26,348**	22,832
Property, plant and equipment	**13**	**21,903**	22,900	**418,764**	372,677
Intangible assets	**14**	**121,568**	123,165	**1,355,234**	1,300,340
Right of use	**15**	**16,732**	16,258	**417,886**	385,042
Total noncurrent assets		**1,615,952**	1,498,867	**2,263,647**	2,129,371
Total assets		**1,754,272**	1,680,576	**2,782,372**	2,685,650

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
March 31, 2020 and December 31, 2019
(Amounts in thousands of reais - R$)

	Note	Parent		Consolidated	
		3/31/2020	**12/31/2019**	**3/31/2020**	**12/31/2019**
Liabilities and equity					
Current liabilities					
Trade payables	**16**	**15,369**	14,568	**179,660**	188,097
Borrowings and debentures	**17**	**389,845**	7,485	**443,938**	83,202
Payroll and related taxes		**17,737**	17,909	**60,859**	65,935
Taxes payable		**856**	2,030	**28,728**	27,367
Deferred revenue		**669**	833	**17,111**	16,361
Installment payment of business acquisitions	**18**	**-**	-	**13,413**	6,394
Agreements and installment payment of labor suits		**103**	283	**666**	1,133
Right of use ("lease")	**15**	**5,226**	4,942	**103,339**	92,060
Other current liabilities		**-**	-	**24,320**	14,413
Total current liabilities		**429,805**	48,050	**872,034**	494,962
Noncurrent liabilities					
Borrowings and debentures	**17**	**-**	387,789	**109,314**	478,470
Payables to related parties	**29.c)**	**51,165**	51,059	**2,785**	3,080
Agreements and installment payment of labor suits		**59**	74	**59**	74
Provision for labor, civil and tax risks	**19**	**6,018**	6,809	**82,363**	84,680
Deferred revenue		**731**	803	**16,790**	19,231
Deferred income tax and social contribution	**20.a)**	**20,570**	25,859	**73,148**	77,502
Installment payment of business acquisitions	**18**	**-**	-	**34,437**	35,164
Right of use ("lease")	**15**	**12,432**	12,094	**336,310**	309,162
Other noncurrent liabilities		**3,257**	2,933	**24,897**	38,219
Total noncurrent liabilities		**94,232**	487,420	**680,103**	1,045,582
Equity					
Capital	**21**	**786,065**	786,065	**786,065**	786,065
Capital reserve		**344,442**	297,043	**344,442**	297,043
Reserve for stock option plan	**22**	**30,763**	28,937	**30,763**	28,937
Accumulated losses		**(53,166)**	(7,028)	**(53,166)**	(7,028)
Other comprehensive income (loss)		**122,131**	40,089	**122,131**	40,089
Total equity		**1,230,235**	1,145,106	**1,230,235**	1,145,106
Total liabilities and equity		**1,754,272**	1,680,576	**2,782,372**	2,685,650

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-month periods ended March 31, 2020 and 2019
(Amounts in thousands of reais - R$, except basic and diluted loss per share)

		Parent		Consolidated	
	Note	1/1/2020 to 3/31/2020	1/1/2019 to 3/31/2019	1/1/2020 to 3/31/2020	1/1/2019 to 3/31/2019
Net revenue	23	**32,610**	36,594	**366,642**	362,392
Cost of sales and services	28	**(24,642)**	(25,920)	**(281,145)**	(253,987)
Gross profit		**7,968**	10,674	**85,497**	108,405
Operating income (expenses)					
Selling and operating expenses	24 and 28	**(4,824)**	(4,761)	**(57,477)**	(54,015)
General and administrative expenses	25 and 28	**(6,299)**	(8,212)	**(35,180)**	(26,312)
Depreciation and amortization	28	**(7,126)**	(3,891)	**(31,066)**	(23,793)
Impairment (reversal) of assets		**(876)**	-	**(3,481)**	-
Other operating income (expenses), net	26	**(1,941)**	(176)	**5,306**	(708)
Share of profit (loss) of investees	12 and 28	**(33,706)**	1,982	**624**	2,519
Operating profit (loss) before finance income (expense) and income tax and social contribution		**(46,804)**	(4,384)	**(35,777)**	6,096
Finance income (expense), net	27	**(5,442)**	(4,950)	**(17,107)**	(15,423)
Profit (loss) before income tax and social contribution		**(52,246)**	(9,334)	**(52,884)**	(9,327)
Current income tax and social contribution	20.c)	**-**	-	**(911)**	(986)
Deferred income tax and social contribution	20.c)	**6,108**	1,331	**7,657**	2,310
Profit (loss) for the year		**(46,138)**	(8,003)	**(46,138)**	(8,003)
Earnings (loss) per share - R$					
Basic (cents per share)		**(0.23549)**	(0.04976)	**(0.23549)**	(0.04976)
Diluted (cents per share)		**(0.23549)**	(0.04976)	**(0.23549)**	(0.04976)

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 (loss)
Three-month periods ended March 31, 2020 and 2019
(Amounts in thousands of reais - R$)

	Parent		Consolidated	
	1/1/2020 to 3/31/2020	**1/1/2019 to 3/31/2019**	**1/1/2020 to 3/31/2020**	**1/1/2019 to 3/31/2019**
Profit for the period	**(46,138)**	(8,003)	**(46,138)**	(8,003)
Translation adjustments in the balance sheet of foreign subsidiaries	**82,042**	2,607	**82,042**	2,607
	82,042	2,607	**82,042**	2,607
Total comprehensive income for the period, attributable to owners of the Company	**35,904**	(5,396)	**35,904**	(5,396)

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
Three-month periods ended March 31, 2020 and 2019
(Amounts in thousands of reais - R$)

		Capital reserve				Earnings reserve					
	Capital	**Legal reserve**	**Treasury shares**	**Total capital reserve**	**Reserve for stock option plan**	**Legal reserve**	**Earnings reserve**	**Total earnings reserve**	**Accumulated losses**	**Other comprehensive income (loss)**	**Total equity**
Balance as of December 31, 2019	786,065	337,960	(40,917)	297,043	28,937	-	-	-	(7,028)	40,089	1,145,106
Loss for the period	-	-	-	-	-	-	-	-	**(46,138)**	-	**(46,138)**
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	-	-	-	**82,042**	**82,042**
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	**(46,138)**	**82,042**	**35,904**
Treasury shares sold	-	**12,033**	**35,366**	**47,399**	-	-	-	-	-	-	**47,399**
Stock option plan	-	-	-	-	**1,826**	-	-	-	-	-	**1,826**
				-	-	-	-	-	-	-	-
Balance as of March 31, 2020	**786,065**	**349,993**	**(5,551)**	**344,442**	**30,763**	**-**	**-**	**-**	**(53,166)**	**122,131**	**1,230,235**

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--Continued
Three-month periods ended March 31, 2020 and 2019
(Amounts in thousands of reais - R$)

		Capital reserve				Earnings reserve					
	Capital	Legal reserve	Treasury shares	Total capital reserve	Reserve for stock option plan	Legal reserve	Earnings reserve	Total earnings reserve	Accumulated losses	Other comprehensive income (loss)	Total equity
Balance as of December 31, 2018	876,281	134,759	(51,151)	83,608	23,293	578	8,236	8,814	-	23,222	1,015,218
Loss for the period	-	-	-	-	-	-	-	-	(8,003)	-	(8,003)
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	-	-	-	2,607	2,607
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(8,003)	2,607	(5,396)
Capital reduction	(100,000)	-	-	-	-	-	-	-	-	-	(100,000)
Treasury shares sold	-	(1,682)	4,826	3,144	-	-	-	-	-	-	3,144
Stock option plan	-	-	-	-	600	-	-	-	-	-	600
Balance as of March 31, 2019	776,281	133,077	(46,325)	86,752	23,893	578	8,236	8,814	(8,003)	25,829	913,566

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
Three-month periods ended March 31, 2020 and 2019
(Amounts in thousands of reais - R$)

	Note	Parent		Consolidated	
		3/31/2020	3/31/2019	3/31/2020	3/31/2019
Cash flows from operating activities					
Profit for the period		**(46,138)**	(8,003)	**(46,138)**	(8,003)
Adjustments to reconcile profit for the period from continuing operations to net cash used in operating activities:		**-**			
Depreciation and amortization	**28**	**7,406**	4,179	**26,425**	19,313
Depreciation of right of use		**936**	926	**18,944**	17,222
Impairment of intangible assets (utilization)	**13 and 14**	**-**	-	**(4,654)**	-
Impairment of intangible assets (provision/reversal)	**13 and 14**	**875**	-	**3,481**	(81)
Gain (loss) on disposal of property, plant and equipment and intangible assets	**13 and 14**	**(309)**	-	**4,654**	142
Amortization of investment in joint venture		**-**	-	**695**	589
Share of profit (loss) of investees	**12**	**33,706**	(1,982)	**1,957**	(3,108)
Provision for (reversal of) labor, civil and tax risks	**19**	**216**	684	**1,630**	1,460
Income tax and social contribution	**20 c)**	**(6,108)**	(1,331)	**(6,746)**	(1,324)
Interest on borrowings	**27**	**5,533**	4,493	**7,182**	6,177
Interest on business acquisitions and on commercial rights	**27**	**-**	-	**409**	441
Interest on lease	**15**	**456**	456	**8,640**	8,977
Exchange gains (losses)	**27**	**131**	15	**16**	(24)
Share-based payment		**1,826**	600	**1,826**	600
Deferred revenue and discounts recognized		**(235)**	(535)	**(459)**	(1,196)
Several provisions and others		**714**	2,491	**(8,402)**	3,125
		(991)	1,993	**9,460**	44,310
Changes in operating assets and liabilities:					
Trade receivables		**(1,883)**	1,790	**5,726**	555
Inventories		**504**	201	**(3,692)**	3,689
Taxes recoverable		**1,780**	1,518	**5,649**	5,744
Prepaid expenses		**(723)**	(308)	**(1,346)**	(5,281)
Trade payables		**999**	(3,359)	**(16,726)**	(18,231)
Rebates and commercial agreements		**-**	-	**-**	(838)
Related parties		**(58,662)**	9,545	**40**	-
Payment of labor, civil and tax risks	**19**	**(1,202)**	(421)	**(3,645)**	(1,981)
Other assets and liabilities		**(53)**	2,926	**(6,592)**	1,699
Cash generated by operating activities		**(60,231)**	13,885	**(11,206)**	29,666
Income tax and social contribution paid		**-**	(1,112)	**(860)**	(4,497)
Interest paid on borrowings		**(11,495)**	(3,605)	**(11,953)**	(4,644)
Interest paid on lease liability (“right of use”)		**(148)**	(163)	**(3,168)**	(4,098)
Interest paid on business acquisitions and on commercial rights		**-**	-	**(405)**	(414)
Net cash provided by (used in) operating activities		**(71,874)**	9,005	**(27,592)**	16,013
Cash flows from investing activities					
Capital increase in subsidiaries		**(15,357)**	-	-	-
Payment of business acquisitions made in prior years		**-**	-	**(2,432)**	(1,500)
Dividends received	**12**	**-**	-	**3,275**	2,228
Proceeds from sale of discontinued operation		**-**	-	**908**	3,694
Additions to intangible assets, net of balance payable in installments		**(1,192)**	(9)	**(2,874)**	(1,146)
Additions to property, plant and equipment, net of balance payable in installments		**(1,109)**	(826)	**(41,725)**	(15,904)
Net cash used in investing activities		**(17,658)**	(835)	**(42,848)**	(12,628)
Cash flow from financing activities					
Payment of dividends		**-**			
Capital reduction	**21.a)**	**-**	(100,000)	**-**	(100,000)
Treasury shares sold		**47,399**	3,144	**47,399**	3,144
New borrowings, net of borrowing costs		**-**	238,710	**-**	238,710
Amortization of lease liability (“right of use”)		**(1,096)**	(1,302)	**(21,248)**	(22,054)
Repayment of borrowings		**-**	(150,000)	**(37,010)**	(159,852)
Net cash provided by (used in) financing activities		**46,303**	(9,448)	**(10,859)**	(40,052)
Effect of exchange rate changes on cash and cash equivalents		**-**	-	**25,050**	109
NET CHANGE IN THE PERIOD		**(43.229)**	(1,278)	**(56,249)**	(36,558)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		**140,081**	130,228	**332,806**	268,561
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**96,852**	128,950	**276,557**	232,003

