

**Individual and Consolidated
Interim Financial Information**

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

September 30, 2019
with Independent Auditor's Report

IFRS 16

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

For a better comparable analysis (as we did not adjusted our 2018 figures to reflect the new regulation), all the performance commentary related to 3Q19 will be under the regulation prior to IFRS 16. Below, we fact-in the consolidated effect in our financial statements. For additional detail on IFRS results, please refer to page 24 of this document.

Consolidated Results (mm R\$)	Audited 3Q19		Prior IFRS 16 3Q19	chg.
Net Revenue	424.8		424.8	0.0%
COGS	(275.9)	(0.1)	(275.8)	(0.1%)
Depreciation & Amortization	(12.2)	(0.6)	(11.6)	(4.8%)
Gross Profit	148.9		149.1	0.1%
Gross Margin (%)	35.1%		35.1%	0.0p.p.
Operating Expenses	(110.3)	+4.4	(114.7)	4.0%
Operating Expenses	(86.1)	21.1	(107.2)	
Depreciation & Amortization	(24.2)	(16.7)	(7.5)	
(-) Special Items - Others	(3.5)		(3.5)	
Amortization of investment in joint venture	(0.6)		(0.6)	
Equity Income	2.0		2.0	
EBIT	36.5		32.2	
Financial Results	(12.2)	(8.0)	(4.2)	
EBT	24.2		28.0	
Taxes	(7.5)	+0.8	(8.3)	
Net Earnings	16.8	(2.9)	19.7	
(+) D&A and Asset Sale	37.0	+17.3	19.7	(46.7%)
EBITDA	73.5	+21.6	51.9	(29.4%)
EBITDA Margin (%)	17.3%		12.2%	0,6p.p.
(+) Special Items - Others	3.5		3.5	
Adjusted EBITDA¹	77.0	+21.6	55.4	(28.0%)
Adjusted EBITDA Margin (%)	18.1%		13.0%	(5.1)p.p.

¹Before special items.

MESSAGE FROM MANAGEMENT

The third quarter 2019 had a challenging performance that were impacted by one-off events and also a quarter in which we concluded a transformational merger for IMC with the incorporation of Pizza Hut and KFC brands in Brazil.

The consolidated SSS for the quarter reached 4.6% negative with net revenue reaching R\$ 424.8 million (-4.8% YoY) with gross profit at R\$149.1 million (35.1% margin, -80bps YoY). Adjusted EBITDA reached R\$55.4 million (-7.1% vs 3Q18) representing a margin of 13.0%, a 40bps decrease YoY. Net profit of R\$19.7 million, 48.6% above the R\$13.3 million from 3Q18. Our operating cash flow stood at 71.8% of the adjusted EBITDA, above the 69.7% from 3Q18. The One-off events during the quarter impacted our operations in Brazil and the US by an estimate of R\$9.7 million (in the EBITDA): in Brazil we have i) extra expenses (~R\$3.9 million) with outsourced production given the construction of our Central Kitchen and ii) the impact (~R\$1.9 million) with Avianca leaving the market (other airlines should fulfill the empty slots left by Avianca.) and in the US we had iii) the Hurricane Dorian (~R\$3.9 million).

In Brazil, Same Store Sale reduced by 2.8% with EBITDA of R\$20.0 million (-5.6% YoY). The road segment was the main highlight with SSS of 1.1% and an operating income of R\$24.6 million, 56.2% above last year. Despite the lack of holidays in 2019 (holidays means more people driving to travel) compared to 3Q18, we were able to sustain a positive performance in sales, on the other hand, the outsourced production impacted in R\$2.3 million our food cost. On the Malls side, we reported a slightly negative SSS of 0.6%. During the quarter, we took the decision to close another two stores, reaching 16 in the last 6 months, in line with our strategy to focus on profitable stores. Malls operating income reached R\$2.0 million a 62.2% reduction mostly on the back of the higher costs with the outsourced production (R\$1.6 million). The construction of the Central Kitchen is done and we expect to start production late November that should alleviate the impact on food costs. Lastly, the Air business had a 12.9% SSS contraction and a 44.4% decline in its operating income, with Avianca leaving the market and lower passenger traffic at airports and terminals that we operate affecting our top-line performance (last year Avianca represented R\$3.7 million in net sales).

