Individual and Consolidated Financial Statements

International Meal Company Alimentação S.A.

December 31, 2021
with Independent Auditor's Report

KPDS 1022255

Conteúdo

4Q21 RESULTS

IMC records same-store sales 16% above pre-pandemic levels and reaches new all-time sales

São Paulo, March, 30, 2022 - São Paulo -International Meal Company Alimentação S.A. ("IMC") -B3: MEAL3, one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the third quarter of 2021 (4Q21). Unless otherwise indicated, the information herein is presented in a consolidated manner, in millions of Brazilian reais (R$). Additionally, said information was prepared in accordance with the accounting principles adopted in CPC 21 (R1) and the International Financial Reporting Standards (IAS 34).

Quarterly Highlights

- **Total System Sales**[1] of **R$764.7 MM** in 4Q21, **52.7%** higher than in 4Q20 and **21.8%** higher than in 4Q19
- **Net Revenue** of **R$544.5 MM**, up **61.3%** over 4Q20 and **31.6%** over 4Q19
- **Consolidated Same-Store Sales** (SSS) **50.6%** higher than in 4Q20 and **15.8%** higher than in 4Q19
- **Total of 565 stores**, with a net expansion of 70 units over 4Q20, and a greater focus on strategic brands
- **Adjusted EBITDA R$30.5M**, compared to a loss of **R$ -4.0 MM** in the 4Q20, reaching a margin of 5.6%
- **Net Debt of R$269.4 MM** and net debt-to-LTM EBITDA ratio of 2.9x, well below required covenants (5.0x)

PORTUGUESE CONFERENCE CALL WITH SIMULTANEOUS TRANSLATION

03/31/2022 11:00 am (Brasília) / 10:00h (US EDT)

Webcast: clique aqui

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1- Equity stores and franchise sales | 2- in reais

MESSAGE FROM MANAGEMENT

The year 2021 marked by the beginning of IMC's transformation journey, supported by 4 strategic pillars – **Operational Excellence, Core Brands Expansion, Business Digitization and Financial Discipline**. Even though early 2021 proved to be very challenging, with restrictions and instability, we saw all segments of the Brazilian economy rebound, with a consistent growth in the results of international operations, which hit all-time high sales figures in the last quarter of the year.

In 4Q21, we recorded positive EBITDA across all our operations, totaling R$30.5 million, with the consolidated margin increasing 677 bps. We opened 70 new units, ending 2021 with 565 stores, and net revenue grew by over 61%. Same-Store Sales grew by 51% over the previous year and 16% over 2019 (before the pandemic broke out).

As for our Operational Excellence, aimed at enjoying synergies among the brands and improving our operating profitability, we recorded revenue of R$545 million in the quarter, and even despite the challenges faced in the supply chain and rising inflation, we managed to increase restaurant margin[1] by 17 points compared to 1Q21. Central Kitchen recorded its highest production level since its opening in 2019, and KFC's OSAT increased by 8 points, to 90%. Early this year, we started our Shared Services Center (SSC) project to centralize operational services and optimize processes.

We intensified store opening in Brazil with a focus on priority brands, seeking a balance between growth and profitability. In the quarter, we opened 50 stores (own and franchises), expanding our presence and density in strategic regions. We opened 39 new Pizza Hut units in Brazil, 10 KFC stores and 1 Frango Assado store. Throughout 2021, we opened 70 stores (40 Pizza Hut stores, 27 KFC stores, and 1 Frango Assado store in the municipality of Guará-SP.

Digital sales remained on the rise, with delivery accounting for 28% of revenues from the Pizza Hut and KFC brands, even despite the gradual recovery of our physical stores. As for our CRM, we have over 500.000 customers registered in the KFC system, up 66% over the previous quarter. To maintain this pace of growth, we continue to expand proprietary sales channels and invest in customer base loyalty, loyalty programs, self-service kiosks, and WhatsApp sales.

We have also taken major steps towards our Financial Discipline front. At the close of the quarter, operating cash generation was R$27.8 million, financial leverage was 2.9x (below the 5.0x stipulated by covenants), and cash position was R$467 million. We implemented a program to optimize working capital with suppliers and enhanced our investment committee to guarantee that we will achieve the returns required by the Company's invested capital. In March 2022, we issued commercial notes at the rate of CDI + 2.3% to anticipate payments and, consequently, reduce our current debt.

We were excited about the result of the quarter, but we are aware of the size of the challenge that we still have ahead of us on our main fronts of work. Certain that our journey of transformation is just beginning we follow confident that we will get there with the strength of the brands of our portfolio, with a focused team and a culture of owner and focused on the

Management

1- Considers mall, Frango Assado and air retail operation

CONSOLIDATED HIGHLIGHTS

(in R$ million)	4Q21	4Q20	YoY	2021	2020	YoY
Stores	565	495	70	565	495	70
SSS (YoY R$)	50.6%	-23.1%	+74p.p.	57.9%	-36.0%	+94p.p.
System Total Sales	764.7	500.7	52.7%	2,529.6	1,679.6	50.6%
Net Revenues	**544.5**	**337.6**	**61.3%**	**1,852.2**	**1,153.7**	**60.6%**
Same Store Sales	61.3%	-18.5%	*+7978bps*	60.6%	-28.0%	*+8860bps*
Gross Profit	**167.6**	**84.1**	**99.3%**	**588.7**	**275.4**	**113.8%**
Gross Profit	30.8%	24.9%	*+587bps*	31.8%	23.9%	*+791bps*
Adjusted EBITDA	**30.5**	**(4.0)**	**na**	**196.2**	**35.2**	**457.0%**
Adjusted EBITDA Margin	5.6%	-1.2%	*+677bps*	10.6%	3.1%	*+754bps*
Operating Cash Flow	**27.8**	**(11.8)**	**na**	**128.9**	**(54.5)**	**na**
Net Debt/EBITDA[1]	2.9X	-	na	2.9X	-	na

SALES HIGHLIGHTS

(in R$ million)	4Q21	4Q20	YoY	2021	2020	YoY
Net Revenues	**544.5**	**337.6**	**61.3%**	**1,852.2**	**1,153.7**	**60.6%**
Brazil	**334.2**	**232.1**	**44.0%**	**1,011.6**	**735.2**	**37.6%**
Frango Assado	*170.9*	*130.4*	*31.1%*	*549.1*	*410.4*	*33.8%*
Airports	*32.6*	*17.3*	*88.3%*	*94.5*	*74.8*	*26.3%*
PH, KFC and Others	*130.8*	*84.4*	*54.9%*	*368.0*	*250.1*	*47.2%*
USA	**155.4**	**78.9**	**97.0%**	**676.5**	**338.4**	**99.9%**
Caribbean	**54.9**	**26.7**	**106.1%**	**164.1**	**80.1**	**105.0%**

1- includes Catering and Air Retail

OPERATING RESULTS -EBITDA

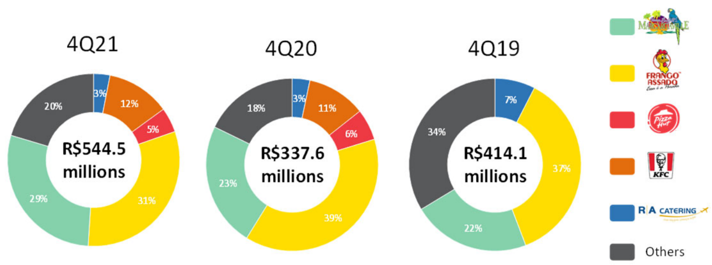
(in R$ million)	4Q21	4Q20	YoY	2021	2020	YoY
Adjusted EBITDA	**30.5**	**(4.0)**	**na**	**196.2**	**35.2**	**457.0%**
Brazil	**7.1**	**24.1**	**(70.7%)**	**12.0**	**(5.9)**	**na**
Frango Assado	*18.6*	*15.6*	*19.6%*	*44.7*	*33.1*	*35.1%*
Airports	*7.3*	*8.5*	*(14.3%)*	*21.1*	*11.9*	*76.8%*
PH, KFC and Others	*12.7*	*14.1*	*(10.0%)*	*27.1*	*11.7*	*131.9%*
G&A	*(28.3)*	*(17.9)*	*57.9%*	*(89.4)*	*(72.3)*	*23.6%*
Others	*(3.3)*	*3.8*	*na*	*8.6*	*15.0*	*(43.0%)*
USA	**4.0**	**(26.0)**	**na**	**130.9**	**32.6**	**301.6%**
Caribbean	**19.4**	**(2.1)**	**na**	**53.2**	**8.4**	**533.5%**

PERFORMANCE COMMENTS

Total System Sales, which consider revenues from own stores and franchises, in 4Q21, grew by 52.7% over 4Q20 and by 21.8% over 4Q19, to R$764.7 million in the quarter and R$2.53 billion in the year. The company's **consolidated net revenue in 4Q21 was R$544.5 million, up by 61.3% over 4Q20 and by 31.6% over 4Q19.** This is the best sales result in the company's history, driven by the recovery of all segments in Brazil and the consistent expansion of international operations. Consolidated same-store growth in Reais was 50.6% over 4Q20 and 15.8% over 4Q19.

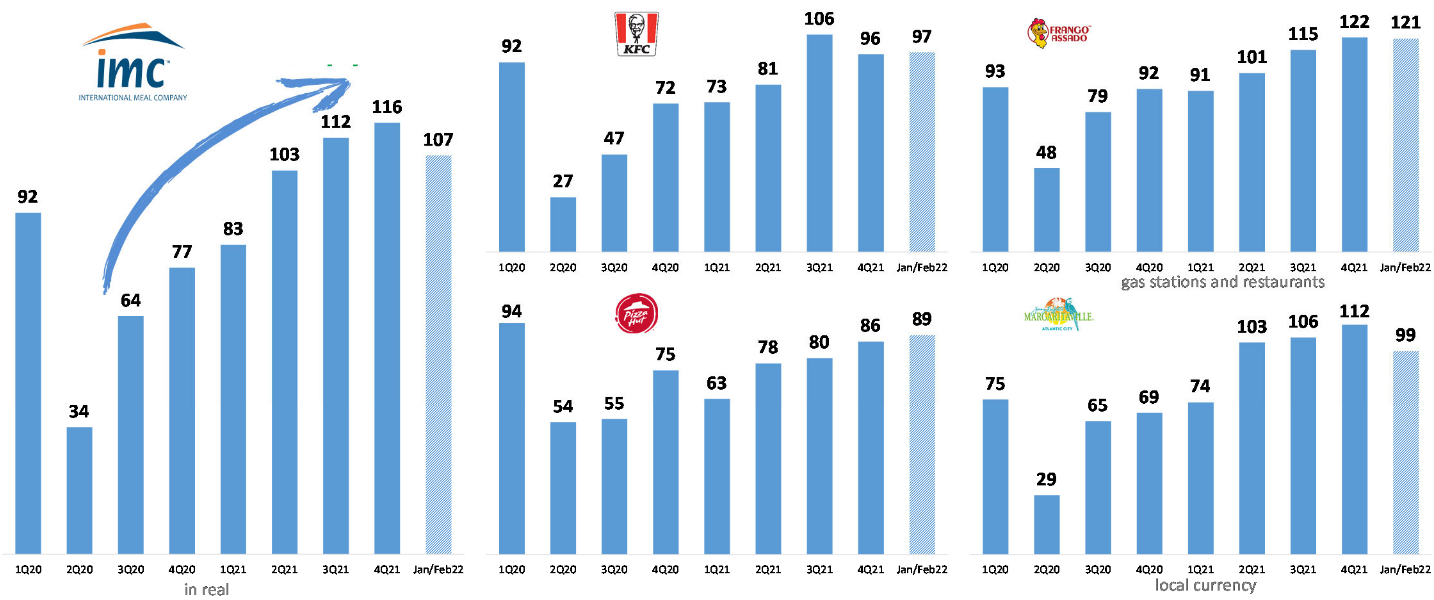
In Brazil, net revenue was R$334.2 million in the quarter, up by 44% over 4Q20, an increase of R$102.1 million in the group's revenue, with emphasis on the recovery of the KFC (+74.7%) and Frango Assado (+31.1%) operations compared to 2020. Same-Store Sales (SSS) in Brazil grew by 37.6% over 4Q20 and by 3.7% over 4Q19, reflecting improved activities and higher customer expenditure in all company brands.

In the U.S., net revenue was R$155.4 million, up by 97.0% over 4Q20, with an increase of R$77 million in the group's revenue. The growth in Reais was 85.6% compared to 4Q19. Same-Store Sales (SSS) grew by 66.5% over 4Q20 and by 51.6% over 4Q19 (62.6% over 4Q20 and 11.8% over 4Q19 in local currency). This result was driven by the growth of domestic tourism in the U.S., more sales at new units and the strategic location of operations.



The Caribbean operations grew by 106.1% over 4Q20, driven by the gradual recovery of airport activity and lower travel restrictions. Same-Store Sales (SSS) grew by 101% over 4Q20 and by 13.3% over 4Q19 (a growth of 97.3% over 4Q20 and a decrease of 12.3% over 4Q19 in local currency).

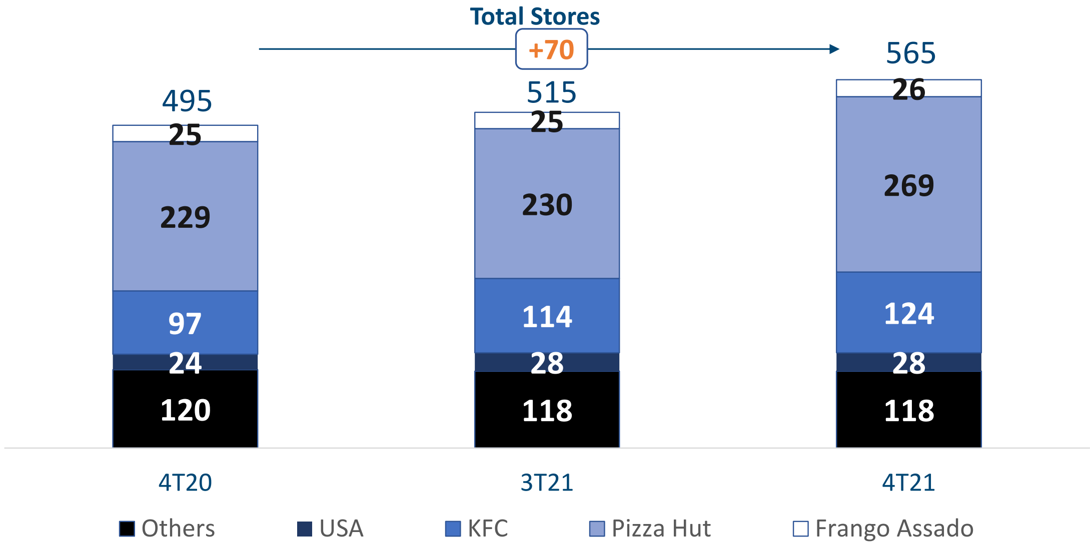
Base 100 Index of Same–Store Sales Growth vs. 2019 (SSS)

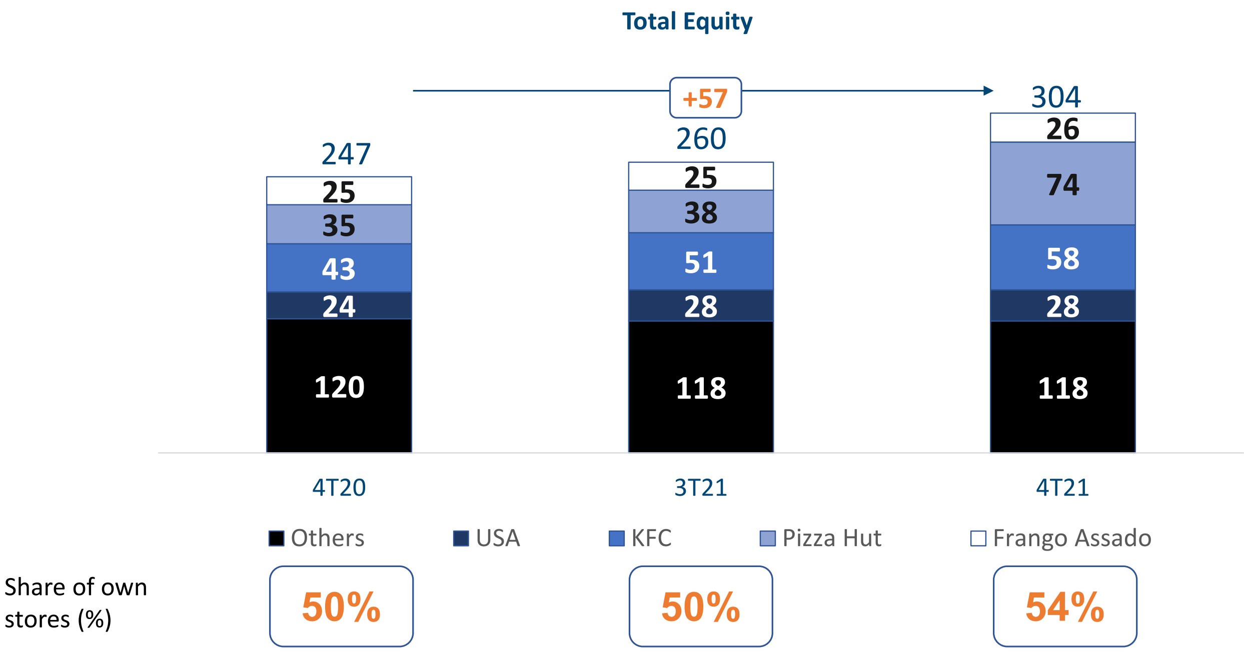


EVOLUTION OF THE NUMBER OF STORES

IMC has a network of 565 stores, including own stores and franchises in Brazil and abroad. In the quarter, we added 50 new stores to the system, 44 own units: 36 of which Pizza Hut stores, 7 KFC stores and 1 Frango Assado. In the year, our net expansion accounted for 70 units, 57 of which own stores – 39 Pizza Hut stores and 15 KFC stores.

Continuing with its strategy to expand its main brands, IMC seeks to increase its presence and density in strategic locations. Our focus remained on our strategy to open own stores, seeking to balance the system. Currently, its own stores account for 54% in the number of stores, a growth of 4 p.p. vs. the previous quarter





RESULTS OF BRAZILIAN OPERATIONS –FRANGO ASSADO[1]

Frango Assado's net revenue was R$170.9 million in the quarter, an increase of 31.1% vs. 4Q20 and 23.2% vs. 2019. It is worth mentioning that the flow of light vehicles on roads in this quarter, reported by ABCR, remained 6.5% below the same quarter of 2019.

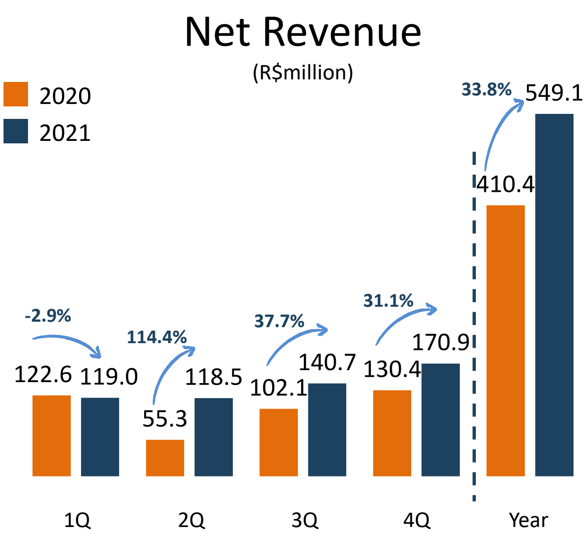
Same Store Sales (SSS) in the segment ended the quarter 21.6% higher than in 4Q19, with emphasis on the growth in restaurant revenue, which remained at the same pre-pandemic level in 4Q19, driven by the increase in value added offers in buffet and menu engineering initiatives.

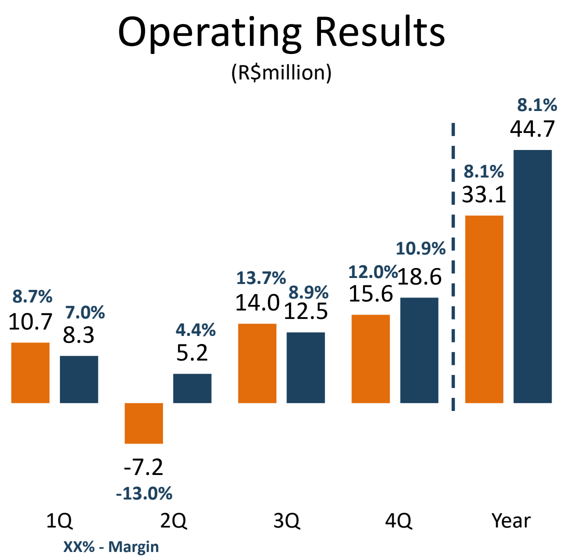
Gas station SSS ended the quarter 46.6% higher than in 4Q19 and 35% higher than last year, driven by the rise in fuel prices.

Operating Result was R$18.6 million, up 19.6% vs. 4Q20. Despite the efficiency gain in food costs, the quarter's operating margin was impacted by the higher share of fuel in the sales mix.

The operation remains focused on executing menu evolutions, increasing brand visibility, consumer experience and a scalable expansion model in strategic locations.

(in R$ million)	4Q21	4Q20	YoY	2021	2020	A/A
Net Revenues	**170.9**	**130.4**	**31.1%**	**549.1**	**410.4**	**33.8%**
Restaurants & Others	69.3	54.4	27.4%	205.2	246.9	(16.9%)
Gas Stations	101.5	75.9	33.7%	343.9	163.5	110.3%
COGS	(144.3)	(109.8)	31.4%	(484.6)	(366.3)	32.3%
Gross Profit	**26.5**	**20.5**	**29.3%**	**64.6**	**44.1**	**46.3%**
Gross Profit	*15.5%*	*15.7%*	*-21bps*	*11.8%*	*10.8%*	*+100bps*
Operating Expenses	(14.5)	(12.9)	12.6%	(46.7)	(40.6)	15.1%
Store Pre-Openings	(0.0)	(0.0)	796.9%	(0.5)	(0.1)	701.4%
EBIT	**12.0**	**7.6**	**57.2%**	**17.4**	**3.5**	**395.4%**
(+) Depreciation & Amortization	6.6	8.0	(16.7%)	26.8	29.5	(9.2%)
(+) Store Pre-Openings	0.0	0.0	(796.9%)	0.5	0.1	701.4%
Adjusted EBITDA	**18.6**	**15.6**	**19.6%**	**44.7**	**33.1**	**35.1%**
Adjusted EBITDA Margin	*10.9%*	*12.0%*	*-104bps*	*8.1%*	*8.1%*	*+8bps*





1- Gas stations and restaurants

RESULTS OF BRAZILIAN OPERATIONS –CATERING AND AIR RETAIL

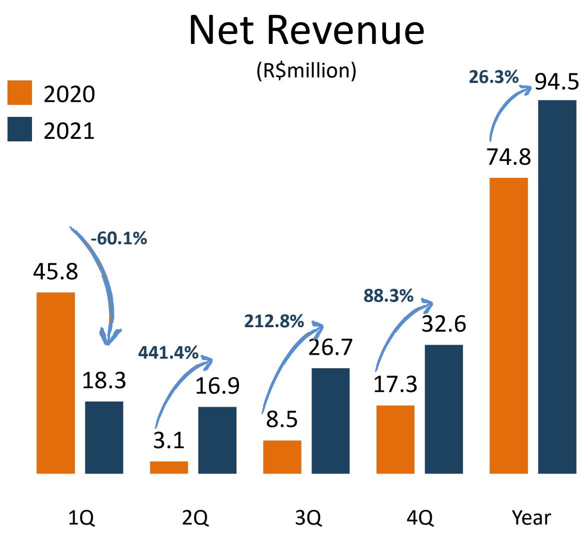
Revenue from the Airports segment in Brazil ended the quarter at R$32.6 million, representing an increase of 88.3% vs. 4Q20, and -37.6% vs. 4Q19, still in a scenario with restrictions in on-board food service and consequently impacting the Catering division.