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
Three-month periods ended March 31, 2020 and 2019
(Amounts in thousands of reais - R$)

		Parent		Consolidated	
	Note	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Revenues					
Sales of goods, products and services	**23**	**36,257**	39,061	**396,534**	386,532
Other revenues	26	**3**	563	**11,451**	1,601
Allowance for expected credit losses		**(84)**	98	**2,009**	42
		36,176	39.722	**409,994**	388,175
Inputs purchased from third parties					
Cost of sales and services	**28**	**(8,299)**	(9,420)	**(147,209)**	(129,016)
Materials, electric power, outside services and others		**(6,028)**	(6,353)	**(47,471)**	(38,236)
Others		**3,899**	14,927	**(31,656)**	(19,190)
		(10,428	(846)	**(226,336)**	(186,442)
Gross value added		**25,748**	38,876	**183,658**	201,733
Depreciation and amortization	**28**	**(7,406)**	(5,105)	**(27,120)**	(37,124)
Impairment of intangible assets (uses)		**(876)**	-	**(3,481)**	-
Value added created by the Company		**17,466**	33,771	**153,057**	164,609
Value added received in transfer					
Share of profit (loss) of investees	**12**	**(33,706)**	1,982	**1,319**	3,108
Exchange rate changes	**27**	**(131)**	(15)	**(16)**	24
Finance income	**27**	**1,321**	1,204	**1,969**	3,412
		(32,516)	3,171	**3,272**	6,544
Total value added for distribution		**(15,050)**	36,942	**156,329**	171,153
Value added distributed					
Personnel:					
Payroll and related taxes		**18,782**	20,132	**120,117**	110,527
Management fees		**4,237**	4,762	**4,237**	4,762
Share-based payment	**30**	**1,549**	492	**1,549**	492
	28	**24,568**	25,386	**125,903**	115,781
Taxes, fees and contributions:					
Taxes on sales	**23**	**3,552**	3,477	**21,754**	16,891
Income tax and social contribution	**20.c)**	**(6,108)**	9,334	**(7,657)**	9,327
		(2,556)	12,811	**14,097**	26,218
Lenders and lessors:					
Interest		**5,989**	4,949	**16,231**	15,642
Royalties		**-**	-	**7,096**	4,948
Rentals		**3,087**	1,799	**39,140**	16,567
		9,076	6,748	**62,467**	37,157
Shareholders:					
Profit (loss) for the period		**(46,138)**	(8,003)	**(46,138)**	(8,003)
		(46,138)	(8,003)	**(46,138)**	(8,003)
		(15,050)	36,942	**156,329**	171,153

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

1. General information

1.1. Operations

International Meal Company Alimentação S.A. (“Company”), headquartered at Avenida das Nações Unidas, 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”) and in the sale of food for airline catering services (“catering”). 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 March 31, 2020, the Group has operations in Brazil, Panama, Colombia, and the United States of America.

1.2. Acquisition of MultiQSR

On October 31, 2019, the following events took place: consummation and closing of the incorporation of the shares issued by MultiQSR Gestão de Restaurantes S.A. (“MultiQSR”) by the Company (“Merger”), as approved at the Company's Extraordinary General Meeting held on August 28, 2019, whereby the Martins Family became shareholders of the Company holding 29,387,930 common shares issued by the Company; and the subsequent transfer of 4,077,931 common shares of the Company from the Martins Family to Kentucky Fried Chicken International Holdings LLC and Pizza Hut International LLC, companies that hold the rights of master franchises of KFC and Pizza Hut brands and subsidiaries of Yum! Brands Inc, (“Yum!”), Yum! now holds 2.08% of the Company's capital and the Martins Family now holds 12.92% of the Company's capital. MultiQSR has a contract with Yum!, through which it can operate exclusively the KFC and Pizza Hut brands in Brazil

This transaction was recorded as a business combination, based on the requirements of CPC 15 (R1) - Business Combination (equivalent to IFRS 3 - Business Combinations).

2. Preparation and presentation of the interim financial information

The Company’s individual and consolidated interim financial information has been prepared in accordance with NBC TG 21 (R3) – Demonstração intermediária and IAS 34 Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Financial Information (ITR), identified as “Parent” and “Consolidated”, respectively.

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

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

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

As required by CVM Official Letter 03, of April 28, 2011, the following are the explanatory notes that were included in the latest annual financial statements (year ended December 31, 2019, disclosed on March 30, 2020), which, since there were no significant changes in the quarter, have not been fully included in this individual and consolidated interim financial information.

Explanatory notes not included in the interim financial information	Location of the full explanatory note in the annual financial statements for the year ended December 31, 2019
Investments – full note	Note 12
Payroll and related taxes — full note	Note 18
Installment payment of business acquisitions – full note	Note 19
Deferred revenue — full note	Note 21
Income tax and social contribution – full note	Note 22

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-corona virus” (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.

On March 10, 2020, the Brazilian Securities and Exchange Commission (CVM) issued Official Letter CVM/SNC/SEP 02/20, instructing Publicly-held Companies to carefully assess the impacts of COVID-19 on their businesses and report in the financial statements the main risks and uncertainties arising from such assessment, observing the applicable accounting standards.

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, and compliance with financial commitments.

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

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

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

Impairment of financial assets (NBC TG 48)

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 Company has balances receivable from financial institutions, in the amount of R$ 276,557. 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 part is expected due to the pandemic.

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 Company'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, no additional loss is 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 March 31, 2020, the Company did not observe any additional risks to receivables from these companies.

Impairment of non-financial assets(NBC TG 01 R4)

Inventories

Considering that the Company’s main activity is food trade, the Company’s operations have been considered by the public authorities as essential, making it possible to carry out inventories through the partial operation of certain segments (highways) or by delivery.

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

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

Inventories--Continued

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. Purchase orders with suppliers have been placed in a reduced volume, and products continue to be delivered normally, with no interruption in the supply chain.

Analysis and impairment of assets with indefinite useful lives

The Company 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 investment made.

Given the current context, we have updated the calculations of impairment of our assets by reviewing the projected sales for the current year and, as of March 31, 2020, we did not identify the need to recognize a provision:

Income tax (NBC TG 32 R4)

We have updated the projections and analyses made at December 31, 2019 on the recoverability of income tax, considering the effects of COVID-19, and we have not identified the need to recognize an additional provision, in addition to those already recognized in the interim financial information.

Measurement of lease assets and liabilities (NBC TG 06-R3)

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

Given the number of contracts under negotiation and the low possibility of termination of these contracts, we do not expect significant effects on lease liabilities due to the COVID-29 pandemic.

Fair value measurement

The Company holds financial liabilities denominated in foreign currency. These transactions are measured at fair value through profit or loss, being the only transactions measured in this way.

Given the nature of these transactions, and that the counterparties (financial institutions) are not expected to experience significant impacts on their transactions, in a manner that compromises the credit risk of these institutions, we consider that COVID-19 does not have impacts on the fair value measurement of our operations.

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

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

Provisions and contingent liabilities

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

Revenue recognition

We assessed the Company's 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 that no changes occurred in our recognition practices, we consider that COVID -19 has no impact on the Company's revenues.

Liquidity and compliance with financial commitments

As of March 31, 2020, the Company has not complied with the net debt/EBITDA ratio defined in its debenture contracts, due to the impacts of COVID-19 on its operations.

The Company has sought dialogue with its debenture holders in order to find the best way to negotiate these debts.

As required by CPC 26 (R1) Presentation of financial statements, the debts corresponding to the debentures were classified in their entirety as Company's current liabilities.

It should be noted that all other clauses of all other commitments have been complied with by the Company.

Liquidity and compliance with financial commitments

At March 31, 2020, the Company reclassified all liabilities related to debentures to current liabilities in compliance with the provisions of CPC 26 (R1) Presentation of Financial Statements since it was in the process of negotiating the amendment to the debenture indentures with the debenture holders, due to the impacts of COVID-19 on operations.

At a general meeting of debenture holders suspended on May 13, 2020 and resumed and concluded on May 27, 2020, the amendment to the debenture indentures was decided about that, among other topics, as detailed in note 33 – Events After the Reporting Period, suspends the measurement of financial ratios as at March 31, 2020.

It should be noted that all other clauses of all other commitments have been complied with by the Company

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

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

Operational continuity

The Company assessed its ability to continue operating, through the realization of a stressed cash flow with the scenario considered until December 31, 2020.

Based on the analysis carried out, the Company concluded that there is no indication that its capacity for operational continuity could be compromised, concluding that the Group has full capacity to continue with its operational activities, normally.

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, 2019, disclosed on March 30, 2020 and, accordingly, they should be read in conjunction. 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.

When necessary, the subsidiaries’ interim financial information is adjusted to conform their accounting policies to those set by the Group.

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

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

The investments disclosed in note 12 represent the same consolidated companies disclosed in the individual and consolidated financial statements for the year ended December 31, 2019, disclosed on March 30, 2020.

3. Significant accounting policies--Continued

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. The functional currency of an entity is the currency of the primary economic environment in which it operates. The Company defines the functional currency of each of its subsidiaries analyzing which currency significantly influences the sales price of its products and services and the currency in which most of its operating and administrative costs is paid or incurred.

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 three-month period ended March 31, 2020 are the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2019, disclosed on March 30, 2020.

5. Business combination

On October 31, 2019, the incorporation of the shares issued by MultiQSR Gestão de Restaurantes SA (“MultiQSR”) was consummated and closed by the Company (“Incorporation”), as approved at the Company's Extraordinary General Meeting held on August 28, 2019.

On the acquisition date (October 31, 2019), MultiQSR, through its subsidiaries, held: (a) 13 Pizza Hut restaurants in Brazil and the exclusive right to operate and subfranchise Pizza Hut restaurants in Brazil; and (b) 20 KFC restaurants in Brazil and the exclusive right to operate and subfranch KFC restaurants in Brazil. In Brazil, MultiQSR owned and sub-franchised restaurants totaled 180 Pizza Hut restaurants and 46 KFC restaurants. The exclusive contract also allows MultiQSR to open a certain number of new restaurants.

The transaction amounted to R$ 216,883, equivalent to 29,387,930 common shares issued by the Company, which were transferred to the Martins Family and valued at the market value of the Company's share on October 31, 2019.