In the US, our Margaritaville and LandShark restaurants posted a 7.6% SSS decline with an EBITDA flat at US\$6.3 million. In Brazilian reais, the SSS reduced by 4.9% and operating income reached R\$24.7 million (+0.7% YoY). The lack of tourists in our key stores driven by the hurricane Dorian was the main reason behind SSS underperformance. On the other hand, focus on costs and expenses control helped to improve profitability by 103bps YoY to 17.0%. For the Caribbean, we continue to post healthy operating margins at 22.1% (vs. 26.8% 3Q18) with EBITDA of R\$11.0 million, despite the SSS performance that was down 5.4% in constant currency. Colombia continues to help to mitigate the negative performance in our stores at the Panama's Tocumen Airport. The airport administration took the decision to make a soft opening (without any retail) of the new terminal in June, reducing by 5.6% the passenger flow within the existing terminal.

With the incorporation of Pizza Hut and KFC in Brazil last October 31st we are:

- Accessing the fast food market, that grew on average 10% in the past years in Brazil
- Entering the second largest pizza market in the World, in terms of revenues (Brazil is only behind the US)
- Joining the Chicken market, being chicken the most consumed protein in the country (Chicken is 50% of the average protein consumed by the Brazilian).

We also count with two global iconic brands in the portfolio that bring together the know-how of the franchise business, where we can grow faster and without a cash investment (done by the franchisee).

We already started accessing the synergies opportunities, meanwhile the discussion with suppliers is ongoing, we broke the ground already for the store-in-store of Pizza Hut at 10 Frango Assados.

We will continue with Pizza Hut and KFC plan. The two business ended the 3Q19 with 259 stores, being 193 Pizza Hut and 66 KFC and 13 and 20 own stores, respectively.

The expansion planned is 40 stores per year per brand being 20 done by IMC (equity) for the **next 5 years beginning in 2020**. In addition to that, we have 31 Pizza Hut stores under construction (17 owned) and 32 KFC (20 owned).

On IMC's strategy side, we continue with the development of our four pillars strategy and, with the incorporation of Pizza Hut and KFC, we added a fifth pillar: The expansion of the two brands in Brazil.

The pillars:

- i. Frango Assado brownfield expansion in Brazil – 3 per year for 5 years beginning 2020
- ii. Margaritaville and LandShark expansion in the US – 3 per year for 5 years beginning 2020
- iii. Central Kitchen implementation
- iv. IMC Simplification
- v. **Pizza Hut and KFC expansion in Brazil – 40 per brand per year for 5 years beginning 2020**

IMC Management Team

PIZZA HUT and KFC Incorporation

Last October 31st, we announced the incorporation of Pizza Hut and KFC in Brazil. We are the holders of the Master Franchise Agreement for both brands that ended the 3Q19 with 259 stores, being 193 Pizza Hut and 66 KFC.

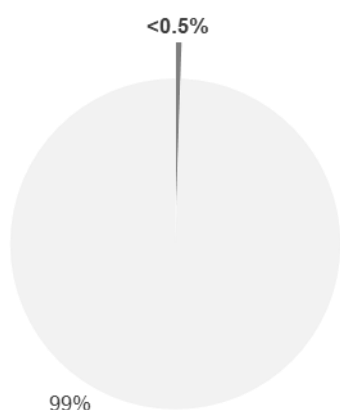
3Q19	Total	Owned	Franchisee
Pizza Hut	193	13	180
KFC	66	20	46
Total	259	33	226

Vast addressable market for pizza and chicken

Both pizza and chicken markets in Brazil are big and fragmented. We believe that IMC is one of the key players to expand its penetration on both segments. The pizza market in Brazil had roughly 36,000 restaurants in 2018 and Pizza Hut, one of the leading groups, had only 0.5% market share (including franchisee restaurants).

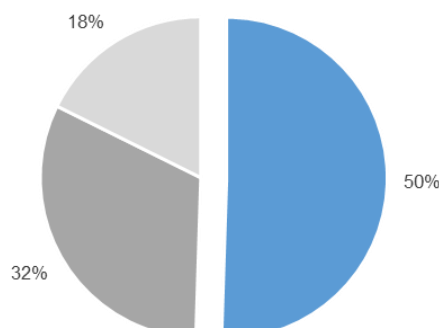
On the chicken side, it represented 50% of the average protein consumed in Brazil per capita, according to the Associação Brasileira de Proteína Animal (ABPA – Brazilian Association of Animal Protein), and without a strong store chain, being KFC the largest with only 66 restaurants nationally.

Pizza Hut Market Share is below 0.5%
(2018 - # of pizza restaurants in Brazil)



Source: Statista and IMC

50% of the protein eaten by Brazilian is Chicken
(kg/per capita in 2017)



Source: Associação Brasileira de Proteína Animal (ABPA - Brazilian Association of Animal Protein)

Franchise business is attractive in terms of ROIC and growth opportunity. Variety of stores increase even further the addressable market.

