

**Individual and Consolidated
Interim Financial Information**

**International Meal Company
Alimentação S.A.**

June 30, 2020
with Independent Auditor's Report

MESSAGE FROM MANAGEMENT

The second quarter of 2020 encompassed the most challenging period in the history of IMC as a company. We started the period with stores being closed, reducing the team, 100% of the headquarters employees at home-office and a huge challenge, of minimizing the drop in sales over the counter with the delivery service, following strict hygiene protocols.

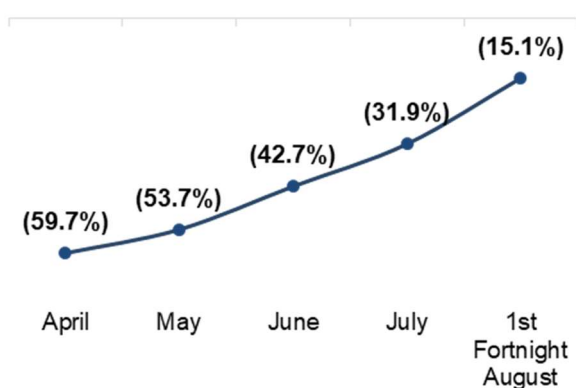
Since the beginning of the pandemic, we have focused on (i) preserving the health of our employees and customers; (ii) minimize expenses and strengthen the company's cash; and (iii) preparing for the resumption of our operations in a new scenario.

During the quarter, while we were adjusting our cost and expense structure to a lower level of sales, and preparing for an eventual reopening of our operations, we also (a) renegotiated our debts; (b) we applied to the Paycheck Protection Program - PPP in the USA, which increased local cash by approximately USD 11,7 million to pay salaries and rent; and (c) we carried out a stock offering, which resulted in the addition of approximately R\$ 372 million to IMC's cash position in July.

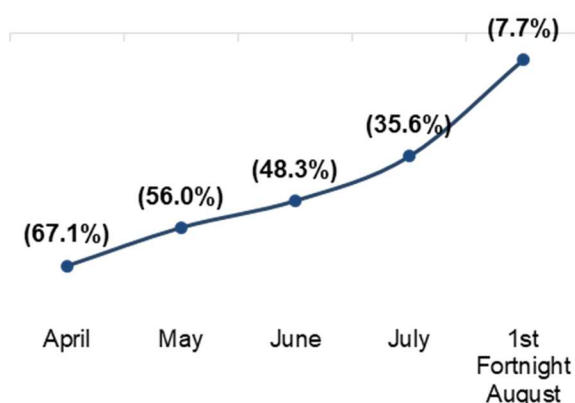
Resumption in sales of major brands

We ended August and continued with the pandemic scenario and strict hygiene protocols, preserving the health of employees and customers. However, we are already experiencing a period of cooling in restrictions, which contributes to the recovery in sales. In our main brands, the first half of August shows the best performance in same store sales of operations in the last months. It is worth mentioning that the sales performance reflects only the stores that were open every day in the highlighted months.

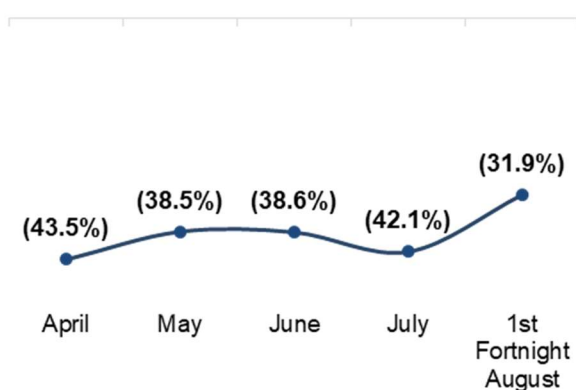
Frango Assado - Same Store Sales



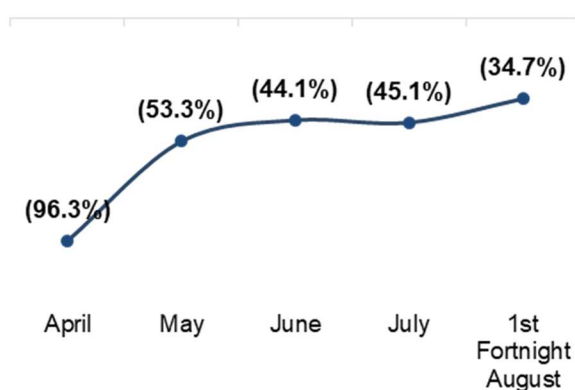
KFC - Same Store Sales



Pizza Hut - Same Store Sales



USA - Same Store Sales in US\$



Same Store Sales include only stores that were open throughout the month
Source: IMC

The depreciation of the Real against the dollar also contributed to a positive impact on the performance of same store sales in the consolidated number, which improves from -37.2% in the first fortnight of August to a negative 28.0% when converted to Real.

Same Store Sales in Constant Currency

Same Store Sales in R\$

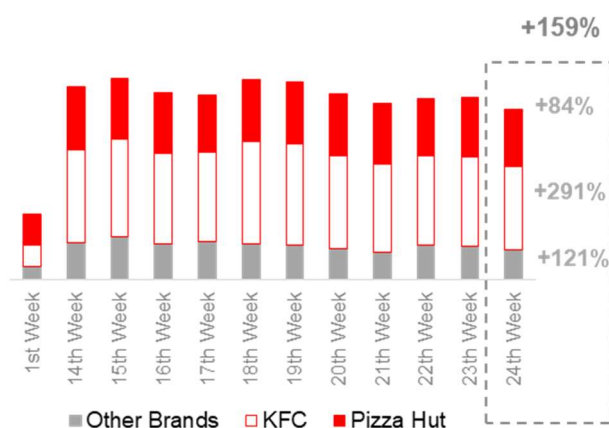
Constant Currency	2Q20	July	1st Fortnight August	R\$	2Q20	July	1st Fortnight August
Frango Assado	(52.1%)	(31.9%)	(15.1%)	Frango Assado	(52.1%)	(31.9%)	(15.1%)
Airports	(91.7%)	(83.3%)	(78.6%)	Airports	(91.7%)	(83.3%)	(78.6%)
PH, KFC and Others	(59.8%)	(47.7%)	(43.0%)	PH, KFC and Others	(59.8%)	(47.7%)	(43.0%)
Pizza Hut	(40.2%)	(42.1%)	(31.9%)	Pizza Hut	(40.2%)	(42.1%)	(31.9%)
KFC	(58.6%)	(35.6%)	(7.7%)	KFC	(58.6%)	(35.6%)	(7.7%)
Brazil Pro Forma	(59.8%)	(43.2%)	(33.4%)	Brazil Pro Forma	(59.8%)	(43.2%)	(33.4%)
USA	(58.8%)	(45.1%)	(34.7%)	USA	(47.8%)	(23.2%)	(12.8%)
Caribbean	(93.2%)	(90.7%)	(85.2%)	Caribbean	(92.9%)	(86.6%)	(80.7%)
IMC Pro Forma	(93.1%)	(46.6%)	(37.2%)	IMC Pro Forma	(63.0%)	(39.6%)	(28.0%)

Keeping high levels of sales in delivery, even with the partial resumption of over-the-counter operations

We continue to move forward with sales through the various delivery channels, which maintained the stability in the volume even after the resumption of sales over the counter. Additionally, Pizza Hut's small box project (focused only on delivery and to-go) will be launched in Alphaville later this year, the project has a reduced store size and will only work in periods of higher demand. As for our own apps, we already have Pizza Hut, which should receive a new update soon, the KFC one is already in the final stage of development for launch and we will have a Frango Assado app focused on bus drivers that will work as a CRM- Customer Relationship Management.

Delivery channel kept high level os sales, which in the 24th week multiplied by 2.6x vs the 1st week

(Delivery Brazil Revenue by Channel)



Other brands: Viena, Olive Garden, Batata Inglesa and Frango Assado
 1st Week (1st to 7th March) 24th Week (9th to 15th August)
 Source: IMC

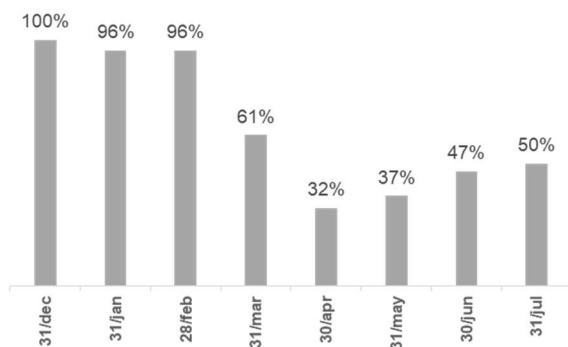
Continuous focus on mitigating expense

We continue to have a reduced staff, which reached 50% in July/20 compared to December/19. The US government's "Paycheck Protection Program" PPP was the main impact of rehiring in recent months, given that the program finances the payroll. In Brazil, some employees returned from contract suspension (we continued with the staff reduced by 59% vs Dez/20) and, in the Caribbean, with the airports still closed, we continued with the team reduced by 85% vs Dez/20.

Additionally, we see potential efficiency gains in the post-pandemic, with the readjustment of staff, simplification of the menu and training via the Zoom software

We continue with the reduced team ...

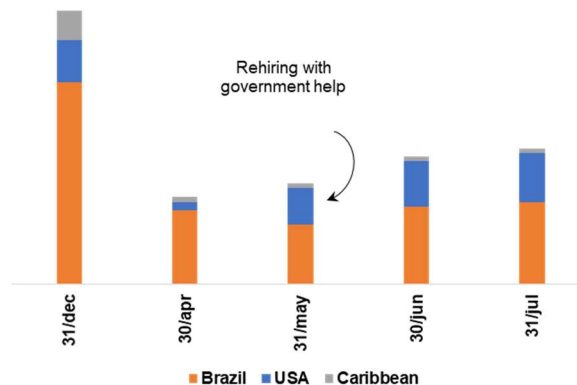
(Active Employees* at Consolidated IMC vs. Dec / 2019)



* Active employees = (Employee base Dec / 2019 - layoffs in the period - contract suspensions in the period)
Source: IMC

... with "PPP" assistance from the US government impacting the increase in staff

(Number of employees by region)



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

Share Offering promoting the expansion strategy of the main brands

At the end of July, we carried out a primary follow-on offering totaling approximately R\$ 372 million, net of advisors' compensation, with the issue of approximately 90.4 million shares. The offer, in addition to strengthening the balance sheet of the IMC, places the company in a privileged position for the post-pandemic, since in addition to having valuable brands, in fragmented markets and with good performance, competition will be reduced and availability of well-located points will be relevant. We expect to use 50% of funds to expand new stores of Frango Assado, KFC and Pizza Hut, 30% for the acquisition of franchisees and 20% for working capital. It should be noted that, in the last few months due to the pandemic, we added 3 KFC stores to our base, which were franchisees and we are negotiating with 4 more.

Brand Opportunity



Valuable brands globally

Relevant in the road segment in Brazil

Top 3

Top 7

Fragmented Market in Brazil

~1,100 gas stations only in SP state¹

Fast Food Chicken still in its infancy

Top 2 with ~1% market share¹

Brands with solid pre-covid performance (SSS Jan-Feb)

+ 8.9%

+ 13.8%

+ 4.7%

Source: Geofusion and market share of the leading company in the respective sector

Pandemic Opportunities

- Reduction in the number of competitors
- Availability of well located points

Update

Within our businesses today we have:

- **Frango Assado:** 25 Frango Assado stores open normally and with Pizza Hut stores operating. The increase in highway traffic is an important point in the recovery of revenue.
- **Airports:** Our 5 catering companies continue to operate, given that the airports are open, but air traffic is still reduced. Evolution in the number of flights is happening monthly.
- **Pizza Hut, KFC and Others:** Expectation to proceed with the opening of stores as soon as the malls expand the opening hours. We continued with 70 open KFCs (24 owned), 197 open Pizza Hut (30 owned) and 42 own stores from other open brands. In addition, we have moved forward with the Pizza Hut frozen dough project in our central kitchen.
- **USA:** We have 23 stores open (we opened a store in Miami's Bayside) but still with capacity restrictions and reduced hours.
- **Caribbean:** Panama Airport scheduled to reopen on September, 22th 2020 and Colombia expected to reopen on September, 1st 2020.

Moving on to the performance of 2Q20, Same Store Sales (SSS) in consolidated constant currency for the quarter fell 63.0%, with total net revenue reaching R\$ 150.6 million (-62.5% vs 2Q19) and gross profit of R\$ 14.9 million (9.9% margin, -22.5 p.p. y/y).

As for operating performance, adjusted EBITDA in Brazil was negative by R\$ 46.4 million (vs. +R\$ 17.0 million in 2Q19). The Frango Assado segment had a negative adjusted operating result of R\$ 7.2 million (vs. +R\$ 14.2 million in 2Q19). In the Pizza Hut, KFC and Others segment, the adjusted operating result was a negative R\$ 16.0 million (vs. +R\$ 5.9 million in 2Q19). Finally, in the Airports segment, the adjusted operating result was a negative R\$ 5.7 million, (vs. +R\$ 11.1 million in 2Q19).

In the USA, our restaurants Margaritaville and LandShark recorded a 58.8% drop in same-store sales in dollars, with a positive adjusted EBITDA of US\$ 3.7 million (vs. US\$ 6.6 million in 2Q19). Despite the drop in sales with the closure of stores in the period, the Paycheck Protection Program - "PPP" of the American government focused on the payment of wages and rents minimized the impacts on revenue.

In the Caribbean, in constant currency, the adjusted EBITDA margin was +0.3% (vs +35.2% in 2Q19) with adjusted EBITDA close to zero vs. R\$ 16.5 million in 2Q19. The suspension of employee contracts and rents negotiations mitigated the effects of the closure of the airports, which caused our SSS in the period to decrease by 93.2% in constant currency.

As a result, Adjusted EBITDA reached a negative R\$ 27.0 million (vs. +R\$ 59.4 million last year) and a net loss of R\$ 382.8 million (vs. a net profit of R\$ 0,7 million in 2Q19), due to: (i) write-off (wnon-cash effect) due to impairment, mainly, of the goodwill generated in the acquisitions of the operations of Viena, Batata Inglesa and Aeroportos in Brazil, given the reduction of the recoverable value of these assets with the definitive closing of stores and changes in the prospects of these businesses, in addition to the change in the discount rate of the calculation, in the amount of R \$ 324 million; and (ii) expenses incurred / provisions for losses as a result of the pandemic in the total amount of R\$ 65.6 million.

We move on to the second half of 2020, attentive to the news and protocols to ensure everyone's safety, confident in the return of sales despite the challenges that still impact us, and ready to resume activities within normal parameters as restrictions are being applied. raised.

The administration

Covid-19

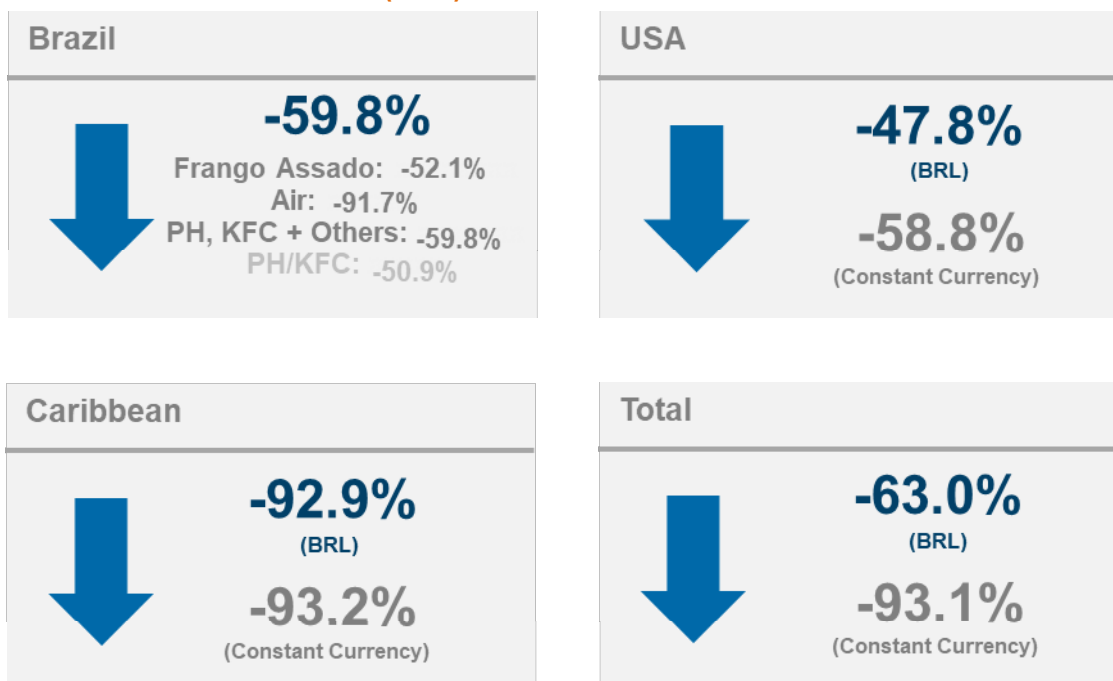
Status of Operations on August 17, 2020

On August 17, we had 383 stores in the system open (170 owned stores), of which 273 had delivery (100 in their own).

Updated on August, 17	Total Stores	Open (#)	Open with delivery	Closed
Total IMC	487	383	273	104
Own	233	170	100	63
Franchises	254	213	173	41
Brazil Total Stores	427	346	239	81
Own	173	133	66	40
Franchises	254	213	173	41
PH	233	197	150	36
PH Equity	34	30	20	4
PH Franchisee	199	167	130	32
KFC	94	70	64	24
KFC Equity	39	24	21	15
KFC Franchisee	55	46	43	9
Others	51	42	25	9
Airport	24	12	0	12
Frango Assado	25	25	0	0
United States	23	23	20	0
Caribbean	45	15	14	30

COMMENTS ON IMC PERFORMANCE (2Q20 vs 2Q19)

SALES IN THE SAME STORES (SSS) PRO FORMA



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. The index was formed exclusively by the sales of stores that were open during 2Q20.

In 2Q20, consolidated same stores sales decreased by 63.0% in reais and 93.1% in constant currency.

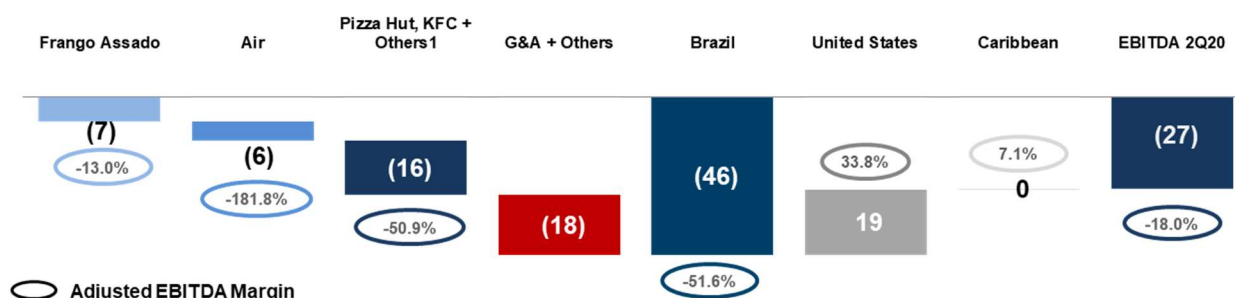
In Brazil, Frango Assado decreased by 52.1% in 2Q20, reflecting the partial closure of restaurants and the drop in the traffic of light vehicles on highways, which was partially mitigated by fuel sales at gas stations. Same store sales in the Airports segment decreased 91.7%, reflecting the 88.7% drop in the number of flights at the 5 airports where we operate. In the Pizza Hut, KFC and Others segment, the drop was 59.8%, impacted by the temporary closure of malls and stores. Only the Pizza Hut and KFC brands decreased by 50.9% in the period.

In the USA, same store sales decreased by 47.8% in reais and decreased by 58.8% in US dollars, also reflecting the impacts of COVID-19 and the temporary closure of stores.