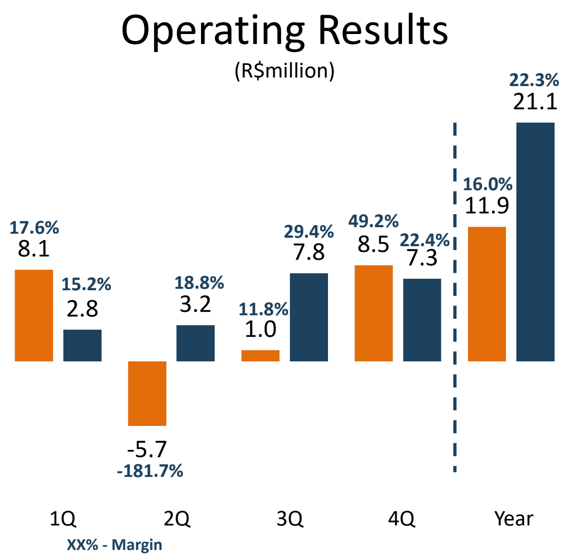
As shown by ANAC data, the number of passengers at airports with IMC operations was 24.7% lower than in 4Q19, but showed growth vs. the previous quarter (3Q21) by 24.4%, indicating a trend of recovery in the flow of passengers.

Same Store Sales (SSS) in the segment showed a consistent recovery throughout the quarter, closing with growth of 86.2% vs. 4Q20, but 26.9% lower than 4Q19, concentrated in the catering division. Retail SSS at airports ended 4Q21 with growth of 151.6% vs. 4Q20 and a reduction of 2.1% vs. 4Q19. It is worth noting the gradual recovery over the months in 4Q21, highlighting the 13% growth in December vs. 2019, pre-pandemic period.

The Adjusted Operating Result of the segment was R$7.3 million, a reduction of R$1.2 million compared to 4Q20. Despite the 503 bps expansion in gross margin related to the dilution of labor, it is worth noting that the previous year was positively impacted by one-off negotiations in rents.

(in R$ million)	4Q21	4Q20	YoY	2021	2020	A/A
Net Revenues	**32.6**	**17.3**	**88.3%**	**94.5**	**74.8**	**26.3%**
COGS	(20.3)	(11.7)	74.3%	(65.0)	(60.0)	8.4%
Gross Profit	**12.2**	**5.6**	**117.4%**	**29.4**	**14.8**	**98.9%**
Gross Profit	*37.6%*	*32.5%*	*+503bps*	*31.2%*	*19.8%*	*+1137bps*
Operating Expenses	(13.7)	(7.2)	89.4%	(46.1)	(47.5)	(2.8%)
Store Pre-Openings	0.0	(0.0)	0.0%	(0.0)	(0.0)	0.0%
EBIT	**(1.4)**	**(1.6)**	**(10.5%)**	**(16.7)**	**(32.7)**	**(48.9%)**
(+) Depreciation & Amortization	8.7	10.1	(13.6%)	37.8	44.6	(15.3%)
(+) Store Pre-Openings	0.0	0.0	0.0%	0.0	0.0	0.0%
Adjusted EBITDA	**7.3**	**8.5**	**(14.2%)**	**21.1**	**11.9**	**76.8%**
Adjusted EBITDA Margin	*22.4%*	*49.2%*	*-2682bps*	*22.3%*	*16.0%*	*+638bps*





RESULTS OF BRAZILIAN OPERATIONS –Pizza Hut, KFC and Other [1]

Consolidated revenue from the Pizza Hut, KFC and Others segment in 4Q21 was R$130.8 million, an increase of 54.9% compared to 4Q20. The Pizza Hut and KFC brands grew by 58.4% in the same period, mainly due to the reopening of shopping malls and the consequent increase in store flow.

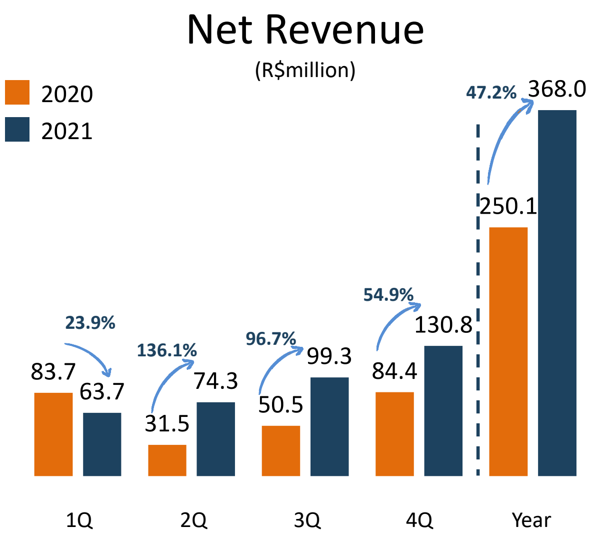
Same Store Sales (SSS) in the segment was 36.6% vs. 4Q20 and -8.1% vs. 4Q19. It should be noted that the performance of 4Q21 was impacted by specific problems in the logistics operator, resulting in disruptions in the supply of products in the month of December, interrupting the consistent cycle of recovery in sales over the last few quarters.

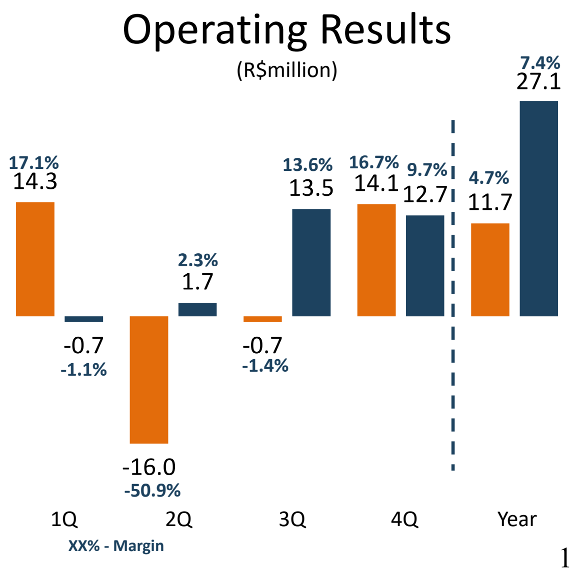
The total number of stores in the segment was 443, an increase of 49 units during 4Q21, 10 of which belong to KFC and 39 to Pizza Hut.

Adjusted Operating Result was R$12.7 million, with a margin of 9.7% in the quarter. It is important to note that this result was impacted by the acceleration of store openings in the period.

The operation continues to focus on improving brand positioning, increasing profitability and optimizing investment, in addition to advancing on fronts focused on managing the franchise network. Innovative marketing initiatives, with assertive and measurable communication, added to digitization projects should also positively impact the performance of brands.

(in R$ million)	4Q21	4Q20	YoY	2021	2020	A/A
Net Revenues	**130.8**	**84.4**	**54.9%**	**368.0**	**250.1**	**47.2%**
Pizza Hut and KFC	**90.4**	**57.1**	**58.4%**	**253.5**	**160.0**	**na**
Others	**40.3**	**27.4**	**47.4%**	**114.5**	**90.1**	**27.1%**
COGS	(85.4)	(54.1)	57.7%	(254.7)	(195.9)	30.0%
Gross Profit	**45.4**	**30.3**	**49.8%**	**113.3**	**54.1**	**109.4%**
Gross Profit	*34.7%*	*35.9%*	*-118bps*	*30.8%*	*21.6%*	*+915bps*
Operating Expenses	(39.8)	(23.4)	70.0%	(113.9)	(74.1)	53.8%
Store Pre-Openings	(2.9)	(0.4)	(59.0%)	(7.7)	(4.5)	0.0%
EBIT	**2.7**	**6.6**	**(59.0%)**	**(8.4)**	**(24.5)**	**34.2%**
(+) Depreciation & Amortization	7.0	7.1	(1.8%)	27.7	31.7	(12.4%)
(+) Store Pre-Openings	2.9	0.4	(29.2%)	7.7	4.5	169.6%
Adjusted EBITDA	**12.7**	**14.1**	**(10.0%)**	**27.1**	**11.7**	**131.9%**
Adjusted EBITDA Margin	*9.7%*	*16.7%*	*-698bps*	*7.4%*	*4.7%*	*+269bps*





1- Includes Viena, Olive Garden, Batata Inglesa and Brunella

RESULTS OF THE U.S. OPERATIONS

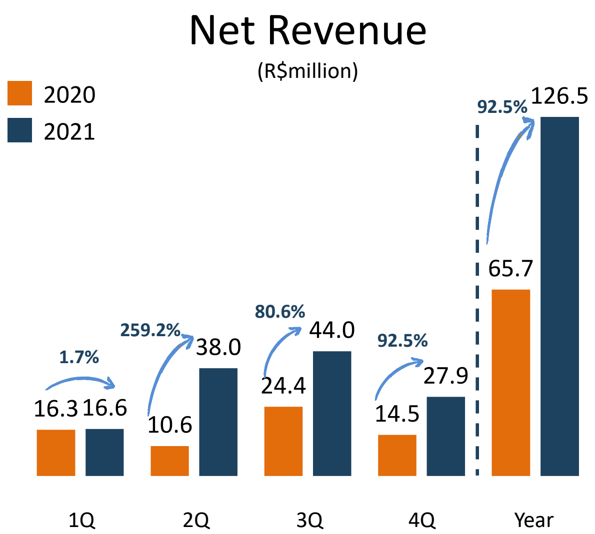
Revenue from US, in local currency, was US$ 27.9 million, up 92.5% over 4Q20. Same Store Sales (SSS) grew by 62.6% vs. 4Q20 and 11.8% vs. 4Q19 in local currency (+66.5% vs. 4Q20 and +51.6% in reais).

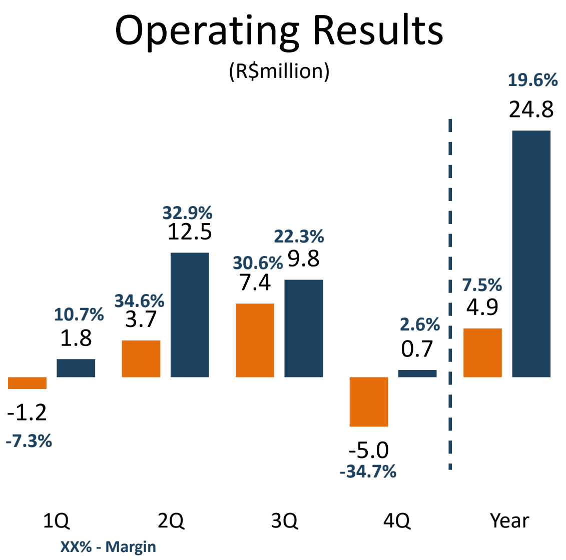
During the year, 4 stores were opened, 3 of which in New York, a high-traffic region that seeks to mitigate the seasonal effects of current locations.

Adjusted EBITDA from the operation in the quarter was US$0.7 million, representing an improvement of US$5.7 million over the 4Q20 result. It is worth mentioning that, even during the period of low seasonality, despite 4Q21, we observed the period with a positive contribution to the group.

The operation will continue to focus in locations with a contra seasonal profile, profitability expansion of new stores and attraction of new customers.

(in US$ million)	4Q21	4Q20	YoY	2021	2020	A/A
Net Revenues	**27.9**	**14.5**	**92.5%**	**126.4**	**65.7**	**92.4%**
COGS	(18.6)	(11.6)	59.8%	(72.0)	(41.0)	75.6%
Gross Profit	**9.3**	**2.9**	**225.4%**	**54.5**	**24.7**	**120.2%**
Gross Profit	*33.4%*	*19.7%*	*+1363bps*	*43.1%*	*37.6%*	*+544bps*
Operating Expenses	(11.9)	(9.8)	20.6%	(41.4)	(28.5)	45.1%
(+) Depreciation & Amortization	3.3	2.0	0.0%	11.7	8.7	0.0%
Store Pre-Openings	(0.0)	(0.1)	(63.6%)	(1.3)	(0.3)	(391.0%)
EBIT	**0.7**	**(5.1)**	**(114.4%)**	**23.5**	**4.6**	**407.2%**
(+) Store Pre-Openings	0.0	0.1	68.4%	1.3	0.3	34.8%
Adjusted EBITDA	**0.7**	**(5.0)**	**na**	**24.8**	**4.9**	**405.5%**
Adjusted EBITDA Margin (%)	*2.6%*	*-34.7%*	*na*	*19.6%*	*7.5%*	*+122bps*





RESULTS OF THE CARIBBEAN OPERATIONS

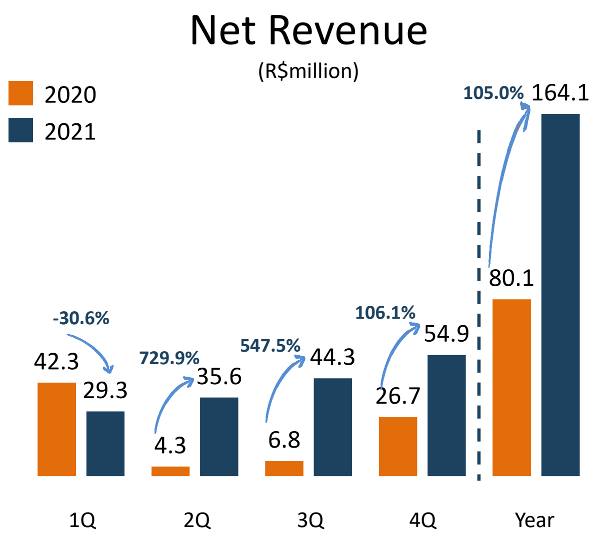
The Caribbean operation ended the quarter with net revenue of R$54.9 million vs. R$ 26.7 million in 4Q20, which represents a growth of 106.1%. The region presented Same Store Sales (SSS) in local currency of 97.3% vs. 4Q20 and -12.3% vs. 4Q19, highlighting Air Retail in Colombia.

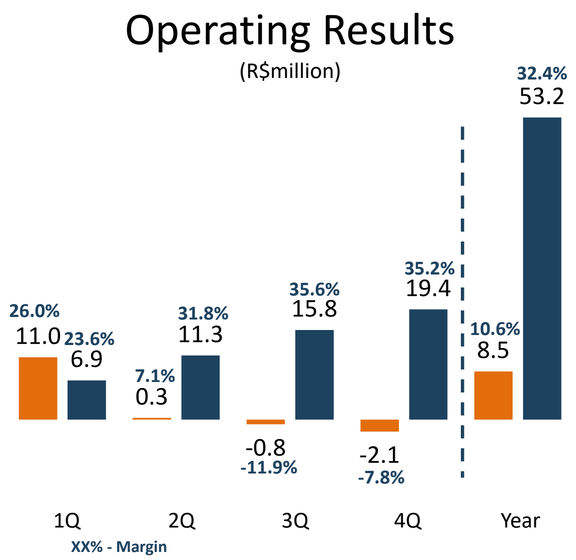
Despite the continuous improvement in the flow of passengers at airports, the operation continues to be impacted by the restriction of on-board food in the Catering segment. In Panama, Tocumen airport recorded a 19.9% drop in the number of passengers compared to 4Q19.

The region ended the year with 47 units between Catering and Air Retail.

Adjusted EBITDA for the Caribbean reached R$19.4 million, with a margin of 35.2%, a margin level equivalent to the pre-pandemic period.

R$ million	4Q21	4Q20	YoY	2021	2020	A/A
Net Revenues	**54.9**	**26.7**	**106.1%**	**164.1**	**80.1**	**105.0%**
COGS	(23.3)	(14.9)	56.7%	(73.1)	(46.0)	59.1%
Gross Profit	**31.6**	**11.8**	**168.7%**	**91.0**	**34.1**	**167.1%**
Gross Profit	*57.5%*	*44.1%*	*+2bps*	*55.4%*	*42.6%*	*+2bps*
Operating Expenses	(19.2)	(21.6)	(11.2%)	(65.4)	(54.0)	21.1%
(+) Depreciation & Amortization	7.0	7.8	69.3%	27.6	28.4	29.7%
Store Pre-Openings	(0.0)	0.0	0.0%	0.0	(0.1)	(107.1%)
EBITDA	**19.4**	**(2.1)**	**(1032.6%)**	**53.2**	**8.4**	**530.9%**
(+) Store Pre-Openings	0.0	0.0	0.0%	(0.0)	0.1	107.1%
Adjusted EBITDA	**19.4**	**(2.1)**	**(1032.8%)**	**53.2**	**8.5**	**525.7%**
Adjusted EBITDA Margin (%)	*35.2%*	*-7.8%*	*+4304bps*	*32.4%*	*10.6%*	*+2179bps*



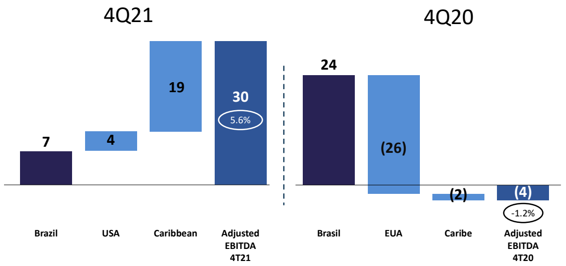


FINANCIAL PERFORMANCE

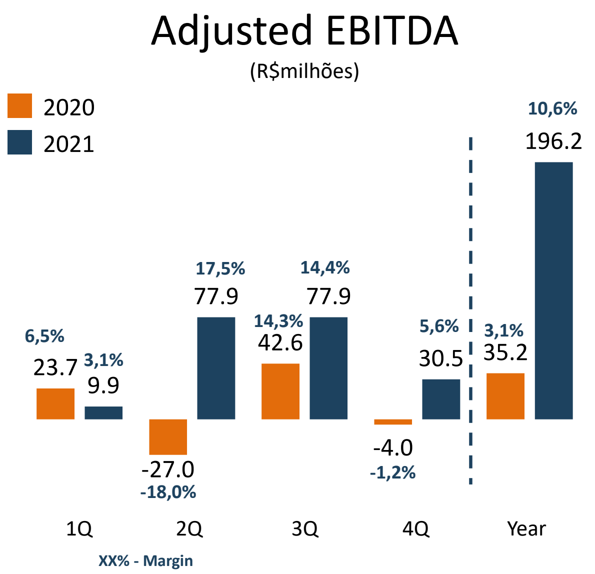
Adjusted EBITDA was R$30.5 million, an increase of R$34.4 million over 4Q20, with a margin of 5.6% in the quarter, up by 6.8 p.p. over the same quarter of last year. This result was influenced by the group's higher revenue and improved operating margin of the brands and segments.

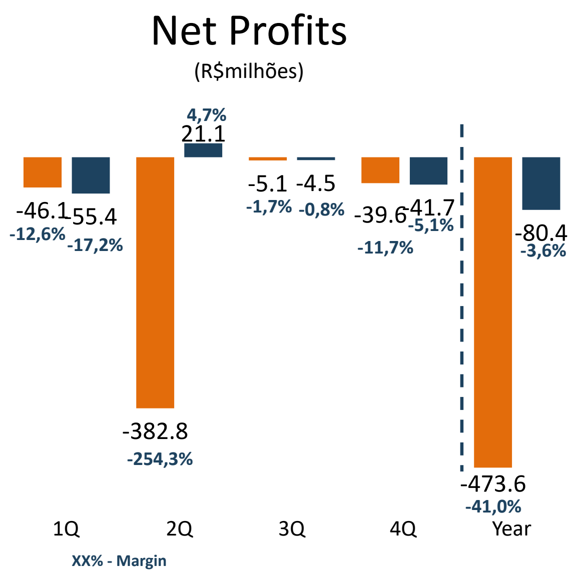
In Brazil, adjusted EBITDA was R$7.1 million. Although the operating result from units was in line with that of 4Q20, general and administrative expenses rose because of the resumption of operations, the strengthening of strategic areas, and non-recurring revenues in 4Q20. Adjusted EBITDA from the U.S. operations was 4.0 million and from the Caribbean operations was R$19.4 million, an increase of R$51.9 million, influenced by higher sales and efficient cost and spending management.

Despite the increase in the operating result, we saw the provision for the closure of underperforming stores (special items) and the interest rate increase, which had R$32.8 million impact on the financial result. In the quarter, the company recorded net loss of R$41.7 million vs. R$39.6 million in 4Q20



(R$ million)	4Q21	4Q20	YoY	2021	2020	YoY
NET INCOME (LOSS)	**(41.7)**	**(39.6)**	**5.4%**	**(80.4)**	**(473.6)**	**-83.0%**
(+) Income Taxes	(22.2)	(15.9)	40.2%	4.2	(134.4)	na
(+) Net Financial Result	32.8	5.7	471.1%	73.0	51.1	43.0%
(+) D&A and Write-offs	47.7	43.6	9.4%	183.1	178.9	2.3%
EBITDA	**16.7**	**(6.1)**	**na**	**179.8**	**(378.0)**	**na**
(+) Impairment	0.0	0.0	-	0.0	327.4	-100%
(+) Special Items	10.8	1.3	738.3%	1.3	79.7	-98.3%
(+) Pre-Opening Expenses	3.0	0.8	263%	15.0	5.9	153%
Adjusted EBITDA	**30.5**	**(4.0)**	**na**	**196.2**	**35.2**	**457.0%**
EBITDA / Net Revenues	*3.1%*	*-1.8%*	*+487bps*	*9.7%*	*-32.8%*	*+4,248bps*
Adjusted EBITDA / Net Revenues	*5.6%*	*-1.2%*	*+677bps*	*10.6%*	*3.1%*	*+754bps*

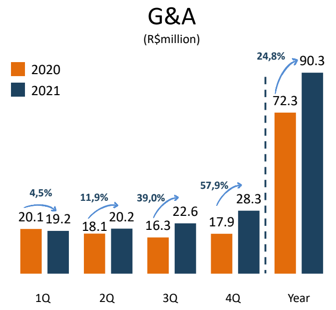


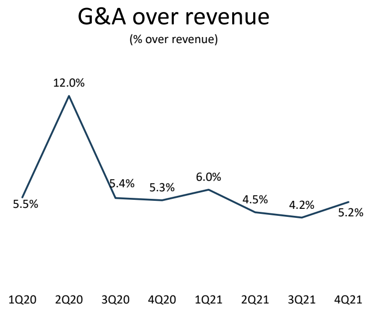


GENERAL AND ADMINISTRATIVE EXPENSES

IMC closed the quarter with General and Administrative Expenses of R$28.3 million, representing 5.2% of consolidated net revenue and a consequent reduction of 11 bps vs. 4Q20. The growth in expenses, in line with sales, was influenced by the normalization of activities, with an additional term incentive of R$ 4.6 million, a non-recurring effect compared to 4Q20, in addition to strengthening strategic areas related to Marketing, Supply, Expansion and Digital.