The Franchise is a key model when we look at expansion on a faster pace with lower capex. In this type of business the franchisee takes the investments and the market risk; meanwhile it pays royalties to the Master Franchisee. This should help to increase the pace in terms of expansion with no cash necessity. The variety of stores on both brands, which includes Delivery/in-store pick up, food hall and dine-in restaurants, also helps to increase the addressable market.

Synergies from suppliers, store-in-store and store conversion.

We expect synergies to come from suppliers negotiation, conversion of existing IMC's stores and also to the store-in-store of Pizza Hut at our Frango Assado locations.

On the supply side, we should increase our chicken purchase by 3.3x (without the expansion plan), double our flour necessity and have credit card transactions 70% higher. We also see opportunity with the acquisition of equipments and G&A optimization.

We are also analyzing the conversion of our Viena stores to become a Pizza Hut and/or KFC.

We will also implement a store-in-store format, in which we have a Pizza Hut corner inside Frango Assado restaurants. That should give Pizza Hut access to over 1.5 million customers that goes to Frango Assado every month and also should help to attract customers interested in Pizza Hut. Currently we have 10 Frango Assado's being adapted to receive a Pizza Hut corner.

Expansion Plan for the next 5 years

We estimate to open at least 40 stores per brand per year the next 5 years beginning in 2020. 50% of that will be IMC's own stores. On top of that, currently we have 31 Pizza Hut and 32 KFC under construction, being 17 and 20 owned stores, respectively.




















Martins Family with ~13% and YUM! with ~2% of the shares

After the incorporation, the Martins family holds ~13% of IMC's shares with YUM! holding another ~2%.

New Board Members with strong background related to food and franchise businesses

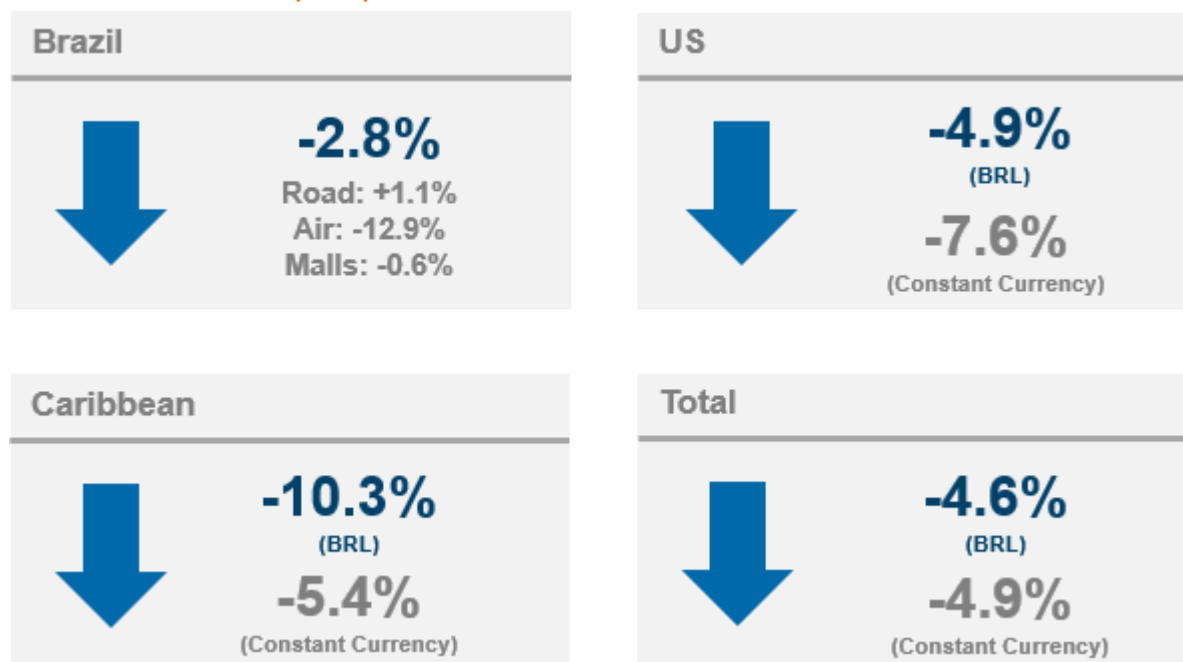
The new Board of Directors are already in place and three of them are new to IMC. Charles and Lincoln Martins, part of the Martins Family, with a strong background over the franchise business, and Joseph Call, a Pizza Hut VP of Global Development at YUM!, that brings a global knowledge from the owner of the brands.