The Caribbean ended 2Q20 with same-store sales reduced by 92.9% in reais, down 93.2% in constant currency, reflecting the closure of airports.

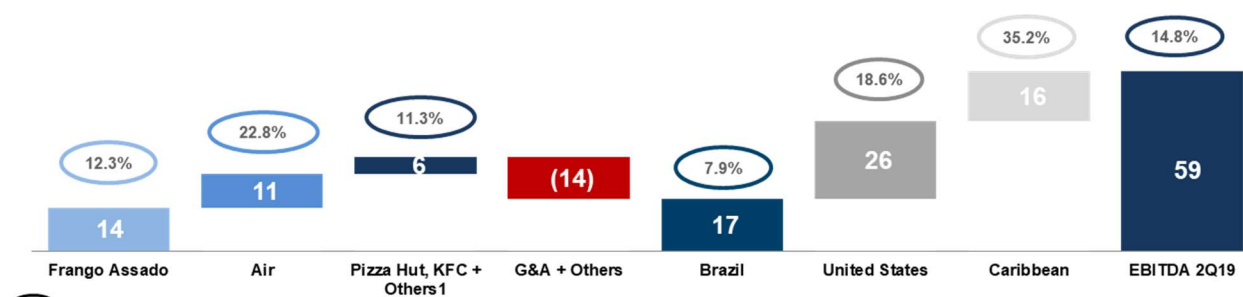
2Q20 ADJUSTED EBITDA EVOLUTION

Bridge ADJUSTED EBITDA 2Q20



○ Adjusted EBITDA Margin

Bridge ADJUSTED EBITDA 2Q19



○ Adjusted EBITDA Margin

In 2Q20, IMC's adjusted EBITDA was negative by ~R\$ 27 million impact due to the effects of COVID-19 on our operations vs. a positive EBITDA of ~ R\$ 59 million last year.

In Brazil, adjusted EBITDA was a negative R\$ 46 million. The adjusted operating result of Frango Assado reached a negative ~R\$ 7 million, the Airports segment presented an adjusted operating result of negative ~R\$ 6 million and the adjusted operating result of the Pizza Hut, KFC and Others segment was a negative ~R\$ 16 million .

In the USA, adjusted EBITDA totaled ~R\$ 19 million positive, compared to ~R\$ 26 million in 2Q19. In dollars, the adjusted EBITDA of the operation was US\$ ~4 million vs. US\$ ~7 million last year.

In the Caribbean, adjusted EBITDA was close to zero vs. R\$ 16 million in the same period of 2019.

CONSOLIDATED RESULTS

(in R\$ million)	1Q20	1Q19	YoY	1Q20 ²	YoY ²	06M20	06M19	A/A	06M20 ²	A/A ²
Net Revenues	150.6	401.9	(62.5%)	134.6	(66.5%)	517.2	764.3	(32.3%)	486.2	(36.4%)
COGS	(135.7)	(271.8)	(50.1%)	(127.2)	(53.2%)	(416.8)	(525.8)	(20.7%)	(398.5)	(24.2%)
Gross Profit	14.9	130.1	(88.5%)	7.4	(94.3%)	100.4	238.5	(57.9%)	87.7	(63.2%)
Gross Profit	9.9%	32.4%	-2247bps	5.5%	-2690bps	19.4%	31.2%	-1179bps	18.0%	-1318bps
Operating Expenses ¹	(87.8)	(107.5)	(18.3%)	(80.6)	(25.1%)	(195.7)	(206.9)	(5.4%)	(181.2)	(12.4%)
(+) Special Items - Other	258.4	(5.2)	(5111.5%)	268.6	(5310.9%)	255.3	(7.2)	(3621.0%)	265.5	(3762.8%)
(+) Special Items - Impairment	(324.0)	0.0	0.0%	(324.0)	(100.0%)	(327.4)	0.0	0.0%	(327.4)	0.0%
(+) Store Pre-Openings	(1.0)	0.4	(353.7%)	(1.0)	(336.1%)	(4.4)	(0.4)	931.2%	(4.2)	892.3%
EBIT	(139.6)	17.8	na	(129.5)	na	(171.9)	23.9	na	(159.6)	na
(+) Depreciation & Amortization	(45.9)	(36.8)	24.7%	(41.0)	11.4%	(92.0)	(73.9)	24.4%	(84.8)	14.7%
EBITDA	(93.7)	54.6	na	(88.5)	na	(79.9)	97.8	na	(74.9)	na
EBITDA Margin	-62.2%	13.6%	-7579bps	-65.8%	-7934bps	-15.4%	12.8%	-2825bps	-15.4%	-2820bps
(+) Special Items - Other	(258.4)	5.2	(5111.5%)	(268.6)	(5310.9%)	(255.3)	7.2	(3621.0%)	(265.5)	(3762.8%)
(+) Special Items - Impairment	324.0	0.0	0.0%	324.0	0.0%	327.4	0.0	0.0%	327.4	0.0%
(+) Store Pre-Openings	1.0	(0.4)	(353.7%)	1.0	(336.1%)	4.4	0.4	931.2%	4.2	892.3%
Adjusted EBITDA	(27.0)	59.4	na	(32.2)	na	(3.4)	105.5	na	(8.8)	na
Adjusted EBITDA Margin	-18.0%	14.8%	-3273bps	-23.9%	-3871bps	-0.6%	13.8%	-1445bps	-1.8%	-1561bps

¹Before special items and pre-opening expenses; ² In constant currency from the previous year.

The information in the table above is presented in reais and in constant currency (using the exchange rate of 2Q19 to convert 2Q20 results), in order to eliminate the effect of exchange rate variation. **The comments below also refer to 2Q20 figures in constant currency.**

Consolidated adjusted EBITDA was negative by R\$ 32.2 million, compared to a positive R\$ 59.4 million in 2Q19, with a margin of -23.9%. The temporary closure of stores in the period, due to the pandemic of COVID-19, was the main factor that impacted the results. Revenue decreased by 66.5% compared to last year.

In the semester, EBITDA reached a negative R\$ 8.8 million, with a margin of -1.8%. The performance of 1Q20 until February/20 (pre-pandemic) mitigated the impacts of COVID-19 from March/20.

RESULTS BY GEOGRAPHIC REGION

	Brazil	USA	Caribbean	Consolidated	Brazil	USA	Caribbean	Consolidated	YoY
(in R\$ million)	2Q20	2Q20	2Q20	2Q20	2Q19	2Q19	2Q19	2Q19	
Net Revenue	89.9	56.4	4.3	150.6	216.4	138.7	46.8	401.9	(62.5%)
COGS	(104.6)	(26.9)	(4.2)	(135.7)	(170.9)	(79.1)	(21.8)	(271.8)	(50.1%)
Gross Profit	(14.7)	29.5	0.1	14.9	45.5	59.6	25.0	130.1	(88.5%)
Gross Profit	-16.4%	52.3%	3.0%	9.9%	21.0%	43.0%	53.4%	32.4%	-2,247bps
Operating Expenses ¹	(58.5)	(22.4)	(7.0)	(87.8)	(50.4)	(42.4)	(14.8)	(107.5)	(18.3%)
(+) Depreciation & Amortization	26.8	11.9	7.2	45.9	21.9	8.6	6.3	36.8	24.7%
Special Items - Other	0.0	0.0	0.0	258.4	0.0	0.0	0.0	(5.2)	(5111.5%)
Special Items - Other	0.0	0.0	0.0	(324.0)	0.0	0.0	0.0	0.0	-
Store Pre-Openings	(0.8)	(0.2)	(0.0)	(1.0)	0.5	(0.0)	(0.1)	0.4	(353.7%)
EBITDA	(47.2)	18.9	0.3	(93.7)	17.6	25.8	16.4	54.6	na
EBITDA Margin	-52.6%	33.5%	6.7%	-62.2%	8.1%	18.6%	34.9%	13.6%	na
(+) Special Items				(258.4)				5.2	(5111.5%)
				324.0				0.0	0.0%
(+) Store Pre-Openings				1.0				(0.4)	
Adjusted EBITDA				(27.0)				59.4	na
Adjusted EBITDA Margin				-18.0%				14.8%	na

¹Before special items and pre-opening expenses

RESULTS OF OPERATIONS IN BRAZIL

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenues	89.9	216.4	(58.5%)	342.0	449.9	(24.0%)
COGS	(104.6)	(170.9)	(38.8%)	(311.4)	(349.2)	(10.8%)
Gross Profit	(14.7)	45.5	(132.4%)	30.6	100.7	(69.6%)
<i>Gross Profit</i>	<i>-16.4%</i>	<i>21.0%</i>	<i>-3743bps</i>	<i>8.9%</i>	<i>22.4%</i>	<i>-1344bps</i>
Operating Expenses ¹	(58.5)	(50.4)	16.1%	(121.0)	(103.0)	13.8%
(+) Depreciation & Amortization	26.8	21.9	22.3%	56.6	44.1	28.3%
Store Pre-Openings	(0.8)	0.5	(24.1%)	34.3	29.8	-15.2%
EBITDA	(47.2)	17.6	(368.7%)	(90.4)	(2.3)	3769.2%
(+) Store Pre-Openings	0.8	(0.5)	253.0%	3.7	0.2	-2115.7%
Adjusted EBITDA	(46.4)	17.0	na	(30.1)	41.6	(172.2%)
<i>Adjusted EBITDA Margin</i>	<i>-51.6%</i>	<i>7.9%</i>	<i>-5952bps</i>	<i>-8.8%</i>	<i>9.3%</i>	<i>-1805bps</i>

¹Before special items and expenses with pre-opening stores

In Brazil, adjusted EBITDA in 2Q20 was negative by R\$ 46.4 million, with a positive margin of -51.6% vs R\$ 17.0 million in 2Q19 and a margin of 7.9%. The main factors for this performance are related to the COVID-19 pandemic due to: i) reduction in the opening hours of the Frango Assado stores and decrease in light vehicles on the highways, ii) reduction in flight traffic at airports and iii) temporary closure of shopping malls.

In the first half, Brazil's operations had a negative EBITDA of R\$ 30.1 million, with a margin of -8.8% vs a positive R\$ 41.6 million in 2H19 and a margin of 9.3%.

RESULTS OF OPERATIONS IN BRAZIL - FRANGO ASSADO

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenues	55.3	115.3	(52.1%)	177.9	243.7	(27.0%)
Restaurants & Others	16.7	55.3	(69.8%)	75.0	122.7	(38.9%)
Gas Stations	38.6	60.0	(35.7%)	102.9	121.0	(15.0%)
COGS	(61.9)	(97.3)	(36.4%)	(170.1)	(200.2)	(15.1%)
Gross Profit	(6.6)	18.0	(136.9%)	7.8	43.5	(82.1%)
<i>Gross Profit</i>	<i>-12.0%</i>	<i>15.6%</i>	<i>-2762bps</i>	<i>4.4%</i>	<i>17.8%</i>	<i>-1347bps</i>
Operating Expenses ¹	(7.4)	(9.9)	(25.0%)	(18.5)	(20.5)	(9.7%)
Store Pre-Openings	0.0	0.8	(100.0%)	(0.1)	0.9	na
EBIT	(14.1)	8.9	(258.5%)	(10.8)	23.8	(145.5%)
(+) Depreciation & Amortization	6.9	6.1	13.1%	14.2	12.3	16.1%
(+) Store Pre-Openings	0.0	(0.8)	100.0%	0.1	(0.9)	na
Adjusted Operating Income	(7.2)	14.2	(150.7%)	3.5	35.2	(90.1%)
<i>Adjusted Operating Margin</i>	<i>-13.0%</i>	<i>12.3%</i>	<i>-2530bps</i>	<i>1.9%</i>	<i>14.4%</i>	<i>-1249bps</i>

¹Before special items and expenses with pre-opening stores

The adjusted operating result in Frango Assado reached a negative R\$ 7.2 million, with a margin of -13.0% vs a positive R\$ 14.2 million in 2Q19, with a margin of 12.3%.

Net Revenue totaled R\$ 55.3 million, representing a reduction of 52.1% in relation to the same period of the previous year, mainly impacted by the COVID-19 pandemic and the reduction in the number of light vehicles on the highways. Traffic of light vehicles on highways, weighted by revenue from our restaurants, decreased by 46.1% in the period compared to 2019. Our strategy to focus on truck at our gas stations helped to minimize the impact of lower light vehicle traffic.

In the semester, the segment reached an operating profit of R\$ 3.5 million vs R\$ 35.2 million in the same period of 2019, with a +1.9% margin in 1H20 (+ 14.4% in 1H19).

RESULTS OF OPERATIONS IN BRAZIL - AIRPORTS

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenues	3.1	49.2	(93.7%)	48.9	102.1	(52.1%)
COGS	(7.7)	(34.1)	(77.5%)	(40.8)	(69.6)	(41.3%)
Gross Profit	(4.5)	15.2	(129.9%)	8.1	32.5	(75.1%)
Gross Profit	-145.3%	30.8%	-1761bps	16.5%	31.8%	-1529bps
Operating Expenses ¹	(13.0)	(13.9)	(6.6%)	(30.6)	(28.0)	9.2%
Store Pre-Openings	0.0	(0.1)	0.0%	(0.0)	(0.1)	0.0%
EBIT	(17.5)	1.3	(1479.3%)	(22.5)	4.5	(594.6%)
(+) Depreciation & Amortization	11.8	9.8	20.3%	24.9	19.7	26.1%
(+) Store Pre-Openings	(0.0)	0.1	0.0%	0.0	0.1	0.0%
Adjusted Operating Income	(5.7)	11.2	(151.5%)	2.4	24.4	(90.0%)
Adjusted Operating Margin	-181.8%	22.8%	-20452bps	4.9%	23.9%	-1893bps

¹Before special items and expenses with pre-opening stores

In the quarter, the adjusted operating result of the Airports segment totaled a negative R\$ 5.7 million (vs. a positive R\$ 11.2 million in 2Q19). The main impact in the quarter was due to the reduction in the number of flights (-88.7% in the period) at the airports where we operate, which, due to the COVID-19 pandemic, caused our revenue to decrease by 93, 7%.

In the semester, the operating result was positive by R\$ 2.4 million (+R\$ 24.4 million in 1H19) with a margin of 4.9% (vs. +23.9% last year).

RESULTS OF OPERATIONS IN BRAZIL - PIZZA HUT, KFC AND OTHERS¹

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenues	31.5	51.8	(39.3%)	115.1	104.0	10.7%
Restaurants & Others	6.1	51.8	(88.2%)	89.8	104.0	(13.7%)
Pizza Hut and KFC	25.4	0.0	na	25.4	0.0	na
COGS	(35.0)	(39.5)	(11.3%)	(100.4)	(79.4)	26.6%
Gross Profit	(3.6)	12.3	(128.9%)	14.7	24.7	(40.5%)
Gross Profit	-11.3%	23.8%	-3514bps	12.8%	23.7%	-1097bps
Operating Expenses ²	(20.5)	(12.5)	64.9%	(33.8)	(24.7)	36.8%
Store Pre-Openings	(0.8)	(0.1)	9965.3%	(3.7)	(0.9)	0.0%
EBIT	(24.9)	(0.2)	10065.3%	(22.8)	(1.0)	2391.6%
(+) Depreciation & Amortization	8.1	6.0	34.8%	17.5	12.1	44.3%
(+) Store Pre-Openings	0.8	0.1	(393.0%)	3.7	0.9	(148.1%)
Adjusted Operating Income	(16.0)	5.9	na	(1.7)	12.1	(113.9%)
Adjusted Operating Margin	-50.9%	11.3%	na	-1.5%	11.6%	-1305bps

¹Other: Viena, Olive Garden and Batata Inglesa. ² Before special items and expenses with pre-opening stores

The adjusted operating result in the Pizza Hut, KFC and Others segment was negative by R\$ 16.0 million vs. positive R\$ 5.9 million in 2Q19.

The 39.3% drop in net revenue (2Q20 vs 2Q19) was mitigated by the addition of Pizza Hut and KFC operations. Pro-forma same-store sales in the segment, including the Pizza Hut and KFC operations, decreased by 59.8%, which, despite the closure of several malls in the period, was mitigated by sales on delivery.

In the semester, the operating result was negative by R\$ 1.7 million, versus a positive R\$ 12.1 million in 1H19, with a margin of -1.5% (+11.6% last year).

Pizza Hut and KFC

Both brands, added to our portfolio in November 2019, showed a 50.9% reduction in sales in the same stores (own + 6% franchise royalties) in 2Q20. The revenue from the two brands (own stores plus royalties from franchisees) was R\$ 43.6 million as a result of delivery efforts, partially mitigating the closure of shopping malls due to the pandemic. Of the 39 KFC owned stores, 37 are located in shopping malls, while in Pizza Hut of the 34 owned stores, 12 are located in shopping malls and 10 in Frango Assado stores.

In the period, we opened 6 new stores (2 Pizza Hut and 4 KFC) and added 1 KFC store that was previously a franchise to our own base.

RESULTS OF USA OPERATIONS

(in US\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenues	10.6	35.4	(70.1%)	26.9	57.1	(52.9%)
COGS	(4.9)	(20.2)	(75.9%)	(16.9)	(34.4)	(50.8%)
Gross Profit	5.7	15.2	(62.4%)	10.0	22.7	(56.0%)
<i>Gross Profit</i>	<i>54.0%</i>	<i>43.0%</i>	<i>+1104bps</i>	<i>37.1%</i>	<i>39.7%</i>	<i>-265bps</i>
Operating Expenses ¹	(4.3)	(10.8)	(60.5%)	(12.0)	(19.0)	(37.1%)
(+) Depreciation & Amortization	2.2	2.2	0.0%	4.5	4.5	0.0%
Store Pre-Openings	(0.0)	(0.0)	(67.9%)	(0.1)	(0.0)	(157.5%)
EBIT	3.6	6.6	(45.1%)	2.4	8.2	(71.2%)
(+) Store Pre-Openings	0.0	0.0	0.6%	0.1	0.0	(1.6%)
Adjusted EBITDA	3.7	6.6	(44.6%)	2.5	8.2	(69.8%)
<i>Adjusted EBITDA Margin (%)</i>	<i>34.6%</i>	<i>18.7%</i>	<i>+160bps</i>	<i>9.2%</i>	<i>14.4%</i>	<i>-52bps</i>

¹ Before special items and pre-opening expenses.

The operation in the United States is mainly composed of Margaritaville, which in the period had 22 restaurants (we reached 23 in August with the opening of a new restaurant in Miami's Bayside). The comments below, as well as the data in the table above, are expressed in local currency (US\$), which better explains the result of the region, with the elimination of the impacts of exchange variation.

Adjusted EBITDA was US\$ 3.7 million vs. US\$ 6.6 million last year, mainly impacted by the adhesion to the US government's "Paycheck Protection Program" PPP, which benefits the payment of employees and rent during the pandemic period. The benefit amount is US\$ 11.7 million and over the quarter, US\$ 6.4M was used with payroll costs and rental expenses.

In the first half, the reported Adjusted EBITDA was US\$ 2.5 million, 69.8% below the same period in 2019 with a margin of 9.2%, 52bps lower than the same period of the previous year.