Other Operating Expenses were R$ 3.3 million in the quarter, compared to revenue of R$ 3.8 million in 4Q20 referring to gains from the sale of assets, among others.





(in R$ million)	4Q21	4Q20	YoY	2021	2020	YoY
G&A and Others	*(31.5)*	*(14.1)*	*123.9%*	*(80.8)*	*(57.3)*	*41.0%*
G&A	*(28.3)*	*(17.9)*	*57.9%*	*(90.3)*	*(72.3)*	*24.8%*
Others	*(3.3)*	*3.8*	*na*	*9.5*	*15.0*	*(37.0%)*

EBITDA RECONCILIATION

(in R$ million)	4Q21	4Q20	YoY	2021	2020	YoY
Adjusted EBITDA	**30.5**	**(4.0)**	**na**	**196.2**	**35.2**	**457.0%**
Adjustments	*(13.8)*	*(2.1)*	*553.8%*	*(16.3)*	*(413.1)*	*(96.1%)*
EBITDA	**16.7**	**(6.1)**	**na**	**179.9**	**(377.9)**	**na**
IFRS effects	*(24.1)*	*(11.6)*	*108.0%*	*(87.0)*	*(72.9)*	*19.4%*
EBITDA Ex-IFRS16	**(7.5)**	**(17.7)**	**(57.9%)**	**92.9**	**(450.7)**	**na**

INVESTMENT ACTIVITIES

During the quarter, the company invested R$125.3 million, of which R$108.5 million was allocated to the expansion of the stores and R$16.8 million to Maintenance and Renovations.

CAPEX (in R$ million)	4Q21	4Q20	YoY	2021	2020	YoY
Total Expansion Investments	108.5	33.0	**228.4%**	147.1	108.4	**35.6%**
Total Maintenance Investments	16.8	3.0	**453.8%**	45.5	9.0	**403.8%**
Total CAPEX Investments	**125.3**	**36.1**	**247.4%**	**192.6**	**117.5**	**64.0%**

CASH GENERATION

Net Operating Cash Flow was R$27.8 million in the quarter, an expansion of R$39.7 million vs. 4Q20, influenced by the improvement in the operating result, including Capex consumption.

(in R$ million)	4Q21	4Q20	2021	2020	YoY
Adjusted EBITDA	**30.5**	**(4.0)**	**196.2**	**35.2**	**457.0%**
(-) Income Taxes	22.2	15.9	(4.2)	134.4	-
(-) Financial Results	(32.8)	(5.7)	(73.0)	(51.1)	43.0%
(-) Store Pre-openings	(3.0)	(0.8)	(15.0)	(5.9)	153.0%
(+/-) Non-Cashs	62.5	19.8	150.2	(118.3)	-
(=/-) Working Capital	(51.5)	(36.9)	(125.3)	(48.9)	156.2%
Net Operating Cash Flow	**27.8**	**(11.8)**	**128.9**	**(54.5)**	**(336.4%)**
(-) Capex	(125.3)	(36.1)	(192.6)	(117.5)	64.0%
Free Cash Flow	**(97.5)**	**(47.9)**	**(63.7)**	**(172.0)**	**(63.0%)**

NET DEBT

The company ended 4Q21 with a total cash position of R$466.8 million and net debt of R$269.4 million. The leverage ratio was 2.9X compared to covenants of 5.0X at the end of 4Q21.

R$ million	4Q21	% total	3Q21	% total	4Q20	% Total
Short Term	86.8	12%	40.2	6%	70.1	10%
Long Term	649.4	88%	668.8	94%	603.7	90%
Total Debt	**736.2**	**100%**	**709.0**	**100%**	**673.8**	**100%**
(-) Cash	**(466.8)**	**-**	**(536.6)**	**-**	**(537.6)**	**-**
Net Debt	**269.4**	**-**	**172.4**	**-**	**136.2**	**-**

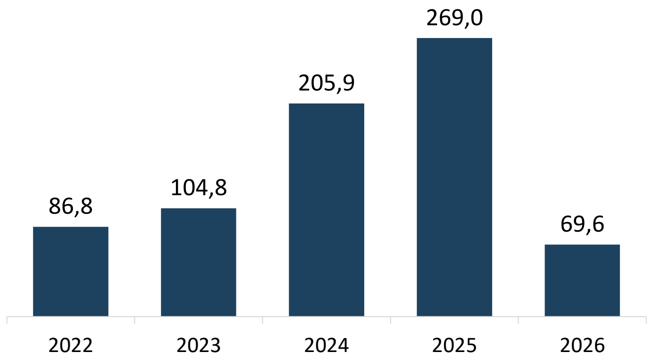
Debt per Indexer

(R$million)

Rate	Debt on 31/12
Libor + 3.0%	198.6
Libor + 4.4%	79.8
CDI + 4.85%	143.7
CDI + 5.3%	144.9
CDI + 5.0%	173.1
Total:	**736.2**

Amortization Schedule

(R$million)



Excludes interest and debt issuance cost

SUBSEQUENT EVENTS

On 03/14/2022, the Board of Directors approved the 1st issuance of commercial notes in the total amount of R$75 million, maturing in 10 months and at DI rate + 2.3%. The visa issuance will be used to pay interest and principal in March, in addition to reducing the cost of the company's debt.

Payment structure (R$million)	
Total	**75.4**
Interest	**29.2**
MEAL11	*9.0*
MEAL12	*10.8*
MEAL21	*9.4*
Amortization MEAL11	**46.3**

APPENDIX:

CONSOLIDATED RESULT:

(R$ thousand)	4Q21	4Q20	YoY	2021	2020	YoY
NET REVENUE	**544,515**	**337,788**	**61.2%**	**1,852,245**	**1,153,670**	**60.6%**
COST OF SALES AND SERVICES	**-376,965**	**-253,563**	**48.7%**	**-1,263,563**	**-882,204**	**43.2%**
GROSS PROFIT	**167,550**	**84,225**	**98.9%**	**588,682**	**271,466**	**116.9%**
OPERATING INCOME (EXPENSES)						
Selling, General & Administrative Expense	-189,378	-144,017	31.5%	-620,820	-474,183	30.9%
Impairment	0	0	-	0	(327,432)	-100.0%
Other income (expenses)	(11,698)	6,739	-273.6%	16,461	(24,069)	-168.4%
Equity income result	2,443	3,334	-26.7%	12,445	(2,686)	na
	(31,083)	**(49,719)**	**-37.5%**	**(3,232)**	**(556,904)**	**-99.4%**
Net financial expenses	(32,832)	(5,729)	473.1%	(73,005)	(51,064)	43.0%
EARNINGS BEFORE TAXES	**(63,915)**	**(55,448)**	**15.3%**	**(76,237)**	**(607,968)**	**-87.5%**
Income Taxes	22,214	15,891	na	(4,212)	134,390	na
NET PROFIT (LOSS)	**(41,701)**	**(39,557)**	**5.4%**	**(80,449)**	**(473,578)**	**-83.0%**

CONSOLIDATED BALANCE SHEET:

(R$ thousand)	4Q21	4Q20
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	461,280	537,581
Accounts receivable	89,386	35,380
Inventories	53,236	44,120
Other current assets	51,034	106,410
Total current assets	**654,936**	**723,491**
NONCURRENT ASSETS		
Financial investments	5,533	0
Deferred income taxes	109,315	134,072
Other noncurrent assets	102,042	54,052
Property and equipment	447,298	356,447
Intangible	1,049,566	1,085,858
Property Use Right Asset	582,508	399,058
Total noncurrent assets	**2,296,262**	**2,029,487**
TOTAL ASSETS	**2,951,198**	**2,752,978**
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	191,256	162,857
Loans, financing and acquisitions' payables	86,810	70,093
Salaries and social charges	71,702	52,898
Lease Liabilities	87,984	54,177
Other current liabilities	50,410	59,051
Total current liabilities	**488,162**	**399,076**
NONCURRENT LIABILITIES		
Loans, financing and acquisitions' payables	649,388	603,692
Provision for labor, civil and tax disputes	92,479	85,654
Deferred income tax and social contribution LP	40,204	56,774
LP Lease Liabilities	525,883	374,272
Other noncurrent liabilities	28,396	52,110
Total noncurrent liabilities	**1,336,350**	**1,172,502**
EQUITY		
Capital and reserves	1,535,491	1,532,697
Accumulated losses	(561,055)	(480,606)
Other comprehensive income	152,250	129,309
Total equity	**1,126,686**	**1,181,400**
TOTAL LIABILITIES AND EQUITY	**2,951,198**	**2,752,978**

STATEMENT OF CASH FLOWS:

(R$ thousand)	4Q21	4Q20	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the quarter	(41,701)	(39,557)	(80,449)	(473,578)
Depreciation and amortization	26,295	25,654	102,851	103,181
Depreciation of use right	20,650	72,755	77,150	72,755
Impairment of intangible assets (using)	0	0	0	(9,597)
Impairment of intangible assets (provision)	0	0	0	327,432
Retirement of fixed and intangible assets	75,398	(4,218)	88,569	16,534
Investiment amortization	796	770	3,076	2,950
Equity income result	(5,519)	(4,104)	(15,521)	(264)
Provision for labor, civil and tax disputes	16,490	17,014	25,077	20,532
Income taxes	(22,214)	(15,891)	4,212	(134,390)
Interest expenses	23,835	10,182	53,053	34,497
Interest on company acquisition and rights over point of sales	(1,397)	(2,887)	11,960	17,132
Effect of exchange rate changes	177	205	(808)	(437)
Deferred Revenue, Rebates	(7,233)	9,197	(3,577)	(2,406)
Expenses in payments to employees based in stock plan	1,592	591	2,794	4,960
Others	(7,858)	(44,655)	(14,183)	15,061
Changes in operating assets and liabilities	(51,498)	(36,896)	(125,277)	(48,891)
Cash generated from operations	27,813	(11,840)	128,927	(54,529)
Income tax paid	1,345	(274)	5,913	(1,417)
Income tax paid	(7,851)	(3,406)	(8,881)	(13,050)
Interest paid	1,570	(2,492)	(659)	(18,138)
Net cash generated by (used in) operating activities	**22,877**	**(18,012)**	**125,300**	**(87,134)**
CASH FLOW FROM INVESTING ACTIVITIES				
Payment of business acquisitions made in prior years	0	(23,608)	0	(25,510)
Additions to intangible assets	(26,908)	(4,179)	(28,325)	(12,257)
Additions to property and equipment	(98,387)	(31,892)	(164,273)	(105,212)
Net cash used in investing activities from continued operations	**(125,295)**	**(59,679)**	**(192,598)**	**(142,979)**
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Payments	(410)	(1,658)	(2,724)	(2,011)
Capital contribuitions from minority interest	0	(68)	0	370,190
Shares in Treasury	0	0	0	47,399
Shares in Treasury	7,889	(12,874)	(23,084)	(69,161)
New loans	0	177,955	0	177,955
Payment of business acquisitions	(1,597)	0	(5,948)	0
Payment of loans	(242)	(71,461)	(972)	(117,996)
Net cash used in financing activities	5,640	91,894	(32,728)	406,376
EFFECT OF EXCHANGE RATE VARIATIONS	21,489	-9,406	23,725	28,512
NET INCREASE (DECREASE) FOR THE PERIOD	**(75,289)**	**4,797**	**(76,301)**	**204,775**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	**536,569**	**532,784**	**537,581**	**332,806**
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	**461,280**	**537,581**	**461,280**	**537,581**

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Independent Auditor's Report in the Individual and Consolidated Financial Statements

To Managements and Board Members and Management of International Meal Company Alimentação S.A.

São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of International Meal Company Alimentação S.A. ("the Company"), respectively referred to as Parent and Consolidated, which comprise the statement of financial position as at December 31, 2021 and the respective statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, as well as the corresponding notes, comprising significant accounting policies and other explanatory information.

Opinion on the individual financial statements

In our opinion, the accompanying individual financial statements referred to above present fairly, in all material respects, the individual financial position of the International Meal Company Alimentação S.A. as at December 31, 2021, the performance of its operations and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the International Meal Company Alimentação S.A. as at December 31, 2021, the consolidated performance of its operations and of its consolidated cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements section of our report. We are independent in relation to the Company and its subsidiaries in accordance with the relevant ethical requirements included in the Accountant Professional Code of Ethics ("Código de Ética Profissional do Contador") and in the professional standards issued by the Brazilian Federal Accounting Council ("Conselho Federal de Contabilidade") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Impairment of cash-generating units that contain goodwill due to expected future profitability and intangible assets with indefinite useful lives

See note 3g.2) and 13 on the individual and consolidated financial statements

Key audit matter	How the matter was addressed in our audit
The Company maintains in its balance sheet material amounts of goodwill for expected future profitability in business combinations and intangible assets with indefinite useful lives that must be tested for impairment at least annually or when there is an indication that the cash-generating unit may lower than its recoverable value. The determination of the value in use of cash-generating units is based on estimated future cash flows, discounted to present value, which involves assumptions such as: (i) determination of value in use and its respective annual growth rate; (ii) perpetuity; and (iii) discount rate based on the weighted average cost of capital (WACC). The process of determining the value in use of cash-generating units involves a high degree of complexity and level of judgment to determine the significant assumptions used in the process. For these reasons, we consider this matter to be a significant matter in our audit.	Our audit procedures included, but were not limited to: (i) Assessment of the design of key internal controls over the estimated future cash flow projections that support the determination of the value in use of the Company's cash-generating units discounted to present value; (ii) Assessment with the support of our corporate finance specialists on the main assumptions and calculation methodologies used in the projections of estimated future cash flows, comparing the main assumptions in determining the value in use and their respective annual growth rate, the perpetuity and in determining the discount rate based on the weighted average cost of capital (WACC) with publicly available market data for comparable companies; and recalculation of estimated future cash flows, discounted to present value, in order to analyze the reasonableness of the accounting estimate prepared by the Company; and (iii) Assessment whether the disclosures in the individual and consolidated financial statements consider the related relevant information. Although our tests have revealed deficiencies in the design of internal controls related to the impairment test of cash-generating units, it was not necessary to extend our substantive procedures beyond what was originally planned to obtain sufficient appropriate audit evidence as to the determination of the value in use of the cash-generating units. Based on the evidence obtained through the procedures summarized above, we consider the values in use of the cash-generating units and the respective related disclosures acceptable, in the context of the individual and consolidated financial statements taken as a whole.

Realization of deferred income tax and social contribution assets	
See note 3h.2) and 22 on the individual and consolidated financial statements	
Key audit matter	**How the matter was addressed in our audit**
Deferred income tax and social contribution assets ("deferred tax assets") recorded refer to tax losses, negative basis of social contribution and temporary differences. Deferred tax assets are recorded to the extent that the Company and its subsidiaries consider it probable that future taxable income will be generated against which the deferred tax assets will be realized. The process of assessing the recoverability of deferred tax assets involves a high degree of judgment involved in defining the significant assumptions that are considered in the projection of future taxable income. Due to the impact that any changes in these assumptions could have on the financial statements, we considered this matter to be significant in our audit.	Our audit procedures included, but were not limited to: • Assessment, with the support of our corporate finance specialists, of the main assumptions and methodologies used in the Company's projections to determine future taxable income, comparing inflation expectations, product sales prices, sales costs, operating and administrative expenses, with publicly available market data for comparable companies and the consistency of these assumptions with the strategic plan approved by the Board of management; and • Assessing whether the disclosures in the individual and consolidated financial statements consider relevant information related to expected realization of deferred tax assets. During our audit, we identified adjustments that, although immaterial, affected the measurement of deferred income tax and social contribution assets, which were recorded by the Company. Based on the evidence obtained through the procedures summarized above, we considered acceptable the balances of deferred tax assets recorded and the related disclosures, in the context of the individual and consolidated financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (DVA) for the year ended December 31, 2021, prepared under the responsibility of the Company's management, and presented herein as supplementary information for IFRS purposes, have been subject to audit procedures jointly performed with the audit of the Company's financial statements. In order to form our opinion, we assessed whether those statements are reconciled with the financial statements and accounting records, as applicable, and whether their format and contents are in accordance with criteria determined in the Technical Pronouncement 09 (CPC 09) - Statement of Value Added issued by the Committee for Accounting Pronouncements (CPC). In our opinion, the statements of value added have been fairly prepared, in all material respects, in accordance with the criteria determined by the aforementioned Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Financial statements for prior year audited by other independent auditors

The individual and consolidated balance sheets as of December 31, 2020 and the individual and consolidated statements of profit or loss, comprehensive income (loss), changes in equity and cash flows and the related notes for the year then ended, presented as related amounts in the individual and consolidated financial statements for the current year, were previously audited by other independent auditors, who issued an unqualified report dated March 29, 2021. The related amounts for the individual and consolidated statements of value added (DVA) for the year ended December 31, 2020, were submitted to the same audit procedures by those independent auditors and, based on their audit, they issued their report with no qualification.

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

Management is responsible for the other information comprising the management report.

Our opinion on the individual and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil and the consolidated financial statements in accordance with the accounting practices adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's and subsidiaries financial reporting process.

Auditors' Responsibilities for the Audit of the individual and consolidated financial statements

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

As part of an audit in accordance with Brazilian and international standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve the act of circumventing internal controls, collusion, forgery, omissions or intentional misrepresentation.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the individual and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, March 30, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in Portuguese signed by
Fabio Lopes do Carmo
Contador CRC 1SP192172/O-3

International Meal Company Alimentação S.A. and Subsidiaries

Balance sheets
December 31, 2021 and 2020
(Amounts in thousands of reais - R$)

		Parent		Consolidated	
	Note	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets					
Current assets					
Cash and cash equivalents	**7**	**99,638**	271,896	**461,280**	537,581
Trade receivables	**8**	**10,808**	4,559	**89,386**	35,380
Inventories	**9**	**2,804**	4,658	**53,236**	44,120
Taxes recoverable	**10**	**7,960**	16,768	**43,582**	90,766
Receivables from related parties	**31**	**1,568**	-	**1,568**	-
Prepaid expenses		**2,187**	1,456	**3,645**	12,043
Other current assets		**435**	332	**2,239**	3,601
Total current assets		**125,400**	299,669	**654,936**	723,491
Noncurrent assets					
Financial investments		**5,533**	-	**5,533**	-
Trade receivables	**8**	**-**	700	**-**	1,000
Judicial deposits		**1,277**	2,774	**6,209**	10,977
Receivables from related parties	**31**	**258,255**	96,888	**11,399**	-
Deferred income tax and social contribution	**22.a)**	**-**	-	**109,315**	134,072
Taxes recoverable	**10**	**4,481**	-	**36,221**	-
Other noncurrent assets		**-**	3,677	**17,980**	18,939
Total long-term assets		**269,546**	104,039	**186,657**	164,988
Investments	**11**	**911,114**	902,487	**30,233**	23,136
Property, plant and equipment	**12**	**29,697**	24,383	**447,298**	356,447
Intangible assets	**13**	**479,681**	494,857	**1,049,566**	1,085,858
Right of use	**14**	**6,793**	14,157	**582,508**	399,058
Total noncurrent assets		**1,696,831**	**1,539,923**	**2,296,262**	**2,029,487**
Total assets		**1,822,231**	1,839,592	**2,951,198**	2,752,978

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

International Meal Company Alimentação S.A. and Subsidiaries

Balance sheets
December 31, 2021 and 2020
(Amounts in thousands of reais - R$)

		Parent		Consolidated	
	Note	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Liabilities and equity					
Current liabilities					
Trade payables	15	**12,505**	10,275	**191,256**	162,857
Borrowings and debentures	16	**73,089**	28,872	**86,810**	70,093
Payroll and related taxes	18	**17,724**	10,848	**71,702**	52,898
Taxes payable		**153**	-	**6,693**	15,428
Deferred revenue	21	**825**	436	**8,999**	10,792
Installment payment of business acquisitions	19	**942**	1,996	**2,538**	1,996
Agreements and installment payment of labor suits		**861**	1,793	**1,331**	2,749
Lease liabilities	14	**4,457**	5,087	**87,984**	54,177
Other current liabilities		**-**	-	**30,849**	28,086
Total current liabilities		**110,556**	59,307	**488,162**	399,076
Noncurrent liabilities					
Borrowings and debentures	16	**381,279**	384,613	**649,388**	603,692
Payables to related parties	31	**43,594**	40,664	**-**	1,459
Agreements and installment payment of labor suits		**-**	368	**-**	368
Provision for labor, civil and tax risks	20	**44,055**	43,627	**92,479**	85,654
Deferred revenue	21	**1,460**	637	**16,044**	14,644
Deferred income tax and social contribution	22.a)	**18,637**	24,225	**40,204**	56,774
Installment payment of business acquisitions	19	**5,521**	5,000	**6,194**	7,598
Lease liabilities	14	**8,681**	10,304	**525,883**	374,272
Provision for investment losses	11	**75,701**	83,386	**-**	-
Other noncurrent liabilities		**6,061**	6,061	**6,158**	28,041
Total noncurrent liabilities		**584,989**	598,885	**1,336,350**	1,172,502
Equity					
Capital	23	**1,154,358**	1,154,358	**1,154,358**	1,154,358
Capital reserve		**344,442**	344,442	**344,442**	344,442
Reserve for stock option plan	24	**36,691**	33,897	**36,691**	33,897
Accumulated losses		**(561,055)**	(480,606)	**(561,055)**	(480,606)
Other comprehensive income (loss)		**152,250**	129,309	**152,250**	129,309
Total equity		**1,126,686**	1,181,400	**1,126,686**	1,181,400
Total liabilities and equity		**1,822,231**	1,839,592	**2,951,198**	2,752,978

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of profit or loss
Years ended December 31, 2021 and 2020
(Amounts in thousands of reais - R$, except loss per share)

	Note	Parent		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net revenue	25	**76,756**	57,408	**1,852,245**	1,153,537
Cost of sales and services	30	**(55,930)**	(48,414)	**(1,263,563)**	(882,070)
Gross profit		**20,826**	8,994	**588,682**	271,466
Operating income (expenses)					
Selling and operating expenses	26	**(38,233)**	(14,200)	**(450,948)**	(231,734)
(Reversal of) allowance for expected credit losses (a)	26	**3,689**	-	**1,602**	-
General and administrative expenses	27	**(32,177)**	(25,086)	**(171,474)**	(124,897)
Depreciation and amortization (b)		**-**	(28,283)	**-**	(117,552)
Impairment of assets	30	**-**	(50,930)	**-**	(327,432)
Other operating income (expenses), net	28	**4,488**	(20,679)	**16,461**	(24,069)
Share of profit (loss) of investees	11	**(3,118)**	(338,917)	**12,445**	(2,686)
Operating profit (loss) before finance income (expense) and income tax and social contribution		**(44,525)**	(469,101)	**(3,232)**	(556,904)
Finance income (expense), net	29	**(37,769)**	(14,525)	**(73,005)**	(51,064)
Loss before income tax and social contribution		**(82,294)**	(483,626)	**(76,237)**	(607,968)
Current income tax and social contribution	22.c)	**-**	-	**4,722**	-
Deferred income tax and social contribution	22.c)	**1,845**	10,048	**(8,934)**	134,390
Loss for the year		**(80,449)**	(473,578)	**(80,449)**	(473,578)
Attributable to:					
Owners of the Company		**(80,449)**	(473,578)	**(80,449)**	(473,578)
Loss per share - R$					
Basic (cents per share)	34	**(0.28184)**	(1.64984)	**(0.28184)**	(1.64984)
Diluted (cents per share)	34	**(0.28184)**	(1.64984)	**(0.28184)**	(1.64984)

(a) The amounts of expected credit losses are presented in a separate line item, as required by CPC 26.82. In the previous year, these amounts were presented under general and administrative expenses.
(b) Depreciation and amortization amounts were previously presented under separate line items in the statements of profit or loss, however, in the current year, these amounts have been presented together.