With that we add board members with strong background related to food and franchise businesses.

Board Members	Previous Experience
Flávio Benício Jansen Chairman	locaweb 
Marcel Fleischmann Independent Member	 
José Agote Member	   
Rodrigo Furtado Independent Member	Shareholder (Financial Investor) 
Lincoln Martins Member	   
Charles Martins Member	   
Joseph Call Member	  

COMMENTS ABOUT IMC'S 3Q19 PERFORMANCE

SAME-STORE SALES (SSS)



In 3Q19, consolidated same store sales came to a 4.6% decrease in Brazilian Reais and a 4.9% contraction in constant currency.

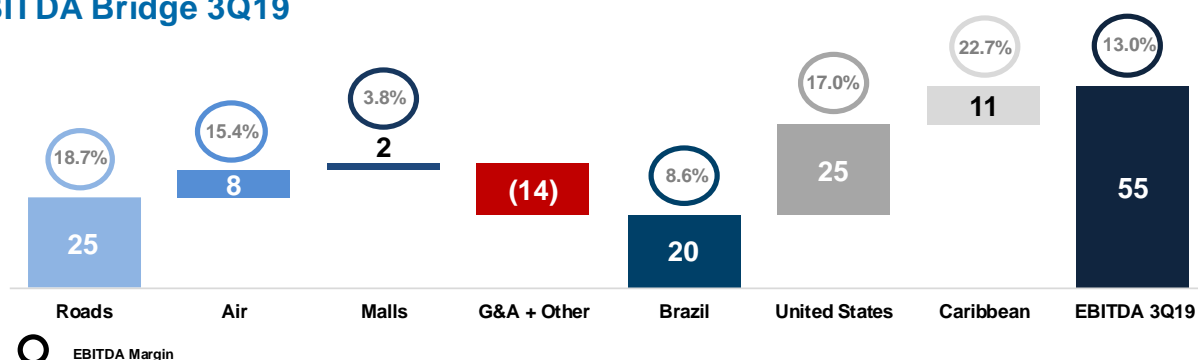
In Brazil, Roads accumulated a 1.1% increase in 3Q19 following the road traffic growth of 1.2%, although the impacted by the lack of holidays in 2019 vs 2018. The Air segment had its same store sales reduced by 12.9%, negatively impacted by Avianca leaving the market and the lower passenger flow. The Mall segment was slightly negative at 0.6%. Thus, Brazil's overall same store sales came to a 2.8% decrease.

USA's same store sales in 3Q19 was down 4.9% in Reais and 7.6% down in US\$, mostly on the back of the hurricane Dorian and the impact over the tourist flow in the cities.

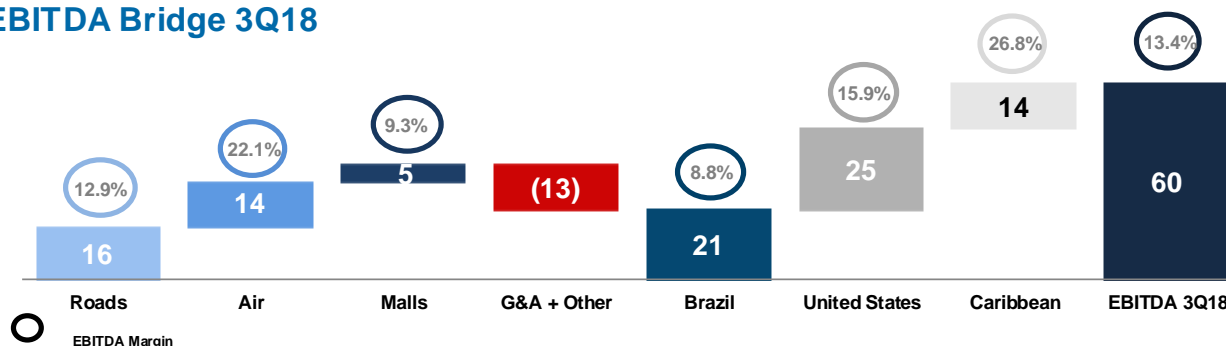
The Caribbean finished 3Q19 with a SSS of -10.3% in Reais and -5.4% in constant currency, as Colombia's positive performance was offset by lower performance in Panama airports – mostly due to the soft opening of the new terminal in the airport that affected customer flow in our restaurants.