RESULTS OF CARIBBEAN OPERATIONS

R\$ million	2Q20	2Q19	YoY	2Q20 ²	YoY ²	06M20	06M19	A/A	06M20 ²	YoY ²
Net Revenues	4.3	46.8	(90.8%)	3.4	(92.8%)	46.6	93.6	(50.3%)	41.5	(55.7%)
COGS	(4.2)	(21.8)	(80.9%)	(3.3)	(84.9%)	(25.1)	(43.7)	(42.5%)	(22.4)	(48.7%)
Gross Profit	0.1	25.0	(99.5%)	0.1	(99.7%)	21.4	49.9	(57.1%)	19.1	(61.8%)
Gross Profit	3.0%	53.4%	+1bps	1.9%	+1bps	46.0%	53.3%	+1bps	46.0%	+1bps
Operating Expenses ¹	(7.0)	(14.8)	(52.5%)	(5.6)	(62.3%)	(23.6)	(30.6)	(22.9%)	(20.4)	(33.4%)
(+) Depreciation & Amortization	7.2	6.3	(49.5%)	5.5	(60.0%)	13.5	12.4	(21.7%)	11.0	(32.4%)
Store Pre-Openings	(0.0)	(0.1)	(84.4%)	0.0	(100.0%)	(0.1)	(0.2)	(78.3%)	(0.0)	(149.3%)
EBITDA	0.3	16.4	(98.3%)	0.0	(99.9%)	11.2	31.5	(64.3%)	9.7	(69.1%)
(+) Store Pre-Openings	0.0	0.1	84.4%	0.0	100.0%	0.1	0.2	78.3%	0.0	(10.4%)
Adjusted EBITDA	0.3	16.5	(98.2%)	0.0	(99.9%)	11.3	31.7	(64.4%)	9.7	(69.4%)
Adjusted EBITDA Margin (%)	7.1%	35.2%	-2808bps	0.3%	-3491bps	24.2%	33.9%	-965bps	23.4%	-1046bps

¹ Before special items and expenses with pre-opening stores; ² In constant currency from the previous year.

The information in the table above is presented in reais and in constant currency (using the exchange rate of 2Q19 to convert 2Q20 results), in order to eliminate the effect of exchange rate variation. **The comments below also refer to 2Q20 figures in constant currency.**

In the quarter, Adjusted EBITDA was close to zero vs a positive R\$ 16.5 million in 2Q19. Net revenue totaled R\$ 3.4 million, a decrease of 92.8% compared to 2Q19. Tocumen Airport, our main operation in the region, was closed throughout the period and as a way of minimizing expenses, we suspended our employees' contracts and renegotiated rents for the period in question.

In the first half, EBITDA in constant currency reached R\$ 9.7 million, with a margin of 23.4% vs R\$ 31.7 million, with a margin of 33.9% in the same period last year.

ADJUSTED EBITDA AND ADJUSTED MARGIN

(R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
NET INCOME (LOSS)	(382.8)	0.7	na	(429.0)	(7.3)	5795.7%
(+) Income Taxes	(98.4)	2.4	na	(105.2)	1.1	na
(+) Net Financial Result	17.8	14.7	21.2%	34.9	30.1	15.9%
(+) D&A and Write-offs	45.2	36.2	24.9%	92.1	(0.3)	na
(+) Amortization of Investments in Joint Venture	0.7	0.6	17.4%	(0.2)	0.5	na
EBITDA	(417.6)	54.6	na	(407.3)	24.1	na
(+) Special Items	65.6	5.2	1172.3%	72.2	7.2	895.3%
(+) Pre-Opening Expenses	1.0	(0.4)	na	4.4	0.4	931%
Adjusted EBITDA	(27.0)	59.4	na	(3.4)	105.5	na
EBITDA / Net Revenues	-277.3%	13.6%	na	-78.8%	3.2%	na
Adjusted EBITDA / Net Revenues	-18.0%	14.8%	na	-0.6%	13.8%	na

Adjusted EBITDA reached a negative R\$ 27.0 million in 2Q20 vs. Positive R\$ 59.4 million in 2Q19. The special items for the period reflect the impact of the COVID-19 pandemic on operations and are divided into two groups:

- Write-off (accounting, without cash effect) due to impairment of assets (mainly goodwill) generated in the acquisitions of the operations of Viena, Batata Inglesa and Airports in Brazil in the total amount of R\$ 324.0 million due to the reduction in the recoverable value of these assets given the definitive closing of stores and changes in the prospects of these businesses, in addition to the change in the discount rate of the calculation.
- Expenses incurred or provisions for losses as a result of the pandemic: (i) R\$ 46.4 million of expenses with stores closure and provisions for losses (R\$ 23.3 million of expenses with closed and to close operations, including write-off of assets; R\$ 11.9 million terminations, R\$ 7.3 million write-off of receivables

from airlines, and R\$ 4.0 million losses on inventories); (ii) R\$ 19.2 million from other extraordinary expenses.

R\$ million	2Q20
Impairment of assets	(324.0)
Expenses with store closings and provisions for losses	(46.4)
Expenses with closing of operations	(23.3)
Terminations	(11.9)
PDA - Airline Companies	(7.3)
Obsolete inventory	(3.9)
Other Extraordinary Expenses	(19.2)
Special Items	(436.0)

In the first half, adjusted EBITDA was negative R\$ 3.4 million, with a margin of -0.6% vs positive R\$ 105.5 million, with a margin of 13.8% in the first half of 2019. Special items in 1H20 refer mainly to the 2Q20 expenses mentioned above.

IFRS16 ADJUSTED EBITDA CONVERSION TO PRE-IFRS16

In the IFRS-16 rules, Adjusted EBITDA was negative R\$ 27.0 million. Reversing the effects that mainly impact the rental line, Consolidated Adjusted EBITDA would be negative by R\$ 42.4 million.

	2Q20			2Q19			06M20			06M19		
Adjusted EBITDA¹	IFRS-16	Rent Expenses	Pre-IFRS 16	IFRS-16	Rent Expenses	Pre-IFRS 16	IFRS-16	Rent Expenses	Pre-IFRS 16	IFRS-16	Rent Expenses	Pre-IFRS 16
Frango Assdo	(7.2)	(1.9)	(9.1)	14.2	(3.1)	11.1	3.5	(4.6)	(1.1)	36.9	(6.2)	30.7
Airports	(5.7)	(4.3)	(10.0)	11.1	(5.6)	5.5	2.4	(9.8)	(7.4)	24.3	(11.1)	13.2
PH, KFC and Others	(16.0)	3.4	(12.6)	5.9	(3.6)	2.3	(1.7)	(7.8)	(9.5)	10.2	(7.5)	2.7
G&A	(17.5)	(0.3)	(17.8)	(14.1)	(1.0)	(15.1)	(34.3)	(0.8)	(35.1)	(29.8)	(2.0)	(31.8)
Brazil Consolidated	(46.4)	(3.0)	(49.4)	17.0	(13.3)	3.7	(30.1)	(23.0)	(53.1)	41.6	(26.9)	14.8
USA	19.1	(6.8)	12.3	25.8	(4.7)	21.2	15.4	(12.2)	3.2	32.3	(8.9)	23.4
Caribbean	0.3	(5.6)	(5.3)	16.5	(4.2)	12.3	11.3	(10.3)	1.0	31.7	(8.3)	23.5
IMC Consolidated	(27.0)	(15.4)	(42.4)	59.4	(22.2)	37.2	(3.4)	(45.6)	(49.0)	105.7	(44.1)	61.6

FINANCIAL RESULT, INCOME TAX AND NET INCOME

IMC had a net financial expense of R\$ 17.8 million in 2Q20, against R\$ 14.7 million in 2Q19.

Income tax (current and deferred) totaled a positive R\$ 95.9 million, against a negative R\$ 2.4 million in 2Q19.

The net loss in the period was R\$ 382.8 million, against a profit of R\$ 0.7 million in 2Q19.

SELECTED CASH FLOW INFORMATION

R\$ million	2Q20	2Q19	YoY	06M20	06M19	YoY
Adjusted EBITDA	(27.0)	59.4	(145.6%)	(3.4)	105.5	(103.2%)
Special Items with cash effects	(65.6)	(5.2)	1172.3%	(72.2)	(6.3)	1047.0%
(-) Store Pre-Openings Expenses	(1.0)	0.4	-353.7%	(4.3)	(1.0)	354.0%
(+/-) Working Capital and Other Non-Cash Items	57.8	(4.3)	-1432.4%	32.8	(22.5)	-246.1%
Operating Cash Flow	(35.9)	50.3	(171.4%)	(47.1)	75.8	(162.1%)
(-) Paid Taxes	(0.5)	(0.2)	150.7%	(1.4)	(4.7)	-71.0%
(-) Maintenance Capex	0.0	(8.2)	-100.4%	(2.5)	(11.0)	-77.7%
Net Operating Cash Flow	(36.3)	41.9	(186.8%)	(50.9)	60.1	(184.7%)
Operating Net Cash/ Adjusted EBITDA	134.4%	70.5%	63.9 p.p.	1514.2%	56.9%	1457.3 p.p.

In 2Q20, operating cash flow decreased by R\$ 36.3 million (vs. an increase of R\$ 41.9 million in 2Q19) mainly impacted by the effects of COVID-19 on the company's EBITDA.

In the first half, operating cash flow was negative by R\$ 50.9 million vs. positive R\$ 60.1 million in 1H19.

INVESTMENT ACTIVITIES

(R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Property and Equipment	(19.7)	(20.6)	-4.2%	(61.5)	(36.5)	68.4%
Additions to Intangible Assets	(3.1)	(0.9)	241.0%	(6.0)	(2.1)	190.9%
(=) Total Invested (CAPEX)	(22.9)	(21.5)	6.3%	(67.5)	(38.6)	74.9%
Payment of Acquisitions	(0.7)	(1.6)	-54.1%	(3.1)	(3.1)	2.9%
Dividends Received	0.0	3.4	-100.0%	3.3	5.6	-42.0%
Total Investments	(23.6)	(19.7)	20.0%	(66.4)	(32.3)	105.8%

CAPEX (in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Expansion						
Brazilian Operations	8.4	9.5	-11.5%	26.1	19.4	34.2%
<i>Brazil - Air</i>	0.1	1.1	-87.0%	0.8	2.8	-72.4%
<i>Brazil - Frango Assado</i>	2.1	2.4	-11.1%	13.6	3.7	265.0%
<i>Brazil - PH, KFC and Others</i>	6.1	6.0	2.7%	11.7	12.9	-9.6%
USA Operations	7.6	0.9	703.8%	14.0	4.9	186.1%
PH + KFC Operations	5.3	0.0	-	19.7	0.0	-
Caribbean Operations	0.4	0.0	2724.0%	2.2	0.3	763.8%
Total Expansion Investments	23.0	13.2	74.0%	65.1	27.4	137.1%

Maintenance						
Brazilian Operations	0.6	4.3	-86.9%	1.9	6.3	-70.4%
<i>Brazil - Air</i>	0.3	0.4	-29.0%	0.5	0.8	-44.2%
<i>Brazil - Frango Assado</i>	0.1	2.6	-95.9%	0.6	3.8	-83.2%
<i>Brazil - PH, KFC and Others</i>	0.1	1.2	-88.6%	0.8	1.7	-54.1%
USA Operations	-0.6	2.5	-126.0%	-0.9	3.0	-131.1%
Caribbean Operations	0.1	1.5	-96.5%	1.5	1.6	-6.3%
Total Maintenance Investments	0.0	8.2	-100.4%	2.5	11.0	-77.7%
Total CAPEX Investments	22.9	21.4	7.1%	67.5	38.5	75.5%

In 2Q20, CAPEX was impacted by investments in the USA with Bayside stores in Miami and NYC, in addition to the expansion of KFC stores in Brazil

NET DEBT

R\$ million	2Q20	2Q19
Bank Debt	568.0	373.1
Financing of Past Acquisitions	49.4	33.3
Total Debt	617.4	406.4
(-) Cash	(200.4)	(226.1)
Net Debt	416.9	180.3

Excluding leasing amounts (IFRS16), the company ended 2Q20 with a net debt of R\$ 416.9 million, including cash, cash equivalents and short-term investments.

EVOLUTION OF NUMBER OF STORES

(end of period)	2Q20	2Q19	YoY	Var. (#)
Brazil	168	129	30.2%	39
<i>Air</i>	19	29	-34.5%	-10
<i>Frango Assado</i>	25	25	0.0%	0
<i>Pizza Hut, KFC and Others</i>	124	75	65.3%	49
<i>Pizza Hut</i>	34	0	n.a.	34
<i>KFC</i>	39	0	n.a.	39
<i>Viena / Batata Inglesa / Olive Garden</i>	51	75	-32.0%	-24
USA	22	22	0.0%	0
Caribbean	37	44	-15.9%	-7
Total Number of Owned Stores	227	195	16.4%	32
Brazil	252	0	n.a.	252
<i>Pizza Hut, KFC and Others</i>	252	0	n.a.	252
<i>Pizza Hut</i>	198	0	n.a.	198
<i>KFC</i>	54	0	n.a.	54
Total Number of Franchisee Stores	252	0	n.a.	252
Total Owned + Franchisee	479	195	145.6%	284
Catering	13	14	-7.1%	-1
<i>Brazil</i>	5	6	-16.7%	0
<i>Caribbean</i>	8	8	0.0%	0
Total Owned + Franchisee + Catering	492	209	135.4%	283

At the end of 2Q20, the Company had 492 stores, a net increase of 283 stores compared to 2Q19, mainly due to the incorporation of Pizza Hut and KFC. Of the total stores, 227 are owned and 252 are franchises.

CONSOLIDATED INCOME STATEMENT

(R\$ thousand)	1Q20	1Q19	06M20	06M19
NET REVENUE	150,571	401,900	517,213	764,292
COST OF SALES AND SERVICES	(139,595)	(271,801)	(420,740)	(525,788)
GROSS PROFIT	10,976	130,099	96,473	238,504
OPERATING INCOME (EXPENSES)				
Commercial and operating expenses	(42,183)	(66,502)	(99,660)	(120,517)
General and administrative expenses	(29,667)	(26,968)	(64,847)	(51,113)
Depreciation and amortization	(30,695)	(24,020)	(61,761)	(47,813)
Redução do valor recuperável dos ativos	(323,951)	0	(327,432)	0
Other income (expenses)	(42,157)	1,698	(36,851)	(1,177)
Equity income result	(5,829)	3,501	(5,205)	6,020
Net financial expenses	(17,751)	(14,650)	(34,858)	(30,073)
EARNINGS BEFORE TAXES	(481,257)	3,158	(534,141)	(6,169)
Income Taxes	98,424	(2,431)	105,170	(1,107)
NET PROFIT (LOSS)	(382,833)	727	(428,971)	(7,276)

CONSOLIDATED BALANCE SHEET

(R\$ thousand)	2Q20	4Q19	2Q19
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	200,445	332,806	226,096
Accounts receivable	45,097	62,905	77,112
Inventories	54,270	53,202	35,912
Derivatives	383	149	14
Other current assets	126,181	107,217	75,959
Total current assets	426,376	556,279	415,093
NONCURRENT ASSETS			
Deferred income taxes	97,835	17,509	9,727
Derivatives	0	0	4
Other noncurrent assets	48,319	53,803	55,508
Property and equipment	357,163	372,677	267,316
Intangible assets	1,112,263	1,300,340	842,086
Intangible assets	389,518	385,042	361,987
Total noncurrent assets	2,005,098	2,129,371	1,536,628
TOTAL ASSETS	2,431,474	2,685,650	1,951,721
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade accounts payable	192,093	188,097	64,730
Loans, financing and acquisitions' payables	82,933	89,596	51,199
	25,758	0	0
Salaries and payroll charges	59,179	65,935	51,348
Salaries and payroll charges	105,968	92,060	82,560
Other current liabilities	63,607	59,274	43,164
Total current liabilities	529,538	494,962	293,001
NONCURRENT LIABILITIES			
Loans, financing and acquisitions' payables	534,840	513,634	355,222
Provision for labor, civil and tax disputes	79,152	84,680	12,799
Deferred income tax liability	55,189	77,502	69,854
Deferred income tax liability	310,732	309,162	287,444
Other noncurrent liabilities	45,380	60,604	20,901
Total noncurrent liabilities	1,025,293	1,045,582	746,220
EQUITY			
Capital and reserves	1,162,131	1,112,045	890,756
Accumulated losses	(435,999)	(7,028)	1,538
Other comprehensive income	150,511	40,089	20,206
Total equity	876,643	1,145,106	912,500
TOTAL LIABILITIES AND EQUITY	2,431,474	2,685,650	1,951,721

STATEMENT OF CASH FLOWS

(R\$ thousand)	2Q20	2Q19	06M20	06M19
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the quarter	(382,833)	727	(428,971)	(7,276)
Depreciation and amortization	25,745	18,657	52,170	37,970
	19,434	17,529	38,378	34,751
Impairment of intangible assets (using)	(5,011)	(1,796)	(9,597)	(1,877)
Impairment of intangible assets (provision)	323,951	-	327,432	-
Investment amortization	719	611	1,414	1,200
Equity income result	5,110	(4,112)	7,067	(7,220)
Provision for labor, civil and tax disputes	(71)	2,468	1,560	3,918
Income taxes	(98,423)	2,431	(105,170)	1,107
Interest expenses	10,216	8,123	17,807	14,741
Interest on company acquisition and rights over p	7,412	8,405	16,052	17,335
Effect of exchange rate changes	48	(246)	64	(270)
Disposal of property and equipment	10,783	2,994	15,437	3,136
Deferred Revenue, Rebates	(2,296)	(1,122)	(2,755)	(3,156)
Expenses in payments to employees based in st	861	1,404	2,687	2,004
Others	14,332	(2,792)	5,862	343
Changes in operating assets and liabilities	34,155	(3,013)	13,489	(20,917)
Cash generated from operations	(35,868)	50,268	(47,074)	75,789
Income tax paid	(504)	(201)	(1,364)	(4,698)
Income tax paid	(6,088)	(3,765)	(9,256)	(7,863)
Interest paid	(2,270)	(4,732)	(14,628)	(9,790)
Net cash generated by (used in) operating activities	(44,730)	41,570	(72,322)	53,438
CASH FLOW FROM INVESTING ACTIVITIES				
Payment of business acquisitions made in prior y	(716)	(1,560)	(3,148)	(3,060)
Dividends received	-	3,421	3,275	5,649
Sale of controlling interest in discontinued operat	-	-	908	3,694
Additions to intangible assets	(3,137)	(920)	(6,011)	(2,066)
Additions to property and equipment	(19,741)	(20,602)	(61,466)	(36,506)
Cash in company acquisitions	-	-	-	-
Net cash used in investing activities from continued operations	(23,594)	(19,661)	(66,442)	(32,289)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Payments	-	(1,875)	-	(1,875)
Capital contributions from minority interest	-	-	-	(100,000)
Shares in Treasury	-	2,425	47,399	5,569
Shares in Treasury	(14,670)	(18,404)	(35,918)	(36,360)
New loans	-	-	-	238,710
Payment of loans	(2,249)	(8,770)	(39,259)	(168,622)
Net cash used in financing activities	(16,919)	(26,624)	(27,778)	(62,578)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	9,131	(1,191)	34,181	(1,036)
NET INCREASE (DECREASE) FOR THE PERIOD	(76,112)	(5,906)	(132,361)	(42,465)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	276,557	232,002	332,806	268,561
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	200,445	226,096	200,445	226,096