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

5. Business combination--Continued

In accordance with NBC TG 15 (RA) / IFRS 3 - Business Combination, the fair value of the assets acquired and liabilities assumed for the purpose of determining the allocation of the price paid on the acquisition is shown below:

	Fair value at acquisition date
Assets	
Cash and cash equivalents	22,630
Trade receivables	4,711
Inventories	5,563
Property, plant and equipment	35,856
Intangible assets	289,909
Non-compete agreement	976
Franchisor master contract	275,631
Subfranchising master contract	7,670
Key money	5,257
Software	375
Right-of-use assets	30,232
Other assets	5,722
Total assets	**394,623**
Liabilities	
Trade payables	84,368
Salaries and charges	13,139
Borrowings	87,854
Contingencies	69,922
Deferred revenue	20,774
Lease liabilities (“right of use”)	31,519
Other liabilities	29,867
Total liabilities	**337,443**
Total net assets	**57,180**
Fair value of consideration paid	**216,883**
Goodwill	**159,703**

The fair value adjustment is substantially composed of net intangible assets identified and allocated as a master franchisor agreement, sub-franchise agreement, non-compete agreement and key money.

The estimated useful life for amortization of master franchisor and sub-franchise agreements is up to 20 years Key money will be amortized over the contractual period, i.e. 5 to 10 years.

Goodwill is R$ 159,703.
Net revenue and loss from operations of the acquired business, added to the Group's results for the year ended March 31, 2020, are R$ 35,511 and R$ 4,361, respectively.

5. Business combination--Continued

Fair value measurement

Acquired assets	Valuation technique
Inventories	Fair value of food inventories calculated based on the margin (mark-up) at 10/31/2019
Property, plant and equipment	Fair value of PP&E calculated based on a direct comparative method of market data and cost method
Franchisor master contract	Fair value calculated based on the relief from royalty profit method. We calculated the future value of the royalties needed to maintain the contract and discounted the post-tax cash flow of royalties at present value.
Base of franchisees and owned restaurants	Profit method: Discounted cash flow (Within/Without). Cash flow projections used a scenario that considered the existence of a base of owned restaurants and franchisees and, also, the non-existence of a base of owned restaurants and franchisees, affecting volume, sales price and margins.
Non-compete clause	Profit method: Discounted cash flow (Within/Without). 2 projections were used to calculate the discounted cash flow. Projection A: considering the non-compete clause. Projection B: considering the inexistence of a non-compete clause, affecting volume, sales price and margins
Sales Point Key Money	Market comparison method. Compare the values of key money contracted and in effect with the prices charged in the market at 10/31/2019
Contingencies	Risks identified in due diligence
Fine for transfer rental agreements in shopping malls (considered in other liabilities)	Risks identified in due diligence

6. Segment information

The information reported to the Group's chief decision maker, for the purpose of capital allocation and segment performance evaluation, is more specifically focused on the categories of customer for each type of product and service. The main categories of customers for these products and services are restaurants in shopping malls, airports and highways. Each of these operating segments is managed separately, considering that each one of these product lines requires different resources, including differentiated marketing approaches. The Company's main products consist of meals and related services.

The chief operating decision maker evaluates the performance of the operating segments based on the operating profit before the effects of depreciation and amortization, interest and income tax.

Therefore, the Group's reportable segments pursuant to CPC 22/IFRS 8 – Segment Reporting are as follows:

- Shopping malls: meals in restaurant chains and coffee shops located in shopping malls in Brazil and in the Caribbean provision of services to franchisees of the KFC and Pizza Hut brands.
- Airports: supply of meals in restaurants and coffee shops and for airline companies (catering) in Brazil and in the Caribbean.
- Highways: food courts in service stations and restaurant chains located along highways, and sale of vehicle fuel.
- United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.
- Others: comprise corporate costs not allocated directly to each of the business segments.

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

6. Segment information--Continued

	Consolidated					
	Airports	**Shopping malls**	**Highways**	**United States of America**	**Others**	**Total**
March 31, 2020:						
Net revenue	**77,067**	**94,709**	**122,584**	**72,282**	**-**	**366,642**
Operating profit (loss) (*)	**12,485**	**5,319**	**5,941**	**(5,102)**	**(4,876)**	**13,767**
Depreciation and amortization	**(9,889)**	**(6,415)**	**(5,464)**	**(5,347)**	**(5)**	**(27,120)**
Amortization - right of use	**(6,927)**	**(5,443)**	**(1,899)**	**(4,675)**	**-**	**(18,944)**
Impairment of property, plant and equipment and intangible assets	**(876)**	**(2,605)**	**-**	**-**	**-**	**(3,481)**
Finance income (expense)	**(8,404)**	**(3,980)**	**(2,267)**	**(2,615)**	**159**	**(17,107)**
Income tax benefit (expense)	**5,573**	**1,482**	**(309)**	**-**	**-**	**6,746**

	Consolidated					
	Airports	**Shopping malls**	**Highways**	**United States of America**	**Others**	**Total**
March 31, 2019:						
Net revenue	88,051	63,845	128,387	82,109	-	362,392
Operating profit (loss) (*)	21,506	3,759	16,207	6,290	(4,542)	43,220
Depreciation and amortization	(13,659)	(8,468)	(6,180)	(8,804)	(13)	(37,124)
Impairment of property, plant and equipment and intangible assets						
Finance income (expense)	(8,402)	(1,651)	(2,585)	(2,973)	188	(15,423)
Income tax benefit (expense)	886	(750)	(406)	1,594	-	1,324

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

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

	Consolidated	
	3/31/2020	**3/31/2019**
Reconciliation of loss for the period:		
Operating profit from reportable segments, excluding the effects of depreciation and amortization	**18,643**	47,762
Operating loss from other segments, excluding the effects of depreciation and amortization	**(4,876)**	(4,542)
	13,767	43,220
Depreciation and amortization	**(27,120)**	(19,902)
Amortization of right of use asset	**(18,944)**	(17,222)
Impairment of intangible assets	**(3,481)**	-
Finance income (expense)	**(17,107)**	(15,423)
Income tax and social contribution	**6,747**	1,324
Loss for the period	**(46,138)**	(8,003)

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

	Consolidated	
	3/31/2020	**12/31/2019**
Shopping malls	**760,764**	898,845
Airports	**840,620**	728,928
Highways	**559,044**	559,039
United States of America	**615,927**	496,088
Subtotal	**2,776,355**	2,682,900
Assets not allocated to the segments	**3,232**	2,750
	2,779,587	2,685,650

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

6. Segment information--Continued

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	
	3/31/2020	**3/31/2019**
Net revenue:		
Brazil	**252,093**	233,471
The Caribbean	**42,267**	46,812
United States of America	**72,282**	82,109
	366,642	362,392

b) Information on major customers

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

7. 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, currency swap derivatives, cash and cash equivalents and financial investments, including issued capital and retained earnings.

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

b) Significant accounting policies

For details on the significant accounting policies and practices adopted, including the criteria used to recognize revenues and expenses for each class of financial assets and financial liabilities, see the individual and consolidated financial statements for the year ended December 31, 2019, disclosed on March 30, 2020.

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

7. Financial instruments--Continued

c) Categories of financial instruments

Management considers that the carrying amounts of financial assets and liabilities recorded at amortized cost in the individual and consolidated interim financial information approximate their fair values, since these are short-term instruments or are instruments indexed to the variation of the CDI for the main financial assets, or indexed to the LIBOR interest rate for the main financial liabilities. The Group conducted swap derivative transactions, which are used only to mitigate the exposure to foreign currency fluctuations of certain borrowings, so that the balance of the capital structure is maintained. The main financial instruments are distributed as follows:

	Carrying amount and fair value			
	Parent		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Financial assets				
Trade receivables and receivables at amortized cost:				
Cash and cash equivalents	**96,852**	140,081	**276,557**	332,806
Currency swap derivatives (item f)	**-**	-	**637**	149
Trade receivables	**18,078**	16,279	**62,227**	64,281
Receivables from related parties	**186,946**	128,285	**2,201**	2,535
	301,876	284,645	**341,622**	399,771

	Carrying amount and fair value			
	Parent		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Financial liabilities				
Financial liabilities recognized at amortized cost:				
Trade payables	**15,369**	14,568	**179,660**	188,097
Borrowings and debentures	**389,845**	395,274	**553,252**	561,672
Payables to related parties	**51,165**	51,059	**-**	3,080
Installment payment of business acquisitions	**-**	-	**47,850**	41,558
	456,379	460,901	**780,762**	794,407

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 assets and 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 interest curves in the twelve-month period ended March 31, 2020. Accordingly, the disclosed balances do not match the balances stated in the balance sheets.

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

7. Financial instruments--Continued

d) Liquidity--Continued

	Weighted average effective interest rate - %	Parent					
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 year s	Over 5 years	Total
March 31, 2020:							
Trade payables	-	(14,851)	(128)	-	-	-	(14,979)
Trade receivables	-	16,198	1,036	227	616	-	18,077
Borrowings and debentures	6.81%	-	(470,358)	-	-	-	(470,358)
Right of use (“lease”)	11.99%	(488)	(1,463)	(3,902)	(12,908)	(1,015)	(19,776)

	Weighted average effective interest rate - %	Consolidated					
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 year s	Over 5 years	Total
March 31, 2020:							
Trade payables	-	(163,092)	(6,398)	(8,117)	(2,053)	-	(179,660)
Trade receivables	-	43,114	5,434	6,045	7,634	-	62,227
Derivative financial instrument of exchange swap (item f)	8.42%	-	-	674	-	-	674
Borrowings and debentures	5.76%	-	(473,907)	(36,900)	(136,909)	-	(647,716)
Right of use (“lease”)	9.06%	(9,644)	(28,932)	(77,153)	(305,938)	(60,841)	(482,508)
Installment payment of business acquisitions	5.75%	-	(2,148)	(13,055)	(36,770)	-	(51,973)

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 a result of such management, expected losses are recorded in ‘Allowance for expected credit losses’, as described in Note 9.

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.

f) Currency risk

As referred to in Note 17, the Group contracted a US dollar-denominated loan plus a spread from 4.05% to 4.81% per year, with a swap instrument classified in Level 2, contracted on the same date and with the same financial institution, exchanging 100% of this debt for the interbank deposit rate (CDI) plus spread from 2.35% to 3.0% per year.

7. Financial instruments--Continued

As of March 31, 2020 and 2019, due to this financial instrument, the following results were obtained:

	3/31/2020	3/31/2019
Notional amount in thousands of US dollars	**4,596**	4,528
Average contracting rate - real - R$	**3.81**	3.87
Notional amount in reais - R$	**17,510**	17,510
Long position (purchased)		
US dollar - US$ thousand - plus interest from 4.05% to 4,81% per year	**637**	108
Short position (sold)		
CDI plus interest from 1.75% to 3.0% per year	**16**	22
Balances at the end of the period	**653**	130

g) Interest rate risk

The Group has loans and debt agreements denominated in U.S. dollars (US$), Colombian pesos (COP) and Brazilian reais (R$), indexed to LIBOR (long-term rate), Colombian Banking Reference Index - IBR and 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 since Management understands there is no significant risk of abrupt fluctuation of these interest rates.