EBITDA EVOLUTION

EBITDA Bridge 3Q19



EBITDA Bridge 3Q18



In 3Q19, IMC's Adjusted EBITDA was down by 7.1% with margins reducing by 40bps vs.3Q18, reaching R\$55M with a 13.0% margin.

In Brazil, EBITDA reached R\$20M (with an 8.6% margin), down 5.6% YoY. The Road segment was up by 56.2% YoY reaching R\$25M with an 18.7% margin (+579 bps) with tax credits offsetting the higher costs with our outsourced production, meanwhile the kitchen is being built. The Airport segment posted an R\$8M operating income a drop of 44.4%, mostly on the back of Avianca leaving the market (R\$3.7M in revenues in the 3Q18) and lower passenger traffic at the main airports. In the Malls segment operating income was reduced by 62.2% to R\$2M (3.8% margin) mainly on the back of higher food cost (R\$1.6M) with the outsourced production.

In the US, EBITDA was slightly above (+0.7%) last year and reached R\$25M (17.0% margin). Although the impacts from Hurricane Dorian on our sales performance, we were able to manage our costs and expenses.

In the Caribbean, EBITDA reached R\$11M and margin was at 22.7% compared to 26.8% in 3Q18. The soft opening of the new terminal at the Panama Airport is the main reason behind the underperformance.

RESULTS BY GEOGRAPHIC REGION

(in R\$ million)	Brazil	USA	Caribbean	Consolidated	Brazil	USA	Caribbean	Consolidated	
	3Q19	3Q19	3Q19	3Q19	3Q18	3Q18	3Q18	3Q18	YoY
Net Revenue	231.8	145.6	47.4	424.8	239.4	154.6	52.3	446.3	(4.8%)
COGS	(172.3)	(81.0)	(22.4)	(275.8)	(175.9)	(86.5)	(23.8)	(286.2)	(3.7%)
Gross Profit	59.5	64.6	25.0	149.1	63.5	68.1	28.5	160.1	(6.9%)
Gross Profit	25.7%	44.4%	52.7%	35.1%	26.5%	44.1%	54.5%	35.9%	-79bps
Operating Expenses ¹	(51.5)	(44.6)	(17.3)	(113.4)	(54.6)	(49.8)	(16.9)	(121.3)	(6.5%)
(+) Depreciation & Amortization	12.0	4.7	3.1	19.8	12.3	6.1	2.4	20.8	(5.2%)
Operating Income	20.0	24.7	10.7	55.4	21.2	24.5	14.0	59.7	(7.1%)
Operating Margin	8.6%	17.0%	22.7%	13.0%	8.8%	15.9%	26.8%	13.4%	-32bps
(-) Special Items				(3.5)				(9.1)	(61.4%)
EBITDA				51.9				50.6	2.7%
Operating Margin				12.2%				11.3%	+89bps
(+) Special Items				3.5				9.1	(61.4%)
Adjusted EBITDA				55.4				59.7	(7.1%)
Operating Margin				13.0%				13.4%	-32bps

¹Before special items.

RESULTS OF THE BRAZILIAN OPERATIONS

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenues	231.8	239.4	(3.2%)	681.7	704.7	(3.3%)
COGS	(172.3)	(175.9)	(2.1%)	(521.8)	(531.2)	(1.8%)
Gross Profit	59.5	63.5	(6.3%)	159.9	173.5	(7.8%)
Gross Profit	25.7%	26.5%	-85bps	23.5%	24.6%	-116bps
Operating Expenses ¹	(51.5)	(54.6)	(5.8%)	(161.9)	(172.5)	(6.1%)
EBIT	8.0	8.8	(9.3%)	(2.0)	1.0	(302.3%)
(+) Depreciation & Amortization	12.0	12.3	(2.9%)	36.2	36.8	(1.5%)
EBITDA	20.0	21.2	(5.6%)	34.2	37.8	(9.4%)
EBITDA Margin	8.6%	8.8%	-22bps	5.0%	5.4%	-34bps

¹Before special items.

In Brazil, EBITDA reached R\$20.0 million, 5.6% decrease YoY, with margins reaching 8.6%, -22bps compared to 3Q18.

Brazilian operation's top line in 3Q19 reached R\$231.8 million, down 3.2% vs 3Q18. Besides the positive performance of the road business, Avianca leaving the market and the downsizing of the Malls operation is the main reason behind the drop.