APPENDIX - Detailed 2Q20 Results

CONSOLIDATED RESULT

(in R\$ million)	2Q20	2Q19	YoY	2Q20 ²	YoY ²	06M20	06M19	YoY	06M20 ²	YoY ²
Net Revenue	150.6	401.9	-62.5%	134.6	-66.5%	517.2	764.3	-32.3%	486.2	-36.4%
Restaurants & Others	112.0	341.9	-67.2%	96.0	-71.9%	414.3	643.2	-35.6%	383.3	-40.4%
Gas Stations	38.6	60.0	-35.7%	38.6	-35.7%	102.9	121.0	-15.0%	102.9	-15.0%
Brazil	89.9	216.4	-58.5%	89.9	-58.5%	342.0	449.9	-24.0%	342.0	-24.0%
US	56.4	138.7	-59.3%	41.4	-70.2%	128.7	220.8	-41.7%	102.7	-53.5%
Caribbean	4.3	46.8	-90.8%	3.4	-92.8%	46.6	93.6	-50.3%	41.5	-55.7%
Cost of Sales and Services	(135.7)	(271.8)	-50.1%	(127.2)	-53.2%	(416.8)	(525.8)	-20.7%	(398.5)	-24.2%
Direct Labor	(38.6)	(105.3)	-63.4%	(36.0)	-65.8%	(139.8)	(201.3)	-30.5%	(132.1)	-34.4%
Food	(34.7)	(83.8)	-58.6%	(31.3)	-62.7%	(121.1)	(161.3)	-24.9%	(114.5)	-29.0%
Others	(12.1)	(21.2)	-42.8%	(11.1)	-47.6%	(32.6)	(39.9)	-18.2%	(30.8)	-22.7%
Fuel and Automotive Accessories	(35.8)	(49.3)	-27.3%	(35.8)	-27.3%	(94.4)	(98.4)	-4.0%	(94.4)	-4.0%
Depreciation & Amortization	(14.5)	(12.2)	19.1%	(13.0)	6.7%	(28.8)	(24.9)	15.6%	(26.6)	6.8%
Gross Profit	14.9	130.1	-88.5%	7.4	-94.3%	100.4	238.5	-57.9%	87.7	-63.2%
Gross Margin (%)	9.9%	32.4%	-22.5p.p.	5.5%	-26.9p.p.	19.4%	31.2%	-11.8p.p.	18.0%	-13.2p.p.
Operating Expenses	(87.8)	(107.5)	-18.3%	(80.6)	-25.1%	(195.7)	(206.9)	-5.4%	(181.2)	-12.4%
Selling and Operating	(37.1)	(46.0)	-19.5%	(32.7)	-29.1%	(76.2)	(84.2)	-9.5%	(68.0)	-19.2%
Rents of Stores	10.1	(20.5)	-149.2%	6.7	-132.8%	(4.5)	(36.3)	-87.6%	(7.0)	-80.6%
Depreciation & Amortization	(30.7)	(24.0)	27.8%	(27.5)	14.4%	(61.8)	(47.8)	29.2%	(57.1)	19.3%
J.V. Investment Amortization	(0.7)	(0.6)	17.4%	(0.5)	-14.4%	(1.4)	(1.2)	17.8%	(1.1)	-7.3%
Equity income result	(5.1)	4.1	-224.2%	(3.7)	-190.5%	(3.8)	7.2	-152.5%	(2.5)	-134.9%
General & Administrative and Others	(24.3)	(20.5)	18.5%	(22.9)	11.6%	(48.0)	(44.6)	7.7%	(45.5)	1.9%
Special Items - Other	(65.6)	(5.2)	1172.3%	(55.3)	972.9%	(72.2)	(7.2)	895.3%	(61.9)	753.6%
	(324.0)	0.0	0.0%	(324.0)	0.0%	(327.4)	0.0	0.0%	(327.4)	0.0%
Store Pre-Openings	(1.0)	0.4	-353.7%	(1.0)	-336.1%	(4.4)	(0.4)	931.2%	(4.2)	892.3%
EBIT	(139.6)	17.8	na	(129.5)	na	(171.9)	23.9	-818.9%	(159.6)	-767.8%
(+) D&A	45.9	36.8	24.7%	41.0	11.4%	92.0	73.9	24.4%	84.8	14.7%
EBITDA	(93.7)	54.6	na	(88.5)	na	(79.9)	97.8	-181.7%	(74.9)	-176.5%
EBITDA Margin (%)	(62.2%)	13.6%	-75.8p.p.	-65.8%	-79.3p.p.	(15.4%)	12.8%	-28.2p.p.	-15.4%	-139.4p.p.
(+) Special Items - Other	(258.4)	5.2	-5111.5%	(268.6)	-5310.9%	(255.3)	7.2	-3621.0%	(265.5)	-3762.8%
	324.0	0.0	0.0%	324.0	0.0%	327.4	0.0	0.0%	327.4	0.0%
(+) Store Pre-Openings	1.0	(0.4)	-353.7%	1.0	-336.1%	4.4	0.4	931.2%	4.2	892.3%
Adjusted EBITDA¹	(27.0)	59.4	na	(32.2)	na	(3.4)	105.5	-103.2%	(8.8)	-108.3%
Adjusted EBITDA Margin (%)	-18.0%	14.8%	-32.7p.p.	-23.9%	-38.7p.p.	(0.6%)	13.8%	-14.5p.p.	-1.8%	-15.6p.p.

¹Before special items and pre-opening expenses; ² In constant currency from the previous year.

RESULTS BY GEOGRAPHICAL REGION

(in R\$ million)	Brazil 2Q20	USA 2Q20	Caribbean 2Q20	Consolidated 2Q20	Brazil 2Q19	USA 2Q19	Caribbean 2Q19	Consolidated 2Q19	YoY
Net Revenue	89.9	56.4	4.3	150.6	216.4	138.7	46.8	401.9	-62.5%
Restaurants & Others	51.3	56.4	4.3	112.0	156.4	138.7	46.8	341.9	-67.2%
Gas Stations	38.6	0.0	0.0	38.6	60.0	0.0	0.0	60.0	-35.7%
Cost of Sales and Services	(104.6)	(26.9)	(4.2)	(135.7)	(170.9)	(79.1)	(21.8)	(271.8)	-50.1%
Direct Labor	(30.0)	(6.5)	(2.0)	(38.6)	(56.1)	(40.9)	(8.3)	(105.3)	-63.4%
Food	(21.7)	(11.5)	(1.6)	(34.7)	(44.4)	(26.9)	(12.5)	(83.8)	-58.6%
Others	(8.4)	(3.8)	0.2	(12.1)	(13.3)	(7.6)	(0.2)	(21.2)	-42.8%
Fuel and Automotive Accessories	(35.8)	0.0	0.0	(35.8)	(49.3)	0.0	0.0	(49.3)	-27.3%
Depreciation & Amortization	(8.6)	(5.1)	(0.7)	(14.5)	(7.8)	(3.7)	(0.7)	(12.2)	19.1%
Gross Profit	(14.7)	29.5	0.1	14.9	45.5	59.6	25.0	130.1	-88.5%
Operating Expenses¹	(58.5)	(22.4)	(7.0)	(87.8)	(50.4)	(42.4)	(14.8)	(107.5)	-18.3%
Selling and Operating	(19.9)	(13.9)	(3.3)	(37.1)	(13.9)	(25.6)	(6.5)	(46.0)	-19.5%
Rents of Stores	(2.9)	9.2	3.8	10.1	(8.2)	(10.9)	(1.4)	(20.5)	-149.2%
Depreciation & Amortization	(18.1)	(6.1)	(6.5)	(30.7)	(14.1)	(4.3)	(5.5)	(24.0)	27.8%
J.V. Investment Amortization	0.0	(0.7)	0.0	(0.7)	0.0	(0.6)	0.0	(0.6)	17.4%
Equity income result	0.0	(5.1)	0.0	(5.1)	0.0	4.1	0.0	4.1	-224.2%
General & Administrative	(17.5)	(5.7)	(1.1)	(24.3)	(14.1)	(5.0)	(1.4)	(20.5)	18.5%
Special Items - Other				258.4				(5.2)	-5111.5%
Special Items - Impairment				(324.0)				0.0	-
Store Pre-Openings	(0.8)	(0.2)	(0.0)	(1.0)	0.5	(0.0)	(0.1)	0.4	-353.7%
EBIT	(74.0)	7.0	(6.9)	(139.6)	(4.3)	17.2	10.1	17.8	na
(+) D&A				45.9				36.8	24.7%
EBITDA				(93.7)				54.5	na
(+) Special Items - Others				(258.4)				5.2	-5111.5%
(+) Special Items - Impairment				324.0				0.0	
(+) Store Pre-Openings				1.0				(0.4)	
Adjusted EBITDA				(27.0)				59.3	na

¹Before special items and pre-opening expenses

RESULTS OF OPERATIONS IN BRAZIL

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenue	89.9	216.4	(58.5%)	342.0	449.9	-24.0%
Restaurants & Others	51.3	156.4	(67.2%)	239.1	328.8	-27.3%
Gas Stations	38.6	60.0	(35.7%)	102.9	121.0	-15.0%
Cost of Sales and Services	(104.6)	(170.9)	(38.8%)	(311.4)	(349.2)	-10.8%
Direct Labor	(30.0)	(56.1)	(46.5%)	(92.8)	(114.7)	-19.1%
Food	(21.7)	(44.4)	(51.2%)	(82.5)	(93.6)	-11.9%
Others	(8.4)	(13.3)	(36.6%)	(32.9)	(26.9)	22.1%
Fuel and Automotive Accessories	(35.8)	(49.3)	(27.3%)	(85.2)	(98.4)	-13.4%
Depreciation & Amortization	(8.6)	(7.8)	11.4%	(18.1)	(15.6)	16.2%
Gross Profit	(14.7)	45.5	(132.4%)	30.6	100.7	-69.6%
Operating Expenses¹	(58.5)	(50.4)	16.1%	(117.2)	(103.0)	13.8%
Selling and Operating	(19.9)	(13.9)	42.8%	(32.5)	(27.8)	17.1%
Rents of Stores	(2.9)	(8.2)	(64.6%)	(11.9)	(17.0)	-29.5%
Depreciation & Amortization	(18.1)	(14.1)	28.3%	(38.5)	(28.5)	34.9%
General & Administrative Others ²	(17.5)	(14.1)	24.1%	(34.3)	(29.8)	15.2%
Store Pre-Openings	(0.8)	0.5	(253.0%)	(3.7)	(0.2)	2115.7%
EBIT	(74.0)	(4.3)	1608.6%	(90.4)	(2.5)	3547.3%
(+) Depreciation & Amortization	26.8	21.9	22.3%	56.6	44.1	28.3%
EBITDA	(47.2)	17.6	(368.7%)	(33.8)	41.6	-181.3%
(+) Store Pre-Openings	0.8	(0.5)	(253.0%)	3.7	0.0	13870.3%
Adjusted EBITDA	(46.4)	17.0	(372.3%)	(30.1)	41.6	-172.2%
Expansion Capex	8.4	9.5	(11.5%)	26.1	19.4	34.2%
Maintenance Capex	0.6	0.6	0.0%	1.9	6.3	(70.4%)
Total Capex	9.0	10.1	(10.9%)	27.9	25.8	5.7%
Adjusted Operating Inc. - Maintenance Capex³	(47.0)	16.5	(384.9%)	(31.9)	35.3	(1.0)

¹Before special items and pre-opening expenses; ²Not allocated to segments; ³Capex Man. Vs Res. Op.

RESULTS OF OPERATIONS IN BRAZIL - FRANGO ASSADO

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenue	55.3	115.3	-52.1%	177.9	243.7	-27.0%
Restaurants & Others	16.7	55.3	-69.8%	75.0	122.7	-38.9%
Gas Stations	38.6	60.0	-35.7%	102.9	121.0	-15.0%
Cost of Sales and Services	(61.9)	(97.3)	-36.4%	(170.1)	(200.2)	-15.1%
Direct Labor	(13.7)	(22.1)	-38.1%	(36.9)	(46.3)	-20.4%
Food	(8.4)	(17.1)	-51.1%	(29.7)	(37.6)	-21.1%
Others	(3.5)	(5.5)	-36.4%	(9.1)	(11.1)	-18.5%
Fuel and Automotive Accessories	(31.8)	(49.3)	-35.4%	(85.2)	(98.4)	-13.4%
Depreciation & Amortization	(4.6)	(3.4)	34.8%	(9.3)	(6.8)	36.6%
Gross Profit	(6.6)	18.0	-136.9%	7.8	43.5	-82.1%
Operating Expenses¹	(7.4)	(9.9)	-25.0%	(18.5)	(20.5)	-9.7%
Selling and Operating	(4.7)	(5.1)	-8.4%	(11.1)	(10.3)	7.6%
Rents of Stores	(0.4)	(2.1)	-79.5%	(2.4)	(4.7)	-48.4%
Depreciation & Amortization	(2.3)	(2.7)	-14.1%	(5.0)	(5.5)	-9.2%
J.V. Investment Amortization	0.0	0.0	0.0%	0.0	0.0	0.0%
Equity income result	0.0	0.0	0.0%	0.0	0.0	0.0%
Other revenues (expenses) ²	0.0	0.0	0%	0.0	0.0	0.0%
General & Administrative ²	0.0	0.0	0.0%	0.0	0.0	0.0%
Store Pre-Openings	0.0	0.8	-100.0%	(0.1)	0.9	na
EBIT	(14.1)	8.9	-258.5%	(10.8)	23.8	-145.5%
(+) Depreciation & Amortization	6.9	6.1	13.1%	14.2	12.3	16.1%
EBITDA	(7.2)	15.0	-148.1%	3.4	36.1	-90.5%
(+) Store Pre-Openings	0.0	(0.8)	-100.0%	0.1	0.9	na
Adjusted Operating Income	(7.2)	14.2	-150.7%	3.5	36.9	-90.6%
Expansion Capex	2.1	2.4	-11.1%	13.6	3.7	265.0%
Maintenance Capex	0.1	2.6	-95.9%	0.6	3.8	-83.2%
Total Capex	2.2	4.9	-55.2%	14.3	7.6	88.8%
Adjusted Operating Inc. - Maintenance Capex²	(7.3)	11.6	-79.0%	(11.5)	20.0	22.0%

¹Before special items and pre-opening expenses; ²Capex Man. Vs Res. Op.

RESULTS OF OPERATIONS IN BRAZIL - AIRPORTS

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenue	3.1	49.2	-93.7%	48.9	102.1	-52.1%
Restaurants & Others	3.1	49.2	-93.7%	48.9	102.1	-52.1%
Cost of Sales and Services	(7.7)	(34.1)	-77.5%	(40.8)	(69.6)	-41.3%
Direct Labor	(4.5)	(16.9)	-73.5%	(21.1)	(34.3)	-38.6%
Food	(0.6)	(12.1)	-94.9%	(12.3)	(25.0)	-51.0%
Others	(1.2)	(3.2)	-63.8%	(4.4)	(6.4)	-31.2%
Depreciation & Amortization	(1.4)	(1.8)	-24.0%	(3.1)	(3.8)	-19.3%
Gross Profit	(4.5)	15.2	-129.9%	8.1	32.5	-75.1%
Operating Expenses¹	(13.0)	(13.9)	-6.6%	(30.6)	(28.0)	9.2%
Selling and Operating	(2.2)	(4.3)	-49.1%	(6.4)	(8.6)	-25.4%
Rents of Stores	(0.3)	(1.6)	-78.9%	(2.4)	(3.5)	-32.0%
Depreciation & Amortization	(10.4)	(8.0)	30.5%	(21.8)	(15.9)	36.9%
J.V. Investment Amortization	0.0	0.0	0.0%	0.0	0.0	0.0%
Equity income result	0.0	0.0	0.0%	0.0	0.0	0.0%
Other revenues (expenses) ²	0.0	0.0	0%	0.0	0.0	0.0%
General & Administrative ²	0.0	0.0	0.0%	0.0	0.0	0.0%
Store Pre-Openings	0.0	(0.1)	na	(0.0)	(0.1)	na
EBIT	(17.5)	1.2	-1594.4%	(22.5)	4.4	-605.5%
(+) Depreciation & Amortization	11.8	9.8	20.3%	24.9	19.7	26.1%
EBITDA	(5.7)	11.0	-151.5%	2.4	24.2	-90.0%
Store Pre-Openings	(0.0)	0.1	na	0.0	0.1	na
Adjusted Operating Income¹	(5.7)	11.1	-151.1%	2.4	24.3	-90.0%
Expansion Capex	0.1	1.1	-87.0%	0.8	2.8	-72.4%
Maintenance Capex	0.3	0.4	-29.0%	0.5	0.8	-44.2%
Total Capex	0.5	1.6	-71.0%	1.2	3.6	-66.0%
Adjusted Operating Inc. - Maintenance Capex²	(6.0)	10.7	9.4%	2.0	23.5	-15.4%

¹Before special items and pre-opening expenses; ²Capex Man. Vs Res. Op.

RESULTS OF OPERATIONS IN BRAZIL - PIZZA HUT, KFC AND OTHERS¹

(in R\$ million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenue	31.5	51.8	-39.3%	115.1	104.0	10.7%
Restaurants & Others	6.1	51.8	-88.2%	89.8	104.0	-13.7%
Pizza Hut and KFC	25.4	0.0	0.0%	25.4	0.0	0.0%
Cost of Sales and Services	(35.0)	(39.5)	-11.3%	(100.4)	(79.4)	26.6%
Direct Labor	(11.9)	(17.1)	-30.6%	(34.8)	(34.1)	2.1%
Food	(12.7)	(15.2)	-16.7%	(40.5)	(30.9)	31.0%
Others	(3.8)	(4.6)	-18.1%	(19.4)	(9.4)	106.9%
Fuel and Automotive ACHessories	(4.0)	0.0	0.0%	0.0	0.0	0.0%
Depreciation & Amortization	(2.7)	(2.6)	5.8%	(5.8)	(5.0)	15.6%
Gross Profit	(3.6)	12.3	-128.9%	14.7	24.7	-40.5%
Operating Expenses²	(20.5)	(12.5)	64.9%	(33.8)	(24.7)	36.8%
Selling and Operating	(13.0)	(4.5)	188.6%	(15.0)	(8.9)	69.2%
Rents of Stores	(2.1)	(4.5)	-52.7%	(7.1)	(8.7)	-18.4%
Depreciation & Amortization	(5.4)	(3.4)	56.4%	(11.7)	(7.1)	64.3%
J.V. Investment Amortization	0.0	0.0	0.0%	0.0	0.0	0.0%
Equity income result	0.0	0.0	0.0%	0.0	0.0	0.0%
Other revenues (expenses) ³	0.0	0.0	0%	0.0	0.0	0%
General & Administrative ³	0.0	0.0	0.0%	0.0	0.0	0.0%
Store Pre-Openings	(0.8)	(0.1)	513.5%	(3.7)	(0.9)	297.6%
EBIT	(24.9)	(0.2)	9965.3%	(22.8)	(1.0)	
(+) Depreciation & Amortization	8.1	6.0	34.8%	17.5	12.1	44.3%
EBITDA	(16.8)	5.7	-393.0%	(5.4)	11.1	-148.1%
Store Pre-Openings	0.8	0.1	513.5%	3.7	0.9	297.6%
Adjusted Operating Income	(16.0)	5.9	-372.3%	(1.7)	12.1	-113.9%
Expansion Capex	6.1	6.0	2.7%	11.7	12.9	-9.6%
Maintenance Capex	0.1	1.2	-88.6%	0.8	1.7	-54.1%
Total Capex	6.3	7.2	-13.0%	12.4	14.6	-14.8%
Adjusted Operating Inc. - Maintenance Capex³	(16.2)	4.6	-51.0%	(2.5)	10.4	60.6%

¹Other: Viena, Olive Garden and Batata Inglesa. ²Before special items and pre-opening expenses; ³Capex Man. Vs Res. Op.

RESULTS OF USA OPERATIONS

(in US\$ Million)	2Q20	2Q19	YoY	06M20	06M19	YoY
Net Revenue	10.6	35.4	-70.1%	26.9	57.1	-52.9%
Restaurants & Others	10.6	35.4	-70.1%	26.9	57.1	-52.9%
Cost of Sales and Services	(4.9)	(20.2)	-75.9%	(16.9)	(34.4)	-50.8%
Direct Labor	(1.0)	(10.4)	-90.0%	(7.8)	(18.1)	-56.9%
Food	(2.2)	(6.9)	-68.7%	(5.4)	(11.1)	-51.3%
Others	(0.7)	(1.9)	-63.1%	(1.9)	(3.2)	-42.5%
Depreciation & Amortization	(0.9)	(0.9)	1.3%	(1.9)	(2.1)	-7.9%
Gross Profit	5.7	15.2	-62.4%	10.0	22.7	-56.0%
Operating Expenses¹	(4.3)	(10.8)	-60.5%	(12.0)	(19.0)	-37.1%
Selling and Operating	(2.6)	(6.5)	-60.2%	(7.0)	(11.3)	-37.9%
Rents of Stores	1.8	(2.8)	-162.8%	0.9	(4.2)	-120.5%
Depreciation & Amortization	(1.1)	(1.1)	2.2%	(2.3)	(2.2)	5.2%
J.V. Investment Amortization	(0.1)	(0.2)	-14.4%	(0.3)	(0.3)	-7.2%
Equity income result	(0.9)	1.1	-190.2%	(0.6)	1.9	-133.2%
General & Administrative and Others	(1.2)	(1.3)	-5.1%	(2.6)	(2.9)	-9.8%
EBIT	1.4	4.4	-67.9%	(2.1)	3.7	-157.5%
(+) Depreciation & Amortization	2.2	2.2	0.6%	4.5	4.5	-1.6%
EBITDA	3.6	6.6	-45.1%	2.4	8.2	-71.2%
(+) Store Pre-Openings	0.0	0.0	1021%	0.1	0.0	3392%
Adjusted EBITDA	3.7	6.6	-44.6%	2.5	8.2	-69.8%
Expansion Capex	1.4	0.2	490.3%	2.9	1.3	131.1%
Maintenance Capex	(0.1)	0.6	-119.1%	(0.2)	0.8	-125.1%
Total Capex	1.3	0.9	50.0%	2.7	2.0	33.9%
Adjusted Operating Inc. - Maintenance Capex²	2.4	5.7	-59.0%	2.6	7.4	-65.7%

¹Before special items and pre-opening expenses; ²Capex Man. Vs Res. Op.