Sensitivity analysis

In order to conduct the sensitivity analysis of the interest rate charged on existing borrowings and other obligations, the Group uses, for a probable scenario, the market rate obtained on Brazilian stock exchanges, and considers a 25% and 50% increase in such rate for Scenarios I and II, respectively. The sensitivity analysis results for a twelve-month period are as follows:

	Consolidated		
	Probable	**Scenario I**	**Scenario II**
Swap (p.a.) - CDI plus interest of 3.1% per year	8.42%	9.78%	11.13%
Estimated charges	148	172	195
Debentures - CDI plus interest from 1.15% to 1.60% per year	6.77%	8.12%	9.48%
Estimated charges	27,138	32,572	38,006
30-day LIBOR plus interest of 1.95% per year	2.87%	3.10%	3.33%
Estimated charges	2,178	6,823	2,526
180-day LIBOR plus interest from 3.40% to 4.05% per year	4.36%	4.60%	4.85%
Estimated charges	2,796	2,951	3,105
IBR (p.a.) plus interest of 3.70% per year	6.85%	7.64%	8.43%
Estimated charges	822	916	1,011

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

7. Financial instruments--Continued

h) Debt-to-equity ratio

	Parent		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Debt (i)	**389,845**	395,274	**553,252**	561,672
Derivative financial instrument of exchange swap	**-**	-	**(637)**	(149)
Installment payment of business acquisitions	**-**	-	**47,850**	41,558
Cash and cash equivalents and financial investments	**(96,852)**	(140,081)	**(276,557)**	(332,806)
Net debt	**292,993**	255,193	**323,908**	270,275
Equity (ii)	**1,230,235**	1,145,106	**1,230,235**	1,145,106
Debt-to-equity ratio	**0.288**	0.223	**0.263**	0.236

(i) Debt is defined as short- and long-term borrowings and debentures, as detailed in Note 17.

(ii) Equity includes the Group's total share capital and reserves, managed as capital.

8. Cash and cash equivalents

	Parent		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Cash	**58**	246	**4,674**	5,705
Banks	**8**	1	**132,514**	108,289
Financial investments	**96,786**	139,834	**139,369**	218,812
	96,852	140,081	**276,557**	332,806

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

				Parent	
Transactions	Average yield	Liquidity	Country	3/31/2020	12/31/2019
Bank deposit certificate	98.5% to 103.0% of CDI	Immediate	Brazil	**96,676**	136,392
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	**110**	3,036
Others	80% to 100% of CDI	Immediate	Brazil	**-**	406
				96,786	139,834

				Consolidated	
Transactions	Average yield	Liquidity	Country	3/31/2020	12/31/2019
Bank deposit certificate	90% to 103.0% of CDI	Immediate	Brazil	**122,863**	180,952
Lease bill	100.2 to 101.5% of CDI	Immediate	Brazil	**-**	13,675
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	**6,418**	6,536
Overnight deposits	7.41 % p.a.	Immediate	Colombia	**-**	11,336
Others	70% to 90% of CDI	Immediate	Brazil	**10,088**	6,313
				139,369	218,812

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

9. Trade receivables

	Parent		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Means of payment (credit and debit cards, and meal tickets)	**256**	686	**4,989**	13,066
Trade receivables	**19,734**	17,882	**37,761**	38,152
Rebates and commercial agreements	**1,858**	1,311	**11,823**	12,871
Trade receivables from franchisees (*)	**-**	-	**24,081**	19,246
Others	**62**	150	**992**	374
	21,910	20,029	**79,646**	84,709
Allowance for expected credit losses	**(3,832)**	(3,750)	**(17,419)**	(19,428)
	18,078	16,279	**62,227**	64,281
Current	**17,377**	15,503	**60,927**	62,905
Noncurrent	**701**	776	**1,300**	1,376
	18,078	16,279	**62,227**	64,281

(*) As from the acquisition of Multi QSR's operations, they include amounts receivable from franchisees of the KFC and Pizza Hut brands, mainly related to franchise fees calculated based on percentages on the 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	
	3/31/2020	12/31/2019
In Brazilian reais - R$	**57,706**	59,270
In US dollars - US$ (*)	**8,262**	11,846
In Mexican pesos - MXN$ (*)	**1,172**	1,006
In Colombian pesos - COP$ (*)	**12,506**	11,587
	79,646	83,709

(*) The foreign currency-denominated balances refer to trade receivables from the corresponding countries of origin; therefore, there are no foreign exchange differences between the recognized revenue and the related receivables disclosed in the statement of profit or loss.

The balance of ‘Trade receivables’ refers mainly to receivables from airlines and franchisees.

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

	Parent		Consolidated	
	3/31/2020	12/31/2019	9/31/2020	12/31/2019
Current	**11,268**	14,593	**42,665**	55,230
Past due:				
Up to 30 days	**6,800**	1,583	**12,785**	6,861
31 to 60 days	**10**	103	**2,953**	5,400
61 to 90 days	**-**		**10,792**	3,479
Over 90 days	**3,832**	3,750	**10,451**	12,739
Allowance for expected credit losses	**(3,832)**	(3,750)	**(17,419)**	(19,428)
	18,078	16,279	**62,227**	64,281

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

9. Trade receivables--Continued

As described in Note 17, the Group pledged receivables from credit and debit card companies as collateral for borrowings. As of March 31, 2020, the balance receivable related to this collateral is R$ 1,473 (R$ 1,829 as of December 31, 2019) in consolidated. The terms and conditions of this transaction include mainly pledging to banks as collateral current and future receivables originating from credit and debit card sales up to the debt limit. This collateral could be enforced by banks in case of default of a borrowing.

Allowance for expected credit losses

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

	Parent		Consolidated	
	3/31/2020	**12/31/2019**	**3/31/2020**	**12/31/2019**
At the beginning of the period/year	**(3,750)**	(3,844)	**(19,428)**	(4,131)
Additions	**(82)**	(6)	**(1,730)**	(173)
Additions due to business combination	**-**	-	**-**	(15,068)
Reversals and write-offs	**-**	100	**3,750**	55
Exchange rate changes	**-**	-	**(11)**	(111)
At the end of the period/year	**(3,832)**	(3,750)	**(17,419)**	(19,428)

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.

10. Inventories

	Parent		Consolidated	
	3/31/2020	**12/31/2019**	**3/31/2020**	**12/31/2019**
Food and beverages	**2,575**	3,138	**25,313**	29,512
Fuel and vehicle accessories	**-**	-	**4,272**	5,834
Nonfood products and souvenirs for resale	**-**	-	**15,324**	9,009
Supplies and fixtures	**1,212**	1,195	**10,820**	9,948
Provision for inventory losses	**(262)**	(303)	**(1,004)**	(1,101)
	3,525	4,030	**54,725**	53,202

As of March 31, 2020, the total cost of inventories sold disclosed in line item ‘Cost of sales and services’ was R$ 8,299 (R$ 9,420 as of March 31, 2019) in parent and R$ 141,951 (R$ 129,016 as of March 31, 2019) in consolidated (see Note 28).

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

11. Taxes recoverable

	Parent		Consolidated	
	3/31/2020	**12/31/2019**	**3/31/2020**	**12/31/2019**
Prepaid income tax and social contribution	**-**	-	**13,099**	11,520
Withholding income tax (IRRF) on financial investments	**5,227**	7,055	**12,943**	13,988
Taxes on revenue (PIS and COFINS)(*)	**12,601**	12,727	**66,493**	63,091
Others	**301**	317	**1,746**	1,661
	18,129	20,099	**94,281**	90,260

(*) During the fourth quarter of 2019 the Company and certain subsidiaries obtained a final and unappealable decision in a joint lawsuit in which it claimed for the right to exclude ICMS from the PIS and COFINS tax bases. The lawsuit was filed in 2015, guaranteeing the right to recognition of the tax credit as from the statutory period in 2010. The amount recorded for this lawsuit was R$ 5,391 in parent, of which R$ 3,397 in principal and R$ 1,993 in monetary restatement and R$18.384 in consolidated, of which R$ 11,567 in principal and R$ 6,817 in monetary restatement.

The offsetting of these credits against other federal taxes will occur as soon as the Company and certain subsidiaries obtain approval in the administrative proceeding with the Federal Revenue Service of Brazil.

12. Investments

The list of the Company's subsidiaries and the variation in investments for the year ended December 31, 2019 are presented in the financial statements for the year then ended, disclosed on March 30, 2020.

Information on subsidiaries

The variation in investments in subsidiaries for the three-month period ended March 31, 2020 is as follows:

	Tob's	**Pimenta Verde and Niad**	**Gas stations**	**IMC USA**	**IMC The Caribbean**	**Multi QSR**	**Total**
Balance as of December 31, 2018	**4,634**	**528,312**	**51,900**	**226,052**	**132,035**	**-**	**942,933**
Share of profit (loss) of investees	**32**	**15,302**	**7,168**	**13,248**	**2,602**	**(4,359)**	**33,993**
Decrease in investment	**-**	**(7,697)**	**(2,660)**	**-**	**-**	**-**	**(10,357)**
Business acquisition	**-**	**-**	**-**	**-**	**-**	**216,883**	**216,883**
Translation adjustments	**-**	**-**	**-**	**9,810**	**7,057**	**-**	**16,867**
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)**	**(20,691)**	**792**	**(18,629)**	**2,666**	**2,238**	**(33,706)**
Amortization of right of use of Master Franquia	**-**	**-**	**-**	**-**	**-**	**(3,279)**	**(3,279)**
Capital increase	**-**	**-**	**-**	**15,357**	**-**	**-**	**15,357**
Translation adjustments	**-**	**-**	**-**	**69,805**	**12,237**	**-**	**82,042**
Balance as of March 31, 2020	**4,584**	**515,226**	**57,200**	**315,643**	**156,597**	**211,483**	**1,260,733**

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 (*)	**624**
Dividends received	**(3,275)**
Translation adjustments of foreign joint venture	**6,167**
Balance as of March 31, 2020	**26,348**

(*) Share of profit (loss) of investees net of the amortization of investment in joint venture incurred in the three-month period ended March 31, 2020 in the amount of R$ 695. The investment is amortized, because the joint venture has a determined finite duration.

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

13. Property, plant and equipment

The activity in property, plant and equipment for the year ended December 31, 2019 is presented in the financial statements for the year then ended, disclosed on March 30, 2020. The activity in the three-month period ended March 31, 2020 is as follows:

	Parent			
	Balance as of 12/31/2019	Additions (*)	Transfers, write-offs and others	Balance as of 3/31/2020
Cost				
Machinery and equipment	25,404	-	195	25,599
Furniture and fixtures	7,908	-	50	7,958
Leasehold improvements	30,129	-	260	30,389
Computers, vehicles and other items	25,863	-	459	26,322
Works and construction in progress	480	1,068	(677)	871
Total cost	89,784	1,068	287	91,139
Depreciation				
Machinery and equipment	(19,067)	(442)	10	(19,499)
Furniture and fixtures	(6,711)	(151)	16	(6,846)
Leasehold improvements	(17,987)	(507)	-	(18,494)
Computers, vehicles and other items	(22,711)	(403)	-	(23,114)
Total depreciation	(66,476)	(1,503)	26	(67,953)
Provision for impairment of assets				
Leasehold improvements	-	(683)	-	(683)
Machinery, equipment and facilities	-	(192)	-	(192)
Computers, vehicles and other items	(408)	-	-	(408)
Total provision	(408)	(875)	-	(1,283)
Total, net	22,900	(1,310)	313	21,903

	Consolidated					
	Balance as of 12/31/2019	Uses	Additions (*)	Transfers, write-offs and others	Effects of exchange differences	Balance as of 3/31/2020
Cost						
Land and buildings	6,161	-	-	(1,504)	208	4,865
Machinery, equipment and facilities	245,739	-	4,872	(19,680)	9,717	240,648
Furniture and fixtures	90,307	-	1,242	(8,371)	9,084	92,262
Leasehold improvements	419,083	-	8,080	(7,254)	44,755	464,664
Computers, vehicles and other items	82,372	-	2,035	50	4,924	89,381
Works and construction in progress	41,641	-	20,437	(5,153)	7,828	64,753
Total cost	885,303	-	36,666	(41,912)	76,516	956,573
Depreciation						
Land and buildings	(3,192)	-	149	-	(139)	(3,182)
Machinery and equipment	(149,887)	-	(4,491)	15,041	(6,615)	(145,952)
Furniture and fixtures	(66,110)	-	(1,735)	4,042	(7,777)	(71,580)
Leasehold improvements	(219,109)	-	(10,554)	9,568	(26,509)	(246,604)
Computers, vehicles and other items	(68,287)	-	(1,307)	7,940	(4,091)	(65,745)
Total depreciation	(506,585)	-	(17,938)	36,591	(45,131)	(533,063)
Provision for impairment of assets						
Machinery and equipment	(2,109)	1,087	(546)	-	-	(1,568)
Furniture and fixtures	(106)	55	-	-	-	(51)
Leasehold improvements	(3,261)	2,130	(2,363)	367	-	(3,127)
Computers, vehicles and other items	(565)	932		(367)	-	0
Total provision	(6,041)	4,204	(2,909)	-	-	(4,746)
Total, net	372,677	4,204	15,819	(5,321)	31,385	418,764

(*) The value of property, plant and equipment additions presented in the cash flow statements reflects what was actually paid over the three-month period ended on 03/31/2020. Thus, in the statements of cash flows, from the additions of property, plant and equipment in the three-month period ended March 31, 2020, the amount of R$ 41 was added in parent and the amount of R$ 5,059 in the consolidated.