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of comprehensive income
Years ended December 31, 2021 and 2020
(Amounts in thousands of reais - R$)

	Parent		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Loss for the year	**(80,449)**	(473,578)	**(80,449)**	(473,578)
Translation adjustments in the balance sheet of foreign subsidiaries (Note 11)	**22,941**	89,220	**22,941**	89,220
	22,941	89,220	**22,941**	89,220
Total comprehensive income (loss) for the year	**(57,508)**	(384,358)	**(57,508)**	(384,358)
COMPREHENSIVE INCOME ATTRIBUTABLE TO				
Owners of the Company	**(57,508)**	(384,358)	**(57,508)**	(384,358)
Noncontrolling interest	**-**	-	**-**	-
	(57,508)	(384,358)	**(57,508)**	(384,358)

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of changes in equity
Years ended December 31, 2021 and 2020
(Amounts in thousands of reais - R$)

		Capital reserve				Earnings reserve				
	Capital	Capital reserve	Treasury shares	Total capital reserve	Reserve for stock option plan	Legal reserve	Earnings reserve	Accumulated losses	Other comprehensive income (loss)	Total equity
Balance as of December 31, 2019	786,065	337,960	(40,917)	297,043	28,937	578	(578)	(7,028)	40,089	1,145,106
Loss for the period	-	-	-	-	-	-	-	(473,578)	-	(473,578)
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	-	-	89,220	89,220
Total comprehensive income (loss) for the period	-	-	-	-	-	-	-	(480,606)	89,220	(384,358)
Treasury shares sold	-	12,033	35,366	47,399	-	-	-	-	-	47,399
Stock option plan	-	-		-	4,960	-	-	-	-	4,960
Capital increase	384,413	-	-	-	-	-	-	-	-	384,413
Cost with issuance of shares	(16,120)	-	-	-	-	-	-	-	-	(16,120)
Balance as of December 31, 2020	1,154,358	349,993	(5,551)	344,442	33,897	578	(578)	(480,606)	129,309	1,181,400
Loss for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(80,449)**	**-**	**(80,449)**
Translation adjustments in the balance sheet of foreign subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22,941**	**22,941**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(80,449)**	**22,941**	**(57,508)**
Stock option plan (Note 24)	**-**	**-**	**-**	**-**	**2,794**	**-**	**-**	**-**	**-**	**2,794**
Balance as of December 31, 2021 (Note 23)	**1,154,358**	**349,993**	**(5,551)**	**344,442**	**36,691**	**-**	**-**	**(561,055)**	**152,250**	**1,126,686**

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of cash flows
Years ended December 31, 2021 and 2020
(Amounts in thousands of reais - R$)

	Note	Parent		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash flows from operating activities					
Loss for the year		(80,449)	(473,578)	(80,449)	(473,578)
Adjustments to reconcile loss for the year to net cash provided by (used in) continuing operations:					
Depreciation and amortization	12 and 13	27,992	29,163	102,851	103,181
Depreciation of right of use	12 and 13	3,864	3,094	77,150	72,755
Impairment of property, plant and equipment and intangible assets (uses)	12 and 13	-	(1,284)	-	(9,597)
Impairment of property, plant and equipment and intangible assets (provision)	12 and 13	-	50,930	-	327,432
Disposal of property, plant and equipment and intangible assets	12 and 13	18,987	879	88,569	16,534
Amortization of investment in joint venture	11 and 30	-	-	3,076	2,950
Share of profit (loss) of investees	11 and 30	3,118	338,917	(15,521)	(264)
Provision for labor, civil and tax risks	20	5,995	43,811	25,077	20,532
Current and deferred income tax and social contribution	22 b)	(1,845)	(10,047)	4,212	(134,390)
Interest on borrowings	16 and 29	40,883	25,821	52,191	32,884
Interest on business acquisitions and on commercial rights	19	533	-	862	1,613
Interest on lease liabilities	14	1,036	1,306	11,960	17,132
Exchange gains (losses)	29	43	(572)	(808)	(437)
Share-based payment	24	2,794	4,960	2,794	4,960
Deferred revenue and discounts recognized	21	262	(563)	(3,577)	(2,406)
Amortization of lease liabilities (“right of use”)		-	(5,313)	-	(31,379)
Net effect of write-off of lease contracts		-	6,506	-	33,588
Related parties	31	(12,967)	-	(12,967)	-
(Reversal of) allowance for expected credit losses	30	(3,689)	-	(1,602)	-
Sundry provisions and others		18,281	8,099	386	12,851
		24,838	22,129	254,204	(5,638)
Changes in operating assets and liabilities:					
Trade receivables		(9,938)	7,843	(55,608)	12,294
Inventories		1,915	(628)	(8,328)	13,903
Taxes recoverable		(114)	2,912	440	2,271
Prepaid expenses		(731)	(268)	8,398	(10,798)
Trade payables		(930)	377	(26,613)	(31,689)
Related parties		(62,740)	(268,433)	12,967	-
Payment of labor, civil and tax risks	20	(5,566)	(10,242)	(18,252)	(19,209)
Other assets and liabilities		4,009	4,450	(38,281)	(15,663)
Cash provided by (used in) operating activities		(49,257)	(241,860)	128,927	(54,529)
Income tax and social contribution paid		2,926	-	5,913	(1,417)
Interest paid on borrowings	16	-	(11,495)	(659)	(16,673)
Interest paid on lease liabilities	14	(1,336)	(487)	(8,881)	(13,050)
Interest paid on business acquisitions and on commercial rights	19	-	(726)	-	(1,465)
Net cash provided by (used in) operating activities		(47,667)	(254,568)	125,300	(87,134)
Cash flows from investing activities					
Capital increase in subsidiaries		-	(15,357)	-	-
Payment of business acquisitions made in prior years		-	-	-	(29,693)
Dividends received		-	-	-	3,275
Loans granted	31	(127,010)	-	-	-
Proceeds from sale of discontinued operation		-	-	-	908
Additions to intangible assets, net of balance payable in installments	13	(22,178)	(1,192)	(28,325)	(12,257)
Additions to property, plant and equipment, net of balance payable in installments	12	(12,555)	(13,571)	(164,273)	(105,212)
Net cash used in investing activities		(161,743)	(30,120)	(192,598)	(142,979)
Cash flow from financing activities					
Payment of dividends		-	-	(2,724)	(2,011)
Contracted loans	31	39,443	-	-	
Capital increase		-	370,190	-	370,190
Payment of business acquisitions made in prior years		-	-	(5,948)	-
Treasury shares sold		-	47,399	-	47,399
New borrowings, net of borrowing costs	16	-	2,370	-	177,955
Amortization of lease liabilities	14	(2,291)	(3,456)	(23,084)	(69,161)
Repayment of borrowings and debentures	16	-	-	(972)	(117,996)
Net cash provided by (used in) financing activities		37,152	416,503	(32,728)	406,376
Effect of exchange rate changes on cash and cash equivalents		-	-	3,725	28,512
NET CHANGE IN THE YEAR		(172,258)	131,815	(76,301)	204,775
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		271,896	140,081	537,581	332,806
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		99,638	271,896	461,280	537,581

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of value added
Years ended December 31, 2021 and 2020
(Amounts in thousands of reais - R$)

	Note	Parent		Consolidated	
		12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenues					
Sales of goods, products and services	25	**84,968**	62,883	**2,016,210**	1,249,118
Other revenues	28	**160**	377	**7,072**	23,798
Allowance for expected credit losses	30	**3,689**	(3,177)	**1,602**	(18,386)
		88,817	60,083	**2,024,884**	1,254,530
Inputs purchased from third parties					
Cost of sales and services		**(17,788)**	(16,174)	**(703,286)**	(485,899)
Materials, energy, services and other		**(9,934)**	(26,603)	**(466,438)**	(182,733)
Other		**4,477**	7,284	**(94,668)**	(77,800)
		(23,245)	(35,493)	**(1,264,392)**	(746,432)
Gross value added		**65,572**	24,590	**760,492**	508,098
Depreciation and amortization	30	**(27,992)**	(32,257)	**(102,850)**	(178,886)
Impairment of intangible assets	30	**-**	(50,930)	**-**	(327,432)
Value added created by the Company		**37,580**	(58,597)	**657,642**	1,780
Value added received through transfer					
Share of profit (loss) of investees	30	**(3,118)**	(338,917)	**15,520**	264
Exchange rate changes		**-**	572	**-**	437
Finance income	29	**10,226**	16,868	**17,703**	6,608
		7,108	(321,477)	**33,223**	7,309
Total value added for distribution		**44,688**	(380,074)	**690,865**	9,088
Value added distributed					
Personnel:					
Payroll and related taxes	18	**56,403**	44,748	**506,746**	362,571
Management fees	32	**14,362**	14,297	**14,362**	14,297
Share-based payment	24	**2,794**	4,576	**2,794**	4,576
		73,559	63,621	**523,902**	381,444
Taxes, fees and contributions:					
Taxes on sales	25	**6,619**	5,565	**69,816**	47,641
Income tax and social contribution	22	**(1,845)**	(10,048)	**4,212**	(146,654)
		4,774	(4,483)	**74,028**	(99,013)
Lenders and lessors:					
Interest	29	**42,268**	27,127	**76,499**	51,629
Royalties	30	**-**	-	**19,124**	26,841
Rentals		**4,536**	7,239	**77,761**	121,765
		46,804	34,366	**173,384**	200,235
Shareholders:					
Loss for the year		**(80,449)**	(473,578)	**(80,449)**	(473,578)
		(80,449)	(473,578)	**(80,449)**	(473,578)
		44,688	(380,074)	**690,865**	9,088

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

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 of the Pizza Hut and KFC brands. 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 December 31, 2021, the Group has operations in Brazil, Panama, Colombia and the United States of America.

2. Preparation and presentation of the Financial Statements

2.1. Basis of preparation

a) Statement of compliance

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

The Company’s financial statements were approved by the Board of Directors on March 30, 2022.

Information on the accounting policies adopted by the group, including amendments to such policies, is presented in Note 3.

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

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

2. Preparation and presentation of the Financial Statements - Continued

2.2. Functional and reporting currency

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

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, as follows:

Country	Functional currency
Brazil	Real - R$
United States of America	US Dollar - US$
Panama	Balboa - PAB$
Colombia	Colombian Peso - COP$

2.3. Measurement basis

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

2.4. Operational continuity

Management has assessed the Company's ability to continue as a going concern and believes that it has resources to continue its businesses in the future. In addition to that, Management is not aware of any material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the assumption that the Company will continue as a going concern. See below the considerations and analyses of the impacts of the COVID-19 pandemic on the Company's operations.

2.5. Analysis of the effects of COVID-19

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

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

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

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.

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

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

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

<u>Impairment of financial assets (IFRS 9 / CPC 48)</u>

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

Financial investments and bank deposits

The Group has amounts invested in financial institutions totaling R$ 99,479 in Parent and R$ 454,385 in Consolidated. These funds are held at solid financial institutions and, although there is a possibility of an increase in default caused by the current scenario, there are no indications of a significant increase in the credit risk of these counterparties, given that Standard & Poor’s rating is BB-. 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)

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

The credit risk of the balance of “trade receivables” is mitigated by the fact that approximately 70% of the Group's sales are made through debit

and credit cards. Concentration of operations on the main credit card companies, normally linked to solid financial institutions.

Consequently, the Company considers that the risk of default by credit card companies is extremely low and that the effects of the pandemic on these counterparties are not significant and, therefore, no additional loss is expected.

As of December 31, 2021, Management reassessed the allowance for expected losses for customers listed as airlines, contracts, exports, marketing funds, royalties and receivables from franchisees, and carried out a reversal of the allowance for the year in the amount of R$ 3,689 in Parent and R$ 1,438 in Consolidated.

Impairment of non-financial assets (CPC 16 - IAS 2)

Inventories

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

As of December 31, 2021, Management revised the calculation of the provision for losses on perishable and/or slow-moving inventories and concluded on the sufficiency of the provisioned amount.

Analysis and impairment of assets with indefinite useful lives (CPC 16 – IAS 2)

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

Management performed an impairment test at December 31, 2021 considering, among other factors, the market value-to-book value ratio, aiming to identify indications of impairment.

The impacts of these analyses are presented in Note 13.

Income tax (CPC 32– IAS12)

The Company updated for December 31, 2021 the projections and analyses carried out on the recoverability of the income taxes, and did not identify any adjustments to be made.

Measurement of lease assets and liabilities (IFRS 16 – CPC 06)

2.5. Analysis of the effects of COVID-19--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 14, as established by the new paragraphs included in the aforementioned standard.

Fair value measurement

Given the nature of the transactions, Management considered that the crisis caused by the COVID-19 pandemic does not have impacts on the fair value measurement of our operations.

Provisions and contingent liabilities

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

Master Franchise Agreement - KFC

Pursuant to the material fact disclosed on January 19, 2021, the COVID pandemic impacted the Company's goals and terms for the opening of stores, and on January 18, 2021, the Company received a notice of resolution of the master franchise agreement by Kentucky Fried Chicken International Holdings LLC ("KFC"), with effects as from that date. On January 26, 2021, the Company became aware of the request for arbitration filed by KFC.

In addition, KFC filed for a provisional remedy with the 2nd Business and Arbitration Court of the Judicial District of São Paulo, which is being prosecuted under a closed proceeding ("Provisional Remedy"), and on February 26, 2021, a decision was issued, which: (i) denied KFC's requests under the Provisional Remedy, especially regarding the request to recognize the resolution of the agreement (which, therefore, remains in effect) and revoke the exclusivity of KSR Master Franquia Ltda., a subsidiary of the Company, in conducting the operation of KFC; and (ii) only authorized KFC to negotiate with potential partners the expansion of the KFC network in Brazil, emphasizing that the existence of the dispute subject of the Provisional Remedy constitutes essential information to any interested party.

The decision regarding the Provisional Remedy was upheld in a monocratic decision of the São Paulo State Court of Justice, which rejected the request for a preliminary injunction in an interlocutory appeal filed by KFC. After the arbitration was initiated and the Arbitral Court was constituted, the Provisional Remedy was dismissed and filed. The dispute will be definitively resolved in an arbitration, which is currently in the evidentiary stage.

2.5. Analysis of the effects of COVID-19—Continued

The Company, based on its best judgment, supported by the opinion of its legal counsel, and considering the evidence available at this time and the arguments that will be presented to the Arbitration Court, understands that the chances of the arguments presented by KFC for termination of the KFC Master Franchise Agreement prevailing at the end of the ongoing proceedings are remote.

Revenue recognition

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

3. Significant accounting policies

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

a) Foreign currency

a.1) Foreign currency transactions

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

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

a.2) Foreign operations

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

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

a.3) Foreign subsidiaries

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

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

3. Significant accounting policies--Continued

(i) Assets and liabilities are translated into reais at the exchange rate prevailing at the end of the reporting period.

(ii) Income and expense accounts are translated at the average monthly exchange rate.

(iii) All currency translation differences are recognized in the statement of comprehensive income in line item “Translation adjustments in the balance sheet of foreign subsidiaries” and accumulated in equity.

b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. 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. 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’ and joint ventures’ financial statements are adjusted to conform their accounting policies to those set by the Group.

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

In the Company´s individual financial statements, investments in subsidiaries and joint ventures are accounted for under the equity method.

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

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

	12/31/2021		12/31/2020	
	Direct interest - %	Indirect interest - %	Direct interest - %	Indirect interest - %
IMC Puerto Rico Ltd. (Bermudas)	100.00	-	100.00	-
International Meal Company Panamá, S.A. (Panama)	-	100.00	-	100.00
International Meal Company F&B Panamá, S.A. (Panama)	-	100.00	-	100.00
IMC Airport Shoppes S.A.S. (Colombia)	-	100.00	-	100.00

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

3. Significant accounting policies--Continued

	12/31/2021		12/31/2020	
	Direct interest - %	Indirect interest - %	Direct interest - %	Indirect interest - %
Brazil				
Pimenta Verde Alimentos Ltda.	100%	-	99.99	0.01
Niad Restaurantes Ltda.	64.74	35.26	63.95	36.05
Centro de Serviços Frango Assado Norte Ltda.	91.30	8.70	91.30	8.70
Brivido Comércio de Alimentos Ltda	-	-	99.99	0.01
PHSR Master Franquia Ltda.			-	100.00
KSR Master Franquia Ltda.	100%	-	-	100.00
The Caribbean				
IMC Puerto Rico (Bermudas)	100%	-	-	-
IMC Caribbean Holding Corp (Puerto Rico)		100%	-	100.00
IMC Airport Shoppes S.A.S. (Colombia)	-	100%	-	-
IMC Panamá (Panama)	-	100%	-	-
IMC Panamá F&B (Panama)	-	100%	-	-
United States of America:				
IMCMV Holdings Inc.	100.00	-	100.00	-
IMCMV Atlantic City, LLC	-	100.00	-	100.00
IMCMV Destin, LLC	-	100.00	-	100.00
IMCMV Key West Cafe, LLC	-	100.00	-	100.00
IMCMV MB Landshark, LLC	-	100.00	-	100.00
IMCMV LV, LLC	-	100.00	-	100.00
IMCMV Chicago, LLC	-	100.00	-	100.00
IMCMV Panama City, LLC	-	100.00	-	100.00
IMCMV Myrtle Beach, LLC	-	100.00	-	100.00
IMCMV Nashville, LLC	-	100.00	-	100.00
IMCMV Pigeon Forge, LLC	-	100.00	-	100.00
IMCMV Orlando, LLC	-	100.00	-	100.00
IMCMV Syracuse, LLC	-	100.00	-	100.00
IMCMV MIA Airport, LLC	-	100.00	-	100.00
IMCMV Management, LLC	-	100.00	-	100.00
IMCMV Hospitality, LLC	-	100.00	-	100.00
IMCMV Baltimore, LLC	-	100.00	-	100.00
IMCMV Cleveland, LLC	-	100.00	-	100.00
IMCMV San Antonio, LLC	-	100.00	-	100.00
IMCMV Atlanta, LLC	-	100.00	-	100.00
IMCMV Texas, LLC	-	100.00	-	100.00
IMCMV Daytona, LLC	-	100.00	-	100.00
IMCMV New Orleans, LLC	-	100.00	-	100.00
IMCMV MOA, LLC	-	100.00	-	100.00
IMCMV WH, LLC	-	100.00	-	100.00
IMCMV Times Square, LLC	-	100.00	-	100.00
IMCMV Branson, LLC	-	100.00	-	100.00
Landshark Bayside, LLC	-	100.00	-	100.00
IMCMV LS Rivercenter, LLC	-	100.00	-	100.00
IMCMV LS Harbor Place, LLC	-	100.00	-	100.00
IMCMV LS at Barefoot Landing, LLC	-	100.00	-	100.00
IMCMV Bayside Restaurant, LLC	-	100.00	-	100.00
IMCMV Fan Hall, LLC	-	100.00	-	100.00
IMCMV New Orleans, LLC	-	100.00	-	100.00
Joint venture:				
Universal City Restaurant Venture, LLC (*)	-	50.00	-	50.00

(*) Jointly controlled with IMCMV Holdings Inc. and classified as “joint venture”

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

3. Significant accounting policies--Continued

b) Basis of consolidation--Continued

On September 30, 2020, Miller Fast Food Alimentos Ltda., PHSR Gestão e Restaurantes Ltda., PHSR Campinas Barão Geraldo Restaurantes Ltda., Inventure Restaurantes Ltda. and PHSR Campinas Chácara Primavera Ltda. were merged into Pimenta Verde Alimentos Ltda., Company's direct subsidiary, at September 30, 2020.

On September 30, 2020, Multi PHSR Participações Ltda., Multi KSR Participações Ltda. and Multi QSR Participações Ltda. were merged into International Meal Company Alimentação S.A.

For a better understanding of the amounts merged into the Parent company, see below details including a summary of the balance sheets of the merged companies:

	Multi KSR	**Multi PHSR**	**Multi QSR**	**Total**
Assets				
Cash and cash equivalents	5,386	-	65,009	**70,395**
Investment in companies of the group	41,646	(49,189)	(237)	**(7,780)**
Property, plant and equipment	1,724	-	-	**1,724**
Intangible assets	20,712	-	19,263	**39,975**
Related parties	1,135	-	726	**1,861**
Total assets	**70,603**	**(49,189)**	**84,761**	**106,175**
Liabilities				
Trade payables	1,033	14	2,521	**3,568**
Borrowings	-	-	2,370	**2,370**
Payable taxes	4	-	-	**4**
Contingencies	2,629	-	6,148	**8,777**
Related parties	27,482	27	12,075	**39,584**
Acquisition of company	5,000	-	2,722	**7,722**
Deferred income tax and social contribution	7,628	-	-	**7,628**
Total liabilities	**43,776**	**41**	**25,836**	**69,653**
Total net assets	**26,827**	**(49,230)**	**58,925**	**36,522**

c) Cash and cash equivalents

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

d) Trade receivables and allowance for doubtful accounts

Trade receivables are recognized initially at the transaction value, which corresponds to the sales value, and are subsequently measured at amortized cost.

Allowances are recorded based on the expected losses on the balance of 100% of trade receivables, considering the following criteria: (i) grouping by customer portfolio; (ii) individual assessment for bills past due for more than 45 days; (iii) assessment of historical loss; (iv) outstanding balances of intercompany transactions and credit cards were not considered, given the very low credit risk of these counterparties.