RESULTS OF CARIBBEAN OPERATIONS

(in R\$ million)	2Q20	2Q19	YoY	2Q20 ²	YoY ²	06M20	06M19	A/A	06M20 ²	A/A ²
Net Revenue	4.3	46.8	-90.8%	3.4	-92.8%	46.6	93.6	-50.3%	41.5	-55.7%
Restaurants & Others	4.3	46.8	-90.8%	3.4	-92.8%	46.6	93.6	-50.3%	41.5	-55.7%
Cost of Sales and Services	(4.2)	(21.8)	-80.9%	(3.3)	-84.9%	(25.1)	(43.7)	-42.5%	(22.4)	-48.7%
Direct Labor	(2.0)	(8.3)	-75.4%	(1.6)	-80.3%	(10.8)	(16.8)	-35.6%	(9.6)	-42.6%
Food	(1.6)	(12.5)	-87.6%	(1.2)	-90.4%	(12.8)	(25.0)	-48.6%	(11.4)	-54.2%
Others	0.2	(0.2)	-181.7%	0.2	-170.7%	(0.1)	(0.5)	-83.3%	(0.1)	-80.5%
Depreciation & Amortization	(0.7)	(0.7)	0.7%	(0.6)	-15.8%	(1.4)	(1.5)	-3.7%	(1.2)	-15.0%
Gross Profit	0.1	25.0	-99.5%	0.1	-99.7%	21.4	49.9	-57.1%	19.1	-61.8%
Operating Expenses¹	(7.0)	(14.8)	-52.5%	(5.6)	-62.3%	(23.6)	(30.6)	-22.9%	(20.4)	-33.4%
Selling and Operating	(3.3)	(6.5)	-49.5%	(2.6)	-60.0%	(10.0)	(12.8)	-21.7%	(8.6)	-32.4%
Rents of Stores	3.8	(1.4)	-371.0%	2.8	-301.1%	2.3	(3.0)	-176.6%	1.5	-149.3%
Depreciation & Amortization	(6.5)	(5.5)	16.9%	(4.9)	-11.3%	(12.1)	(10.9)	10.2%	(9.8)	-10.4%
General & Administrative and Others	(1.1)	(1.4)	-22.6%	(0.9)	-35.9%	(3.9)	(3.8)	0.6%	(3.4)	-10.3%
Store Pre-Openings	(0.0)	(0.1)	-84.4%	0.0	-100.0%	(0.1)	(0.2)	-78.3%	(0.0)	-100.0%
EBIT	(6.9)	10.1	-168.5%	(5.5)	-154.6%	(2.2)	19.1	-111.7%	(1.3)	-106.9%
(+) Depreciation & Amortization	7.2	6.3	15.0%	5.5	-11.9%	13.5	12.4	8.6%	11.0	-11.0%
EBITDA	0.3	16.4	-98.3%	0.0	-99.9%	11.2	31.5	-64.3%	9.7	-69.1%
(+) Store Pre-Openings	0.0	0.1	-84.4%	0.0	-100.0%	0.1	0.2	-78.3%	0.0	-100.0%
Adjusted EBITDA	0.3	16.5	-98.2%	0.0	-99.9%	11.3	31.7	-64.4%	9.7	-69.4%
Expansion Capex	0.4	0.0	2724.0%	0.3	2111.7%	2.2	0.3	763.8%	2.0	669.6%
Maintenance Capex	0.1	1.5	-96.5%	0.0	-97.2%	1.5	1.6	-6.3%	1.3	-16.5%
Total Capex	0.4	1.5	-71.8%	0.3	-77.9%	3.7	1.9	99.0%	3.3	77.3%
Adjusted Operating Inc. - Maintenance Capex³	0.3	15.0	-98.3%	(0.0)	-100.2%	9.8	30.1	-67.5%	8.4	-72.2%

¹Before special items and pre-opening expenses; ² In constant currencies compared to the same period last year;

³AV vs. Op. Res.

APPENDIX - EXCHANGE 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	5.331	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
2Q20	5.476	5.379	0.001463	0.001402

Source: Central Bank of Brazil

NOTE FROM MANAGEMENT

Due to rounding, the financial information presented in the tables and graphs of this document may not exactly match the figures presented in the audited consolidated financial statements.

Non-accounting information or information derived from non-accounting numbers, as well as information described as comparable history, has not been reviewed by the independent auditors.

GLOSSARY

Frango Assado is equivalent to the Roads Segment

Airports is equivalent to the Airports Segment

Pizza Hut, KFC and Others is equivalent to the Malls Segment

Net store opening: References to “net store opening”, “net store closing” or similar expressions correspond to the sum of store openings and reopenings in a certain period less the closing of stores in that period.

Company: International Meal Company Alimentação SA 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 considered by Management to be not representative of the normal course of business and / or do not impact cash generation, such as provisions for store closings, corporate restructuring expenses and expenses with consultancy services related to project implementation.

In accordance with the accounting principles adopted in IFRS, EBITDA and 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.

Because our EBITDA calculation does not take into account income tax and social contribution, financial income (expenses), depreciation and amortization, EBITDA acts as an indicator of our overall financial performance, which is not affected by changes in income tax and social contribution rates, due to fluctuations in interest rates or levels of depreciation and amortization.

Consequently, we believe that adjusted EBITDA works as a significant comparative tool to periodically measure our operating performance, as well as to support certain decisions of an administrative nature. We believe that adjusted EBITDA allows us to better understand our financial performance, our ability to pay interest and principal on our debt and to incur more debt to finance our capital expenditures and working capital.

However, since adjusted EBITDA does not consider certain costs inherent to our business, which could, in turn, significantly affect our profits, such as interest, taxes, depreciation, capital expenditures and other corresponding charges, EBITDA has limitations that affect its use as an indicator of our profitability.

Master franchise:an agreement whereby a company grants a person or business the right to sell its products or services in a particular area or country. A master franchise usually controls franchise rights for an entire geographic region.

Same store sales:corresponds to sales from stores opened more than 12 months ago to Pizza Hut and KFC stores or 18 months to other brands that maintained operations for comparable periods, excluding stores that were temporarily closed. O If a store is included in the sales calculation of

comparable stores for only part of one of the periods compared, then that store will be included in the calculation of the corresponding portion of the other period. Some of the reasons for the temporary closure of our stores include renovation or remodeling, reconstruction, road construction and natural disasters. When there is a variation in the area of a store included in sales of comparable stores, the store will be excluded from sales of comparable stores. The variation in same-store sales is a measure used in the retail market as an indication of the performance of commercial strategies and initiatives implemented, and also represents trends in the local economy and consumers. Our sales are accounted for and analyzed based on the functional currency of each country in which we operate. Therefore, as our financial information is converted and shown in reais, the Brazilian currency, using average exchange rates for the compared periods, the sales figures in the same store may present gains or losses resulting from the exchange variation of the currency of the country where that same store is located. Same-store sales are not a measure of financial performance under accounting practices adopted in Brazil (BR GAAP) or international accounting standards (IFRS).

LEGAL NOTICE

This report contains future information. Such information is not just historical facts, but reflects the wishes and expectations of the IMC Management. The words "anticipate", "wish", "wait", "foresee", "intend", "plan", "foretell", "project", "aim" and the like, are intended to identify statements that necessarily involve known and unknown risks. Known risks include uncertainties, which are not limited to the impact of price and product competitiveness, the acceptance of products on the market, the product transitions of the Company and its competitors, regulatory approval, currency, currency fluctuation, difficulties in supply and production and changes in product sales, among other risks. This report also contains some information prepared by the Company for information and reference purposes only, which, therefore, has not been audited. This report is updated to the present date, and IMC is not obliged to update it in the light of new information and / or future events. Due to rounding, the financial information presented in the tables and graphs of this document may not exactly match the figures presented in the audited financial statements. Non-accounting information or information derived from non-accounting numbers, as well as information described as comparable history, has not been reviewed by the independent auditors. This report is updated to the present date, and IMC is not obliged to update it in the light of new information and / or future events. Due to rounding, the financial information presented in the tables and graphs of this document may not exactly match the figures presented in the audited financial statements. Non-accounting information or information derived from non-accounting numbers, as well as information described as comparable history, has not been reviewed by the independent auditors. This report is updated to the present date, and IMC is not obliged to update it in the light of new information and / or future events. Due to rounding, the financial information presented in the tables and graphs of this document may not exactly match the figures presented in the audited financial statements. Non-accounting information or information derived from non-accounting numbers, as well as information described as comparable history, has not been reviewed by the independent auditors.

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 – 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 June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the related statements of profit or loss and comprehensive income for the three and six-month periods then ended, and of changes in equity and cash flows for the six-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 – 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 financial 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

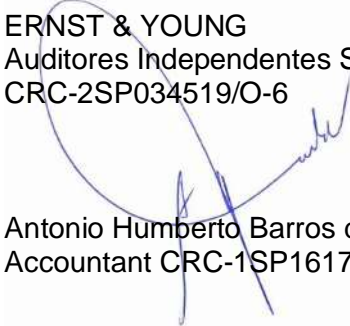
TG 21 and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 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, August 31, 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

June 30, 2020 and December 31, 2019

(Amounts in thousands of reais - R\$)

	<u>Note</u>	<u>Parent</u>		<u>Consolidated</u>	
		<u>6/30/2020</u>	<u>12/31/2019</u>	<u>6/30/2020</u>	<u>12/31/2019</u>
Assets					
Current					
Cash and cash equivalents	8	12,065	140,081	200,445	332,806
Trade receivables	9	3,758	15,503	45,097	62,905
Inventories	10	2,749	4,030	54,270	53,202
Taxes recoverable	11	16,887	20,099	94,136	90,260
Derivative financial instruments	7.c)	-	-	383	149
Prepaid expenses		1,619	1,189	16,896	8,646
Other current assets		294	807	15,149	8,311
Total current assets		37,372	181,709	426,376	556,279
Noncurrent assets					
Trade receivables	9	700	776	1,000	1,376
Judicial deposits		3,550	3,355	14,017	13,666
Receivables from related parties	30.d)	258,251	128,285	2,535	2,535
Deferred income tax and social contribution	21.a)	-	-	97,835	17,509
Other noncurrent assets		3,708	3,809	8,936	13,394
		266,209	136,225	124,323	48,480
Long-term assets					
Investments	12	984,717	1,200,319	21,831	22,832
Property, plant and equipment	13	18,696	22,900	357,163	372,677
Intangible assets	14	72,595	123,165	1,112,263	1,300,340
Right of use	15	10,995	16,258	389,518	385,042
Total noncurrent assets		1,353,212	1,498,867	2,005,098	2,129,371
Total assets		1,390,584	1,680,576	2,431,474	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

June 30, 2020 and December 31, 2019

(Amounts in thousands of reais - R\$)

	Note	Parent		Consolidated	
		6/30/2020	12/31/2019	6/30/2020	12/31/2019
Liabilities and equity					
Current					
Trade payables	16	13,433	14,568	192,093	188,097
Borrowings and debentures	17	14,613	7,485	69,574	83,202
Government grant	18	-	-	25,758	-
Payroll and related taxes		15,961	17,909	59,179	65,935
Taxes payable		234	2,030	21,621	27,367
Deferred revenue		513	833	14,727	16,361
Installment payment of business acquisitions	19	-	-	13,359	6,394
Agreements and installment payment of labor suits		333	283	333	1,133
Right of use ("lease")	15	5,226	4,942	105,968	92,060
Other current liabilities		-	-	26,926	14,413
Total current liabilities		50,313	48,050	529,538	494,962
Noncurrent liabilities					
Borrowings and debentures	17	384,052	387,789	498,833	478,470
Payables to related parties	30.d)	51,029	51,059	3,080	3,080
Agreements and installment payment of labor suits		-	74	-	74
Provision for labor, civil and tax risks	20	4,871	6,809	79,152	84,680
Deferred revenue		686	803	17,238	19,231
Deferred income tax and social contribution	21.a)	12,919	25,859	55,189	77,502
Installment payment of business acquisitions	19	-	-	36,007	35,164
Right of use ("lease")	15	6,814	12,094	310,732	309,162
Other noncurrent liabilities		3,257	2,933	25,062	38,219
Total noncurrent liabilities		463,628	487,420	1,025,293	1,045,582
Equity					
Capital	22	786,065	786,065	786,065	786,065
Capital reserve		344,442	297,043	344,442	297,043
Reserve for stock option plan	23	31,624	28,937	31,624	28,937
Accumulated losses		(435,999)	(7,028)	(435,999)	(7,028)
Other comprehensive income (loss)		150,511	40,089	150,511	40,089
Total equity		876,643	1,145,106	876,643	1,145,106
Total liabilities and equity		1,390,584	1,680,576	2,431,474	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- and six-month periods ended June 30, 2020 and 2019

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

	Note	Parent				Consolidated			
		4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Net revenue	24	2,502	35,112	34,790	71,384	150,571	517,213	401,900	764,292
Cost of sales and services	29	(7,262)	(31,904)	(25,247)	(51,167)	(139,595)	(420,740)	(271,801)	(525,788)
Gross profit		(4,760)	3,208	9,543	20,217	10,976	96,473	130,099	238,504
Operating income (expenses)									
Selling and operating expenses	25 and 29	(5,062)	(9,886)	(4,486)	(9,247)	(42,183)	(99,660)	(66,502)	(120,517)
General and administrative expenses	26 and 29	(6,687)	(12,986)	(6,320)	(14,020)	(29,667)	(64,847)	(26,968)	(51,113)
Depreciation and amortization	29	(6,760)	(13,886)	(3,839)	(7,730)	(30,695)	(61,761)	(24,020)	(47,813)
Impairment of assets		(50,054)	(50,930)	-	-	(323,951)	(327,432)	-	-
Other operating income (expenses), net	27	(7,085)	(9,026)	606	(82)	(42,157)	(36,851)	1,698	(1,177)
Share of profit (loss) of investees	12 and 29	(301,183)	(334,889)	8,480	10,462	(5,829)	(5,205)	3,501	6,020
Operating profit (loss) before finance income (expense) and income tax and social contribution		(381,591)	(428,395)	3,984	(400)	(463,506)	(499,283)	17,808	23,904
Finance income (expense), net	28	(8,858)	(14,300)	(3,913)	(8,863)	(17,751)	(34,858)	(14,650)	(30,073)
Loss before income tax and social contribution		(390,449)	(442,695)	71	(9,263)	(481,257)	(534,141)	3,158	(6,169)
Current income tax and social contribution	21.c)	-	-	-	-	-	-	(3,389)	(4,375)
Deferred income tax and social contribution	21.c)	7,616	13,724	656	1,987	98,424	105,170	958	3,268
Loss for the period		(382,833)	(428,971)	727	(7,276)	(382,833)	(428,971)	727	(7,276)
Loss per share - R\$									
Basic (cents per share)		(2.36320)	(2.64800)	0.00452	(0.04524)	(2.36320)	(2.64800)	0.00452	(0.04524)
Diluted (cents per share)		(2.36320)	(2.64800)	0.00452	(0.04524)	(2.36320)	(2.64800)	0.00452	(0.04524)

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- and six-month periods ended June 30, 2020 and 2019

(Amounts in thousands of reais - R\$)

	Parent				Consolidated			
	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019	4/1/2020 to 6/30/2020	1/1/2020 to 6/30/2020	4/1/2019 to 6/30/2019	1/1/2019 to 6/30/2019
Loss for the period	(382,833)	(428,971)	727	(7,276)	(382,833)	(428,971)	727	(7,276)
Translation adjustments in the balance sheet of foreign subsidiaries	28,380	110,422	(5,623)	(3,016)	28,380	110,422	(5,623)	(3,016)
	28,380	110,422	(5,623)	(3,016)	28,380	110,422	(5,623)	(3,016)
Total comprehensive income for the period, attributable to owners of the Company	(354,328)	(318,549)	(4,896)	(10,292)	(354,328)	(318,549)	(4,896)	(10,292)

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

Six-month periods ended June 30, 2020 and 2019

(Amounts in thousands of reais - R\$)

	Capital reserve				Reserve for stock option plan	Earnings reserve			Accumulated losses	Other comprehensive income (loss)	Total equity
	Capital	Capital reserve	Treasury shares	Total capital reserve		Legal reserve	Earnings reserve	Total earnings reserve			
Balance as of December 31, 2019	786,065	337,960	(40,917)	297,043	28,937	578	(578)	-	(7,028)	40,089	1,145,106
Loss for the period	-	-	-	-	-	-	-	-	(428,971)	-	(428,971)
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	-	-	-	110,422	110,422
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	-	(428,971)	110,422	(318,549)
Treasury shares sold	-	-	47,399	47,399	-	-	-	-	-	-	47,399
Stock option plan	-	-	-	-	2,687	-	-	-	-	-	2,687
Balance as of June 30, 2020	786,065	337,960	6,482	344,442	31,624	578	(578)	-	(435,999)	150,511	876,643

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- and six-month periods ended June 30, 2020 and 2019

(Amounts in thousands of reais - R\$)

	Capital reserve				Reserve for stock option plan	Earnings reserve			Accumulated losses	Other comprehensive income (loss)	Total equity
	Capital	Capital reserve	Treasury shares	Total capital reserve		Legal reserve	Earnings reserve	Total earnings reserve			
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	-	-	-	-	-	-	-	-	(7,276)	-	(7,276)
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	-	-	-	(3,016)	(3,016)
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	(7,276)	(3,016)	(10,292)
Capital reduction	(100,00)	-	-	-	-	-	-	-	-	-	(100,000)
Treasury shares sold	-	(3,173)	8,743	5,570	-	-	-	-	-	-	5,570
Stock option plan	-	-	-	-	2,004	-	-	-	-	-	2,004
Balance as of June 30, 2019	776,281	131,586	(42,408)	89,178	25,297	578	8,236	8,814	(7,276)	20,206	912,500

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

Six-month periods ended June 30, 2020 and 2019

(Amounts in thousands of reais - R\$)