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

13. Property, plant and equipment--Continued

	Parent		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Net balances				
Land and buildings	**-**	-	**1,683**	2,969
Machinery and equipment	**5,908**	6,337	**93,128**	93,743
Furniture and fixtures	**1,112**	1,197	**20,631**	24,091
Leasehold rights	**11,212**	12,142	**214,933**	196,713
Computers, vehicles and other items	**2,800**	2,744	**23,636**	13,520
Works and construction in progress	**871**	480	**64,753**	41,641
	21,903	22,900	**418,764**	372,677

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Allocated to cost of sales and services	**1,244**	1,247	**14,303**	12,772
Allocated to general and administrative expenses	**259**	306	**5,273**	2,058
Total depreciation expenses	**1,503**	1,553	**19,576**	14,830
PIS and COFINS credits on depreciation (*)	**(164)**	(155)	**(740)**	(607)
Total depreciation expenses, net of tax credits	**1,339**	1,398	**18,836**	14,223

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

14. Intangible assets

The activity in intangible assets for the year ended December 31, 2019 is presented in the financial statements for the year then ended, disclosed on March 30, 2020. The activity in the three-month period ended March 31, 2020 is as follows:

	Parent			
	Balance as of 12/31/2019	Additions (*)	Transfers, write-offs and others	Balance as of 3/31/2020
Cost:				
Goodwill	91,790	**-**	**-**	**91,790**
Software	21,326	**-**	**8,329**	**29,655**
Rights over trademarks	4,100	**-**	**-**	**4,100**
Commercial rights	30,748	**-**	**-**	**30,748**
Licensing rights	70,130	**-**	**-**	**70,130**
Leasehold rights	25,532	**-**	**-**	**25,532**
Intangibles in progress	7,173	**1,192**	**(8,329)**	**36**
Total cost	250,799	**1,192**	**-**	**251,991**
Amortization:				
Software	(17,143)	**(508)**	**-**	**(17,651)**
Commercial rights	(19,256)	**(799)**	**-**	**(20,055)**
Licensing rights	(63,495)	**(1,153)**	**-**	**(64,648)**
Leasehold rights	(25,203)	**(329)**	**-**	**(25,532)**
Total amortization	(125,097)	**(2,789)**	**-**	**(127,886)**
Provision for impairment of assets				
Rights over trademarks	(2,537)	-	-	**(2,537)**
	(2,537)	-	-	**(2,537)**
Total, net	123,165	**(1,597)**	**-**	**121,568**

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

14. Intangible assets--Continued

	Consolidated					
	Balance as of 12/31/2019	Uses	Additions (*)	Transfers, write-offs, and others	Effects of exchange differences	Balance as of 3/31/2020
Cost						
Goodwill	864,833	-	-	-	58,254	923,087
Software	37,490	-	512	6,413	176	44,591
Rights over trademarks	66,919	-	-	553	938	68,410
Commercial rights	118,898	-	1,051	1,689	1,324	119,584
Licensing rights	394,137	-	76	1,253	3,864	399,330
Right over trademarks and exploitation of franchises	7,670	-	-	-	-	7,670
Leasehold rights	27,536	-	-	184	190	27,910
Non-compete agreements	3,880	-	-	- 523	147	3,504
Intangibles in progress and other assets	7,909	-	1,235	(8,288)	35	891
Total cost	1,529,272	-	2,874	(2,097)	64,928	1,594,977
Amortization:						
Software	(29,478)	-	(764)	1,351	(120)	(29,011)
Commercial rights	(67,412)	-	(2,503)	267	(1,088)	(70,736)
Licensing rights	(95,114)	-	(4,789)	-	(3,320)	(103,223)
Leasehold rights	(25,204)	-	(329)	-	-	(25,533)
Non-compete agreements	(3,232)	-	-	-	701	(2,531)
Intangibles in progress and other assets	(620)	-	-	-	(28)	(648)
Total amortization	(221,060)	-	(8,385)	1,618	(3,855)	(231,682)
Provision for impairment of assets						
Software	(497)	8	(5)	-	-	(494)
Rights over trademarks	(7,351)	-	-	-	-	(7,351)
Commercial rights	(6)	374	(567)	-	-	(199)
Licensing rights	(17)	-	-	-	-	(17)
Total cost	(7,871)	382	(572)	-	-	(8,061)
	1,300,341	382	(6,083)	(479)	61,073	1,355,234

	Parent		Consolidated	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Net balances				
Goodwill (a)	**91,790**	91,790	**923,087**	864,833
Software	**12,004**	4,183	**15,086**	7,515
Rights over trademarks (b)	**1,563**	1,563	**61,059**	59,568
Commercial rights (c)	**10,693**	11,492	**48,649**	51,480
Licensing rights (d)	**5,482**	6,635	**296,090**	298,590
Right over trademarks and exploitation of franchises	**-**	-	**7,670**	7,670
Non-compete agreements	**-**	329	**973**	2,332
Leasehold rights (e)	**-**	-	**2,377**	1,064
Intangibles in progress and other assets	**36**	7,173	**243**	7,289
	121,568	123,165	**1,355,234**	1,300,340

Amortization charges on other intangible assets are recognized in line item ‘General and administrative expenses’, in the statement of profit or loss.

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

14. Intangible assets--Continued

Main intangible assets

a) *Goodwill*

Allocation of goodwill to cash-generating units

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

- Shopping malls - Brazil: fast food in restaurant chains and coffee shops located in shopping malls in Brazil and provision of services to franchisees of the KFC and Pizza Hut brands, after the acquisition of MultiQSR operations..
- Shopping malls - the Caribbean (Panama and Colombia): fast food in restaurant chains and coffee shops located in shopping malls in the Caribbean.
- Airports - Brazil: meals served in restaurants and coffee shops, and airline catering and other related services in Brazil.
- Airports - the Caribbean (Panama and Colombia): meals served in restaurants and coffee shops, and airline catering and other related services in the Caribbean.
- Highways - Brazil: food courts in service stations and restaurant chains located along highways, and sale of vehicle fuel.
- United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.

a) *Goodwill*--Continued

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

	Consolidated	
	3/31/2020	**12/31/2019**
Brazil:		
Shopping malls	**347,607**	347,607
Airports	**91,790**	91,790
Highways	**206,187**	206,187
	645,584	645,584
The Caribbean:		
Shopping malls	**1,116**	1,068
Airports	**21,393**	20,476
	22,509	21,544
United States of America		
	254,994	197,705
	923,087	864,833

b) *Rights over trademarks*

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

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

14. Intangible assets--Continued

Main intangible assets--Continued

c) *Commercial rights*

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

d) *Rights over trademarks and exploitation of franchises.*

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. As of March 31, 2020, Management concluded there are no indications that any of the cash-generating units is impaired.

15. 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 three-month period ended March 31, 2020 is as follows:

a) Changes in the right-of-use asset

	Parent			
	Real estate	**Machinery and equipment**	**Vehicles**	**Total**
Balance as of 12/31/2019	15,158	1,066	34	16,258
(-) Accumulated depreciation	**(987)**	**(75)**	**(30)**	**(1,092)**
(+) Additions	**1,446**	**114**	**6**	**1,566**
Balance as of 3/31/2020	**15,617**	**1,105**	**10**	**16,732**

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

15. Right of use and lease liabilities ("right-of-use")—Continued

a) Changes in the right-of-use asset--Continued

	Consolidated			
	Real estate	**Machinery and equipment**	**Vehicles**	**Total**
Balance as of 12/31/2019	383,942	1,066	34	385,042
(-) Accumulated depreciation	**(18,839)**	**(75)**	**(30)**	**(18,944)**
(+) Additions	**39,100**	**114**	**6**	**39,220**
(-) Write-offs	**(12,434)**	**-**	**-**	**(12,434)**
(+) Exchange rate changes	**25,002**	**-**	**-**	**25,002**
Balance as of 3/31/2020	**416,771**	**1,105**	**10**	**417,886**

b) Change in the lease liability ("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	**423**	**32**	**1**	**456**
(-) Principal paid	**(1,041)**	**(53)**	**(2)**	**(1,096)**
(-) Interest paid	**(103)**	**(43)**	**(2)**	**(148)**
(+) Additions	**1,292**	**114**	**6**	**1,412**
Balance as of 3/31/2020	**16,452**	**1,169**	**39**	**17,658**
Current	**4,935**	**278**	**13**	**5,226**
Noncurrent	**11,516**	**891**	**26**	**12,432**

	Consolidated			
	Real estate	**Machinery and equipment**	**Vehicles**	**Total**
Balance as of 12/31/2019	400,067	1,119	36	401,222
(+) Interest	**8,607**	**32**	**1**	**8,640**
(-) Principal paid	**(21,193)**	**(53)**	**(2)**	**(21,248)**
(-) Interest paid	**(3,123)**	**(43)**	**(2)**	**(3,168)**
(+) Additions	**39,100**	**114**	**6**	**39,220**
(-) Write-offs	**(12,434)**	**-**	**-**	**(12,434)**
(+) Exchange rate changes	**27,417**	**-**	**-**	**27,417**
Balance as of 3/31/2020	**438,441**	**1,169**	**40**	**439,649**
Current	**103,048**	**278**	**14**	**103,339**
Noncurrent	**335,393**	**891**	**26**	**336,310**

c) Schedule of the right-of-use liabilities ("lease") recognized in noncurrent liabilities

Year	**Parent**	**Consolidated**
9 months of 2021	3,942	89,129
2022	3,296	78,481
2023	3,557	109,601
2024	1,065	56,666
Over 5 years	572	2,433
	12,432	**336,310**

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

15. Right of use and lease liabilities ("lease")—Continued

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

As of March 31, 2020, payments made by the Company relating to short-term lease contracts and low value assets totaled R$ 2,783 (R$ 2,146 as of March 31, 2019), payments for contracts with variable value totaled R$ 14,580 (R$ 15,811 as of March 31, 2019).