On the margin side, the tax credits from the Road business offset the impacts from outsourcing the production due to the Central Kitchen construction and Avianca leaving the market.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenues	131.2	121.6	7.9%	375.0	350.4	7.0%
Restaurants & Others	70.1	62.6	11.9%	192.7	178.6	7.9%
Gas Stations	61.2	59.0	3.7%	182.2	171.8	6.1%
COGS	(100.1)	(98.7)	1.4%	(300.6)	(292.7)	2.7%
Gross Profit	31.1	22.9	36.0%	74.4	57.7	28.8%
Gross Profit	23.7%	18.8%	+490bps	19.8%	16.5%	+336bps
Operating Expenses ¹	(10.6)	(11.1)	(4.2%)	(32.9)	(32.7)	0.5%
EBIT	20.5	11.8	74.0%	41.5	25.0	65.9%
(+) Depreciation & Amortization	4.1	4.0	3.3%	12.1	11.8	2.6%
Operating Income	24.6	15.7	56.2%	53.5	36.8	45.6%
Operating Margin	18.7%	12.9%	+579bps	14.3%	10.5%	+379bps

¹Before special items.

	3Q19
Frango Assado 3Q19 SSS	1.1%
Weighted Average Road Traffic @ IMC's System	1.2%

The Roads segment operating income increased by 56.2% in 3Q19, reaching R\$ 24.6 million with an 18.7% margin (up 579bps). The highlights in terms of performance in 3Q19 were:

Same Store Sales was up by 1.1%, helped by the gas station business as the restaurants revenues were impacted by the lack of holidays in 2019 vs 2018. Our SSS followed the road traffic for light vehicles that grew +1.2% within IMC's system. Revenues increased by 7.9% helped by the tax credit that impacted top line by R\$9.5 million.

On the operating side, we had the impact of the outsourced production in our costs (R\$ 2.3 million) related to the construction of the Central Kitchen that was offset by the tax credit.

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenues	49.5	62.2	(20.5%)	151.6	186.2	(18.6%)
COGS	(32.6)	(37.7)	(13.5%)	(102.2)	(120.3)	(15.0%)
Gross Profit	16.9	24.5	(31.2%)	49.4	65.9	(25.1%)
Gross Profit	34.1%	39.4%	-532bps	32.6%	35.4%	-282bps
Operating Expenses ¹	(14.2)	(16.2)	(12.2%)	(44.0)	(50.3)	(12.5%)
EBIT	2.6	8.3	(68.2%)	5.3	15.6	(65.8%)
(+) Depreciation & Amortization	5.0	5.4	(7.8%)	15.5	16.5	(6.3%)
Operating Income	7.6	13.7	(44.4%)	20.8	32.1	(35.2%)
Operating Margin	15.4%	22.1%	-664bps	13.7%	17.2%	-351bps

¹Before special items.

	3Q19
Air 3Q19 SSS	(12.9%)
Weighted Average Flights @ IMC's System	(5.3%)
Weighted Average Passenger @ IMC's System	(3.0%)

The Air segment operating income reached R\$7.6 million in 3Q19 (from R\$13.7million in 3Q18), with a 15.4% margin (down 664bps YoY).

Notwithstanding the effect by lower revenues at our catering business with Avianca leaving the market (R\$3.7M in 3Q18), the reduced number of flights is also affecting our airport retail business with the reduced number of passengers' flow (-3.0% at IMC's airport system).

On the margin side, the pressure is mostly explained by Avianca leaving the market.

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenues	51.1	55.6	(8.1%)	155.2	168.2	(7.7%)
COGS	(39.6)	(39.6)	0.2%	(119.0)	(118.3)	0.6%
Gross Profit	11.5	16.1	(28.5%)	36.2	49.9	(27.5%)
Gross Profit	22.5%	28.9%	-640bps	23.3%	29.7%	-634bps
Operating Expenses ¹	(12.4)	(13.9)	(10.3%)	(38.4)	(43.7)	(12.3%)
EBIT	(0.9)	2.2	(41.7%)	(2.2)	6.2	(35.0%)
(+) Depreciation & Amortization	2.9	3.0	(2.5%)	8.7	8.5	2.0%
Operating Income	2.0	5.2	(62.2%)	6.5	14.7	(55.6%)
Operating Margin	3.8%	9.3%	-547bps	4.2%	8.7%	-453bps

¹Before special items.

The Malls segment operating income reached R\$2.0 million, a 62.2% decrease compared to 3Q18, with a reduction in margins of 547bps reaching 3.8% in the quarter.

On the top line, despite the slightly decrease of 0.6% on the SSS, the store base reduction of 19 units YoY is the main reason behind the 8.1% drop.