	Note	Parent		Consolidated	
		6/30/2020	6/30/2019	6/30/2020	6/30/2019
Cash flows from operating activities					
Loss for the period		(428.971)	(7,276)	(428.971)	(7,276)
Adjustments to reconcile loss for the period to net cash from continuing operations:					
Depreciation and amortization	29	14,485	8,218	52,170	37,970
Depreciation of right of use		1,586	1,895	38,378	34,751
Impairment of intangible assets (utilization)	13 and 14	(1,284)	-	(9,597)	(1,877)
Impairment of intangible assets (provision/reversal)	13 and 14	50,930	-	327,431	-
Disposal of property, plant and equipment and intangible assets	13 and 14	809	662	15,437	3,136
Amortization of investment in joint venture		-	-	1,414	1,200
Share of profit (loss) of investees	12	334,889	(10,462)	7,067	(7,220)
Provision for labor, civil and tax risks	20	548	1,027	1,560	3,918
Income tax and social contribution	21 c)	(13,724)	(1,987)	(105,170)	1,107
Interest on borrowings	28	13,832	8,442	17,235	13,865
Interest on business acquisitions and on commercial rights	28	-	-	572	876
Interest on lease liability ("right of use")	15	568	917	16,052	17,335
Exchange gains (losses)	28	280	(231)	64	(270)
Share-based payment		2,687	2,004	2,687	2,004
Deferred revenue and discounts recognized		(437)	(605)	(2,755)	(3,156)
Several provisions and others		5,539	3,004	5,862	343
		(18,263)	5,608	(60,564)	96,706
Changes in operating assets and liabilities:					
Trade receivables		9,163	3,306	16,336	1,962
Inventories		1,280	324	4,637	1,614
Taxes recoverable		2,520	3,875	3,380	9,963
Prepaid expenses		(430)	(266)	(5,723)	(7,341)
Trade payables		(2,771)	(5,783)	(8,409)	(20,111)
Government grant		-	-	25,312	-
Related parties		(129,966)	(4,898)	-	-
Payment of labor, civil and tax risks	20	(2,486)	(1,072)	(7,548)	(4,021)
Other assets and liabilities		(1,519)	598	(14,495)	(2,983)
Cash provided by (used in) operating activities		(142,472)	1,692	(47,074)	75,789
Income tax and social contribution paid		-	(1,111)	(1,364)	(4,698)
Interest paid on borrowings		(11,495)	(3,605)	(14,223)	(9,204)
Interest paid on lease liability ("right of use")		(267)	(438)	(9,256)	(7,863)
Interest paid on business acquisitions and on commercial rights		-	-	(405)	(586)
Net cash provided by (used in) operating activities		(154,234)	(3,462)	(72,322)	53,438
Cash flows from investing activities					
Capital increase in subsidiaries		(15,357)	-	-	-
Payment of business acquisitions made in prior years		-	-	(3,148)	(3,060)
Dividends received	12	-	-	3,275	5,649
Proceeds from sale of discontinued operation		-	-	908	3,694
Additions to intangible assets, net of balance payable in installments		(1,192)	(838)	(6,011)	(2,066)
Additions to property, plant and equipment, net of balance payable in installments		(3,012)	(3,599)	(61,466)	(36,506)
Net cash used in investing activities		(19,561)	(4,437)	(66,442)	(32,289)
Cash flow from financing activities					
Payment of dividends	22.a)	-	(1,875)	-	(1,875)
Capital reduction		-	(100,000)	-	(100,000)
Treasury shares sold		47,399	5,569	47,399	5,569
New borrowings, net of borrowing costs		-	238,710	-	238,710
Amortization of lease liability ("right of use")		(1,620)	(1,936)	(35,918)	(36,360)
Repayment of borrowings		-	(150,000)	(39,259)	(168,622)
Net cash provided by (used in) financing activities		45,779	(9,532)	(27,778)	(62,578)
Effect of exchange rate changes on cash and cash equivalents		-	-	34,181	(1,036)
NET CHANGE IN THE PERIOD		(128,421)	(17,431)	(132,361)	(42,465)
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		12,065	112,797	200,445	226,096

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

Six-month periods ended June 30, 2020 and 2019

(Amounts in thousands of reais - R\$)

		Parent		Consolidated	
	Note	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenues					
Sales of goods, products and services	24	39,133	77,371	556,242	814,512
Other revenues	27	431	1,186	14,838	6,683
Allowance for expected credit losses		(2,659)	94	(7,197)	77
		36,905	78,651	563.883	821,272
Inputs purchased from third parties					
Cost of sales and services	29	(10,231)	(18,536)	(224,160)	(266,880)
Materials, electric power, outside services and others		(11,183)	(12,127)	(88,793)	(80,246)
Others		(2,997)	10,194	(48,056)	(18,791)
		(24,411)	(20,469)	(361.009)	(365,917)
Gross value added		12.494	58,182	202.874	455,355
Depreciation and amortization	29	(16,071)	(10,113)	(91.962)	(73,921)
Impairment of intangible assets (uses)		(50,930)	-	(327.432)	-
Value added created by the Company		(54,507)	48,069	(216.520)	381,434
Value added received in transfer					
Share of profit (loss) of subsidiaries	12	(334.889)	10,462	(5.205)	7,220
Exchange rate changes	28	(280)	231	(2.264)	270
Finance income	28	2,050	2,998	3.108	4,758
		(333.119)	13,691	(4.361)	12,248
Total value added for distribution		(387.626)	61,760	(220.881)	393,682
Value added distributed					
Personnel:					
Payroll and related taxes		20,951	39,006	177.508	231,115
Management fees	31	8,474	8,540	8,474	8,540
Share-based payment	31	2,687	1,615	2,687	1,615
		32,112	49,161	188.669	241,270
Taxes, fees and contributions:					
Taxes on sales	24	3,927	6,767	26,477	32,322
Income tax and social contribution	21.c)	(13.724)	(1,987)	(105.170)	1,107
		(9.797)	4,780	(78.693)	33,429
Lenders and lessors:					
Interest		14,400	9,359	33,859	32,076
Royalties		-	-	12,827	12,009
Rentals		4.630	5,736	51.428	82,174
		19.030	15,095	98.114	126,259
Shareholders:					
Profit (loss) for the period		(428.971)	(7,276)	(428.971)	(7,276)
		(428.971)	(7,276)	(428.971)	(7,276)
		(387.626)	61,760	(220.881)	393,682

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information

June 30, 2020

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

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"), sale of food for airline catering services ("catering") and operation of franchises. The Group also subleases stores and spaces for promotional and commercial purposes in its store chain, with the sale of fuel, and provides general services related to these segments.

As of June 30, 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 (R4) – 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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

(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
Business combination – full note	Note 5
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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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 amounts invested in financial institutions, totaling R\$ 200,445. These funds are held at solid financial institutions and, although in the current scenario there is a possibility of an increase in the default of its customers, there are no indications of a significant increase in the credit risk of these counterparties. In addition, it should be noted that the Central Bank of Brazil has implemented several measures to increase the liquidity of financial institutions, so that no loss is expected due to the pandemic.

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, additionally, the risk decreases due to the dependence of suppliers such as IMC by airlines.

At June 30, 2020, the Company reassessed the sufficiency of its provision for impairment and elected to set up a provision for impairment in the total amount of receivables from airlines Latam e Avianca, which filed for in-court reorganization.

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;

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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.

As of June 30, 2020, the Company reviewed the calculation of obsolete and/or slow-moving items and, accordingly, it has a provision for impairment of inventories in the amount of R\$4,770.

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 carrying amount of business units, including goodwill.

The Company performed impairment test at June 30, 2020 and considers, among other factors, the market value-to-book value ratio when performing a review to identify indications of impairment. As of June 30, 2020, the Company's market value was lower than the book value of its capital, indicating a possible impairment of goodwill and impairment of assets. Additionally, the slowdown in food activities all over the world and the continuous economic uncertainty generated by the coronavirus pandemic caused a fall in demand.

The impacts of these analyses are presented in note 14.

Income tax (NBC TG 32 R4)

The Company updated to June 30, 2020, the projections and analyzes carried out on the recoverability of taxes on profit, considering the effects of COVID-19, and identified the need to set up a provision for the non-realization of the deferred tax balance recorded in the Parent company, on tax loss and temporary difference, in the amount of R\$ 10,299, as it concludes that there will be no generation of future tax profits, to offset such credits for the next 10 years..

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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

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

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

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

The impacts of this resolution are presented in note 15, as established by the new paragraphs included in the aforementioned standard.

Fair value measurement

Given the nature of the transactions, the Company considered that COVID-19 does not have impacts on the fair value measurement of our operations.

Provisions and contingent liabilities

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

Revenue recognition

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

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, 2021.

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.

In addition, as disclosed in Note 35, the Company increased its capital by more than R\$ 384 million in July 2020, and such amount will be used for working capital improvement and investments.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

3. Liquidity and compliance with financial commitments

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.

3.2. 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".

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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 six-month period ended June 30, 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 S.A. ("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 subfranchise 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.

The goodwill generated on the operation is R\$ 159,703.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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.

	Consolidated					
	Airports	Shopping malls	Highways	United States of America	Others	Total
June 30, 2020:						
Net revenue	80,634	130,012	177,859	128,708	-	517,213
Operating profit (loss) (*)	(29,972)	(39,617)	(14,401)	14,852	(10,752)	(79,890)
Depreciation and amortization	(19,493)	(11,747)	(10,766)	(11,567)	(11)	(53,584)
Depreciation of right of use	(13,494)	(11,049)	(3,473)	(10,361)	-	(38,377)
Impairment of intangible assets	(50,930)	(276,502)	-	-	-	(327,432)
Finance income (expense)	(19,902)	(6,010)	(4,254)	(5,164)	472	(34,858)
Income tax benefit (expense)	13,764	82,788	(113)	8,731	-	105,170
	Consolidated					
	Airports	Shopping malls	Highways	United States of America	Others	Total
June 30, 2019:						
Net revenue	171,661	128,121	243,729	220,781	-	764,292
Operating profit (loss) (*)	46,167	3,954	26,667	32,298	(11,261)	97,825
Depreciation and amortization	(14,384)	(7,681)	(7,977)	(9,637)	(25)	(39,704)
Finance income (expense)	(12,970)	(9,169)	(4,284)	(7,794)	-	(34,217)
Income tax benefit (expense)	(16,320)	(3,155)	(4,619)	(5,922)	(57)	(30,073)
Income tax benefit (expense)	404	(1,224)	(427)	140	-	(1,107)

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

6. Segment information--Continued

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

	Consolidated	
	6/30/2020	6/30/2019
Reconciliation of loss for the period:		
Operating profit from reportable segments, excluding the effects of depreciation and amortization	(69,138)	109,086
Operating loss from other segments, excluding the effects of depreciation and amortization	(10,752)	(11,261)
	(79,890)	97,825
Depreciation and amortization	(53,584)	(39,704)
Amortization of right of use asset	(38,377)	(34,217)
Impairment of intangible assets	(327,432)	-
Finance income (expense)	(34,858)	(30,073)
Income tax and social contribution	105,170	(1,107)
Loss for the period (46,138) (8,003)	(428,971)	(7,276)

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

	Consolidated	
	6/30/2020	12/31/2019
Shopping malls	470,994	898,845
Airports	711,495	728,928
Highways	559,028	559,039
United States of America	686,224	496,088
Subtotal	2,427,741	2,682,900
Assets not allocated to the segments	3,733	2,750
	2,431,474	2,685,650

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	
	6/30/2020	6/30/2019
Net revenue:		
Brazil	341,951	449,884
The Caribbean	46,554	93,627
United States of America	128,708	220,781
	517,213	764,292

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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.

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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Financial assets				
Trade receivables and receivables at amortized cost:				
Cash and cash equivalents	12,065	140,081	200,445	332,806
Derivative financial instrument of exchange swap (item f)	-	-	383	149
Trade receivables	4,458	16,279	46,097	64,281
Receivables from related parties	258,251	128,285	2,535	2,535
	274,774	284,645	249,460	399,771

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

7. Financial instruments--Continued

c) Categories of financial instruments--Continued

	Carrying amount and fair value			
	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Financial liabilities				
Financial liabilities recognized at amortized cost:				
Trade payables	13,433	14,568	192,093	188,097
Borrowings and debentures	398,665	395,274	568,407	561,672
Payables to related parties	51,029	51,059	3,080	3,080
Installment payment of business acquisitions	-	-	49,366	41,558
	463,127	460,901	812,946	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 six-month period ended June 30, 2020. Accordingly, the disclosed balances do not match the balances stated in the balance sheets.

	Weighted average effective interest rate - %	Parent					Total
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	
June 30, 2020:							
Trade payables	-	(12,631)	(343)	(459)	-	-	(13,433)
Trade receivables	-	2,347	305	1,106	700	-	4,458
Borrowings and debentures	9.64%	-	(13,869)	(10,863)	(285,188)	(222,585)	(532,505)
Right of use ("lease")	11.99%	(488)	(1,463)	(3,902)	(6,616)	(1,015)	(13,484)
	Weighted average effective interest rate - %	Consolidated					Total
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	
June 30, 2020:							
Trade payables	-	(161,523)	(17,537)	(13,033)	-	-	(192,093)
Trade receivables	-	25,774	8,967	10,356	1,000	-	46,097
Derivative financial instrument of exchange swap (item f)	7.59%	-	-	413	-	-	413
Borrowings and debentures	7.84%	-	(16,423)	(33,622)	(428,071)	(222,585)	(700,701)
Right of use ("lease")	9.06%	(9,889)	(29,668)	(79,116)	(278,043)	(60,841)	(457,557)
Installment payment of business acquisitions	5.75%	-	(2,263)	(7,084)	(36,898)	(5,000)	(51,245)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

7. Financial instruments--Continued

e) Credit risk

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Group. Group sales are basically made using various means of payment, especially credit and debit cards, which reduce significantly the risk of default. A portion of the catering segment sales is made to airlines, the creditworthiness of which is monitored. As 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 of 4.05% 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 of 3.1% per year.

As of June 30, 2020 and 2019, due to this financial instrument, the following results were obtained:

	6/30/2020	6/30/2019
Notional amount in thousands of US dollars - US\$	4.528	4,528
Average contracting rate - real - R\$	3.87	3.87
Notional amount in reais - R\$	17,510	17,510
Long position (purchased)		
US dollar - US\$ thousand - plus interest of 4.05%	383	18
Short position (sold)		
CDI plus interest of 3.1% per year	27	16
Balances at the end of the period	410	34

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

7. Financial instruments--Continued

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	7.59%	8.74%	9.89%
Estimated charges	67	77	87
Debentures - CDI plus interest from 4.85% to 5.30% per year	9.34%	10.78%	11.93%
Estimated charges	39,447	44,145	48,842
30-day LIBOR plus interest of 1.95% per year	2.13%	2.18%	2.22%
Estimated charges	1,707	1,743	1,780
180-day LIBOR plus interest from 3.40% to 4.05% per year	3.83%	3.93%	4.04%
Estimated charges	2,455	2,523	2,592
IBR (p.a.) plus interest of 3.70% per year	6.14%	6.75%	7.36%
Estimated charges	820	901	983

h) Debt-to-equity ratio

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Debt (i)	398,665	395,274	568,407	561,672
Derivative financial instrument of exchange swap	-	-	(383)	(149)
Installment payment of business acquisitions	-	-	49,366	41,558
Cash and cash equivalents (financial investments)	(12,065)	(140,081)	(200,445)	(332,806)
Net debt	386,600	255,193	416,945	270,275
Equity (ii)	876.643	1,145,106	876.643	1,145,106
Debt-to-equity ratio	0,441	0.223	0,475	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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

8. Cash and cash equivalents

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Cash	18	246	4,452	5,705
Banks	5	1	170,083	108,289
Financial investments	12,042	139,834	25,910	218,812
	12,065	140,081	200,445	332,806

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

Transactions	Average yield	Liquidity	Country	Parent	
				6/30/2020	12/31/2019
Bank deposit certificate	98.5% to 103.0% of CDI	Immediate	Brazil	11,808	136,392
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	234	3,036
Others	80% to 100% of CDI	Immediate	Brazil	-	406
				12,042	139,834

Transactions	Average yield	Liquidity	Country	Consolidated	
				6/30/2020	12/31/2019
Bank deposit certificate	90% to 103.0% of CDI	Immediate	Brazil	21,580	180,952
Lease bill	100.2% to 101.5% of CDI	Immediate	Brazil	-	13,675
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	234	6,536
Overnight deposits	7.41 % p.a.	Immediate	Colombia	51	11,336
Others	70% to 90% of CDI	Immediate	Brazil	4,045	6,313
				25,910	218,812

9. Trade receivables

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Means of payment (credit and debit cards, and meal tickets)	-	686	12,084	13,066
Trade receivables	9,057	17,882	31,486	38,152
Rebates and commercial agreements	1,808	1,311	9,632	12,871
Trade receivables from franchisees (*)	-	-	19,326	19,246
Others	-	150	194	374
	10,865	20,029	72,722	83,709
Allowance for expected credit losses	(6,407)	(3,750)	(26,625)	(19,428)
	4,458	16,279	46,097	64,281
Current	3,758	15,503	45,097	62,905
Noncurrent	700	776	1,000	1,376
	4,458	16,279	46,097	64,281

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

9. Trade receivables--Continued

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	
	6/30/2020	12/31/2019
In Brazilian reais - R\$	51,674	59,270
In US dollars - US\$ (*)	9,109	11,846
In Mexican pesos - MXN\$ (*)	1,328	1,006
In Colombian pesos - COP\$ (*) 12,506 11,587	10,611	11,587
	72,722	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.

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

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Current	3,269	14,593	33,990	55,230
Past due:				
Up to 30 days	707	1,583	4,178	6,861
31 to 60 days	482	103	7,551	5,400
61 to 90 days	3,762	-	15,787	3,479
Over 90 days	2,645	3,750	11,216	12,739
Allowance for expected credit losses	(6,407)	(3,750)	(26,625)	(19,428)
	4,458	16,279	46,097	64,281

As described in Note 17, the Group pledged receivables from credit and debit card companies as collateral for borrowings. As of June 30, 2020, the balance receivable related to this collateral is R\$ 1,443 (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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
At the beginning of the period/year	(3,750)	(3,844)	(19,428)	(4,131)
Additions	(2,657)	(6)	(10,944)	(173)
Additions due to business combination	-	-	-	(15,068)
Reversals and write-offs	-	100	3,767	55
Exchange rate changes	-	-	(20)	(111)
At the end of the period/year	(6,407)	(3,750)	(26,625)	(19,428)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

9. Trade receivables--Continued

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	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Food and beverages	1,891	3,138	34,378	29,512
Fuel and vehicle accessories	-	-	2,742	5,834
Nonfood products and souvenirs for resale	-	-	14,203	9,009
Supplies and fixtures	2,164	1,195	7,717	9,948
Provision for inventory losses	(1,306)	(303)	(4,770)	(1,101)
	2,749	4,030	54,270	53,202

As of June 30, 2020, the total cost of inventories sold disclosed in line item 'Cost of sales and services' was R\$ 9,628 (R\$ 18,536 as of June 30, 2019) in parent and R\$ 214,920 (R\$ 266,880 as of June 30, 2019) in consolidated (see note 29).