e) Additional information:

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

	Inflation to be projected per year	Average contract term
Brazil operations	3.30%	5 years
International operations		
United States of America	1.54%	6 years
Panama	1.54%	5 years
Colombia	3.71%	3 years

16. Trade payables

	Parent		Consolidated	
	3/31/2020	**12/31/2019**	**3/31/2020**	**12/31/2019**
Product suppliers	**8,817**	9,143	**115,398**	110,220
Service providers	**6,309**	4,980	**61,828**	74,949
Suppliers - others	**243**	445	**2,434**	2,928
	15,369	14,568	**179,660**	**188,097**

17. Borrowings and debentures

	Financial charges	Maturity	Parent		Consolidated	
			3/31/2020	12/31/2019	**3/31/2020**	12/31/2019
CCB international - Swap - Brazil (a)	CDI + spread of 3.1% p.a.	Quarterly up to 9/14/20	**-**	-	**2,330**	2,634
Bank Credit Note - CCB – United States of America (b)	LIBOR + spread of 1.95% p.a.	Monthly until 11/21/2023	**-**	-	**75,965**	62,958
Bank Credit Note – CCB – The Caribbean (c)	180-day LIBOR (or IBR 6-months) + spread from 3.4% to 3.7% p.a.	Semi-annual up to 10/12/2022	**-**	-	**76,067**	60,280
Debentures 1st Series (d)	CDI + spread from 1,15% p.a.	Annual until 03/15/2024	**124,771**	127,273	**124,771**	127,273
Debentures 2nd Series (d)	CDI + spread from 1,60% p.a.	Annual until 3/15/2026	**123,655**	127,426	**123,655**	127,426
Single series issuance (e)	CDI + spread from 1,30% p.a.	Annual until 9/10/2025	**151,058**	152,949	**151,058**	152,949
Costs to be recognized			**(9,825)**	(13,623)	**(9,825)**	(13,623)
Others			**186**	1,249	**9,231**	41,775
			389,845	395,274	**553,252**	561,672

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

17. Borrowings and debentures--Continued

Classified as:

	Parent		Consolidated	
	3/31/2020	**12/31/2019**	**3/31/2020**	**12/31/2019**
Current:				
Foreign currency-denominated borrowings	**-**	-	**7,982**	35,530
Local currency-denominated borrowings (R$)	**389,845**	7,485	**435,956**	47,672
	389,845	7,485	**443,938**	83,202
Noncurrent:				
Foreign currency-denominated borrowings	**-**	-	**104,425**	87,708
Local currency-denominated borrowings (R$)	**-**	387,789	**4,889**	390,762
	-	387,789	**109,314**	478,470

Guarantees and commitments

(a) US dollar denominated borrowing subject to 4.05% interest p.a. plus exchange fluctuation. This loan is backed by the co-obligated guarantors represented by certain subsidiaries of the Company, a swap collateral assignment and liens on debit and credit rights arising from sales made by the Company's subsidiaries using debit and credit cards. The agreement contains certain covenants that require the compliance with the net debt-to-EBITDA ratio and the debt service coverage ratio, annually calculated based on the financial statements. As of March 31, 2020, the Group was compliant with these covenants.

The Group conducts swap transactions to exchange US dollar-denominated payables at fixed rates for the Brazilian real (R$) pegged to 100% of the CDI plus spread of 3.1% per year. The Group conducts swap transactions with the same counterparty. These transactions are classified as derivatives, as described in Note 7.e.

(b) Borrowing raised in US dollars - US$ with annual floating interest rate determined by bank of 1.95% above the daily Libor of the month. The borrowing is guaranteed by the parent company International Meal Company Alimentação S.A. and has certain covenants calculated based on the financial statements. As of March 31, 2019,the Group was compliant with these covenants.

(c) Borrowings payable in 10 semiannual installments beginning March 2018 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. As of March 31, 2019, the Group was compliant with these covenants.

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

17. Borrowings and debentures--Continued

Guarantees and commitments--Continued

(d) 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 (surcharge) of 1.15% per year, with maturity in 2024, with interest paid semiannually until the due date for the first series, and 1.60% per year, 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. At March 31, 2020, the Company reclassified all debentures to current liabilities in compliance with the provisions of CPC 26 (R1) Presentation of Financial Statements since it was in the process of negotiating the amendment to the debenture indentures with the debenture holders, due to the impacts of COVID-19 on its operations. At a general meeting of debenture holders suspended on May 13, 2020 and resumed and concluded on May 27, 2020, the amendment to the debenture indentures was decided about that, among other topics, as detailed in note 33 – Events After the Reporting Period, suspends the measurement of financial ratios as at March 31, 2020.

(e) 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 unit par value of R$ 1,000.00, 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 (surcharge) of 1.30% per year, 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. At March 31, 2020, the Company reclassified all debentures to current liabilities in compliance with the provisions of CPC 26 (R1) Presentation of Financial Statements since it was in the process of negotiating the amendment to the debenture indentures with the debenture holders, due to the impacts of COVID-19 on its operations. At a general meeting of debenture holders suspended on May 13, 2020 and resumed and concluded on May 27, 2020, the amendment to the debenture indentures was decided about that, among other topics, as detailed in note 33 – Events After the Reporting Period, suspends the measurement of financial ratios as at March 31, 2020.

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

	Consolidated
9 months of 2021	**8,627**
2022	**59,305**
2023	**27,840**
2024 and thereafter	**13,542**
	109,314

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

18. Installment payment of business acquisitions

	Consolidated	
	3/31/2020	12/31/2019
Business acquisitions in Brazil	**9,150**	9,864
Business acquisitions in other countries (5.75% p.a.)	**38,700**	31,694
	47,850	41,558
Current	**13,413**	6,394
Noncurrent	**34,437**	35,164

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

	Consolidated
2021	**7,021**
2022	**9,715**
2023	**7,562**
2024 and thereafter	**10,139**
	34,437

19. 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	
	3/31/2020	12/31/2019	3/31/2020	12/31/2019
Labor and social security (a)	**5,622**	6,190	**10,692**	12,084
Civil (b)	**395**	619	**2,559**	2,512
Tax (c)	**-**	-	**49**	36
Business combination – business acquisitions (d)	**-**	-	**42,057**	43,043
Business combination – PPA allocation (d)	**-**	-	**27,006**	27,006
	6,018	6,809	**82,363**	84,680

(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 five (5) years were on average approximately 13% 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.

(d) The balance arises from the business combination with Multi QSR (Note 5).

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

19. Provision for labor, civil and tax risks--Continued

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$ 5,009 in Parent and 30,389 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 Comercial Frango Assado (merged into Pimenta Verde in August 2017) in November 2012, relating to the requirement of PIS and COFINS tax credit for the period from January to December 2009. The amount involved is R$ 6,254. The lawsuit is under discussion at the administrative level.

As of March 31, 2020, the Group has a total exposure related to labor lawsuits in the amount of R$ 43,887 (R$ 31,423 as of December 31, 2019) in Parent and R$ 89,421 (R$ 87,023 as of December 31, 2019) in Consolidated, and of this amount R$ 36,330 (R$ 10,083 as of December 31, 2019) refers to lawsuits for which the likelihood of loss was assessed as possible in Parent and R$ 17,185 (R$ 28,857 as of December 31, 2019) in Consolidated.

The Group uses the average percentage of approximately 13% applied to the total amount of exposure when recognizing a provision.

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, 2018	3,880	-	924	4,804
Additions	666	-	18	684
Uses	(843)	-	-	(843)
Balance as of March 31, 2019	3,703	-	942	4,645
Balance as of December 31, 2019	**6,190**	**-**	**619**	**6,809**
Additions	**214**	**-**	**2**	**216**
Uses*	**(782)**	**-**	**(225)**	**(1,007)**
Balance as of March 31, 2020	**5,622**	**-**	**396**	**6,018**

	Consolidated			
	Labor and social security	**Tax**	**Civil**	**Total**
Balance as of December 31, 2018	10,956	-	1,944	12,900
Additions	1,391	-	69	1,460
Reversals	-	-	(10)	(10)
Uses	(2,173)	-	-	(2,173)
Exchange rate changes	-	-	(106)	(106)
Balance as of March 31, 2019	10,174	-	1,897	12,071
Balance as of December 31, 2019	12,084	35	2,512	14,631
Purchase price allocation (PPA)	6,663	19,365	978	27,006
Additions by business combination	31,916	8,869	2,258	43,043
Balance as of December 31, 2019	50,663	28,269	5,748	84,680
Additions	**1,569**	**14**	**47**	**1,630**
Uses*	**(3,966)**	**-**	**(235)**	**(4,201)**
Exchange rate changes	**-**	**-**	**254**	**254**
Balance as of March 31, 2020	**48,266**	**28,283**	**5,814**	**82,363**

(*) The uses of the provision for labor risks in the three-month period ended March 31, 2020 plus the net variation of the provision for agreements and installment payment of labor lawsuits totaled R$ 1,007 in Parent and R$ 4,201 in Consolidated.

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

19. Provision for labor, civil and tax risks--Continued

Business combination

(i) Labor and social security

Labor and social security risks arising mainly from: a) employment relationship with uni-professional legal entities paid through issuance of invoice and (ii) salary supplement through incentive card. The risks were identified and determined in due diligence and the practice was suspended after the conclusion of the business combination.

(ii) Tax

Tax risks arising mainly from: (a) non-payment of Tax on Financial Transactions (IOF) on loans with related parties and (ii) limit on the deductibility of royalties remitted abroad. The risks were identified and determined in due diligence and the practice was suspended after the conclusion of the business combination.

(iii) Civil

Risks of different nature identified in due diligence.

20. 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 earnings, as per the prevailing tax law.

As of March 31, 2020 and December 31, 2019, deferred income tax and social contribution is as follows:

	Parent	
	3/31/2020	**12/31/2019**
Tax loss carryforwards	**10,299**	5,081
Temporary differences:		
Provision for labor, civil and tax risks	**1,913**	2,315
Provision for disposal of assets	**436**	139
Deferred income tax liability on amortization of goodwill of companies acquired	**(41,299)**	(40,768)
Deferred tax liability arising from fair value allocation of business combinations	**-**	(643)
Adjustments from standard IFRS 16	**368**	67
Accrued liabilities and others	**7,713**	7,950
	(20,570)	(25,859)
Assets	**-**	-
Liabilities	**(20,570)**	(25,859)

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

20. Income tax and social contribution--Continued

a) Deferred income tax and social contribution--Continued

	Consolidated	
	3/31/2020	**12/31/2019**
Tax loss carryforwards	**105,242**	101,212
Temporary differences:		
Provision for labor, civil and tax risks	**6,361**	6,039
Provision for disposal of assets	**1,832**	2,231
Accrued liabilities	**9,505**	9,409
Asset appreciation and difference between accounting and tax law depreciation rates	**18,712**	20,074
Deferred income tax liability on amortization of goodwill of companies acquired and merged and/or derived from fair value allocation of business combinations	**(199,519)**	(196,418)
Adjustments from standard IFRS 16	**1,445**	1,154
Other temporary differences	**4,981**	(3,693)
	(51,441)	(59,992)
Assets	**21,707**	17,509
Liabilities	**(73,148)**	(77,502)
	(51,441)	(59,992)

In accordance with CPC 32, the Company, 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. The carrying amount of the deferred tax asset and liability is reviewed quarterly and the projections are reviewed annually.

b) Realization of deferred income tax and social contribution

Based on the history of realization of assets and liabilities that gave rise to the balance of deferred income tax and social contribution, as well as the projected profit or loss for the next years, the realization schedule was estimated as follows:

	Parent	**Consolidated**
Year		
Up to 1 year	860	5,529
From 1 to 2 years	4,007	25,749
From 2 to 3 years	4,383	28,163
From 3 to 5 years	4,847	31,141
From 5 to 7 years	5,379	34,566
From 7 to 10 years	2,569	16,504
	22,045	**141,652**

As of March 31, 2020, the Group has tax loss carryforwards amounting to R$ 324,714 (R$ 297,682 as of December 31, 2019) for which it recognized deferred taxes and the amount of R$ 88,590 (R$ 80,437 as of December 31, 2019) for which no deferred taxes were recognized since until that date there were no projections of future taxable income to confirm their realization.