On the margin side, the extras cost with the outsourced production (R\$ 1.6 million) and the R\$1.1 million tax credit on the 3Q18 are behind the operating reduction and margin pressure in the 3Q19.

RESULTS OF U.S. OPERATIONS

(in US\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenues	37.0	39.4	(6.1%)	94.1	98.0	(4.0%)
COGS	(20.5)	(22.0)	(6.6%)	(55.0)	(58.0)	(5.1%)
Gross Profit	16.4	17.4	(5.4%)	39.1	40.0	(2.3%)
<i>Gross Profit</i>	<i>44.5%</i>	<i>44.2%</i>	<i>+30bps</i>	<i>41.5%</i>	<i>40.8%</i>	<i>+71bps</i>
Operating Expenses ¹	(11.3)	(12.6)	(10.3%)	(30.5)	(33.7)	(9.5%)
EBIT	5.1	4.7	7.7%	8.6	6.3	36.5%
(+) Depreciation & Amortization	1.2	1.6	(23.4%)	3.7	4.5	(18.6%)
EBITDA	6.3	6.3	0.0%	12.3	10.8	13.3%
<i>EBITDA Margin (%)</i>	<i>17.0%</i>	<i>16.0%</i>	<i>+103bps</i>	<i>13.0%</i>	<i>11.0%</i>	<i>+199bps</i>

¹Before special items.

The operations in the United States consist mainly of Margaritaville and currently has 22 restaurants. The comments below (as well as the table above) are in local currency (US\$) to provide a better understanding of the region's results eliminating the impact of FX.

EBITDA was flat at US\$6.3 million 17.0% operating margin (+103bps YoY) on the back of lower sales expenses. We estimate that we lost US\$ 1 million in EBITDA due to the Hurricane Dorian.

In 3Q19, SSS was down at 7.6%, mostly on the back of the hurricane. Meanwhile the food business posted a decrease of 6.7%, the retail posted a 16.6% decrease, corroborating with a sector view of declining of stores' merchandise.

RESULTS OF THE CARIBBEAN OPERATIONS

R\$ million	3Q19	3Q18	YoY	3Q19 ²	YoY ²	9M19	9M18	YoY	9M19 ²	YoY ²
Net Revenues	47.4	52.3	(9.4%)	50.0	(4.4%)	141.0	142.4	(1.0%)	138.1	(3.0%)
COGS	(22.4)	(23.8)	(5.8%)	(24.0)	0.8%	(66.2)	(66.0)	0.3%	(65.7)	(0.5%)
Gross Profit	25.0	28.5	(12.4%)	26.0	(8.7%)	74.8	76.4	(2.0%)	72.5	(5.1%)
Gross Profit	52.7%	54.5%	+1bps	52.1%	+2bps	53.1%	53.7%	+2bps	52.5%	+2bps
Operating Expenses ¹	(17.3)	(16.9)	2.5%	(18.3)	8.4%	(49.1)	(46.6)	5.4%	(48.1)	3.3%
EBIT	7.7	11.6	(34.1%)	7.7	(33.5%)	25.7	29.8	(13.7%)	24.4	(18.2%)
(+) Depreciation & Amortization	3.1	2.4	27.7%	3.3	37.2%	8.4	7.1	17.0%	8.4	16.6%
EBITDA	10.7	14.0	(23.3%)	11.0	(21.2%)	34.1	36.9	(7.4%)	32.8	(11.1%)
EBITDA Margin (%)	22.7%	26.8%	+409bps	22.1%	-470bps	24.2%	25.9%	-168bps	23.7%	-217bps

¹Before special items; ²In constant currencies as of the prior year.

The information in the table above is presented in Reais and in constant currency (using the 3Q18 FX rate to convert the 3Q19), to eliminate the effect of exchange rate fluctuations. **The comments below also refer to 3Q19 constant currency numbers.**

EBITDA reached R\$11.0 million in 3Q19, a 21.2% decrease compared to 3Q18, with an operating margin of 22.1%, 470bps below last year on the back of slower performance in Panama.

Net revenues reached R\$50.0 million, 4.4% reduction versus 3Q18, as a result of a softer SSS performance in Panama (airports – mostly due to the soft opening of the new terminal in the airport that affected customer flow in our restaurants – and malls). The number of gates available within our reach reduced by 26% with the soft opening of the new terminal that still doesn't have any retail operations (we will have 11 restaurants within the new terminal).