11. Taxes recoverable

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Prepaid income tax and social contribution	-	-	14,589	11,520
Withholding income tax (IRRF) on financial investments	4,504	7,055	13,150	13,988
Taxes on revenue (PIS and COFINS)	11,807	12,727	64,081	63,091
Others	576	317	2,316	1,661
	16,887	20,099	94,136	90,260

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 June 30, 2020.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

12. Investments--Continued

Information on subsidiaries

The variation in investments in subsidiaries for the six-month period ended June 30, 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)	(274,764)	(1,095)	(5,474)	(15,228)	(38,246)	(334,889)
Amortization of right of use of Master Franchise	-	-	-	-	-	(6,492)	(6,492)
Addition (write-off) due to merger	(4,584)	4,584	-	-	-	-	-
Capital increase	-	-	-	15,357	-	-	15,357
Translation adjustments	-	-	-	87,735	22,687	-	110,422
Balance as of June 30, 2020	-	265,737	55,313	346,728	149,153	167,786	984,718

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 (*)	(5,205)
Dividends received	(1,862)
Translation adjustments of foreign joint venture	6,066
Balance as of June 30, 2020	21,831

(*) Share of profit (loss) of investees net of the amortization of investment in joint venture incurred in the six-month period ended June 30, 2020 in the amount of R\$ 1,414. The investment is amortized, because the joint venture has a determined finite duration.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

(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 six-month period ended June 30, 2020 is as follows:

	Parent				
	Balance as of 12/31/2019	Uses	Additions (*)	Transfers, write- offs and others	Balance as of 6/30/2020
<u>Cost</u>					
Machinery and equipment	25,404	-	4	(2,734)	22,674
Furniture and fixtures	7,908	-	-	(770)	7,138
Leasehold improvements	30,129	-	547	(5,553)	25,123
Computers, vehicles and other items	25,863	-	1,948	(1,560)	26,251
Works and construction in progress	480	-	236	(677)	39
Total cost	89,784	-	2,735	(11,290)	81,229
<u>Depreciation</u>					
Machinery and equipment	(19,067)	-	(847)	2,736	(17,178)
Furniture and fixtures	(6,711)	-	(275)	824	(6,162)
Leasehold improvements	(17,987)	-	(1,000)	5,418	(13,569)
Computers, vehicles and other items	(22,711)	-	(737)	1,503	(21,945)
Total depreciation	(66,476)	-	(2,859)	10,481	(58,854)
<u>Provision for impairment of assets</u>					
Leasehold improvements	-	683	(2,683)	-	(2,000)
Works and construction in progress	-	-	(217)	-	(217)
Furniture and fixtures	-	-	(223)	-	(223)
Machinery, equipment and facilities	-	601	(1,377)	-	(776)
Computers, vehicles and other items	(408)	-	(55)	-	(463)
Total provision	(408)	1,284	(4,555)	-	(3,679)
Total, net	22,900	1,284	(4,679)	(809)	18,696

	Consolidated					
	Balance as of 12/31/2019	Uses	Additions (*)	Transfers, write-offs and others	Effects of exchange differences	Balance as of 6/30/2020
<u>Cost</u>						
Land and buildings	6,161	-	-	-	(619)	5,542
Machinery, equipment and facilities	245,739	-	15,244	(19,186)	9,667	251,464
Furniture and fixtures	90,307	-	1,512	(7,221)	11,676	96,274
Leasehold improvements	419,083	-	25,264	(18,196)	50,452	476,603
Computers, vehicles and other items	82,372	-	5,342	(7,418)	12,874	93,170
Works and construction in progress	41,641	-	9,252	(17,564)	18,697	52,026
Total cost	885,303	-	56,614	(69,585)	102,747	975,079
<u>Depreciation</u>						
Land and buildings	(3,192)	-	(107)	259	(640)	(3,680)
Machinery and equipment	(149,887)	-	(10,466)	24,544	(14,302)	(150,111)
Furniture and fixtures	(66,110)	-	(3,567)	5,203	(10,431)	(74,905)
Leasehold improvements	(219,109)	-	(18,765)	27,913	(41,965)	(251,926)
Computers, vehicles and other items	(68,287)	-	(2,913)	9,005	(5,685)	(67,880)
Total depreciation	(506,585)	-	(35,818)	66,924	(73,023)	(548,502)
<u>Provision for impairment of assets</u>						
Machinery and equipment	(2,109)	2,354	(55,411)	-	(59)	(55,225)
Works and construction in progress	-	9	(250)	-	-	(241)
Furniture and fixtures	(106)	55	(2,135)	-	-	(2,186)
Leasehold improvements	(3,261)	5,292	(12,850)	(677)	-	(11,496)
Computers, vehicles and other items	(565)	932	(633)	-	-	(266)
Total provision	(6,041)	8,642	(71,279)	(677)	-	(69,414)
Total, net	372,677	8,642	(50,483)	(3,338)	29,665	357,163

(*) The value of property, plant and equipment additions presented in the cash flow statements reflects what was actually paid over the six-month period ended June 30, 2020. Thus, in the statements of cash flows, from the additions of property, plant and equipment in the six-month period ended June 30, 2020, the amount of R\$ 277 was added in parent and the amount of R\$ 4,852 in the consolidated.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

13. Property, plant and equipment--Continued

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<u>Net balances</u>				
Land and buildings	-	-	1.862	2,969
Machinery and equipment	4,724	6,337	46.128	93,743
Furniture and fixtures	753	1,197	19,183	24,091
Leasehold improvements	9,337	12,142	213,181	196,713
Computers, vehicles and other items	3,843	2,744	25,024	13,520
Works and construction in progress	39	480	51.785	41,641
	18,696	22,900	357.163	372,677

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	6/30/2020	3/31/2019	6/30/2020	6/31/2019
Allocated to cost of sales and services	2.367	2,450	29.549	24,975
Allocated to general and administrative expenses	492	528	6,269	4,081
Total depreciation expenses	2.859	2,978	35.818	29,056
PIS and COFINS credits on depreciation (*)	(319)	(308)	(1,518)	(1,216)
Total depreciation expenses, net of tax credits	2.540	2,670	34.300	27,840

(*) 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 six-month period ended June 30, 2020 is as follows:

	Parent		
	Balance as of 12/31/2019	Additions (*)	Balance as of 6/30/2020
<u>Cost:</u>			
Goodwill	91,790	-	91,790
Software	21,326	-	28,938
Rights over trademarks	4,100	-	4,100
Commercial rights	30,748	-	30,861
Licensing rights	70,130	-	70,130
Leasehold rights	25,532	-	25,532
Intangibles in progress	7,173	1,192	57
Total cost	250,799	1,192	251,408
<u>Amortization:</u>			
Software	(17,143)	(1,333)	(17,830)
Commercial rights	(19,256)	(1,486)	(20,738)
Licensing rights	(63,495)	(2,305)	(65,800)
Leasehold rights	(25,203)	(329)	(25,532)
Total amortization	(125,097)	(5,453)	(129,900)
<u>Provision for impairment of assets</u>			
Goodwill	-	(34,673)	(34,673)
Software	-	(18)	(18)
Rights over trademarks	(2,537)	(1,562)	(4,099)
Commercial rights	-	(10,123)	(10,123)
Total provision	(2,537)	(46,376)	(48,913)
Total, net	123,165	(50,637)	72,595

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

(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 6/30/2020
<u>Cost</u>						
Goodwill	864,833	-	-	-	74,993	939,826
Software	37,490	-	566	(19,123)	25,419	44,352
Rights over trademarks	66,919	-	-	-	12,212	79,131
Commercial rights	118,898	-	1,951	(8,182)	1,230	113,897
Licensing rights	394,137	-	3,322	(24,762)	4,097	376,794
Right over trademarks and exploitation of franchises	7,670	-	-	(7,670)	-	-
Leasehold rights	27,536	-	-	(2,004)	-	25,532
Non-compete agreements	3,880	-	172	25,292	-	29,344
Intangibles in progress and other assets	7,909	-	-	(4,526)	(71)	3,312
Total cost	1,529,272	-	6,011	(40,975)	117,880	1,612,188
<u>Amortization:</u>						
Software	(29,478)	-	(1,689)	2,055	(392)	(29,504)
Commercial rights	(67,412)	-	(3,721)	(434)	(860)	(72,427)
Licensing rights	(95,114)	-	(7,821)	(213)	(2,395)	(105,543)
Leasehold rights	(25,204)	-	-	(328)	-	(25,532)
Non-compete agreements	(3,232)	-	(1,740)	2,088	-	(2,884)
Intangibles in progress and other assets	(620)	-	(2,899)	2,075	-	(1,444)
Total amortization	(221,060)	-	(17,870)	5,243	(3,647)	(237,334)
<u>Provision for impairment of assets</u>						
Goodwill	-	-	(223,796)	-	(52)	(223,848)
Software	(497)	13	(6,831)	-	-	(7,315)
Rights over trademarks	(7,351)	-	(13,836)	-	(136)	(21,323)
Commercial rights	(6)	941	(11,690)	667	-	(10,088)
Licensing rights	(17)	-	-	-	-	(17)
Total cost	(7,871)	954	(256,153)	667	(188)	(262,591)
	1,300,341	954	(268,012)	(35,065)	114,045	1,112,263

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
<u>Net balances</u>				
Goodwill (a)	57,117	91,790	715,978	864,833
Software	11,091	4,183	7,533	7,515
Rights over trademarks (b)	-	1,563	57,809	59,568
Commercial rights (c)	-	11,492	31,382	51,480
Licensing rights (d)	4,330	6,635	271,234	298,590
Right over trademarks and exploitation of franchises	-	-	-	7,670
Non-compete agreements	-	329	26,460	2,332
Leasehold rights (e)	-	-	-	1,064
Intangibles in progress and other assets	57	7,173	1,868	7,288
	72,595	123,165	1,112,263	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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

(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.

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

	Consolidated			
	6/30/2020			12/31/2019
	After impairment	Impairment	Before impairment	
Brazil:				
Shopping malls	159,703	187,904	347,607	347,607
Airports	57,118	34,673	91,790	91,790
Highways	206,187	-	206,187	206,187
	423,008	222,577	645,584	645,584
The Caribbean:				
Shopping malls	-	1,220	1,220	1,068
Airports	24,375	-	24,375	20,476
	24,375	1,220	25,595	21,544
United States of America				
	268,595	-	268,595	197,705
	715,978	223,797	939,774	864,833

b) *Rights over trademarks*

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

(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

The analysis of impairment of assets with indefinite useful lives is carried out once a year, or when there are indicators of impairment of any of the cash-generating units. As of June 30, 2020, the Company's market value was lower than its equity value, indicating a potential loss due to impairment of goodwill and other assets. In addition, the generalized decline in food activities worldwide and the continuing economic uncertainty generated by the pandemic throughout the second quarter of 2020, led to a reduction in demand and a review of various operational aspects of the Company, with an impact on this analyze. The discount rate used, as shown below, increased in relation to previous periods, mainly due to the change in the beta of the Company's operating segment, the change in country risk and the increase in the cost of the Company's debt, due to the renegotiation the terms and conditions of the debentures in the second quarter of 2020.

a) *Brazilian cash-generating units*

• *Airports*

The recoverable amount of the airports cash generating unit is R\$ 72,617 as of June 30, 2020 and was calculated based on the value in use considering the cash flow projections based on financial budgets. The projected cash flow was updated to reflect the reduction in the demand for products and services. The pretax discount rate applied in cash flow projections is 12.3% and the cash flow for the period extrapolating five years considers a growth rate of 5.9%, the same long-term average growth rate adopted by the food industry. It was concluded that the net fair value of selling expenses did not exceed the value in use.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

14. Intangible assets--Continued

a) *Brazilian cash generating units--Continued*

- *Airports--Continued*

As a result of this analysis, as of June 30, 2010 Management recognized an impairment of goodwill in the amount of R\$ 34,673 against the amount previously recorded of R\$ 91,790. The impairment charges are recorded in line item "provision for impairment", excluding the operations of KFC and Pizza Hut, in the statement of profit or loss.

- *Shopping malls*

The recoverable amount of the shopping malls cash generating unit is -R\$ 23,571 as of June 30, 2020, and was calculated based on the value in use calculation, in view of the cash flow projections based in financial budgets approved by Management during a five-year period. The projected cash flow was adjusted to reflect the decrease in the demand for products and services. The pretax discount rate applied in cash flow projections is 12.3% and the cash flow for the period exceeding five years considers a growth rate of 5.9%, the same long-term average growth rate adopted by the food industry. It was concluded that the net fair value of selling expenses did not exceed the value in use.

As a result of this analysis, Management recognized in June 2020 a reduction to the recoverable amount of goodwill in the amount of R\$ 187,904, a reduction in the recoverable amount of its assets in the amount of R\$ 53,675 and a reduction in the recoverable amount of trademark rights in the amount of R\$ 8,830. Charges for impairment are recognized in the item impairment of assets in the income statement.

b) *Caribbean cash-generating units*

- *Shopping malls*

The recoverable amount of the shopping malls in Colombia cash generating unit is R\$ 14,758 as of June 30, 2020, and was calculated based on the value in use calculation, in view of the cash flow projections based in financial budgets approved by Management during a five-year period. The projected cash flow was adjusted to reflect the decrease in the demand for products and services. The pretax discount rate applied in cash flow projections is 12.6% and the cash flow for the period exceeding five years considers a growth rate of 5.0%, the same long-term average growth rate adopted by the food industry. It was concluded that the net fair value of selling expenses did not exceed the value in use.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

14. Intangible assets--Continued

b) Caribbean cash generating unit--Continued

- *Shopping malls--Continued*

As a result of this analysis, Management recognized in June 2020 an impairment loss of R\$ 1,220 on the goodwill previously recorded of R\$ 4,536 as of December 31, 2019. The impairment losses are recorded in general and administrative expenses in the statement of profit or loss.

The main aspects and considerations on the most significant assumptions used in analyzes are as follows:

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

On June 30, 2020, Management concluded that there were no indicators of impairment of the "United States of America" and "Highways" generating units, since the tests performed showed that the recoverable values of these CGUs were higher than the values accounts at that date.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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 six-month period ended June 30, 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	(1,470)	(86)	(30)	(1,586)
(+) Additions	1,515	114	6	1,635
(-) Discounts obtained	(5,312)	-	-	(5,312)
Balance as of 6/30/2020	9,891	1,094	10	10,995

	Consolidated			
	Real estate	Machinery and equipment	Vehicles	Total
Balance as of 12/31/2019	383,942	1,066	34	385,042
(-) Accumulated depreciation	(38,261)	(86)	(30)	(38,377)
(+) Additions	26,105	114	6	26,225
(-) Write-offs	(34,031)	-	-	(34,031)
(+) Exchange rate changes	50,659	-	-	50,659
Balance as of 6/30/2020	388,414	1,094	10	389,518

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	531	36	1	568
(-) Principal paid	(1,552)	(66)	(2)	(1,620)
(-) Interest paid	(221)	(44)	(2)	(267)
(+) Additions	1,515	114	6	1,635
(-) Discounts obtained	(5,312)	-	-	(5,312)
Balance as of 6/30/2020	10,842	1,159	39	12,040

Current	4,934	278	14	5,226
Noncurrent	5,908	881	25	6,814

	Consolidated			
	Real estate	Machinery and equipment	Vehicles	Total
Balance as of 12/31/2019	400,067	1,119	36	401,222
(+) Interest	16,015	36	1	16,052
(-) Principal paid	(35,850)	(66)	(2)	(35,918)
(-) Interest paid	(9,210)	(44)	(2)	(9,256)
(+) Additions	26,105	114	6	26,225
(-) Write-offs	(13,215)	-	-	(13,215)
(-) Discounts obtained	(20,816)	-	-	(20,816)
(+) Exchange rate changes	52,406	-	-	52,406
Balance as of 6/30/2020	415,502	1,159	39	416,700

Current	105,676	278	14	105,968
Noncurrent	309,826	881	25	310,732

(*) The amounts above do not include PIS and COFINS credits for the six-month period ended June 30, 2020 in the amount of R\$ 2,387 in the Consolidated.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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

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

Year	Parent	Consolidated
9 months of 2021	1,033	28,602
2022	2,168	47,617
2023	2,141	41,599
2024	721	26,866
Over 5 years	751	166,048
	6,814	310,732

The amounts shown in the schedule above refer to lease liability amounts and do not reflect the discounts on leases due to the closure of stores caused by the COVID-19 pandemic.

Pursuant to CVM Resolution 859 of July 7, 2020, with the revisions of technical pronouncement 16/2020, which amends NBC TG 6 (R2), the Company applied the practical expedient to all contracts that met the conditions of item 46B, electing to not assess the benefits received in lease payments and directly related to the COVID-19 pandemic as a contractual amendment.

Therefore, the line item of R\$ 5,312 in Parent and R\$ 20,816 in Consolidated, referring to the discounts obtained on lease payments in the quarter, is classified as a reduction of the lease expense.

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

As of June 30, 2020, payments made by the Company relating to short-term lease contracts and low value assets referring to printers, peripherals, and office equipment totaled R\$ 2,783 (R\$ 2,146 as of June 30, 2019). Payments for contracts with variable value totaled R\$ 14,580 (R\$ 15,811 as of June 30, 2019).

Given the current scenario, with a significant part of stores closed, the Company elected to not disclose future values, since there is no reasonable assurance regarding the determination of the amounts.

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 by year	Average contract term
Brazil operations	2.13%	5 years
International operations		
United States of America	0.65%	6 years
Panama	0.65%	5 years
Colombia	2.49%	3 years

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

16. Trade payables

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Product suppliers	6,428	9,143	104,389	110,220
Service providers	6,837	4,980	86,954	74,949
Suppliers - others	168	445	750	2,928
	13,433	14,568	192,093	188,097

17. Borrowings and debentures

	Financial charges	Maturity	Parent		Consolidated	
			6/30/2020	12/31/2019	6/30/2020	12/31/2019
CCB international - Swap - Brazil (a)	CDI + spread of 3.1% p.a.	Quarterly up to 9/14/2020	-	-	2,507	2,634
Bank Credit Note - CCB – United States of America (b)	LIBOR + spread of 1.95% p.a.	Monthly until 11/21/2023	-	-	80,010	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	-	-	80,515	60,280
Debentures 1st Series (d)	CDI + spread of 4.85% p.a.	Annual until 03/15/2024	127,912	127,273	127,912	127,273
Debentures 2nd Series (d)	CDI + spread of 5.30% p.a.	Annual until 3/15/2026	127,805	127,426	127,805	127,426
Single series issuance (e)	CDI + spread of 5.00% p.a.	Annual until 9/10/2025	154,301	152,949	154,301	152,949
Costs to be recognized			(11,353)	(13,623)	(11,353)	(13,623)
Others			-	1,249	6,710	41,775
			398,665	395,274	568,407	561,672

Classified as:

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Current:				
Foreign currency-denominated borrowings	-	-	52,344	35,530
Local currency-denominated borrowings (R\$)	14,613	7,485	17,230	47,672
	14,613	7,485	69,574	83,202
Noncurrent:				
Foreign currency-denominated borrowings	-	-	110,690	87,708
Local currency-denominated borrowings (R\$)	384,052	387,789	388,143	390,762
	384,052	387,789	498,833	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 June 30, 2020, the Group was compliant with these covenants.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

17. Borrowings and debentures--Continued

Guarantees and commitments--Continued

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 June 30, 2020, 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 June 30, 2020, the Group was compliant with these covenants.
- (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 4.85% per year, with maturity in 2024, with interest paid semiannually until the due date for the first series, and 5.30% 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 and minimum cash.

With the renegotiation of covenants, the compliance with the net debt-to-EBITDA 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 was suspended.

- (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 5.00% per year, with maturity in 2025, with interest paid semiannually until the due date.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

17. Borrowings and debentures--Continued

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

With the renegotiation of covenants, there compliance with the net debt-to-EBITDA 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 was suspended.

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

	<u>Consolidated</u>
6 months of 2021	33,650
2022	91,745
2023	90,912
2024 and thereafter	282,526
	<u>498,833</u>

18. Government grant

	<u>Consolidated</u>	
	6/30/2020	12/31/2019
Government grant	25,758	-
	<u>25,758</u>	<u>-</u>

Changes in government grants are as follows:

	<u>Consolidated</u>
Amount received – <i>Paycheck Protection Program</i>	58,996
(-) Amount used for lease payment	(6,443)
(-) Amount used for salary payment	(26,795)
Balance as of June 30, 2020	<u>25,758</u>

On April 24, 2020, the United States government signed H.R. 266, the Paycheck Protection Program and Health Care Enhancement Act. The financial support program provides small American companies a twenty-four week period in cash flow aid during the COVID-19 crisis.

The loan may be waived and converted into a government grant. The waived amount will be determined based on the value used to pay salaries of up to US\$ 100 thousand, health care plan, social security contributions, interest on loans to individuals, rentals and utilities. The rules and regulations establish that 75% of the amounts must be used to cover payroll costs, and allows only 25% for rental, utilities and other general expenses. No guarantees are required.

The amounts obtained and not forgiven, must be amortized at a fixed interest of 1% and mature in two years. However, Management expects to obtain debt forgiveness before December 31, 2021.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

18. Government grant--Continued

According to technical pronouncement CPC 07 (R1) - Accounting for Government Grants and Disclosure of Government Assistance, a government grant is a government assistance usually provided as, but no limited to, monetary contribution, granted to an entity usually in exchange of past or future fulfillment of certain conditions related to the entity's operating activities. Grants that cannot be reasonably measured in cash and transactions with the government that cannot be distinguished from the entity's usual trading transactions are not considered government grants.

The accounting treatment of government grant as revenue derives from the following arguments: (a) since a government grant is received from a source other than shareholders and derives from an act of management in benefit of the entity, it should not be recognized directly in equity, but recognized as revenue in the appropriate periods; (b) government grant rarely is free.