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

20. Income tax and social contribution--Continued

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

	Parent	
	3/31/2020	**3/31/2019**
Profit (loss) before income tax and social contribution	**(52,246)**	(9,334)
Statutory tax rate	34%	34%
Income tax and social contribution at statutory rate	**17,764**	3,174
Adjustments made:		
Permanent differences (*)	**(633)**	(1,012)
Share of profit (loss) of investees	**(6,794)**	(1)
Deferred income tax credits on tax loss carryforwards not recognized	**(1,968)**	(2,349)
Other permanent differences	**(2,261)**	1,519
Income tax and social contribution	**6,108**	1,331
Current	**-**	-
Deferred	**6,108**	1,331
	6,108	1,331

	Consolidated	
	3/31/2020	**3/31/2019**
Loss before income tax and social contribution	**(54,884)**	(9,327)
Statutory tax rate	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	**17,981**	3,171
Adjustments made:		
Permanent differences (*)	**373**	(753)
Effect on differences of statutory tax rates of foreign subsidiaries	**(243)**	983
Deferred income tax credits on tax loss carryforwards not recognized	**(10,393)**	(4,458)
Others	**(972)**	2,381
Income tax and social contribution	**6,746**	1,324
Current	**(911)**	(986)
Deferred	**7,657**	2,310
	6,746	1,324

(*) Include: (a) expenses on foreign subsidiaries' nondeductible depreciation or amortization expenses; (b) share of profit (loss) of investees expenses; (c) other nondeductible expenses; and (d) stock options.

21. Equity

a) Capital

The Company is authorized to increase capital by up to 40,584,077 common shares without par value.

As of March 31, 2020, the Company's capital comprises 195,919,530 shares (195,919,530 as of December 31, 2019) that represent an amount of R$ 786,065 (R$ 786,065 as of December 31, 2019).

At the Extraordinary General Meeting held on October 4, 2018, the Company's Board of Directors approved the reduction of the Company's issued capital by R$ 100,000, without reduction in the number of shares, which was carried out on February 8, 2019.

21. **Equity**--Continued

a) Capital--Continued

At the Extraordinary General Meeting held on August 28, 2019, the Company's capital increase resulting from the Incorporation of Shares of MultiQSR was approved (see note 1b), in the amount of R$ 9,784 (nine million, seven hundred and eighty-four thousand), through the issuance of 29,387,930 (twenty-nine million, three hundred and eighty-seven thousand, nine hundred and thirty) registered common shares without par value, therefore, the Company's capital is now divided into 195,919,530 (one hundred and ninety-five million, nine hundred and nineteen thousand, five hundred and thirty) registered common shares without par value.

A capital reserve of R$ 207,099 was recognized, which corresponds to the difference between the amount of the capital increase mentioned above and the amount attributed to the consideration paid (R$ 216,883) for the acquisition of MultiQSR, based on the market value of the Company's shares at October 31, 2019.

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 November 7, 2019, Company's Board of Directors approved a "share buyback program" effective through November 7, 2020 (inclusive) and for a volume of up to 4,911,436 (four million, nine hundred and eleven thousand and four hundred and thirty-six) common shares with the objective of increasing shareholder value generation.

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.

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

21. Equity--Continued

c) Treasury shares--Continued

The activity in treasury shares in the three-month period ended March 31, 2020 was as follows:

	Number of shares	Amount	Average price per share - R$
Balance as of December 31, 2019	6,790,600	40,917	6.03
(-) Treasury shares sold	(5,800,000)	(34,974)	6.03
(-) Stock options exercised	(65,000)	(392)	6.03
Balance as of March 31, 2020	**925,600**	**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.

22. 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.

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.

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

22. Share-based payment plan--Continued

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

The options will be exercised through the issuance of new shares and/or 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 capital. Different from Stock Option Plan - 2015, under this plan, the beneficiaries may exercise the vested options within a maximum period of six 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.

The position of the granted options outstanding as of March 31, 2020 is as follows:

Exercise of grant	Number of shares				Fair value of the option (1)	Exercise price (1)	
	Granted	Not exercised due to withdrawal (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	4.90
2016	3,900,000	(1,067,000)	(2,733,000)	100,000	2.19	4.00	4.67
2017	4,050,000	(1,791,250)	(1,405,000)	853,750	3.19	6.56	7.66
2018	100,000	-	-	100,000	1.95	6.75	6.75
2019	350,000	-	-	350,000	3.02	6.00	6.00
	11,100,000	**(4,366,250)**	**(5,330,000)**	**1,403,750**			
Stock Option Plan - 2017							
2017	4,300,000	(990,000)	-	3,310,000	2.99	7.47	8.41
2018	900,000	(20,000)	(25,000)	855,000	1.98	6.37	6.51
	5,200,000	**(1,010,000)**	**(25,000)**	**4,165,000**			
Stock Option Plan - 2019							
2019	3,550,000	(250,000)	-	3,300,000	3.04	7.57	7.93
	3,550,000	**(250,000)**	**-**	**3,300,000**			
	19,850,000	**(5,626,250)**	**(5,355,000)**	**8,868,750**			

(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.

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

22. Share-based payment plan--Continued

The activity in granted options outstanding for the three-month period ended March 31, 2020 is as follows:

	Stock Option Plan - 2015	Stock Option Plan - 2017	Stock Option Plan - 2019	Total
Number of options outstanding as of December 31, 2019	1,473,750	4,390,000	3,500,000	9,363,750
(-) Not exercised due to withdrawal / expired				
2019 grant	-	-	(200,000)	(200,000)
2017 grant	(30,000)	(200,000)	-	(230,000)
(-) Exercised				
2017 grant	(40,000)	(25,000)	-	(65,000)
Number of options outstanding as of March 31, 2020	**1,403,750**	**4,165,000**	**3,300,000**	**8,868,750**

The fair value of the options was calculated on the grant date of each plan and 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	As of 12/31/2019	Appropriated to the results in 2020	As of 3/31/2020	Amounts to be recorded in future periods (1)
Stock Option Plan - 2015				
2015	5,659	-	5,659	-
2016	6,207	7	6,213	-
2017	6,939	85	7,024	182
2018	88	14	101	94
2019	279	102	382	674
	19,172	208	19,379	950
Stock Option Plan - 2017				
2017	7,641	472	8,115	1,780
2018	784	135	921	820
	8,425	607	9,036	2,600
Stock Option Plan - 2019				
2019	1,340	1,012	2,348	7,685
	1,340	1,012	2,348	7,685
Total	28,937	1,827	30,763	11,235

(1) The weighted average of the remaining contractual period is of 12.6 months.

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

22. 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)	**2.6 years**
Volatility (2)	**41.9%**
Risk-free rate (3)	**5.0%**

(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.

23. Net revenue

	Parent		
Disaggregated revenue	Catering	Retail	Total
Gross revenue	**29,344**	**6,913**	**36,257**
Taxes on sales	**(2,908)**	**(645)**	**(3,553)**
Returns and rebates	**(70)**	**(24)**	**(94)**
Net revenue as of March 31, 2020	**26,366**	**6,244**	**32,610**
Gross revenue	30,279	8,782	39,061
Taxes on sales	(2,826)	(651)	(3,477)
Returns and rebates	1,027	(17)	1,010
Net revenue as of March 31, 2019	28,480	8,114	36,594

	Consolidated			
Disaggregated revenue	Franchisees	Catering	Retail	Total
Gross revenue	**9,054**	**43,127**	**344,353**	**396,534**
Taxes on sales	**(1,380)**	**(3,694)**	**(16,680)**	**(21,754)**
Returns and rebates	**-**	**(68)**	**(8,070)**	**(8,138)**
Net revenue as of March 31, 2020	**7,674**	**39,365**	**319,603**	**366,642**
Gross revenue	-	45,312	341,220	386,532
Taxes on sales	-	(3,733)	(13,158)	(16,891)
Returns and rebates	-	1,026	(8,275)	(7,249)
Net revenue as of March 31, 2019	-	42,605	319,787	362,392

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

24. Selling and operating expenses

	Parent		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Payroll	(1,821)	(1,703)	(3,186)	(2,991)
Publicity and advertising	(49)	(82)	(9,184)	(5,588)
Variable rental expenses	(1,864)	(1,742)	(14,580)	(15,811)
Third party services	(320)	(540)	(9,112)	(7,345)
Credit and debit card fees	(80)	(69)	(4,057)	(4,597)
Royalties	-	-	(7,096)	(4,948)
Maintenance	(13)	(12)	(4,080)	(3,832)
Logistics	(250)	(219)	(2,222)	(1,315)
Communication infrastructure	(100)	(80)	(763)	(751)
Fees and charges	(121)	(91)	(3,709)	(3,271)
Other expenses	(206)	(223)	512	(3,566)
	(4,824)	(4,761)	(57,477)	(54,015)

25. General and administrative expenses

	Parent		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Payroll	(8,415)	(10,495)	(19,080)	(15,864)
Office rental	(28)	(60)	-	(340)
Third party services	(2,654)	(2,227)	(6,239)	(4,116)
Travel expenses	(181)	(186)	(811)	(619)
Maintenance and utilities	(466)	(628)	(937)	(1,055)
Share-based payments	(1,826)	(600)	(1,826)	(600)
Store launchings	-	-	(3,314)	(829)
Expense recovery – apportionment among related parties	8,098	8,084	-	-
Expenses related to association agreement	-	(411)	-	(854)
Other expenses	(827)	(1,689)	(2,973)	(2,035)
	(6,299)	(8,212)	(35,180)	(26,312)

26. Other operating income (expenses), net

	Parent		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Other expenses:				
Loss on sale and/or write-off of fixed assets	-	-	(62)	-
Provision for labor, civil and tax risks, net of reversals	(215)	(683)	(796)	(1,450)
Costs with closure of stores	-	-	(684)	(160)
Organizational restructuring	(1,631)	-	(4,603)	-
Other expenses	(98)	(56)		(699)
	(1,944)	(739)	(6,145)	(2,309)
Other income:				
Rebates and commercial agreements	3	127	2,624	708
Gain on sales of fixed assets and commercial rights	-	-	823	-
Recovery of tax credits	-	435	5,849	876
Other revenues	-	1	2,155	17
	3	563	11,451	1,601
Total, net	(1,941)	(176)	5,306	(708)