Trade receivables arising from commercial agreements result from bonus and discounts

3. Significant accounting policies—Continued

granted by suppliers, contractually established and calculated on the purchase volumes, marketing actions and assignment of advertising spaces, among others.

e) Inventories

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

f) Property, plant and equipment

Property, plant and equipment are stated at acquisition or construction cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Property, plant and equipment items acquired in a business acquisition was recognized at the fair value of each item, in accordance with CPC 15 (R1)/IFRS 3.

Depreciation is calculated under the straight-line method over the estimated economic useful lives of the assets, as shown below. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for prospectively. The Company reviewed the estimated useful lives of the items of its property, plant and equipment in 2021 and concluded that there are no changes to be made for this year.

Category	Useful life (years)
Buildings	25
Machinery and equipment	9 to 20
Furniture and fixtures	9 to 20
Leasehold improvements *	8 to 10
Computers, vehicles and other items	3 to 7

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

3. Significant accounting policies--Continued

g) Intangible assets

Intangible assets consist mainly of software acquired from and developed by third parties and/or internally, catering licenses and trademarks. Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

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

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

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

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

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

3. Significant accounting policies--Continued

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

Category	Useful life (years)
Software	5
Licensing rights*	5 to 10
Non-compete agreements*	10 to 12
Intangibles in progress	5 to 10
Right over trademarks	5 to 10

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

g) Intangible assets--Continued

g.1) Impairment of goodwill

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

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

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

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

3. Significant accounting policies--Continued

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

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

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

g) Intangible assets--Continued

g.2) Impairment of tangible and intangible assets other than goodwill--Continued

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

h) Income tax and social contribution

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

h.1) Current taxes

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

3. Significant accounting policies--Continued

h.2) Deferred taxes

The tax effects on tax losses and temporary differences between the carrying amounts and the tax base of assets and liabilities are deferred and recognized with respect to deferred income tax and social contribution assets, up to the amount considered as reasonable, in accordance with their expected realization, as disclosed in Note 22.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would
follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

h) Income tax and social contribution--Continued

h.2) Deferred taxes--Continued

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

i) Right of use ("lease")

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

Right-of-use assets are initially measured at cost, and subsequently measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the contract terms. The Company uses as component of cost fixed or in-substance fixed lease payments, which would be the minimum payments agreed in contracts with variable payments according to the achievement of revenues, gross of PIS and COFINS. Prepaid lease payments and store refurbishment provisions are also added to right of use assets, less any incentives received from lessors, when applicable. Variable payments are recognized monthly as operating expenses.

3. Significant accounting policies--Continued

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

Lease liabilities are initially measured at the present value of the lease payments remaining on the agreement start date discounted by the incremental loan rate. Lease liabilities are subsequently measured at amortized cost using the effective interest method.

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

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

i) Right of use ("lease")--Continued

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

With the issuance of the aforementioned Circular Letter and the clarification of some controversial points related to the adoption of the new standard, the Company revised its assumptions for calculating the right-of-use assets and lease liabilities and started to consider the future payment flows, gross of potential PIS and COFINS tax credits, and continued to discount them at a nominal incremental interest rate. This methodology is in accordance with IFRS16/CPC 06 (R3). As of December 31, 2019, the effects of this change were considered prospectively as remeasurement in the changes of lease balances.

The term of the Company's lease agreements varies from 2 (two) to 25 (twenty-five) years.

j) Provisions

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

3. Significant accounting policies--Continued

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

k) Revenue recognition

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

k.1) Sales in restaurants and gas stations (Retail)

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

k.2) Royalties and provision of services (Franchises)

Revenue from franchisee management and advisory service is only recognized when the service is rendered and when the related benefits are transferred to the franchisees, by applying percentages to monthly sales, at which time the respective invoice is issued, with payment due on the 20th of each month.

k) Revenue recognition--Continued

k.3) Sales in catering transactions

Represented by the preparation of meals and aircraft fueling, this revenue is recognized only after the acceptance by the customer, when the goods have already been delivered, their risks and rewards have been transferred, and the Company has satisfied its performance obligation. Invoices are sent to the Airlines on a bi-weekly basis and the corresponding payments are received within an average of 15 to 30 days.

l) Adjustment to present value

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

As of December 31, 2021 and 2020, based on the analyses performed and on management's best estimate, the Group concluded that the adjustment to present value of monetary assets and

3. Significant accounting policies--Continued

liabilities is immaterial in relation to the financial statements and, accordingly, did not record any adjustment.

m) Deferred revenue

The Company recognizes deferred revenue relating to amounts received from business partners for preference in the purchase of products and/or services, and exclusive assignment of advertising spaces. These amounts are recognized under "Cost of sales and services" on a straight-line basis over the contract term.

n) Payment of dividends

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

o) Equity

The Company's capital is comprised only of common shares. When a related party acquires Company's shares (treasury shares), the compensation paid, including any directly attributable incremental costs, is deducted from equity, until the shares are canceled or reissued. When these shares are subsequently reissued, any compensation received, less any directly attributable transaction costs, is included in equity. No gains or losses arising from the purchase, sale, issue or cancelation of instruments representing the Company's capital are recognized.

Any differences between the carrying amount and the compensation are recognized as "Other capital reserves".

p) Presentation of earnings per share

In accordance with CPC 41/IAS 33 – Earnings per Share, earnings must be presented as basic and diluted, as disclosed in Note 34.

q) Segment information

Segment information is presented consistently with the internal report used by the chief operating decision makers.

r) Treasury shares

Company equity instruments that are bought back (treasury shares) and recognized at cost, and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or

3. Significant accounting policies--Continued

cancelation of Company's equity instruments. Any difference between the carrying amount and the consideration is recognized as "Other capital reserves".

s) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as personnel expenses, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. .

t) Financial instruments

Financial assets are recognized when the Company or its subsidiaries assume contractual rights to receive cash or other financial assets from contracts to which they are parties. Financial assets are derecognized when the rights to receive cash related to the financial asset expire or when the risks and rewards have been substantially transferred to third parties. Assets and liabilities are recognized when the rights and/or obligations are retained on the transfer by the Company.

Financial liabilities are recognized when the Company and/or its subsidiaries assume contractual obligations to settle in cash or when they assume third party obligations through a contract to which they are parties. Financial liabilities are derecognized when they are settled, extinguished or have expired.

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

t) Financial instruments--Continued

t.1) Initial recognition

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

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not measured at FVTPL, transaction costs

3. Significant accounting policies--Continued

that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

t.2) Classification and measurement - Financial assets and financial liabilities

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

t) Financial instruments--Continued

t.2) Classification and measurement - Financial assets and financial liabilities--Continued

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

3. Significant accounting policies--Continued

available in CPC 48 / IFRS 9).

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

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

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

Financial assets measured at FVTPL - These assets are subsequently measured at fair value The interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

t.3) Impairment of assets

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

3. Significant accounting policies--Continued

t) Financial instruments--Continued

t.3) Impairment of assets--Continued

The Group considers a financial asset in situation of default when contractual payments are more than 45 days past due. However, in certain cases, the Group may also consider that a financial asset is in default when internal or external information indicates that it is improbable that the Group will receive fully the contractual amounts outstanding before taking into account any credit improvements maintained by the Group. A financial asset is derecognized when there is no reasonable expectation of recovery of the contractual cash flows.

u) Investments in joint venture

A joint venture is a contractual agreement whereby the Company and other parties exercise an economic activity subject to joint control, where the decisions on strategic financial and operating policies relating to the joint venture's activities require the approval of all parties sharing control. As a joint venture, the Company records its interest under the equity method in the consolidated financial statements, as required by CPC 19 (R2)/IFRS 11.

v) Related party transactions

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

These transactions and existing balances with other Group entities are prominently disclosed in the individual and consolidated financial statements. Existing intercompany transactions and balances are eliminated, except for those between the entity (as investor) and its subsidiaries, which are measured and recorded at fair value through profit or loss in the preparation of the individual and consolidated financial statements.
The entity's statements of profit or loss and balance sheet can be affected by a related party relationship even if no transactions are made between the entities. The sole existence of a relationship could be sufficient to affect the entity's transactions with other parties.

3. Significant accounting policies--Continued

w) A number of new standards are effective for annual periods beginning after January 1, 2021. However, the Group has not adopted these standards in preparing these financial statements.

a) Onerous contracts – Cost of Fulfilling a Contract (Amendments to CPC 25/IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group does not expect these amendments to have a significant impact on its financial statements.

b) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to CPC 32/IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after January 1, 2023. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. The Group does not expect these amendments to have a significant impact on its financial statements.

3. Significant accounting policies--Continued

c) Other standards

The following new and amended standards are not expected to have a significant impact on the Group's consolidated financial statements:

- COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to CPC 06/IFRS 16);
- Annual Improvements to IFRS Standards 2018–2020;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to CPC 27/IAS 16);
- Reference to Conceptual Framework (Amendments to CPC 15/IFRS 3);
- Classification of Liabilities as Current or Non-current (Amendments to CPC 26/IAS 1);
- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to CPC 26/IAS 1 and IFRS Practice Statement 2); and
- Definition of Accounting Estimates (Amendments to CPC 23/IAS 8).

4. Key estimates and judgments

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are
Recognized prospectively.

a) Judgments

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

Note 14(c) - lease term: whether the Group is reasonably certain to exercise extension options.

4. Key estimates and judgments--Continued

b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at December 31, 2021that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

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

Note 13(a) - impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts, including the recoverability of development costs;

Note 20 - recognition and measurement of provisions and provision for risks: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 22(a) - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized;

In applying the accounting policies described above, the Group's management adopted the following assumptions in the use of estimates that could have an impact on the financial statements.

c) Fair value measurement

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

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

fair value hierarchy in which the valuations should be classified.

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

Level 1: quoted prices (not adjusted) in an active market for identical assets and liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

5. 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 EBITDA.

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.

  In addition to the aforementioned segments, the Company has corporate expenses not allocated directly to each of the business segments. These amounts are presented in a specific column ("Others") in the table below.

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

5. Segment information--Continued

	Segment information					
	Brazil and the Caribbean			United States of America	Other	Total
	Airports	Shopping malls	Highways			
December 31, 2021:						
Net revenue	**197,013**	**429,995**	**548,744**	**676,493**	**-**	**1,852,245**
EBITDA	**52,432**	**(22,291)**	**12,453**	**124,118**	**13,132**	**179,844**
Depreciation and amortization	**(37,186)**	**(20,417)**	**(17,436)**	**(30,878)**	**(9)**	**(105,926)**
Amortization of right of use	**(17,243)**	**(18,409)**	**(9,168)**	**(32,330)**	**-**	**(77,150)**
Finance income (expense)	**(34,084)**	**(4,195)**	**(12,777)**	**(20,364)**	**(1,585)**	**(73,005)**
Income tax benefit (expense)	**(945)**	**(4,359)**	**(2,717)**	**3,809**	**-**	**(4,212)**
December 31, 2020:						
Net revenue	287,116	117,636	410,403	338,382	-	1,153,537
EBITDA	(30,593)	(37,080)	7,224	26,079	(16,215)	(50,584)
Depreciation and amortization	(22,508)	(38,469)	(20,826)	(24,486)	(21)	(106,310)
Amortization of right of use	(20,507)	(23,160)	(8,659)	(20,251)	-	(72,577)
Impairment of property, plant and equipment and intangible assets	(276,502)	(50,930)	-	-	-	(327,432)
Finance income (expense)	(13,293)	(18,148)	(7,829)	(11,237)	(558)	(51,054)
Income tax benefit (expense)	105,284	13,899	(1,180)	16,387	-	134,390

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

	Consolidated	
	12/31/2021	12/31/2020
Reconciliation of loss for the year:		
Loss for the year	**(80,449)**	(473,578)
Depreciation and amortization	**(105,926)**	(106,310)
Amortization of right of use	**(77,150)**	(72,577)
Impairment of assets	**-**	(327,432)
Finance income (expense)	**(73,005)**	(51,054)
Income tax and social contribution	**(4,212)**	134,390
EBITDA	**179,844**	(50,584)

5. Segment information--Continued

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

	Consolidated	
	12/31/2021	12/31/2020
Brazil and the Caribbean:		
Shopping malls	**926,095**	681,455
Airports	**836,442**	731,335
Highways	**105,253**	559,018
United States of America	**1,083,319**	777,629
Subtotal	**2,951,109**	2,749,436
Assets not allocated to the segments	**-**	3,542
	2,951,109	2,752,978

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

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	
	12/31/2021	**12/31/2020**
Net revenue:		
Brazil	**1,011,608**	735,104
The Caribbean	**164,144**	80,051
United States of America	**676,493**	338,382
	1,852,245	1,153,537

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.

6. Financial instruments

a) Capital management

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

The Group's capital structure consists of financial liabilities with financial institutions, cash and cash equivalents and financial investments, including issued capital 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) Categories and hierarchy of fair value of financial instruments

Management considers the carrying amounts of financial assets and liabilities recorded at amortized cost in the Company's individual and consolidated financial statements. The main financial instruments are distributed as follows:

6. Financial instruments--Continued

b) Categories and hierarchy of fair value of financial instruments--Continued

	Parent					
	December 31, 2021					
(In thousands of Reais)	Level	Carrying amount	VRJ	Amortized cost	VJIH	Fair value
Cash and cash equivalents	2	99,638	99,638	-	-	99,638
Trade receivables		10,808	-	10,808	-	10,808
Receivables from related parties		258,255	258,255	-	-	258,255
Long-term investments	2	5,533		5,533		5,533
Assets		**374,234**	**357,893**	**16,341**	**-**	**374,234**
Trade payables		13,026	-	13,026	-	13,026
Borrowings and debentures		454,368	-	454,368	-	454,368
Installment payment of business acquisitions		5,942	-	5,942	-	5,942
Payables to related parties		43,594	-	43,594	-	43,594
Liabilities		**516,930**	**--**	**516,930**	**-**	**516,930**

	Consolidated December 31, 2021				
(In thousands of Reais)	Level	Carrying amount	VRJ	Amortized cost	Fair value
Cash and cash equivalents	2	461,280	461,280	-	461,280
Trade receivables		89,386	-	89,386	89,386
Receivables from related parties	2	12,967	12,967	-	12,967
Long-term investments	2	5,533	5,533		5,533
Assets		**569,166**	**479,780**	**89,386**	**569,166**
Trade payables		191,256	-	191,256	191,256
Borrowings and debentures		736,198		736,198	736,198
Installment payment of business acquisitions		8,732	-	8,732	8,732
Payables to related parties	-	-	-	-	-
Liabilities		**936,186**		**936,186**	**936,186**

	Parent				
	December 31, 2020				
(In thousands of Reais)	Level	Carrying amount	VRJ	Amortized cost	Fair value
Cash and cash equivalents	2	271,896	271,896	-	271,896
Trade receivables		5,259	-	5,259	5,259
Receivables from related parties	2	96,888	96,888		96,888
Long-term investments		-			
Assets		**374,043**	**368,784**	**5,259**	**374,043**
Trade payables		10,275	-	10,275	10,275
Borrowings and debentures		413,485		413,485	413,485
Installment payment of business acquisitions		6,996	-	6,996	6,996
Payables to related parties		40,664	-	40,664	40,664
Liabilities		**471,420**	**-**	**471,420**	**471,420**

(In thousands of Reais)	Level	Carrying amount	VRJ	Amortized cost	Fair value
	Consolidated				
	December 31, 2020				
Cash and cash equivalents		537,581	-	537,581	537,581
Trade receivables		36,380	-	36,380	36,380
Receivables from related parties		-	-	-	-
Long-term investments		-	-	-	-
Assets		573,961		573,961	573,961
Trade payables		(162,857)	-	(162,857)	(162,857)
Borrowings and debentures		(673,785)		(673,785)	(673,785)
Installment payment of business acquisitions		(9,594)	-	(9,594)	(9,594)
Payables to related parties		(1,459)		(1,459)	(1,459)
Liabilities		(847,695)	-	(847,695)	(847,695)

As of December 31, 2021 and 2020, all the Group's financial instruments were classified as Level 2.

c) Liquidity

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

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

The table below details the remaining contractual maturity of the Group’s financial liabilities, and the agreed repayment terms. The tables below were prepared

using the undiscounted cash flows of the financial 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 rates in the twelve-month period ended December 31, 2021. Accordingly, the disclosed balances do not match the balances stated in the balance sheets.

6. Financial instruments--Continued

c) Liquidity--Continued

	Weighted average effective interest rate - %	Carrying amount	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 yea rs	Over 5 years	Total
		Parent						
December 31, 2021:								
Trade payables		13,026	12,485	311	6	224		13,026
Borrowings and debentures		454,368	16,358	58,247	29,559	344,802	45,662	494,628
Lease liabilities	10.84%	13,138	474	940	4,085	7,676	2,029	15,204
Installment payment of business acquisitions		5,000					5,000	5,000

	Weighted average effective interest rate - %	Carrying amount	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 yea rs	Over 5 years	Total
		Consolidated						
December 31, 2021:								
Trade payables		191,256	183,887	4,119	1,164	1,767		190,937
Lease liabilities	10.84%	(613,867)	7,795	15,157	72,053	442,612	128,948	666,565
Borrowings and debentures		736,198	61,578	9,889	196,323	606,689	45,662	920,141
Installment payment of business acquisitions		8,732					8,732	8,732

d) Credit risk

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Group. Group sales are 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 8.

The Group is also exposed to credit risks related to financial instruments contracted for the management of its business, which consist basically of cash and cash equivalents and short-term investments. Management believes that the credit risk of transactions with financial institutions is low, as these are considered by the market as prime banks.

For credit risk ratings, we are classified as risk level 1 – 6, low risk of BBB as AAA; for Parent company, we classified a significant risk B- as CCC-.

e) Interest rate risk

The Group has loans and debt agreements denominated in US dollars (US$), Colombian pesos (COP) and Brazilian reais (R$), indexed to LIBOR (long-term rate), Colombian Banking Reference Index - IBR and Brazilian Interbank Deposit Rate - CDI.

6. **Financial instruments**--Continued

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.

e.1) Sensitivity analysis

In order to carry out the sensitivity analysis of the interest rate levied on the exposed assets and liabilities, an increase in rates for loans and for cash equivalents was projected. The Group uses, for a probable scenario, the market rate being the future 12-month CDI (B3), the future 6-month Libor (Fedprimerate) and the future 6-month IBR (Central Bank of Colombia) to measure the impacts on finance income and expense. Each of the analyzed transactions considers the probable scenario and an increase of 25% and 50% in scenarios I and II, respectively. Considering the sensitization of the rates, the balances would be:

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

Parent					
Transactions	**Carrying amount**	**Rate**	**Probable**	**Scenario I**	**Scenario II**
Cash and cash equivalents - CDI of 99% to 106%	99,398	9.15%	11.79%	14.74%	17.69%
Impact related to CDI increase			2,642	5,554	8,484
Debentures - CDI plus interest from 4.85% to 5.30% * p.a.	(454,368)	14.20%	16.84%	21.05%	25.26%
Impact related to CDI increase			(11,995)	(31,124)	(50,253)
Total	**(354,970)**		**(9,371)**	**(25,570)**	**(41,769)**

Consolidated					
Transactions	**Carrying amount**	**Rate**	**Probable**	**Scenario I**	**Scenario II**
Cash and cash equivalents - CDI of 99% to 106%	163,822	9.15%	11.79%	14.74%	18.42%
Impact related to CDI increase			4,325	9,154	15,189
Debentures - CDI plus interest from 4.85% to 5.30% * p.a.	(454,368)	14.20%	16.84%	21.05%	31.58%
Impact related to CDI increase			(11,995)	(31,124)	(78,946)
30-day LIBOR plus interest of 3.10% p.a.	(198,550)	3.22%	4.33%	5.41%	8.12%
Impact related to LIBOR increase			(2,204)	(4,353)	(9,726)
180-day LIBOR plus interest of 4.40% p.a.	(67,306)	4.62%	4.24%	5.30%	7.95%
Impact related to LIBOR increase			(256)	(458)	(2,241)
IBR p.a. plus interest of 3.92% p.a.	(12,516)	3.92%	6.89%	8.61%	12.92%
Impact related to IBR increase			(372)	(587)	(1,126)
Other (transaction cost)	(3,458)		(69)	(86)	(130)
Total	**(572,376)**		**(10,246)**	**(26,911)**	**(74,710)**

6. **Financial instruments**--Continued

e) Exchange risk

The group companies only carry out transactions for payment of royalties and reimbursement of expenses between companies in the group with exchange rate exposure. Considering the amounts outstanding at December 31, 2021, even if a 25% fluctuation increase were to occur, there would be no material impact on the Company’s results.

7. Cash and cash equivalents

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Cash	**159**	119	**6,895**	5,989
Banks	**81**	30	**290,563**	170,576
Financial investments	**99,398**	271,747	**163,822**	361,016
	99,638	**271,896**	**461,280**	**537,581**

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

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

				Parent	
Transactions	**Average yield**	**Liquidity**	**Country**	**12/31/2021**	12/31/2020
Bank deposit certificate	98.5% to 105% of CDI	Immediate	Brazil	**97,699**	269,095
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	**1,699**	2,652
				99,398	**271,747**

				Consolidated	
Transactions	**Average yield**	**Liquidity**	**Country**	**12/31/2021**	12/31/2020
Bank deposit certificate	90% to 103.0% of CDI	Immediate	Brazil	**107,319**	289,108
Bank Deposit Certificates (fixed income)	100.2% to 101.5% of CDI	Immediate	Brazil	**41,522**	59,439
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	**8,634**	2,577
Overnight deposits	7.41% p.a.	Immediate	Colombia	**6,347**	9,391
Other	70% to 90% of CDI	Immediate	Brazil	**-**	501
				163,822	**361,016**

8. Trade receivables

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Means of payment (credit and debit cards, and meal tickets)	**1,197**	-	**49,610**	12,675
Trade receivables (*)	**12,292**	11,484	**28,008**	27,118
Rebates and commercial agreements	**-**	700	**4,724**	10,513
Trade receivables - franchisees (**)		-	**37,455**	23,714
Others	**291**	-	**233**	174
	13,780	**12,184**	**120,030**	**74,194**
Allowance for expected credit losses	**(2,972)**	(6,926)	**(30,644)**	(37,814)
	10,808	**5,259**	**89,386**	**36,380**
Current	**10,808**	4,559	**89,386**	35,380
Noncurrent	-	700	-	1,000
	10,808	**5,259**	**89,386**	**36,380**

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

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

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

	Consolidated	
	12/31/2021	12/31/2020
In Reais - R$	**102,637**	53,586
In US dollars - US$	**10,450**	11,445
In Panamanian balboas - PAB$	**726**	1,602
In Colombian pesos - COP$	**6,217**	7,561
	120,030	**74,194**

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

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

	Parent		Consolidated	
	12/31/2021	**12/31/2020**	**12/31/2021**	**12/31/2020**
Not yet due	**7,988**	2,912	**80,596**	42,211
Past due:				
Up to 30 days	**2,075**	1,977	**4,926**	5,452
31 to 60 days	**898**	931	**3,552**	1,782
61 to 90 days	**85**	3,720	**7,213**	7,465
Over 90 days	**2,734**	2,645	**23,740**	17,284
Allowance for expected credit losses	**(2,972)**	(6,926)	**(30,641)**	(37,814)
	10,808	**5,259**	**89,386**	**36,380**

8. Trade receivables--Continued

Allowance for expected credit losses

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

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
At the beginning of the year	**(6,926)**	(3,750)	**(32,859)**	(19,428)
Additions	**(5,570)**	(5,775)	**(20,425)**	(15,430)
Reversals and write-offs	**9,259**	2,765	**21,863**	5,725
Other	**265**	(166)	**780**	(8,681)
At the end of the year	**(2,972)**	(6,926)	**(30,641)**	(37,814)

9. Inventories

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Food and beverages	**1,834**	1,748	**26,086**	19,450
Fuel and vehicle accessories	**-**	-	**7,190**	5,199
Nonfood products and souvenirs for resale	**-**	-	**12,499**	12,232
Supplies and fixtures	**1,559**	3,560	**8,760**	9,295
Provision for inventory losses	**(589)**	(650)	**(1,299)**	(2,056)
	2,804	4,658	**53,236**	44,120

As of December 31, 2021, the total cost of inventories sold disclosed in line item ‘Cost of sales and services’ was R$ 22,944 (R$ 13,799 as of December 31, 2020) in Parent and R$ 719,248 (R$ 467,469 as of December 31, 2020) in Consolidated (see Note 30).