The entity earns this revenue when it complies with the grant rules and fulfills certain obligations. The grant, therefore, should be recognized as revenue in the statement of profit or loss in the periods in which the entity recognizes the costs associated with the grant that are subject to offset; (c) as taxes are expenses recognized in the statement of profit or loss, it is logic to record the government grant that is, in essence, an extension of the fiscal policy as revenue in the statement of profit or loss.

According to the accrual basis, government grant revenue must be recognized on a systematic and rational basis, over the period required, and offset against the corresponding expenses. Therefore, the recognition of government grant revenue when it is received is only permitted when there is no allocation basis of the grant over the benefited periods.

Based on the nature of the transaction, and on the aforementioned items, the Company understood that the best accounting treatment would be the recognition of these amounts as government grant.

On June 30, 2020, Management concluded that there was reasonable certainty for the recognition of R\$ 33,238 in the income statement in the period, in the group of sales and operating expenses, of which R\$ 6,443 were recognized in the rent expenses group and R\$ 26,795 as expenses with payroll.

19. Installment payment of business acquisitions

	Consolidated	
	6/30/2020	12/31/2019
Business acquisitions in Brazil	8,434	9,864
Business acquisitions in other countries (5.75% p.a.) (a)	40,932	31,694
	49,366	41,558
Current	13,359	6,394
Noncurrent	36,007	35,164

(a) The installment payment amounts are denominated in US dollars and are subject to interest of 5.75% p.a.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

19. Installment payment of business acquisitions--Continued

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

	Consolidated
2021	7,395
2022	10,233
2023	7,965
2024 and thereafter	10,414
	36,007

20. Provision for labor, civil and tax risks

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

	Parent		Consolidated	
	6/30/2020	12/31/2019	6/30/2020	12/31/2019
Labor and social security (a)	4,685	6,190	8,707	12,084
Civil (b)	186	619	319	2,512
Tax (c)	-	-	38	36
Business combination – business acquisitions (d)	-	-	43,082	43,043
Business combination – PPA allocation (d)	-	-	27,006	27,006
	4,871	6,809	79,152	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).

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\$ 4,868 in Parent and R\$ 39,149 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\$ 3,897. The lawsuit is under discussion at the administrative level.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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

As of June 30, 2020, the Group has a total exposure related to labor lawsuits in the amount of R\$ 44,140 (R\$ 31,423 as of December 31, 2019) in Parent and R\$ 90,200 (R\$ 87,023 as of December 31, 2019) in Consolidated, and of this amount R\$ 16,773 (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\$ 37,706 (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	987	-	40	1,027
Uses	(1,290)	-	-	(1,290)
Balance as of June 30, 2019	3,577	-	964	4,541
Balance as of December 31, 2019	6,190	-	619	6,809
Additions	531	-	17	548
Uses*	(2,036)	-	(450)	(2,486)
Balance as of June 30, 2020	4,685	-	186	4,871

	Consolidated			
	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2018	10,956	-	1,944	12,900
Additions	2,935	34	949	3,918
Uses	(3,975)	-	(61)	(4,036)
Exchange rate changes	-	-	17	17
Balance as of June 30, 2019	9,916	34	2,849	12,799
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	1,450	14	96	1,560
Uses*	(6,909)	(12)	(469)	(7,390)
Exchange rate changes	-	-	302	302
Balance as of June 30, 2020	45,203	28,272	5,677	79,152

(*) The uses of the provision for labor risks in the six-month period ended June 30, 2020 plus the net variation of the provision for agreements and installment payment of labor lawsuits totaled R\$ 2,486 in Parent and R\$ 7,548 in Consolidated.

Business combination

(i) Labor and social security

Labor and social security risks arising mainly from: a) employment relationship with un-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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

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

Business combination--Continued

(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.

21. 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 June 30, 2020 and December 31, 2019, deferred income tax and social contribution is as follows:

	Parent	
	6/30/2020	12/31/2019
Tax loss carryforwards	-	5,081
Temporary differences:		
Provision for labor, civil and tax risks	1,656	2,315
Provision for disposal of assets	4,699	139
Deferred income tax liability on amortization of goodwill of companies acquired	(28,979)	(40,768)
Deferred tax liability arising from fair value allocation of business combinations	2,840	(643)
Adjustments from standard IFRS 16	444	67
Accrued liabilities and others	6,421	7,950
	<u>(12,919)</u>	<u>(25,859)</u>
Assets	-	-
Liabilities	(12,919)	(25,859)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

21. Income tax and social contribution

a) Deferred income tax and social contribution--Continued

	Consolidated	
	6/30/2020	12/31/2019
Tax loss carryforwards	105.102	101,212
Temporary differences:		
Provision for labor, civil and tax risks	5,057	6,039
Provision for disposal of assets	29,013	2,231
Accrued liabilities	13,453	9,409
Asset appreciation and difference between accounting and tax law depreciation rates	19,753	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	(138.646)	(196,418)
Adjustments from standard IFRS 16	5,113	1,154
Other temporary differences	3,801	(3,693)
	42.646	(59,992)
Assets	97,835	17,509
Liabilities	(55.189)	(77,502)
	42.646	(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:

	Consolidated
Year	
Up to 1 year	7,478
From 1 to 2 years	24,528
From 2 to 3 years	38,090
From 3 to 5 years	42,119
From 5 to 7 years	46,751
From 7 to 10 years	22,322
	181.288

As of June 30, 2020, the Group has tax loss carryforwards amounting to R\$ 309,123 (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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

21. Income tax and social contribution--Continued

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

	Parent	
	6/30/2020	6/30/2019
Loss before income tax and social contribution	(442.695)	(9,263)
Statutory tax rate	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	150.516	3,149
Adjustments made:		
Permanent differences (*)	943	1,310
Share of profit (loss) of investees	(104,672)	3,557
Deferred income tax credits on tax loss carryforwards not recognized	(35.848)	(4,051)
Other permanent differences	2.785	(1,978)
Income tax and social contribution	13.724	1,987
Current	-	-
Deferred	13.724	1,987
	13.724	1,987
	Consolidated	
	6/30/2020	6/30/2019
Loss before income tax and social contribution	(534.141)	(6,169)
Statutory tax rate	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	181.608	2,097
Adjustments made:		
Permanent differences (*)	(13,854)	2,073
Effect on differences of statutory tax rates of foreign subsidiaries	(16,648)	1,630
Deferred income tax credits on tax loss carryforwards not recognized	(62.553)	(5,023)
Others	16.617	(1,884)
Income tax and social contribution	105.170	(1,107)
Current	-	(4,375)
Deferred	105.170	3,268
	105.170	(1,107)

(*) 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.

22. Equity

a) a) Capital

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

As of June 30, 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).

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

22. Equity--Continued

a) Capital--Continued

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.

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued
June 30, 2020

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

22. Equity--Continued

c) Treasury shares--Continued

The activity in treasury shares in the six-month period ended June 30, 2020 is 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 June 30, 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.

23. 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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

23. 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 June 30, 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
<u>Stock Option Plan - 2015</u>							
2015	2,700,000	(1,508,000)	(1,192,000)	-	4.75, ⁽³⁾	4.00	5.01
2016	3,900,000	(1,067,000)	(2,733,000)	100,000	2.19	4.00	4.72
2017	4,050,000	(2,140,000)	(1,405,000)	505,000	3.55	6.56	7.84
2018	100,000	-	-	100,000	1.95	6.75	6.75
2019	350,000	-	-	350,000	3.01	6.00	6.00
	11,100,000	(4,715,000)	(5,330,000)	1,055,000			
<u>Stock Option Plan - 2017</u>							
2017	4,300,000	(1,050,000)	-	3,250,000	3.01	7.47	8.49
2018	900,000	(30,000)	(25,000)	845,000	1.99	6.37	6.54
	5,200,000	(1,080,000)	(25,000)	4,095,000			
<u>Stock Option Plan - 2019</u>							
2019	3,900,000	(250,000)	-	3,650,000	3.06	7.58	8.14
	3,900,000	(250,000)	-	3,650,000			
	20,200,000	(6,045,000)	(5,355,000)	8,800,000			

(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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

23. Share-based payment plan--Continued

The activity in granted options outstanding for the six-month period ended June 30, 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
(+) Options granted in 2020	-	-	350,000	350,000
(-) Not exercised due to withdrawal / expired				
2019 grant	-	-	(200,000)	(200,000)
2017 grant	(378,750)	(270,000)	-	(648,750)
(-) Exercised				
2017 grant	(40,000)	(25,000)	-	(65,000)
Number of options outstanding as of June 30, 2020	1,055,000	4,095,000	3,650,000	8,800,000

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:

<u>Exercise of grant</u>	<u>As of 12/31/2019</u>	<u>Appropriated to the results in 2020</u>	<u>As of 6/30/2020</u>	<u>Amounts to be recorded in future periods ⁽¹⁾</u>
Stock Option Plan - 2015				
2015	5,659	-	5,659	-
2016	6,207	7	6,214	-
2017	6,939	(397)	6,542	232
2018	88	28	116	80
2019	279	181	460	595
	19,172	(181)	18,991	907
Stock Option Plan - 2017				
2017	7,641	322	7,963	1,816
2018	784	244	1,028	699
	8,425	566	8,991	2,515
Stock Option Plan - 2019				
2019	1,340	2,302	3,642	7,490
	1,340	2,302	3,642	7,490
Total	28,937	2,687	31,624	10,912

(1) The weighted average of the remaining contractual period is of 11.3 months.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

23. Share-based payment plan--Continued

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

	<u>Weighted average</u>
Expected life of the option ⁽¹⁾	2.6 years
Volatility ⁽²⁾	41.8%
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.

24. Net revenue

<u>Disaggregated revenue</u>	<u>Parent</u>		
	<u>Catering</u>	<u>Retail</u>	<u>Total</u>
Gross revenue	31,845	7,288	39,133
Taxes on sales	(3,270)	(657)	(3,927)
Returns and rebates	(69)	(25)	(94)
Net revenue as of June 30, 2020	28,506	6,606	35,112
Gross revenue	59,497	17,874	77,371
Taxes on sales	(5,451)	(1,316)	(6,767)
Returns and rebates	817	(37)	780
Net revenue as of June 30, 2019	54,863	16,521	71,384

<u>Disaggregated revenue</u>	<u>Consolidated</u>			
	<u>Franchisees</u>	<u>Catering</u>	<u>Retail</u>	<u>Total</u>
Gross revenue	13,564	46,074	496,604	556,242
Taxes on sales	(2,057)	(4,055)	(20,365)	(26,477)
Returns and rebates	-	(70)	(12,482)	(12,552)
Net revenue as of June 30, 2020	11,507	41,949	463,757	517,213
Gross revenue	-	89,803	724,709	814,512
Taxes on sales	-	(6,963)	(25,359)	(32,322)
Returns and rebates	-	817	(18,715)	(17,898)
Net revenue as of June 30, 2019	-	83,657	680,635	764,292

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Notes to the interim financial information--Continued

June 30, 2020

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

25. Selling and operating expenses

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Payroll	(2,934)	(3,551)	(5,019)	(6,311)
Publicity and advertising	(107)	(151)	(24,088)	(13,027)
Variable rental expenses	(2,640)	(3,222)	(4,514)	(36,283)
Third party services	(545)	(984)	(15,365)	(15,304)
Credit and debit card fees	(91)	(147)	(7,515)	(9,916)
Royalties	-	-	(12,827)	(12,009)
Maintenance	(13)	(26)	(6,104)	(8,197)
Logistics	(359)	(446)	(3,923)	(2,590)
Communication infrastructure	(176)	(165)	(1,381)	(1,516)
Fees and charges	(151)	(180)	(7,007)	(6,603)
Expenses with losses on receivables	(2,470)	-	(7,266)	-
Other expenses	(400)	(375)	(4,651)	(8,761)
	(9,886)	(9,247)	(99,660)	(120,517)

26. General and administrative expenses

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Payroll	(15,475)	(18,711)	(33,498)	(31,169)
Third party services	(8,047)	(4,420)	(15,517)	(8,079)
Travel expenses	(185)	(378)	(901)	(1,346)
Maintenance and utilities	(729)	(1,014)	(1,508)	(1,766)
Share-based payments	(2,687)	(2,004)	(2,687)	(2,004)
Store launchings	-	-	(4,342)	(423)
Expense recovery – apportionment among related	16,014	17,104	-	-
Expenses related to association agreement	(309)	(3,079)	(309)	(3,079)
Other expenses	(1,568)	(1,518)	(6,086)	(3,247)
	(12,986)	(14,020)	(64,848)	(51,113)

27. Other operating income (expenses), net

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Other expenses:				
Loss on sale and/or write-off of fixed assets	-	(60)	(6,433)	(1,449)
Provision for labor, civil and tax risks, net of reversals	(548)	(1,027)	(1,560)	(3,918)
Contractual fines	-	-	(20,550)	-
Restructuring expenses	(8,783)	(3)	(21,900)	(1,386)
Other expenses	(126)	(178)	(1,245)	(1,107)
	(9,457)	(1,268)	(51,688)	(7,860)
Other income:				
Rebates and commercial agreements	3	233	7,116	1,256
Gain on sales of fixed assets and commercial rights	428	-	990	1,220
Recovery of tax credits	-	953	6,732	4,207
Other revenues	-	-	-	-
	431	1,186	14,838	6,683
Total, net	(9,026)	(82)	(36,850)	(1,177)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

28. Finance income (expense), net

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Finance income:				
Income from financial investments	1,652	2,998	2,702	4,125
Exchange gains	398	-	406	270
Other finance income	-	231	-	633
	2,050	3,229	3,108	5,028
Finance expense:				
Inflation adjustment loss	(190)	(363)	(64)	(288)
Interest on borrowings	(12,544)	(8,442)	(17,235)	(13,865)
Transaction cost amortization	(1,307)	(2,036)	(1,307)	(2,036)
Interest on lease liability ("right of use")	(677)	(917)	(16,053)	(17,335)
Interest on installment payment of business acquisitions and commercial rights	-	-	(572)	(876)
Inflation adjustment, interest and banking fees	(280)	(244)	(2,263)	(701)
Others	(1,352)	(90)	(470)	-
	(16,350)	(12,092)	(37,966)	(35,101)
Total, net	(14,300)	(8,863)	(34,858)	(30,073)

29. Expenses by nature

	Parent		Consolidated	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Inventory costs	(9,628)	(18,536)	(214,920)	(266,880)
Royalty costs	-	-	(9,240)	-
Personnel expenses	(32,112)	(49,161)	(188,669)	(241,270)
Selling expenses	(107)	(151)	(24,088)	(13,027)
Third party services	(6,689)	(5,405)	(29,053)	(23,456)
Operating expenses	(7,455)	(10,507)	(67,824)	(109,769)
Depreciation and amortization - Fixed and intangible assets	(14,485)	(8,218)	(52,170)	(37,969)
Depreciation of right of use	(1,586)	(1,895)	(38,377)	(34,751)
Expense recovery – related parties	16,014	17,104	-	-
Impairment of assets	(50,930)	-	(324,522)	(1,200)
Share of profit (loss) of investees	(334,484)	10,462	(3,792)	7,220
Amortization – Investment joint venture	-	-	(1,414)	-
Other expenses	(12,614)	(5,395)	(22,667)	(18,109)
	(454,076)	(71,702)	(976,736)	(739,211)
Classified as:				
Cost of sales and services	(31,904)	(51,167)	(420,740)	(525,788)
Selling and operating expenses	(9,886)	(9,247)	(99,660)	(120,517)
General and administrative expenses	(12,986)	(14,020)	(64,848)	(51,113)
Depreciation and amortization - Fixed and intangible assets	(12,300)	(5,835)	(23,384)	(13,062)
Depreciation of right of use	(1,586)	(1,895)	(38,377)	(34,751)
Impairment of assets	(50,930)	-	(324,522)	-
Share of profit (loss) of investees	(334,484)	10,462	(5,205)	6,020
	(454,076)	(71,702)	(976,736)	(739,211)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

30. 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 indirect subsidiaries KSR Master and PHSR Master, the Company is entitled to receive a monthly service fee for the franchisee management activities of KFC and Pizza Hut brands in Brazil. For this service, the Company receives a monthly revenue equivalent to 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 June 30, 2020:

	KSR Master	PHSR Master	Inventure	PHSR Gestão	Miller	Barão Geraldo	Chácara Primavera
Liabilities							
Royalties payable	3,513	6,327	834	899	113	18	163
Profit or loss							
Royalty expenses	-	-	3,838	690	1,444	-	-

Transactions with other related parties are as follows:

	Parent			
	Balance as of 12/31/2019	Noncurrent assets Additions	Write-offs	Balance as of 30/06/2020
Rede Viena	81,023	98,523	-	179,546
Frango Assado	6,485	1,484	-	7,969
Mult QSR	40,777	29,959	-	70,736
	128,285	129,966	-	258,251
	Balance as of 12/31/2019	Noncurrent liabilities Additions	Write-offs	Balance as of 12/31/2019
IMC Panamá	50,448	581	-	51,029
Tobs	611	-	(611)	-
	51,059	581	(611)	51,029

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

30. Related parties--Continued

	Consolidated		
	Balance as of 12/31/2019	Noncurrent assets Additions	Write-offs Balance as of 12/31/2019
BRS Gestão	698	-	-
TBB Gestão	1,715	-	-
WW Holding	122	-	-
	2,535	-	-
	Noncurrent liabilities		
	Balance as of 12/31/2019	Additions	Write-offs Balance as of 12/31/2019
TBB Gestão	494	-	-
WW Holding	2,586	-	-
	3,080	-	-

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	
	6/30/2020	6/30/2019
<u>Reimbursement of expenses</u>		
Viena Chain	13,762	14,807
Frango Assado Chain 1,108 1,085	2,252	2,297
	16,014	17,104

31. Compensation of key management personnel

For the six-month period ended June 30, 2020, key management compensation totaled R\$ 8,474 (R\$ 8,474 as of June 30, 2019) in Parent and Consolidated, including the amount of R\$ 2,687 (R\$ 1,615 as of June 30, 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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

32. 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 June 30, 2020, insurance coverage is as follows:

	<u>Consolidated</u>
Civil liability	2,989
Sundry risks - inventories and property, plant and equipment	23,745
Vehicles	12,841
Others	2,062
	<u>41,637</u>

33. Earnings (loss) per share

Basic

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.

Diluted

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

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

	<u>Parent and Consolidated</u>	
	<u>6/30/2020</u>	<u>6/30/2019</u>
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	(428,971)	(7,276)
Outstanding shares:		
Basic and diluted denominator (thousands of shares)	161,998	160,835
Weighted average number of stock options granted	-	-
Weighted average number of available shares	<u>161,998</u>	<u>160,835</u>
Basic earnings (loss) per share - R\$	(2.64800)	(0.04524)
Diluted earnings (loss) per share - R\$	(2.64800)	(0.04524)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

June 30, 2020

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

34. Events after the reporting period

Capital increase

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

On July 21, 2020, approval was given for the price per share, set according to the Bookbuilding Process at R\$ 4.25 ("Share Price"), with the Company's capital increasing by R\$ 384,412, as well as for the public offering of primary distribution with restricted placement efforts exclusively in Brazil, pursuant to the terms of CVM Instruction 476, and therefore, without placement efforts of Shares abroad, of 90,450,000 registered, book-entry, common shares without par value, free of any lien or encumbrance, issued by the Company, which includes the Additional Shares.

Due to the capital increase within the context of the Restricted Offering, the Company's new capital was increased to R\$ 1,170,479 divided into 286,369,530 registered, book-entry, common shares without par value.

35. Authorization of the individual and consolidated interim financial information

At the meeting held on August 31, 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 June 30, 2020.

São Paulo, August 31, 2020.

Newton Maia Salomão Alves
Chief Executive Officer

Maristela Aparecida 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 June 30, 2020.

São Paulo, August 31, 2020.

Newton Maia Salomão Alves
Chief Executive Officer

Maristela Aparecida do Nascimento
Chief Financial Officer