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

27. Finance income (expense), net

	Parent		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Finance income:				
Income from financial investments	**1,290**	1,204	**1,879**	1,833
Inflation adjustment gains	**31**	-	**90**	1,555
Other finance income	**-**	-	**-**	24
	1,321	1,204	**1,969**	3,412
Finance expense:				
Interest on borrowings	**(5,533)**	(3,714)	**(7,182)**	(6,177)
Transaction cost amortization	**(560)**	(1,529)	**(560)**	(1,529)
Interest on business acquisitions	**-**	-	**(409)**	(441)
Exchange losses	**(131)**	(15)	**(16)**	-
Interest on lease liability (“right of use”)	**(456)**	(456)	**(8,640)**	(8,977)
Inflation adjustment, interest and banking fees	**(6)**	(400)	**(1,243)**	(709)
Other finance expenses	**(77)**	(739)	**(1,026)**	(1,002)
	(6,763)	(6,154)	**(19,076)**	(18,835)
Total, net	**(5,442)**	(4,950)	**(17,107)**	(15,423)

28. Expenses by nature

	Parent		Consolidated	
	3/31/2020	3/31/2019	3/31/2020	3/31/2019
Inventory costs	**(8,299)**	(9,420)	**(141,951)**	(129,016)
Royalty costs	**-**	-	**(5,259)**	-
Personnel expenses	**(24,568)**	(25,386)	**(125,903)**	(115,781)
Selling expenses	**(49)**	(82)	**(9,184)**	(5,588)
Third party services	**(2,974)**	(2,768)	**(15,409)**	(11,533)
Operating expenses	**(5,273)**	(5,530)	**(53,250)**	(50,645)
Depreciation and amortization	**(7,406)**	(4,179)	**(26,425)**	(19,313)
Amortization - right of use	**(936)**	(926)	**(18,944)**	(17,222)
Expense recovery – related parties	**8,098**	8,084	**-**	-
Impairment of assets	**(876)**	-	**(3,481)**	-
Share of profit (loss) of investees	**(33,706)**	1,982	**1,319**	3,108
Amortization – Investment “joint Venture”	**-**	-	**(695)**	(589)
Other expenses	**(1,484)**	(2,577)	**(8,543)**	(9,009)
	(77,473)	(40,802)	**(407,725)**	(355,588)
Classified as:				
Cost of sales and services	**(24,642)**	(25,920)	**(281,145)**	(253,987)
Selling and operating expenses	**(4,824)**	(4,761)	**(57,477)**	(54,015)
General and administrative expenses	**(6,299)**	(8,212)	**(35,180)**	(26,312)
Depreciation and amortization	**(6,190)**	(2,965)	**(12,122)**	(6,571)
Depreciation of right of use	**(936)**	(926)	**(18,944)**	(17,222)
Impairment of assets	**(876)**	-	**(3,481)**	-
Share of profit (loss) of investees	**(33,706)**	1,982	**624**	2,519
	(77,473)	(40,802)	**(407,725)**	(355,588)

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

29. 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 in Brazil, and there are no comparable conditions in the market.

In addition, in view of the Master Franchise agreement between KSR Master and PHSR Master, the Company is entitled to receive a monthly service fee for the franchisee management activities in the country. For this service, the Company receives a monthly revenue equivalent to 1% 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 at March 31, 2020:

	KSR Master	**PHSR Master**	**Inventure**	**PHSR Gestão**	**Miller**	**Barão Geraldo**	**Chácara Primavera**
Liabilities							
Royalties payable	**3,069**	**3,005**	**1,885**	**431**	**562**	**15**	**90**
Profit or loss							
Royalty expenses	**-**	**-**	**1,848**	**417**	**339**	**-**	**-**

b) Shared expenses

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	
	3/31/2020	3/31/2019
Reimbursement of expenses		
Viena Chain	**6,990**	6,999
Frango Assado Chain	**1,108**	1,085
	8,098	8,084

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

29. Related parties--Continued

c) *Purchase and sale transactions:*

The Company and its subsidiaries conduct trading transactions, mainly purchases and sales, carried out under usual market conditions and prices, when any.

Sales transactions:

	Parent	
	3/31/2020	12/31/2019
Viena Chain	**5,783**	5,657
Frango Assado	**198**	213
	5,981	5,870

d) *Other transactions*

With the full integration of operations with its subsidiaries, the Company carries out transactions involving transfers of funds and balances in checking accounts. Outstanding balances are as follows:

Assets

	Parent		Consolidated	
	3/31/2020	12/31/2019	**3/31/2020**	12/31/2019
Viena Chain	**109,723**	81,023	**-**	-
Frango Assado	**6,801**	6,485	**-**	-
MultiQSR	**70,423**	40,777	**-**	-
BRS Gestão	**-**	-	**698**	698
TBB Gestão	**-**	-	**1,378**	1,715
WW Holding	**-**	-	**125**	122
	186,947	128,285	**2,201**	2,535

Liabilities

	Parent		Consolidated	
	3/31/2020	12/31/2019	**3/31/2020**	12/31/2019
Tobs	**420**	611	**-**	-
Panamá	**50,745**	50,448	**-**	-
TBB Gestão	**-**	-	**85**	494
WW Holding	**-**	-	**2,700**	2,586
	51,165	51,059	**2,785**	3,080

The guarantees provided by Group companies for own or related-party financing are disclosed in Note 16.

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

30. Compensation of key management personnel

For the three-month period ended March 31, 2020, key management compensation totaled R$ 4,237 (R$ 4,762 as of March 31, 2019) in Parent and Consolidated, including the amount of R$ 1,549 (R$ 492 as of March 31, 2019) 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.

31. 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 March 31, 2020, insurance coverage is as follows:

	Consolidated
Civil liability	**54,139**
Sundry risks - inventories and property, plant and equipment	**622,734**
Vehicles	**67,584**
Others	**6,879**
	751,336

32. Earnings (loss) per share

<u>Basic</u>

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

<u>Diluted</u>

Diluted earnings (loss) per share are calculated by adjusting the weighted average number of outstanding common shares, considering the conversion of all potential common shares that would result in dilution.

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

	Parent and Consolidated	
	3/31/2020	**3/31/2019**
Basic and diluted numerator		
Profit (loss) for the period attributable to Company's shareholders used to calculate total basic and diluted earnings (loss) per share	**(46,138)**	(8,003)
Outstanding shares:		
Basic and diluted denominator (thousands of shares)	**195,920**	160,826
Weighted average number of stock options granted	**-**	4,221
Weighted average number of available shares	**195,920**	165,047
Basic earnings (loss) per share - R$	**(0.23549)**	(0.04976)
Diluted earnings (loss) per share - R$	**(0.23549)**	(0.04976)

33. Events after the reporting period

General meeting of debenture holders

On May 27, 2020, the General Meeting of Debenture Holders (1st and 2nd issue), which had been suspended on May 13, 2020, was resumed and decided the following:

(i) Suspension of verification of the Financial Ratio based on the reviewed consolidated quarterly financial information (ITRs) as at March 31, June 30 and September 30, 2020 and March 31 and June 30, 2021; and on the audited annual consolidated financial statements as at December 31, 2020;

(ii) That the measurement of the Financial Ratio as from September 30, 2021, should comply with the following ratios: (a) for September 30, 2021: 7.5x; (b) for December 31, 2021: 5.0x; and (c) as from March 31, 2022: 3.0x;

(iii) Change in the remuneration rate as from May 30, 2020, as follows:

- 1st issue of debentures, 1st series: from CDI + 1.15% p.a. to CDI + 4.85% p.a.;
- 1st issue of debentures, 2nd series: from CDI + 1.60% p.a. to CDI + 5.30% p.a.;
- 2nd issue, single series: from CDI + 1.30% p.a. to CDI + 5.00% p.a.

(iv) Creation of an event of incorporation of the Remuneration to the Nominal Unit Value of the debentures, to be carried out on May 30, 2020, calculated on a pro rata temporis basis considering Business Days elapsed, from the Remuneration Payment Date immediately before, until the Date of Incorporation;

(v) Incorporation of the Remuneration payment installments originally scheduled to occur in September 2020, March 2021 and September 2021, under the terms of the debenture indenture, at the unit nominal value of each series;

(vi) Authorization for the Issuer to carry out the Total Optional Early Redemption of the Debentures at any time, upon payment of a premium corresponding to 0.45% (point forty-five percent) per year, on a pro rata temporis basis, considering 252 (two hundred and fifty-two) Business Days, as well as the number of Business Days to elapse between the date of the Early Redemption of the Debentures and the Maturity Date of the respective series,

(vii) Inclusion of new Events of Default and Accelerated Maturity, which will be applicable exclusively in the period from July 1, 2020 to December 31, 2021; namely, (a) Limitation, on an individual or aggregate basis, of up to R$ 90 million for investments in capital goods (CAPEX) for expansion, also this amount may be increased by an equivalent amount if there is a respective capital increase in the Company; (b) Minimum cash level to be maintained of R$ 30 million; and (iii) Prohibition of capital reduction, repurchase of shares and distribution and/or payment of dividends (excepting minimum mandatory dividends).

33. Events after the reporting period--Continued

Paycheck Protection Program (PPP)

On April 27, 2020, the United States government launched a financial aid program for American companies called the *Paycheck Protection Program* (PPP), which consists of helping companies keep their workforce employed during the COVID-19 crisis .

Entities affected by COVID-19 may be eligible for the program and comply with the premises below:

(i) be a small business;

(ii) any company or non-profit organization with more than 500 employees; and

(iii) any company with NAICS code starting with 72 (accommodation and food services) that has more than one physical location and more than 500 employees

The loan will be fully forgiven if the funds are used for payroll costs, mortgage interest, rent and utilities (at least 75% of the amount forgiven must have been used for payroll costs). Loan payments will also be postponed for six months. No collateral or personal guarantees are required. Neither the government nor the creditors will charge fees to small businesses.

All loans granted under the program will be deferred for a period of six months, but interest will continue to accrue during the deferral period. Any portion of the loan that is not converted into a concession will have an annual interest rate of 1% with a maximum term of 2 years.

IMCMV Holdings, Inc applied for a loan for 22 of its stores (subsidiaries) represented by a total of 1,751 employees. Loan applications totaled $ 11 million. All loans were approved on May 6, 2020, and the funds went into the cash of the subsidiaries until May 12, 2020.

IMCMV Holdings, Inc applied for 22 individual loans represented by a total of 1,751 employees. The loan request summarized the amount of USD 10.9M, the amounts were approved on April 28, 2020 and USD 5.3M were released on May 0, 2020. The difference is expected to be released by May 1, 2020.

34. Authorization of the individual and consolidated interim financial information

At the meeting held on May 29, 2020, the Board of Directors approved and authorized for issue this individual and consolidated interim financial information.

Comments on the business projections

There are no comments to be reported

Other relevant information

There is no relevant information to be disclosure.

Opinion of the supervisory board or equivalent institute

Not applicable

Opinion of Executive Board on the Financial Statements

In accordance with section VI of article 25 of CVM Instruction 480, of December 7, 2009, the Board states that in the reviewed, discussed and agreed with the Company's Interim Financial Information Form (ITR), for the year-end March 31, 2020.

São Paulo, May 29, 2020.

Newton Maia Salomão Alves
Chief Executive Officer

Maristela Aprecida do Nascimento
Chief Financial Officer

Opinion of Executive Board on Independent Auditor's Report

In accordance with section V of article 25 of CVM Instruction 480, of December 7, 2009, the Board states that in the reviewed, discussed and agreed with the Independent Auditors' Report on the Company's Interim Financial Information Form (ITR), for the year-end March 31, 2020.

São Paulo, May 29, 2020.

Newton Maia Salomão Alves
Chief Executive Officer

Maristela Aparecida do Nacimento
Chief Financial Officer