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

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Opening balance	**(650)**	(303)	**(2,056)**	(1,101)
Additions and reversals	**61**	(347)	**788**	(1,080)
Exchange rate changes	**-**	-	**(31)**	125
Closing balance	**(589)**	(650)	**(1,299)**	(2,056)

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

10. Income tax and social contribution and taxes and contributions recoverable

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Prepaid income tax and social contribution	**-**	-	**11,193**	11,353
Withholding income tax (IRRF) on financial investments	**4,847**	4,733	**9,661**	9,941
Income tax and social contribution recoverable	**4,847**	4,733	**20,854**	21,294
Taxes on revenue (PIS and COFINS)	**7,225**	11,744	**58,023**	66,294
Other	**369**	291	**926**	3,178
Subtotal of taxes recoverable	**7,594**	12,035	**58,949**	69,472
	12,441	16,768	**79,803**	90,766
Current assets	**7,960**	16,768	**43,582**	90,766
Noncurrent assets	**4,481**	-	**36,221**	-

11. Investments

Information on subsidiaries

The summarized financial information relating to each of the subsidiaries in which the Company has interests is presented below, before the eliminations of intragroup transactions:

a) December 31, 2021

Direct subsidiaries	Ownership interest - %	Total assets	Total liabilities	Equity (*)	Investments	Profit (loss) for the year	Revenue	Share of profit (loss) of investees
IMCMV Holdings Inc.	100.00	1,083,319	(696,058)	(387,261)	(387,466)	44,357	676,493	44,357
IMC Puerto Rico Ltd. (The Caribbean)	100.00	326,706	(176,675)	(150,031)	(150,031)	27,930	164,144	27,930
Pimenta Verde Alimentos Ltda. (Brazil)	100.00	893,001	(570,242)	(322,759)	(322,759)	(72,049)	507,588	(72,049)
Niad Restaurantes Ltda. (Brazil)	64.74	21,920	(48,249)	26,329	17,045	(3,444)	22,399	(2,230)
Centro de Serviços Frango Assado Norte Ltda. (Brazil)	91.30	127,714	(73,598)	(54,116)	(49,408)	(3,768)	346,957	(3,440)
KSR Master Franquias Ltda. (Brazil)	100.00	28,658	(48,062)	19,404	19,404	(1,972)	15,881	(1,972)
PHSR Master Franquia Ltda. (Brazil)	100.00	35,946	(65,914)	29,968	29,968	4,286	20,958	4,286
Total		2,517,264	(1,682,544)	(834,720)	(843,247)	(4,660)	1,754,420	(3,118)

(*) The negative equity values of the subsidiaries, amounting to R$ 75,701, are presented as provision for losses on investments.

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

11. **Investments**--Continued

b) December 31, 2020

Direct subsidiaries	Ownership interest - %	Total assets	Total liabilities	Equity (*)	Profit (loss) for the year	Revenue	Share of profit (loss) of investees
IMCMV Holdings Inc.	100.00	788,787	(469,914)	(318,930)	(13,508)	338,382	(13,508)
IMC Puerto Rico Ltd. (The Caribbean)	100.00	304,434	(181,234)	(123,177)	(39,767)	80,051	(39,767)
Tob's Lanches Sul Ltda. (Brazil)	99.99	-	-	-	(82)	-	(82)
Pimenta Verde Alimentos Ltda. (Brazil)	99.99	751,275	(377,930)	(399,199)	(227,394)	307,156	(227,394)
Niad Restaurantes Ltda. (Brazil)	63.95	45,797	(53,139)	31,701	(92,888)	17,387	(59,402)
Centro de Serviços Frango Assado Norte Ltda. (Brazil)	91.30	111,442	(48,515)	(62,926)	2,005	239,445	1,831
KSR Master Franquias Ltda. (Brazil)	100.00	23,990	(41,422)	17,432	5,059	10,479	3,190
PHSR Master Franquia Ltda. (Brazil)	100.00	33,845	(68,078)	34,254	11,873	19,446	17,195
Multi QSR Gestão de Restaurantes S.A. (Brazil)	99.99	-	-	-	(20,981)	-	(20,981)
Total		2,059,549	(1,240,230)	(820,844)	(354,702)	1,012,346	(338,918)

(*) The negative equity values of the subsidiaries, amounting to R$ 83,386 , are presented as provision for losses on investments.

Information on subsidiaries--Continued

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

	Tob's	Pimenta Verde and Niad	Gas stations	IMC USA	IMC The Caribbean	Master franchise	Multi QSR (*)	Total
Balance as of December 31, 2019	4,666	535,917	56,408	249,110	141,694	-	212,524	1,200,319
Share of profit (loss) of investees	(82)	(286,796)	1,831	(13,508)	(39,767)	20,386	(20,981)	(338,917)
Decrease in investment	-	-	-	-	-	-	-	-
Provision for losses on investments recorded at the merger date	-	-	-	-	-	(72,071)	-	(72,071)
Addition (write-off) due to merger, net	(4,584)	68,935	-	-	-	-	(191,543)	(127,192)
Capital increase	-	52,385	-	15,357	-	-	-	67,742
Translation adjustments	-	-	-	67,971	21,249	-	-	89,220
Balance as of December 31, 2020	-	370,441	58,239	318,930	123,177	(51,685)	-	819,101
Share of profit (loss) of investees		**(74,279)**	**(3,440)**	**44,357**	**27,930**	**2,314**	**-**	**(3,118)**
Translation adjustments	**-**	**-**	**-**	**24,031**	**(1,090)**	**-**	**-**	**22,941**
Balance as of December 31, 2021	**-**	**296,162**	**54,799**	**387,318**	**150,017**	**(49,371)**	**-**	**838,925**

(*) After the mergers, only the companies KSR Master and PHSR Master remained as direct subsidiaries.

11. **Investments**--Continued

The variation in investments in joint-venture, presented in the consolidated financial statements, is as follows:

	Margaritaville (Orlando)	
	12/31/2021	**12/31/2020**
Balance as of December 31 of the prior year	**23,136**	22,832
Share of profit (loss) of investees (*)	**12,445**	**(2,686)**
Dividends received	**-**	**3,275**
Translation adjustments of foreign joint venture	**(5,348)**	**(285)**
Balance as of December 31	**30,233**	**23,136**

(*) Share of profit (loss) of investees net of the amortization of investment in joint venture incurred in the twelve-month period ended December 31, 2021 amounting to R$ 3,076 (R$ 2,950 as of December 31, 2020). The investment is amortized because the joint venture has an indetermined finite duration.

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

12. Property, plant and equipment

The variation in property, plant and equipment for the years ended December 31, 2021 and 2020 was as follows:

	Parent				
	Balance as of 12/31/2020	Additions (*)	Write-offs	Transfers	Balance as of 12/31/2021
Cost					
Machinery and equipment	28,716	-	(461)	1,288	29,543
Furniture and fixtures	8,815	-	(49)	503	9,269
Leasehold improvements	24,764	-	(681)	4,403	28,486
Computers, vehicles and other items	25,339	-	(517)	493	25,315
Works and construction in progress	2,067	12,555	206	(6,687)	8,141
Total cost	89,701	12,555	(1,502)	-	100,754
Depreciation					
Machinery and equipment	(18,301)	(2,078)	344	-	(20,035)
Furniture and fixtures	(6,322)	(556)	48	-	(6,830)
Leasehold improvements	(14,534)	(1,993)	341	-	(16,186)
Computers, vehicles and other items	(22,482)	(1,187)	513	-	(23,156)
Total depreciation	(61,639)	(5,814)	1,246	-	(66,207)
Impairment					
Leasehold improvements	(217)	(1,359)	84	-	(1,492)
Works and construction in progress	(776)	(36)	18	-	(794)
Furniture and fixtures	(223)	-	10	-	(213)
Machinery, equipment and facilities	(2,000)	-	108	-	(1,892)
Computers, vehicles and other items	(463)	-	4	-	(459)
Total	(3,679)	(1,395)	224	-	(4,850)
Total, net	24,383	5,346	(32)	-	29,697

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

12. Property, plant and equipment--Continued

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

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

12. Property, plant and equipment--Continued

	Consolidated					
	Balance as of 12/31/2020	Additions (*)	Write-offs	Transfers	Effects of exchange differences	Balance as of 12/31/2021
Cost						
Land and buildings	5,612	-	-	(956)	549	5,205
Machinery and equipment	258,868	9,602	(544)	2,020	1,926	271,872
Furniture and fixtures	101,838	1,277	(5,100)	4,444	2,001	104,460
Leasehold improvements	483,651	24,187	(10,672)	33,953	4,607	535,726
Computers, vehicles and other items	91,184	12,493	(2,061)	(2,612)	599	99,603
Works and construction in progress	55,865	116,714	-	(36,849)	2,993	138,723
Total cost	**997,018**	**164,273**	**(18,377)**	**-**	**12,675**	**1,155,589**
Depreciation						
Land and buildings	(3,838)	(545)	-	-	647	(3,736)
Machinery and equipment	(157,174)	(19,164)	9,605	-	(2,258)	(168,991)
Furniture and fixtures	(76,286)	(7,471)	3,897	-	(2,582)	(82,442)
Leasehold improvements	(262,506)	(42,486)	6,395	-	(4,520)	(303,117)
Computers, vehicles and other items	(71,337)	(4,860)	1,839	-	(1,293)	(75,651)
Total depreciation	**(571,141)**	**(74,526)**	**21,736**	**-**	**(10,006)**	**(633,937)**
Impairment						
Machinery and equipment	(55,241)	**(304)**	**-**	**-**	**-**	**(55,545)**
Works and construction in progress	-	**(800)**	**-**	**-**	**-**	**(800)**
Furniture and fixtures	(2,186)	**(7)**	**-**	**-**	**-**	**(2,193)**
Leasehold improvements	(11,496)	**(3,804)**	**-**	**-**	**-**	**(15,300)**
Computers, vehicles and other items	(507)	**(9)**	**-**	**-**	**-**	**(516)**
Total (**)	**(69,430)**	**(4,924)**	**-**	**-**	**-**	**(74,354)**
Total, net	**356,447**	**84,823**	**3,359**	**-**	**2,669**	**447,298**

(*) The value of additions to property, plant and equipment presented in the cash flow reflects what was actually paid throughout the twelve-month period ended December 31, 2020. Thus, in the statements of cash flows, out of the additions to property, plant and equipment in the twelve-month period ended December 31, 2020, the amount of R$ 121 was added in Parent and the amount of R$ 3,012 in the Consolidated. For the twelve-month period ended December 31, 2021, the amount of R$ 146 was added in Parent and R$ 3,075 in Consolidated.

(**) Amount related to impairment, based on an analysis performed by Management.

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

12. Property, plant and equipment--Continued

	Consolidated					
	Balance as of 12/31/2019	Uses	Additions (*)	Transfers, write-offs, and others	Effects of exchange differences	Balance as of 12/31/2020
Cost						
Land and buildings	6,161	-	-	(1,505)	956	5,612
Machinery and equipment	245,739	-	16,628	(15,751)	12,252	258,868
Furniture and fixtures	90,307	-	4,467	(2,498)	9,562	101,838
Leasehold improvements	419,083	-	30,210	(12,193)	46,551	483,651
Computers, vehicles and other items	82,372	-	6,146	(4,435)	7,104	91,184
Works and construction in progress	41,641	-	47,767	(41,445)	7,902	55,865
Total cost	**885,303**	**-**	**105,215**	**(77,830)**	**84,327**	**997,018**
Depreciation						
Buildings	(3,192)	-	(8)	16	(654)	(3,838)
Machinery and equipment	(149,887)	-	(20,050)	20,979	(8,216)	(157,174)
Furniture and fixtures	(66,110)	-	(7,227)	4,856	(7,805)	(76,286)
Leasehold improvements	(219,109)	-	(38,293)	21,527	(26,631)	(262,506)
Computers, vehicles and other items	(68,287)	-	(7,917)	10,391	(5,524)	(71,337)
Total depreciation	**(506,585)**	**-**	**(73,495)**	**57,769**	**(48,830)**	**(571,141)**
Impairment						
Machinery and equipment	(2,109)	2,354	(55,411)	-	(75)	(55,241)
Works and construction in progress	-	9	(250)	241	-	-
Furniture and fixtures	(106)	55	(2,135)	-	-	(2,186)
Leasehold improvements	(3,261)	5,293	(12,850)	(678)	-	(11,496)
Computers, vehicles and other items	(565)	932	(633)	(241)	-	(507)
Total	**(6,041)**	**8,643**	**(71,279)**	**(678)**	**(75)**	**(69,430)**
Total, net	**372,677**	**8,643**	**(39,556)**	**(20,739)**	**35,422**	**356,447**

	Parent		Consolidated	
Net balances	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Land and buildings	-	-	1,469	1,774
Machinery and equipment	7,616	9,639	47,336	46,453
Furniture and fixtures	2,226	2,270	19,825	23,366
Leasehold improvements	10,808	8,230	217,309	209,649
Computers, vehicles and other items	1,700	2,393	23,436	19,340
Works and construction in progress	7,347	1,851	137,923	55,865
	29,697	**24,383**	**447,298**	**356,447**

12. Property, plant and equipment--Continued

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Allocated to cost of sales and services	3,953	4,456	62,951	60,378
Allocated to general and administrative expenses	1,861	1,202	11,575	13,117
Total depreciation expenses	**5,814**	**5,658**	**74,526**	**73,495**
PIS and COFINS credits on depreciation (*)	(588)	(620)	(3,151)	(3,134)
Total depreciation expenses, net of tax credits	**5,226**	**5,038**	**71,375**	**70,361**

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

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

13. Intangible assets

The variation in intangible assets for the years ended December 31, 2021 and 2020 was as follows:

	Parent				
	Balance as of 12/31/2020	**Additions (*)**	**Write-offs**	**Transfers**	**Balance as of 12/31/2021**
Cost:					
Goodwill	250,417	**-**	**-**	**-**	**250,417**
Software	30,710	**-**	**(18)**	**2,777**	**33,469**
Rights over trademarks	4,100	**-**	**-**	**-**	**4,100**
Commercial rights (a)	30,921	**-**	**-**	**(30,921)**	**-**
Licensing rights	354,628	**18,729**	**(17,467)**	**(2,777)**	**353,113**
Leasehold rights (b)	25,532	**-**	**-**	**(25,532)**	**-**
Total cost	696,308	**18,729**	**(17,485)**	**(56,453)**	**641,099**
Amortization:					
Software	(19,227)	**(5,788)**	**18**	**-**	**(24,997)**
Commercial rights (a)	(22,059)	**-**	**-**	**22,059**	**-**
Licensing rights	(85,720)	**(16,390)**	**5,740**	**-**	**(96,370)**
Leasehold rights (b)	(25,532)	**-**	**-**	**25,532**	**-**
Total amortization	(152,538)	**(22,178)**	**5,758**	**47,591**	**(121,367)**
Impairment:			**-**		
Goodwill	(34,673)	**-**		**-**	**(34,673)**
Software	(1,278)	**-**	**-**	**-**	**(1,278)**
Rights over trademarks	(4,100)	**-**	**-**	**-**	**(4,100)**
Commercial rights (a)	(8,862)			**8,862**	**-**
Total	(48,913)	**-**	**-**	**8,862**	**(40,051)**
Total, net	**494,857**	**(3,449)**	**(11,727)**	**-**	**479,681**

(a) Commercial rights related to new businesses of the Company were reclassified to Right of use.
(b) Leasehold rights were reclassified to the Company’s Right of use; however, the next effect was zero.

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

13. Intangible assets--Continued

	Parent				
	Balance as of 12/31/2019	Additions (*)	Additions due to merger	Transfers, write-offs, and others	Balance as of 12/31/2020
Cost:					
Goodwill	91,790	-	161,236	(2,609)	250,417
Software	21,326	-	-	9,384	30,710
Rights over trademarks	4,100	-	-	-	4,100
Commercial rights	30,748	-	-	173	30,921
Licensing rights	70,130	-	259,754	24,744	354,628
Non-compete agreements	-	-	21,145	(21,145)	-
Leasehold rights	25,532	-	-	-	25,532
Intangibles in progress	7,173	1,192	-	(8,365)	-
Total cost	**250,799**	**1,192**	**442,135**	**(2,182)**	**696,308**
Amortization:					
Software	(17,143)	(2,675)	-	591	(19,227)
Commercial rights	(19,256)	(2,846)	-	43	(22,059)
Licensing rights	(63,495)	(18,275)	(3,950)	-	(85,720)
Leasehold rights	(25,203)	(329)	-	-	(25,532)
Total amortization	**(125,097)**	**(24,125)**	**(3,950)**	**634**	**(152,538)**
Impairment					
Goodwill	-	(34,673)	-	-	(34,673)
Software	-	(18)	-	(1,260)	(1,278)
Rights over trademarks	(2,537)	(1,562)	-	(1)	(4,100)
Commercial rights	-	(10,123)	-	1,261	(8,862)
Total	**(2,537)**	**(46,376)**	**-**	**-**	**(48,913)**
Total, net	**123,165**	**(69,309)**	**438,185**	**2,816**	**494,857**

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

13. Intangible assets--Continued

	Consolidated					
	Balance as of 12/31/2020	**Additions (*)**	**Write-offs**	**Transfers**	**Effects of exchange differences**	**Balance as of 12/31/2021**
Cost						
Goodwill	922,759	**-**		**-**	**16,844**	**939,603**
Software	47,095	**774**	**(1,754)**	**3,973**	**(819)**	**49,269**
Rights over trademarks	79,446	**-**	**-**	**-**	**(1,832)**	**77,614**
Commercial rights (c)	120,979	**-**	**-**	**(120,979)**	**-**	**-**
Licensing rights	397,263	**25,995**	**(68,438)**	**78,227**	**(15,947)**	**417,100**
Leasehold rights (d)	27,291	**-**	**-**	**(27,291)**	**-**	**-**
Non-compete agreements	3,963	**-**	**-**	**-**	**(287)**	**3,676**
Intangibles in progress and other assets	1,071	**1,819**	**-**	**-**	**(204)**	**2,686**
Total cost	1,599,867	**28,588**	**(70,192)**	**(66,070)**	**(2,245)**	**1,489,948**
Amortization:						
Software	(31,804)	**(4,506)**	**154**	**-**	**(299)**	**(36,455)**
Commercial rights (c)	(71,551)	**-**	**-**	**71,551**	**-**	**-**
Licensing rights	(118,848)	**(23,819)**	**337**	**-**	**(4,886)**	**(147,216)**
Leasehold rights (d)	(25,531)	**-**	**-**	**25,531**	**-**	**-**
Non-compete agreements	(2,933)	**-**	**-**	**-**	**(275)**	**(3,208)**
Other	(750)	**-**	**-**	**-**	**(249)**	**(999)**
Total amortization	(251,417)	**(28,325)**	**491**	**97,082**	**(5,709)**	**(187,878)**
Impairment						
Goodwill	(223,849)	**-**	**-**	**-**	**-**	**(223,849)**
Software	(7,315)	**-**	**-**	**-**	**-**	**(7,315)**
Rights over trademarks	(21,323)	**-**	**-**	**-**	**-**	**(21,323)**
Commercial rights (c)	(10,088)	**-**	**-**	**10,088**	**-**	**-**
Licensing rights	(17)	**-**	**-**	**-**	**-**	**(17)**
Total (**)	(262,592)	**-**	**-**	**10,088**	**-**	**(252,504)**
Total, net	1,085,858	**263**	**(69,701)**	**41,100**	**(7,954)**	**1,049,566**

(c) Commercial rights in the amount of R$ 39,340, net, related to new businesses of the Company were reclassified to right of use.
(d) Leasehold rights in the amount of R$ 1,760, net, related to new businesses of the Company were reclassified to Right of use.

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

13. Intangible assets--Continued

	Consolidated					
	Balance as of 12/31/2019	Uses	Additions (*)	Transfers, write-offs, and others	Effects of exchange differences	Balance as of 12/31/2020
Cost						
Goodwill	864,833	-	-	(3,674)	61,600	922,759
Software	37,490	-	1,669	7,337	599	47,095
Rights over trademarks	66,919	-	-	8,223	4,304	79,446
Commercial rights	118,898	-	8,841	(7,926)	1,166	120,979
Licensing rights	394,138	-	456	(3,141)	5,808	397,263
Leasehold rights	27,536	-	-	(7,670)	-	-
Non-compete agreements	7,670	-	-	(831)	586	27,291
Intangibles in progress and other assets	3,880	-	-	(592)	675	3,963
Total cost	7,909	-	1,287	(8.325)	200	1,071
	1,529,272	-	12,256	(16,599)	74,938	1,599,867
Amortization						
Software						
Commercial rights	(29,478)	-	(3,949)	2,042	(419)	(31,804)
Licensing rights	(67,412)	-	(6,409)	2,953	(683)	(71,551)
Leasehold rights	(95,114)	-	(23,450)	3,637	(3,921)	(118,848)
Non-compete agreements	(25,204)	-	(329)	2	-	(25,531)
Intangibles in progress and other assets	(3,232)	-	(259)	1,068	(510)	(2,933)
Total amortization	(620)	-	-	-	(130)	(750)
	(221,061)	-	(34,396)	9,702	(5,663)	(251,417)
Impairment						
Goodwill	-	-	(223,796)	-	(53)	(223,849)
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 (**)	(7,871)	954	(256,153)	667	(189)	(262,592)
Total cost	1,300,340	954	(278,293)	(6,230)	69,087	(1,085,858)

(*) The value of additions of intangible assets presented in the statements of cash flows reflects what was actually paid over the twelve-month period ended December 31, 2020. Thus, in the statements of cash flows, out of the additions to intangible assets in the twelve-month period ended December 31, 2020, the amount of R$ 1,192 was added in Parent and the amount of R$ 12,257 in the Consolidated. For the twelve-month period ending December 31, 2021, the amount of R$ 436 was added in Consolidated and no additions were made in Parent.

(**) Amount related to impairment of assets recognized based on an analysis performed by Management.

	Parent		Consolidated	
Net balances	**12/31/2021**	12/31/2020	**12/31/2021**	12/31/2020
Goodwill (a)	**215,744**	215,744	**715,754**	698,910
Software	**7,194**	10,205	**5,499**	7,976
Rights over trademarks (b)	**-**	-	**56,291**	58,123
Commercial rights (c)	**-**	-	**-**	39,340
Licensing rights (d)	**256,743**	268,908	**269,867**	278,398
Leasehold rights (e)	**-**	-	**-**	1,030
Non-compete agreements	**-**	-	**468**	1,760
Intangibles in progress and other assets	**-**	-	**1,687**	321
	479,681	494,857	**1,049,566**	1,085,858

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

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

13. 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: 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: food courts in service stations and restaurant chains located along highways in Brazil, and sale of vehicle fuel.
- United States of America: meals in restaurants in captive markets in the United States of America and consumables in the retail market.

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

	Consolidated	
	12/31/2021	**12/31/2020**
Brazil:		
Shopping malls	**158,626**	158,626
Airports	**57,119**	57,119
Highways	**206,187**	206,187
	421,932	421,932
Caribbean:		
Shopping malls		
Airports	**22,891**	24,681
	22,891	24,681
United States of America	**270,931**	252,297
	715,754	698,910

13. Intangible assets--Continued

b) *Rights over trademarks*

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

c) *Commercial rights*

Refer to amounts paid to acquire commercial rights and/or acquired in business combinations. The balances under this line item were transferred to Right of Use.

d) *Licensing rights*

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

After the acquisition of MultiQSR operations in 2019, 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. The balances under this line item were transferred to Right of Use.

Impairment testing for assets with indefinite useful lives

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

As of December 31, 2021, Management concluded that there were no indicators of impairment of any of its cash-generating units, since the tests performed showed that the recoverable amounts of these CGUs were higher than their carrying amounts.

The value in use calculation was determined in view of the cash flow projections, based on financial budgets approved by Management over a five-year period.

13. Intangible assets--Continued

The discount rate, after tax, applied to cash flow projections is 13.5%, for all CGUs, which increased compared to previous periods, mainly due to the beta change of the Company's operating segment, the change in the country risk and the increase in debt cost, due to the renegotiation of the terms and conditions of the debentures, which took place in the second quarter of 2020.

For Brazil, the cash flow for the period beyond five years considers a growth rate of 3.18%, according to the growth rate disclosed by BACEN. The estimated growth rate over the next five years for EBITDA is an average of 15% p.a.

For the United States, the cash flow for the period beyond five years considers a growth rate of 2.5%, in line with long-term inflation in the local market. The estimated growth rate over the next five years for EBITDA is an average of 16.6% p.a.

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

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

14. Right of use and lease liabilities ("right of use")

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

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

The variation in the year ended December 31, 2021 and 2020 is as follows:

a) Changes in the right-of-use asset

	Parent				
	Real estate	**Machinery and equipment**	**Vehicles**	**Commercial rights**	**Total**
Balance as of 01/01/2020	15,158	1,066	34	-	16,258
(-) Accumulated depreciation	(2,944)	(119)	(31)	-	(3,094)
(+) Additions	8,139	114	6-	-	8,259
(-) Write-offs	(7,136)	(130)	-	-	(7,266)
Balance as of 12/31/2020	13,217	931	9	-	14,157
(-) Accumulated depreciation	(3,898)	(29)	-	-	(3,927)
(+) Additions	6,334	-	-	-	6,334
(-) Write-offs	(4,614)	-	-	-	(4,614)
(-) Transfers	(378)	-	-	(4,779)	(5,157)
Balance as of 12/31/2021	**10,661**	**902**	**9**	**(4,779)**	**6,793**

	Consolidated				
	Real estate	**Machinery and equipment**	**Vehicles**	**Commercial rights**	**Total**
Balance as of 01/01/2020	383,942	1,066	34		385,042
(-) Accumulated depreciation	(71,925)	(119)	(31)		(72,075)
(+) Additions	89,105	114	6	-	89,225
(-) Write-offs	(86,885)	(130)	-	-	(87,015)
(+) Exchange rate changes	40,217	-	-	-	40,217
(+) Remeasurement	43,665	-	-	-	43,665
Balance as of 12/31/2020	398,119	931	9	-	399,059
(-) Accumulated depreciation	(78,437)	(29)	-	-	(78,466)
(+) Additions	226,677	-	-	-	226,677
(-) Write-offs	(20,078)	-	-	-	(20,078)
(+) Exchange rate changes	25,265	-	-	-	25,265
(-) Transfers	-	-	-	30,051	30,051
Balance as of 12/31/2021	**551,546**	**902**	**9**	**30,051**	**582,508**

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

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

b) Changes in lease liabilities

	Parent			
	Real estate	**Machinery and equipment**	**Vehicles**	**Total**
Balance as of 01/01/2020	15,881	1,119	36	17,036
(+) Interest	1,262	43	1	1,306
(-) Principal paid	(3,349)	(106)	(2)	(3,456)
(-) Interest paid	(440)	(45)	(2)	(487)
(+) Additions	8,139	114	6	8,259
(-) Write-offs	(1,823)	(130)	-	(1,953)
(-) Discounts obtained	(5,313)	-	-	(5,313)
Balance as of 12/31/2020	14,357	995	39	15,391
(+) Interest	1,031	5	-	1,036
(-) Principal paid	(2,306)	15	-	(2,291)
(-) Interest paid	(1,312)	(24)	-	(1,336)
(+) Additions	6,334	-	-	6,334
(-) Write-offs	(5,996)	-	-	(5,996)
Balance as of 12/31/2021	**12,108**	**991**	**39**	**13,138**
Current				**4,457**
Noncurrent				**8,681**

	Consolidated			
	Real estate	**Machinery and equipment**	**Vehicles**	**Total**
Balance as of 01/01/2020	400,067	1,119	36	401,222
(+) Interest	17,088	43	1	17,132
(-) Principal paid	(69,053)	(106)	(2)	(69,161)
(-) Interest paid	(13,003)	(45)	(2)	(13,050)
(+) Additions	89,105	114	6	89,225
(-) Write-offs	(55,506)	(130)	-	(55,636)
(-) Discounts obtained	(31,379)	-	-	(31,379)
(+) Exchange rate changes	46,431	-	-	46,431
(+) Remeasurement	43,665	-	-	43,665
Balance as of 12/31/2020	427,415	995	39	428,449
(+) Interest	11,955	5	-	11,960
(-) Principal paid	(23,099)	15	-	(23,084)
(-) Interest paid	(8,857)	(24)	-	(8,881)
(+) Additions	249,688	-	-	249,688
(-) Write-offs	(20,079)	-	-	(20,079)
(+) Exchange rate changes	(24,186)	-	-	(24,186)
Balance as of 12/31/2021	**612,837**	**991**	**39**	**613,867**
Current				**87,984**
Noncurrent				**525,883**

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

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

c) Schedule of lease liabilities recognized in noncurrent liabilities

Year	Parent	Consolidated
2023	2,263	137,084
2024	1,631	98,820
2025	1,578	95,570
Over 5 years	3,209	194,409
Total	**8,681**	525,883

The amounts shown in the schedule above refer to lease liability amounts and do not reflect the discounts on leases 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. Accordingly, the group’s lease payments were renegotiated in 2021, and the discount obtained amounted to R$4,152 for consolidated.

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

As of December 31, 2021, payments made by the Company relating to short-term lease contracts and low value assets referring to printers, peripherals, and office equipment totaled R$ 1,253 (R$ 2,893 as of December 31, 2020). Payments for contracts with variable value totaled R$ 1,555 in Parent and R$ 13,061 in the Consolidated (R$ 9,673 as of December 31, 2020)

e) PIS and COFINS credits

The entities located in Brazil are entitled to PIS and COFINS credit on lease contracts when making payments. We present below the potential amounts of these taxes, considering the par values and the amounts adjusted to present value:

	Parent	
	Par value	**Adjustment to present value**
Lease consideration	6,793	6,495
Potential PIS and COFINS (9.25%)	628	601

	Consolidated	
	Par value	**Adjustment to present value**
Lease consideration	582,508	556,951
Potential PIS and COFINS (9.25%)	53,882	51,518

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

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

f) Additional information

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

	Inflation to be projected by year	Average contract term
Brazil operations	4.38%	5 years
International operations		
United States of America	1.36%	6 years
Panama	1.36%	5 years
Colombia	1.61%	3 years

15. Trade payables

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Product suppliers	**5,288**	2,357	**111,721**	66,580
Service providers	**7,217**	7,841	**76,029**	94,974
Suppliers - others	**-**	77	**3,506**	1,303
Total	**12,505**	10,275	**191,256**	162,857

16. Borrowings

	Financial charges	Maturity	Parent		Consolidated	
			12/31/2021	12/31/2020	12/31/2021	12/31/2020
Bank Credit Note - CCB – United States of America (a)	30-day LIBOR + spread of 3% p.a.	Annual until 11/21/2026	-	-	198,550	177,773
Bank Credit Note – CCB – The Caribbean (b)	90-day LIBOR (or IBR 3-months) + spread from 3.7% to 4.4% p.a.	Semi-annual up to 10/12/2022	-	-	79,822	77,757
Debentures 1st Series (c)	CDI + spread of 4.85% p.a.	Annual until 03/15/2024	143,744	132,015	143,744	132,015
Debentures 2nd Series (c)	CDI + spread of 5.30% p.a.	Annual until 03/15/2026	144,857	132,452	144,857	132,452
Single series issuance (d)	CDI + spread of 5.00% p.a.	Annual until 09/10/2025	173,085	158,779	173,085	158,779
Costs to be recognized			(7,318)	(11,581)	(7,318)	(11,581)
Other			-	1,820	3,458	6,591
			454,368	413,485	**736,198**	673,786

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

16. **Borrowings**--Continued

The changes in borrowings are presented below:

	Parent	Consolidated
Balance as of December 31, 2020	413,485	673,786
Repayment of borrowings	-	(972)
Interest paid on borrowings	-	(659)
Changes in cash flows from operating and financing activities	-	(1,631)
Interest on borrowings	40,883	52,191
Exchange rate changes on borrowings	-	11,852
Total non-cash variation	40,883	64,043
Balance as of December 31, 2021	**454,368**	**736,198**

Classified as:

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Current:				
Foreign currency-denominated borrowings	-	-	13,717	39,960
Local currency-denominated borrowings (R$)	73,089	28,872	73,093	30,133
	73,089	28,872	**86,810**	70,093
Noncurrent:				
Foreign currency-denominated borrowings	-	-	264,655	215,613
Local currency-denominated borrowings (R$)	381,279	384,613	384,733	388,079
	381,279	384,613	**649,388**	603,692

16. **Borrowings**--Continued

Guarantees and commitments

The Group has bank loans that contain covenants. Future non-compliance with these covenants may require the Group to repay the loans before the date indicated in the table above. The covenants are regularly monitored by the treasury and periodically reported to the Management to ensure that the contracts are being fulfilled. As of December 31, 2021, the Company was compliant with these covenants.

Interest payments on loans at a post-fixed interest rate and the debt securities included in the table above reflect forward market interest rates at the balance sheet date and these amounts may change as the post-fixed interest rates change.

(a) Borrowing raised in US dollars (US$) with annual floating interest rate determined by bank of 3% above the Libor. The borrowing is guaranteed by International Meal Company Alimentação S.A. and by certain parent companies of the Company, and has covenants calculated based on the financial statements. Borrowing payable in 3 annual installments, corresponding to 15% in 2023, 15% in 2024 and 70% in 2025, with monthly payment of interest starting in January/2022.

(b) 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.

(c) First issue of 250,000 simple non-convertible debentures, in two series of 125,000 debentures each, with unit par value of R$ 1,000.00, of the unsecured type with collateral, issued on March 18, 2019, with interest of 100% of the accumulated variation of the average rates of DI – Interbank Deposits of one day, plus a spread of 4.85% p.a., with maturity in 2024, with interest paid semiannually until the due date for the first series, and 5.30% p.a., with maturity in 2026 for the second series.

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

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

- Suspension of verification of the Financial Ratio based on the consolidated interim financial information (ITRs) as of March 31, June 30 and September 30, 2021, and March 31 and June 30, 2021; and on the annual consolidated financial statements as of December 31, 2021, related to the net debt-EBITDA ratio;

- Change in the exponential spread of the 1st series, from 1.15% p.a. to 4.85% p.a., maturing in 2024;

- Change in the exponential spread of the 1st series, from 1.60% p.a. to 5.30% p.a., maturing in 2026.

(d) Second issue of 150,000 simple non-convertible debentures, in two series of 150,000 debentures each (only one series was issued up to December 31, 2019), with par value of R$ 1,000.00, 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 of 5.00% p.a., with maturity in 2025, with interest paid semiannually until the due date.

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

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

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

- Suspension of verification of the Financial Ratio based on the reviewed consolidated quarterly financial information (ITRs) as of March 31, June 30 and September 30, 2020 and March 31 and June 30, 2021; and on the annual consolidated financial statements as of December 31, 2021, related to the net debt-EBITDA ratio;

Change in the exponential spread of the 2nd series, from 1.30% p.a. to 5.00% p.a., maturing in 2025.

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

	Parent	Consolidated
2023	86,145	104,804
2024	100,903	205,914
2025	124,582	269,021
2026 onwards	69,649	69,649
	381,279	**649,388**

17. Government grant

On December 27, 2020, the United States government signed the H.R. 133 law called the Consolidated Appropriations Act., authorizing an additional amount for the second part of the PPP, a financial aid program that provides small American businesses with cash flow assistance during the COVID-19 crisis. The amount of R$ 20,400 was received in 2021.

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

As of December 31, 2021, Management concluded that there was reasonable assurance for the recognition of R$ 20,400 in profit or loss, in the line item Selling and operating expenses, as a reduction of the line item Payroll expenses (see Notes 26, 27 and 30).

Changes in government grants are as follows:

	Consolidated
Amount received – Paycheck Protection Program	**22,553**
(-) Amount used for salary payment	**(20,400)**
(-) Amount used for lease payment	**-**
(-) Exchange rate changes	**(2,153)**
Balance as of December 31, 2021	**-**

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

18. Payroll and related taxes

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Payroll and related taxes	**10,205**	4,635	**40,193**	23,891
Accrued vacation and related taxes	**5,678**	5,069	**28,511**	27,118
Other	**1,841**	1,144	**2,998**	1,889
Total	**17,724**	10,848	**71,702**	52,898

19. Installment payment of business acquisitions

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Business acquisitions in Brazil	**6,463**	6,996	**5,942**	6,996
Business acquisitions in other countries (a)	**-**	-	**2,790**	2,598
Total	**6,463**	6,996	**8. 732**	9,594
Current	**942**	1,996	**2,538**	1,996
Noncurrent	**5,521**	5,000	**6,194**	7,598

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

The installment recorded in noncurrent liabilities is due as of 2025.

Cash disbursement for acquisitions

	Parent	Consolidated
Balance as of December 31, 2020	**6,996**	**9,594**
	-	**-**
Payment of company acquisitions	**-**	**(5,948)**
Interest on company acquisitions	**(533)**	**(862)**
Changes in cash flows from financing activities	**-**	**(6,810)**
Exchange rate changes due to company acquisitions	**-**	**5,948**
Balance as of December 31, 2021	**6,463**	**8,732**

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

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	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Labor and social security (a)	38,822	20,509	75,011	51,748
Tax (b)	628	19,993	9,103	27,547
Civil (c)	4,605	3,125	8,365	6,360
	44,055	**43,627**	**92,479**	**85,654**

(a) Provision recognized to cover labor and social security risks arising from labor relationships established in the normal course of its businesses. As the Group is a defendant in labor lawsuits that have similar nature, that is, lawsuits with recurring content filed in general by plaintiffs who held certain positions and functions and that make claims based on common offenders, it is understood that the best estimate of the risk of loss (and consequently of the recognition of a provision) is the assessment of the historical performance based on actual losses on lawsuits of such nature. Based on the analyses performed by the Company, the historical losses of the last 5 years were on average approximately 20.18% (17% as of December 31, 2020) when compared with the amounts of the respective causes.

(b) 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.

(c) 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.

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$ 3,336 (R$ 3,578 as of December 31, 2020) in Parent and R$ 86,873 (R$ 32,353 as of December 31, 2020) in Consolidated and, therefore, no provision for these lawsuits was recognized.

Among the main lawsuits classified as possible loss we highlight the infringement notices issued against the subsidiary 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$ 3,999 (R$ 4,791 as of December 31, 2020). The lawsuit is under discussion at the administrative level.

As of December 31, 2021, the Group has a total exposure related to labor lawsuits in the amount of R$ 40,228 (R$ 49,629 as of December 31, 2020) in Parent and R$ 95,681 (R$ 89,567 as of December 31, 2020) in Consolidated, and of this amount R$ 23,104 (R$ 24,156 as of December 31, 2020) refers to lawsuits for which the likelihood of loss was assessed as possible in Parent and R$ 65,618 (R$ 49,091 as of December 31, 2020) in Consolidated.

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

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

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

	Parent			
	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2019	6,190	-	619	6,809
Additions due to company merger	12,665	19,993	3,124	35,783
Additions	6,207	-	17	6,224
Uses	(4,554)	-	(635)	(5,189)
Balance as of December 31, 2020	20,508	19,993	3,125	43,627
Additions due to company merger				
Additions	**4,511**	**-**	**1,484**	**5,995**
Uses	**(5,563)**	**-**	**(3)**	**(5,566)**
Reclassifications	**19,367**	**(19,365)**	**(1)**	**(1)**
Balance as of December 31, 2021	**38,823**	**628**	**4,605**	**44,055**

	Consolidated			
	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2019	50,663	27,168	6,850	84,680
Additions	19,418	378	96	19,892
Uses	(18,168)	-	(469)	(18,637)
Reversals	(165)	-	(406)	(571)
Exchange rate changes	-	-	289	289
Balance as of December 31, 2020	**51,748**	**27,547**	**6,360**	**85,654**
Additions	21,002	-	4,075	25,077
Uses	(18,048)	-	(204)	(18,252)
Reversals				
Exchange rate changes				
Reclassifications	20,309	(18,444)	(1,866)	-
Balance as of December 31, 2021	**75,011**	**9,103**	**8,365**	**92,479**

21. Deferred revenue

Refers to the preference and exclusivity in the use of their services and/or resale of their products.

	Parent		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Exclusive contracts - Brazil	2,285	1,073	14,669	19,312
Exclusive contracts - USA	-	-	10,289	5,162
Exclusive contracts - The Caribbean	-	-	85	962
	2,285	1,073	25,043	25,436
Current liabilities	825	436	8,999	10,792
Noncurrent liabilities	1,460	637	16,044	14,644
	2,285	1,073	25,043	25,436

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

	Parent	Consolidated
At the beginning of the year	1,073	25,436
(+) Additions	1,474	3,184
(-) Deferred revenue	(262)	(3,577)
At the end of the year	2,285	25,043

22. Income tax and social contribution

a) Deferred income tax and social contribution

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

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

	Parent	
	12/31/2021	12/31/2020
Tax loss carryforwards	-	-
Temporary differences:		
Provision for labor, civil and tax risks	3,078	3,031
Impairment	5,141	4,720
Deferred income tax liability on amortization of goodwill of acquired companies	(28,979)	(28,979)
Deferred income tax liability on surplus value of merged companies	(7,484)	(7,398)
Deferred tax liability arising from fair value allocation of business combinations	(1,394)	(2,407)
Accrued liabilities and others	11,001	6,808
	(18,637)	**(24,225)**
Liabilities	**(18,637)**	**(24,225)**

	Consolidated	
	12/31/2021	12/31/2020
Tax loss carryforwards	72,339	109,856
Temporary differences:		
Provision for labor, civil and tax risks	19,199	17,631
Impairment	27,217	29,034
Accrued liabilities	49,571	29,982
Deferred income tax assets of merged companies	-	5,210
Asset appreciation and difference between accounting and tax law depreciation rates	16,711	17,600
Deferred income tax liability on amortization of goodwill of companies acquired and merged and fair value allocation of business combinations	(119,025)	(129,313)
Deferred income tax liability on surplus value of merged companies	(7,484)	(7,398)
Other temporary differences (a)	10,583	4,696
	69,111	**77,298**
Assets	**109,315**	134,072
Liabilities	**(40,204)**	(56,774)
	69,111	77,298

(a) – Group is broken down as follows: R$ 5,547 IFRS 16 Adjustments, R$ 2,033 Amortization of Commercial Rights/Assignment Rights and R$ 3,000 Impairment of Trademarks and Patents.

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

22. Income tax and social contribution--Continued

a) Deferred income tax and social contribution--Continued

	12/31/2021	
	Parent	Consolidated
Deferred income tax and social contribution - assets	19,220	195,620
Deferred income tax and social contribution - liabilities	(37,857)	(126,509)
Deferred income tax and social contribution - net	**(18,637)**	**69,111**

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 and the projections are reviewed annually.

22. Income tax and social contribution--Continued

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

	Parent	
	12/31/2021	12/31/2020
Loss before income tax and social contribution from continuing operations	**(82,294)**	(483,626)
Statutory tax rate	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	**27,980**	164,433
Adjustments made:		
Effect on differences of statutory tax rates of foreign subsidiaries	**(23,200)**	-
Permanent differences	**(1,671)**	(2,029)
Share of profit (loss) of investees	**(1,058)**	(96,644)
Deferred income tax credits on tax loss carryforwards not recognized	**-**	(51,933)
Taxes paid abroad	**-**	-
Other permanent differences	**(204)**	(3,779)
Income tax and social contribution	**1,845**	10,048
Current	**-**	-
Deferred	**1,845**	10,048
	1,845	10,048
Effective IRPJ/CSLL rate (%)	**2.24%**	2.08%

	Consolidated	
	12/31/2021	12/31/2020
Loss before income tax and social contribution from continuing operations	**(76,237)**	(607,968)
Statutory tax rate	34%	34%
Income tax and social contribution benefit (expense) at statutory rate	**25,921**	206,709
Adjustments made:		
Effect on differences of statutory tax rates of foreign subsidiaries	**(23,200)**	-
Permanent differences (i)	**(1,883)**	(14,874)
Share of profit (loss) of investees	**4,231**	-
Tax loss with no recognition of tax credit	**(26,069)**	(59,193)
Others	**16,788**	1,748
Income tax and social contribution	**(4,212)**	134,390
Current	**4,722**	-
Deferred	**(8,934)**	134,390
	(4,212)	134,390
Effective IRPJ/CSLL rate (%)	**(5.52%)**	22.10%

(i) Include: (a) taxes paid by foreign subsidiaries and not deductible in Brazil; and (b) other nondeductible expenses.

As of December 31, 2021, there are tax loss carry forwards and negative social contribution base in the amount of R$ 125,784 (R$ 122,970 as of December 31, 2020) in Parent and R$ 506,511 (R$ 498,646 as of December 31, 2020) in Consolidated, for which deferred taxes have been recorded in the amount of R$ 72,339 (R$ 77,913 as of December 31, 2020) in Consolidated, based on projections of future taxable income.

23. Equity

a) Capital

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

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

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.

On July 21, 2020, approval was given for the price per share, set according to the Bookbuilding Process at R$ 4.25 ("Share Price"), and with the Company's capital increasing by R$ 384,413, as well as for the public offering of primary distribution with restricted placement efforts exclusively in Brazil, pursuant to the terms of CVM Instruction 476, and therefore, without placement efforts of Shares abroad, of a total of 90,450,000 registered, book-entry, common shares without par value, free of any lien or encumbrance, issued by the Company, including the Additional Shares. Expenses arising specifically from the offering were recognized as a reduction of equity, in the amount of R$ 16,120.

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.

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

23. Equity--Continued

c) Treasury shares

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

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.

The variation in treasury shares in the years ended December 31, 2020 and 2021 was as follows:

	Number of shares	Amount	Average price per share - R$
Balance as of December 31, 2019	6,790,600	40,917	6.03
(-) Treasury shares sold	(5,800,000)	(34,974)	6.03
(-) Stock options exercised	(65,000)	(392)	6.03
Balance as of December 31, 2020	**925,600**	**5,551**	**6.03**
(-) Treasury shares sold	-	-	-
(-) Stock options exercised	-	-	-
Balance as of December 31, 2021	**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.

24. Share-based payment plan

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

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

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

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

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

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

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

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

24. Share-based payment plan--Continued

At the Extraordinary General Meeting held on August 28, 2019, the Stock Option Plan - 2019 was approved, with options granted limited to 4,325,000 common shares, equivalent to 2.21% of the Company's capital. The 2019 Stock Option Plan has characteristics similar to previous plans.

At the Extraordinary General Meeting held on April 30, 2021, the Stock Option Plan – 2021 was approved, with options granted that do not exceed 7% of the total amount of shares issued by the Company on each grant date; for the calculation of the Maximum Amount, the Company should consider, on each grant date, all the Options granted and not exercised subject to this Plan, as well as all stock options granted and not exercised under the Company's stock option plans approved in 2015, 2017 and 2019. If any option under this Plan and the Former Plans is extinguished or canceled without being fully exercised, the shares subject to these options will become available again for future grant of options under this Plan, and the resulting effect will be recognized in profit or loss for the year.

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

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

The position of the granted options outstanding as of December 31, 2021 is as follows:

Exercise of grant	Number of shares				Fair value of the option [1]	Exercise price [1]	
	Granted	Not exercised due to withdrawal [2]	Exercised	Outstanding		On grant	Updated
Stock Option Plan - 2015							
2015	2,700,000	(1,508,000)	(1,192,000)	-	4.75 [3]	4.00	6.31
2016	3,975,000	(1,067,000)	(2,808,000)	100,000	2.19	4.00	5.55
2017	3,975,000	(2,370,000)	(1,290,000)	315,000	3.56	6.56	6.07
2018	100,000	(50,000)	-	50,000	1.94	6.75	4.00
2019	350,000	(350,000)	-	-	3.01	6.00	4.00
2020	1,880,000	(664,000)	-	1,216,000	1.25	4.00	4.26
	12,980,000	**(6,009,000)**	**(5,290,000)**	**1,681,000**			
Stock Option Plan - 2017							
2017	4,300,000	(2,117,500)	-	2,182,500	2.99	7.47	5.27
2018	900,000	(295,000)	(25,000)	580,000	1.97	6.37	4.22
2020	150,000	-	-	150,000	1.26	4.00	4.26
	5,350,000	**(2,412,500)**	**(25,000)**	**2,912,500**			
Stock Option Plan - 2019							
2019	3,550,000	(1,660,000)	-	1,840,000	3.04	7.57	5.60
	3,550,000	**(1,660,000)**	**-**	**1,840,000**			
Stock Option Plan - 2021							
2021	11,668,527	-	-	11,668,527	1.88	3.53	3.57
	11,668,527	**-**	**-**	**11,668,527**			
	33,548,527	**(10,081,500)**	**(5,315,000)**	**18,102,027**			

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

24. Share-based payment plan--Continued

(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.

The variation in the granted options outstanding is as follows:

	Stock Option Plan - 2015	Stock Option Plan - 2017	Stock Option Plan - 2019	Stock Option Plan - 2021	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	1,880,000	150,000	-	-	**2,030,000**
(-) Not exercised due to withdrawal / expired					
2019 grant	-	-	(250,000)	-	(250,000)
2017 grant	(428,750)	(415,000)	-	-	(843,750)
(-) Exercised					
2017 grant	-	(25,000)	-	-	(25,000)
Number of options outstanding as of December 31, 2020	**2,925,000**	**4,100,000**	**3,250,000**	**-**	**10,275,000**
(+) Options granted in 2021	-	-	-	11,668,527	11,668,527
(-) Not exercised due to withdrawal / expired					
2020 grant	(664,000)	-	-	-	(664,000)
2019 grant	(350,000)	-	(1,410,000)	-	(1,760,000)
2018 grant	(50,000)	(180,000)	-	-	(230,000)
2017 grant	(180,000)	(1,007,500)	-	-	(1,187,500)
Number of options outstanding as of December 31, 2021	**1,681,000**	**2,912,500**	**1,840,000**	**11,668,527**	**18,102,027**

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

24. Share-based payment plan--Continued

The fair value of the options was calculated on the grant date of each plan and adjusted in accordance with the amendment aforementioned, based on the "Black & Scholes" pricing model. The effects were reflected in line item 'General and administrative expenses' in the statement of profit or loss, and in line item 'Reserve for stock option plan' in equity, as follows:

Exercise of grant	Accumulated at 12/31/2020	Appropriated to the results in 2021	Accumulated at 12/31/2021	Amounts to be recorded in future periods [1]
Stock Option Plan - 2015				
2015	5,659	-	5,659	-
2016	6,389	-	6,389	-
2017	6,324	(348)	5,976	13
2018	144	(72)	72	-
2019	600	(600)	-	-
2020	248	500	748	775
	19,364	(520)	18,844	788
Stock Option Plan - 2017				
2017	8,624	(108)	8,516	83
2018	1,141	(34)	1,107	95
2020	20	72	91	97
	9,785	(70)	9,714	275
Stock Option Plan - 2019				
2019	4,745	(67)	4,678	129
	4,745	(67)	4,678	129
Stock Option Plan - 2021				
2021	-	3,455	3,455	18,490
	-	3,455	3,455	18,490
Total	**33,894**	**2,798**	**36,691**	**19,682**

(1) The weighted average of the remaining contractual period is of 17 months.

24. Share-based payment plan--Continued

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

	Weighted average
Expected life of the option [1]	**3.1 years**
Volatility [2]	**47.6%**
Risk-free rate [3]	**6.0%**
Remaining period	**2.7 years**

(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.

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

25. Net revenue

Disaggregated revenue	Parent		
	Catering	Retail	**Total**
Gross revenue	**58,887**	**26,081**	**84,968**
Taxes on sales	**(6,217)**	**(1,486)**	**(7,703)**
Returns and rebates	**(2)**	**(507)**	**(509)**
Net revenue as of December 31, 2021	**52,668**	**24,088**	**76,756**
Gross revenue	51,089	11,794	62,883
Taxes on sales	(5,623)	(75)	(5,698)
Returns and rebates	745	(521)	224
Net revenue as of December 31, 2020	46,210	11,198	57,408

Disaggregated revenue	Consolidated			
	Franchisees	Catering	Retail	**Total**
Gross revenue	**100,282**	**78,800**	**1,837,129**	**2,016,211**
Taxes on sales	**(14,960)**	**(6,217)**	**(48,639)**	**(69,816)**
Returns and rebates	**-**	**(2)**	**(94,148)**	**(94,150)**
Net revenue as of December 31, 2021	**85,322**	**72,581**	**1,694,342**	**1,852,245**
Gross revenue	33,621	67,383	1,148,114	1,249,118
Taxes on sales	(4,747)	(6,408)	(36,485)	(47,640)
Returns and rebates	-	257	(48,198)	(47,941)
Net revenue as of December 31, 2020	28,874	61,232	1,063,431	1,153,537

26. Selling and operating expenses

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Payroll (a)	**(4,800)**	(5,207)	**(8,615)**	(8,374)
Publicity and advertising	**(351)**	(207)	**(56,569)**	(42,296)
Rental expenses	**(4,055)**	(2,997)	**(87,495)**	(36,592)
Third-party services	**(957)**	(981)	**(41,101)**	(35,513)
Credit and debit card fees	**(324)**	(142)	**(25,023)**	(15,659)
Royalty expenses	**(98)**	-	**(47,489)**	(26,841)
Maintenance	**(6)**	(15)	**(17,925)**	(12,981)
Logistics	**(654)**	(514)	**(9,223)**	(7,861)
Communication infrastructure	**(408)**	(378)	**(3,478)**	(3,096)
Fees and charges	**(664)**	(265)	**(15,684)**	(14,447)
Depreciation and amortization expenses (c)	**(25,236)**	-	**(113,163)**	-
Expenses with (reversal of) provision for losses on receivables	**3,689**	(3,010)	**1,602**	(9,705)
Other expenses (b)	**(680)**	(484)	**(25,183)**	(18,369)
	(34,544)	(14,200)	**(449,346)**	(231,734)

(a) In 2021, the payroll expenses line item was impacted by the Consolidated Appropriations Act., a benefit received by the United States (see details in Note 17).
(b) These amounts refer to office supplies, travel, subscriptions, photocopies, and legal agreements.
(c) Depreciation and amortization amounts were previously presented under separate line items in the statements of profit or loss, however, in the current year, these amounts have been presented together. In 2020, R$ 24,310 was recorded in Parent and R$ 107,567 in Consolidated.

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

27. General and administrative expenses

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Payroll (a)	**(43,169)**	(30,396)	**(100,062)**	(68,150)
Office rental (a)	**(262)**	(347)	**(3,187)**	(1,995)
Third-party services	**(17,982)**	(11,882)	**(27,702)**	(26,588)
Travel expenses	**(344)**	(210)	**(2,563)**	(1,330)
Maintenance and utilities	**(4,273)**	(1,236)	**(4,025)**	(3,093)
Share-based payments	**(2,794)**	(4,960)	**(2,794)**	(4,960)
Store launchings	**(23)**	-	**(15,011)**	(6,059)
Depreciation and amortization expenses (c)	**(3,256)**	-	**(5,956)**	
Expense recovery – apportionment among related parties (Note 31)	**42,789**	27,647	**-**	-
Expenses related to association agreement/business combination	**-**	(1,008)	**-**	(1,009)
Other expenses (b)	**(2,863)**	(2,694)	**(10,174)**	(11,713)
	(32,177)	(25,086)	**(171,474)**	(124,897)

(a) In 2021, the payroll expenses line item was impacted by the Consolidated Appropriations Act., a benefit received by the United States (see details in Note 17).
(b) Expenses with logistics, communication infrastructure, fees and charges and office supplies
(c) Depreciation and amortization amounts were previously presented under separate line items in the statements of profit or loss, however, in the current year, these amounts have been presented together. In 2020, R$ 3,973 was recorded in Parent and R$ 2,262 in Consolidated.

28. Other operating income (expenses), net

		Parent		Consolidated	
	Note	**12/31/2021**	12/31/2020	**12/31/2021**	12/31/2020
Other expenses:					
Write-off of fixed assets		**-**	-	**(710)**	(2,911)
Provision for labor, civil and tax risks, net of reversals		**(5,033)**	(8,973)	**(23,097)**	(19,980)
Restructuring costs		**(8,839)**	(8,771)	**(13,542)**	(24,976)
				-	
Other expenses		**-**	(3,312)	**-**	-
		(13,872)	(21,056)	**(37,349)**	(47,867)
Other income:					
Write-off of fixed assets			294	**-**	-
Rebates and commercial agreements		**32**	5	**2,411**	12,419
Sales of fixed assets and commercial rights		**19**	78	**469**	3,281
Recovery of tax credits		**5,155**	-	**15,962**	7,089
Other income (a)		**13,154**	-	**34,968**	1,007
		18,360	377	**53,810**	23,797
Total, net		**4,488**	(20,679)	**16,461**	(24,069)

(a) A substantial portion of the amount refers to the agreement with the Sforza group (see Note 31).

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

29. Finance income (expense), net

	Note	Parent		Consolidated	
		12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Finance income:					
Income from financial investments		**6,789**	3,657	**10,949**	5,755
Income from interest on capital		**2,825**	-	**-**	-
Monetary adjustment gains		**-**	-	**-**	437
Gain on waiver of borrowings of subsidiary		**-**	12,639	**-**	-
Exchange gains		**-**	-	**808**	-
Other		**612**	572	**2,521**	164
		10,226	16,868	**14,278**	6,356
Finance expense:					
Inflation adjustment loss		**(1,102)**	-	**(1,152)**	-
Interest on borrowings		**(40,883)**	(25,824)	**(52,191)**	(33,086)
Transaction cost amortization		**(2,240)**	-	**(2,240)**	-
Interest on business acquisitions and acquisitions of commercial rights		**-**	(2,240)	**-**	(2,240)
Exchange losses		**(43)**	(377)	**-**	-
Inflation adjustment, interest and banking fees		**(2,342)**	-	**(7,392)**	(1,465)
Interest expenses – lease liability		**(1,385)**	(1,306)	**(24,308)**	(17,140)
Other finance expense		**-**	(1,646)	**-**	(3,497)
		(47,995)	(31,393)	**(87,283)**	(57,420)
Total, net		**(37,769)**	(14,525)	**(73,005)**	(51,064)

30. Expenses by nature

	Parent		Consolidated	
	12/31/2021	12/31/2020	**12/31/2021**	12/31/2020
Inventory costs	**(22,944)**	(13,879)	**(719,248)**	(467,469)
Royalty costs	**-**	-	**(19,124)**	(18,430)
Personnel expenses	**(73,559)**	(63,621)	**(517,170)**	(381,444)
Selling expenses	**(351)**	(207)	**(56,569)**	(34,443)
Third-party services	**(18,938)**	(10,960)	**(70,508)**	(60,283)
Operating expenses (a)	**(16,480)**	(10,534)	**(288,995)**	(169,872)
Depreciation and amortization	**(27,992)**	(29,162)	**(102,850)**	(103,181)
Amortization - right of use	**(3,864)**	(3,094)	**(77,150)**	(72,755)
Impairment of assets	**-**	(50,930)	**-**	(327,432)
Expense recovery – related parties	**42,789**	27,647	**5,538**	-
Amortization of investment in joint venture	**-**	-	**(3,076)**	(2,950)
Share of profit (loss) of investees	**(3,118)**	(338,917)	**15,521**	264
(Reversal of) allowance for expected credit losses	**3,689**	-	**1,602**	-
Other expenses (b)	**(5,001)**	(12,307)	**(39,909)**	(48,376)
	(125,769)	(505,964)	**(1,871,938)**	(1,686,371)
Classified as:				
Cost of sales and services	**(55,930)**	(48,548)	**(1,263,563)**	(882,070)
Selling and operating expenses	**(12,997)**	(14,200)	**(337,785)**	(231,734)
(Reversal of) allowance for expected credit losses	**3,689**	-	**1,602**	-
General and administrative expenses	**(28,921)**	(25,086)	**(165,518)**	(124,897)
Depreciation and amortization	**(24,628)**	(25,189)	**(41,969)**	(44,797)
Amortization of right of use	**(3,864)**	(3,094)	**(77,150)**	(72,755)
Impairment of assets	**-**	(50,930)	**-**	(327,432)
Share of profit (loss) of investees	**(3,118)**	(338,917)	**12,445**	(2,686)
	(125,769)	(505,964)	**(1,871,938)**	(1,686,371)

(a) "Correspond to miscellaneous expenses (Gas, Rent, Light, etc.).

(b) "Other expenses" include expenses with logistics, communication infrastructure, fees and charges and office supplies.

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

31. Related parties

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

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

a) Franchise Fees and Royalties

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

In addition, in view of the Master Franchise agreement between KSR Master and PHSR Master, the Company is entitled to receive a monthly service fee for the franchisee management activities in 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, as of December 31, 2021, these subsidiaries have recorded the following amounts:

	KSR Master	**PHSR Master**	**Pimenta Verde**	**12/31/2021**
Liabilities				
Royalties payable (a)	**1,012**	**1,375**	**2,811**	**5,198**
Profit or loss				
Royalty expenses	**(5,985)**	**(8,785)**	**-**	**(14,770)**
	(4,973)	**(7,410)**	**2,811**	**(9,572)**

	KSR Master	PHSR Master	Pimenta Verde	12/31/2020
Liabilities				
Royalties payable (a)	1,048	3,335	2,700	7,083
Profit or loss				
Royalty expenses	(2,356)	(4,096)	(4,496)	(10,948)
	(1,308)	(761)	(1,796)	(3,865)

(a) Royalties payable are recorded under Trade payables.

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

31. Related parties--Continued

b) Related-party transactions and balances

Transactions with other related parties involving reimbursement of expenses and others are detailed as follows:

	Parent			
	Balance as of 12/31/2020	Current assets Additions	Write-offs	Balance as of 12/31/2021
Sforza Group	-	**1,568**	**-**	**1,568**
	-	**1,568**	**-**	**1,568**

	Parent				
	Balance as of 12/31/2020	Additions	Noncurrent assets Write-offs	Transfers	Balance as of 12/31/2021
Rede Viena	87,923	**34,668**	**-**	**(24,705)**	**97,886**
Frango Assado	8,965	**12,995**	**-**	**-**	**21,960**
Sforza Group	-	**11,399**	**-**	**-**	**11,399**
	96,888	**59,062**	**-**	**(24,705)**	**131,245**

	Parent				
	Balance as of 12/31/2020	Additions	Noncurrent liabilities Write-offs	Transfers	Balance as of 12/31/2021
IMC USA	-	**4,151**	**-**	**-**	**4,151**
	-	**4,151**	**-**	**-**	**4,151**

c) Related-party transactions in the period

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

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

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

On December 18, 2020, IMC submitted a request for arbitration before the Market Arbitration Chamber against Sforza Group, with the purpose of discussing the Adjustment under the Agreement,

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

31. Related parties--Continued

as well as other matters, as informed to its shareholders and the market in general, through the Material Fact disclosed on the same date.

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

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

Transactions with other related parties involving loans between the companies are interest-free and mature in up to 24 months, as follows:

	Parent				
	Balance as of 12/31/2020	Additions	Noncurrent assets Write-offs	Transfers	Balance as of 12/31/2021
Rede Viena	-	**151,715**	**-**	**(24,705)**	**127,010**
	-	**151,715**	**-**	**(24,705)**	**127,010**

	Parent				
	Balance as of 12/31/2020	Additions	Noncurrent liabilities Write-offs	Transfers	Balance as of 12/31/2021
IMC Panama	**40,664**	**-**	**(1,221)**	**-**	**39,443**
	40,664	**-**	**(1,221)**	**-**	**39,443**

	Consolidated			
	Balance as of 12/31/2020	Current assets Additions	Write-offs	Balance as of 12/31/2021
Sforza Group (*)	-	**1,568**	**-**	**1,568**
	-	**1,568**	**-**	**1,568**

	Consolidated			
	Balance as of 12/31/2020	Noncurrent assets Additions	Offsetting	Balance as of 12/31/2021
Sforza Group(*)	1,414	**11,399**	**(1,414)**	**11,399**
	1,414	**11,399**	**(1,414)**	**11,399**

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

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

31. Related parties--Continued

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, which do not have any specific due dates for settlement by the related parties, and are settled according to the cash availability of each company. Intercompany reimbursement transactions are performed among all companies in the Group.

	Parent	
	12/31/2021	12/31/2020
Reimbursement of expenses		
Rede Viena	**36,841**	23,625
Rede Frango Assado	**5,386**	4,022
IMC USA	**562**	-
	42,789	27,647

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

	Balance as of 12/31/2020	Current liabilities Additions	Current liabilities Write-offs	Balance as of 12/31/2021
Mundo Verde	46	**35**	**(46)**	**35**
	46	**35**	**(46)**	**35**

32. Compensation of key management personnel

For the year ended December 31, 2021, key management compensation totaled R$ 18,014 (R$ 18,873 as of December 31, 2020) in Parent and Consolidated, out of which R$ 2,798 (R$ 4,576 as of December 31, 2020) is related to the share-based payment plan. This amount was recorded in line item “General and administrative expenses””.

33. Insurance

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

As of December 31, 2021, insurance coverage is as follows:

	Consolidated	
	12/31/2021	**12/31/2020**
Civil liability	**31,253**	**23,621**
Sundry risks - inventories and property, plant and equipment	**214,166**	**660,992**
Vehicles	**63,461**	**75,577**
Others	**3,781**	**6,635**
	312,692	**766,754**

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

34. Earnings (loss) per share

Basic

Basic earnings (loss) per share are calculated by dividing the profit (or loss) for the period by the weighted average number of common shares issued in the same 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 presents the calculation of losses per share pursuant to CPC 41/IAS 33 - Earnings per Share:

	Parent and Consolidated	
	12/31/2021	12/31/2020
Basic and diluted numerator		
Loss for the year attributable to Company's shareholders used to calculate basic and diluted loss per share	(80,449)	(473,578)
Outstanding shares:		
Potential increase in common shares of the stock option plan	-	-
Basic and diluted denominator (thousands of shares)	285,444	286,370
Weighted average number of outstanding shares (basic and diluted)	285,444	286,370
Basic and diluted loss per share - R$	(0.28184)	(1.64984)

35. Events after the reporting period

Issue of commercial notes

On March 11, 2022, the Company approved the 1st issue of book-entry commercial notes, in a single series, for public distribution, with restricted efforts, under the firm placement guarantee ("Issue"), in a total amount equivalent to 75,000 commercial notes, with unit nominal value of R$ 1,000.00 on the issue date, totaling an aggregate amount of R$ 75,000,000.00 on the issue date ("Commercial Notes"). The Commercial Notes will mature within 306 days from the issue date, except for the cases of early redemption, optional purchase and early maturity of the Commercial Notes as a result of events of default, as provided for in the term of issue of the Commercial Notes.

The issue of the Commercial Notes will be subject to public distribution with restricted efforts, pursuant to CVM Instruction 476, with firm guarantee for all of the Commercial Notes ("Restricted Offering").

The proceeds obtained by the Company through the payment of Commercial Notes will be used in the Company's liability management.

Amendment to the Company's bylaws

The Extraordinary General Meeting held on March 16, 2022 approved the exclusion of statutory provisions addressing the public offering for the acquisition of material ownership interests, i.e., articles 50 and 51 of Chapter VIII of the Company's Bylaws, as proposed by the funds managed by UV Gestora de Ativos Financeiros Ltda. disclosed on the Material Fact of February 2, 2022.