CONSOLIDATED P&L

(in R\$ million)	3Q19	3Q18	YoY	3Q19 ²	YoY ²	9M19	9M18	YoY	9M19 ²	YoY ²
Net Revenues	424.8	446.3	(4.8%)	427.1	(4.3%)	1,189.1	1,205.8	(1.4%)	1,164.1	(3.5%)
COGS	(275.8)	(286.2)	(3.7%)	(277.1)	(3.2%)	(802.0)	(808.3)	(0.8%)	(787.7)	(2.5%)
Gross Profit	149.1	160.1	(6.9%)	150.0	(6.3%)	387.1	397.5	(2.6%)	376.4	(5.3%)
<i>Gross Profit</i>	35.1%	35.9%	-79bps	35.1%	-76bps	32.6%	33.0%	-41bps	32.3%	-63bps
Operating Expenses ¹	(116.9)	(130.4)	(10.4%)	(117.7)	(9.7%)	(340.3)	(356.2)	(4.5%)	(331.4)	(7.0%)
EBIT	32.2	29.7	8.2%	32.3	8.6%	46.8	41.3	13.3%	45.0	9.0%
(+) Depreciation & Amortization	(19.7)	(20.8)	(5.3%)	(19.9)	(4.4%)	(58.9)	(60.2)	(2.1%)	(57.8)	(4.0%)
EBITDA	51.9	50.6	2.7%	52.2	3.2%	105.7	101.5	4.1%	102.8	1.3%
<i>EBITDA Margin</i>	12.2%	11.3%	+89bps	12.2%	+89bps	8.9%	8.4%	+47bps	8.8%	+41bps
(+) Special Items - Other	3.5	9.1	(61.4%)	3.5	(61.4%)	10.8	14.6	(26.0%)	10.8	(26.0%)
Adjusted EBITDA	55.4	59.7	(7.1%)	55.7	(6.7%)	116.4	116.0	0.4%	113.6	(2.1%)
<i>EBITDA Margin</i>	13.0%	13.4%	-32bps	13.0%	-33bps	9.8%	9.6%	+17bps	9.8%	+13bps

¹Before special items; ²In constant currencies as of the prior year.

The information in the table above is presented in Reais and in constant currency (using the 3Q18 FX rate to convert the 3Q19), to eliminate the effect of exchange rate fluctuations. **The comments below also refer to 3Q19 constant currency numbers.**

Consolidated Adjusted EBITDA reached R\$ 55.7 million, 6.7% below YoY. The 22.1% and 5.6% drop in the Caribbean and Brazilian operations, respectively, are the main reason behind the lower consolidate figure.

Revenues were 4.3% below reaching R\$427.1 million, with a slower performance of the Air and Malls businesses in Brazil, the Hurricane impact in the US and the soft opening of the new terminal at the Panama Airport.

ADJUSTED EBITDA AND ADJUSTED MARGIN

(R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
NET INCOME (LOSS)	19.7	13.3	48.6%	18.4	9.4	95.6%
(+) Income Taxes	8.3	12.5	-33.7%	11.4	24.5	-53.4%
(+) Net Financial Result	4.2	4.0	5.2%	16.9	7.3	131.2%
(+) D&A and Write-offs	19.1	20.2	-5.4%	57.1	58.5	-2.4%
(+) Amortization of Investments in Joint Venture	0.6	0.6	0.3%	1.8	1.7	7.9%
EBITDA	51.9	50.6	2.7%	105.7	101.5	4.1%
(+) Special Items	3.5	9.1	-61.4%	10.8	14.6	-26.0%
Adjusted EBITDA	55.4	59.7	-7.1%	116.5	116.0	0.4%
<i>EBITDA / Net Revenues</i>	12.2%	11.3%		8.9%	8.4%	
<i>Adjusted EBITDA / Net Revenues</i>	13.0%	13.4%		9.8%	9.6%	

The Adjusted EBITDA in 3Q19 reached R\$55.4 million, down 7.1% compared to 3Q18, with a margin of 13.0%, compared to 13.4% in 3Q18. The special items refer to the stock option plan provisioning and M&A expenses.

FINANCIAL RESULT, INCOME TAX AND NET INCOME

IMC had a net financial expense of R\$4.2 million in the 3Q19, vs. R\$4.0 million in 3Q18.

Income taxes (current and deferred) totaled R\$8.3 million, compared to R\$12.5 million in 3Q18.

Consequently we had a net income of R\$19.7 million, compared to R\$13.3 million in 3Q18.

SELECTED CASH FLOW INFORMATION

R\$ million	3Q19	3Q18	YoY	9M19	9M18	YoY
Adjusted EBITDA	55.4	59.7	(7.1%)	116.4	116.0	0.4%
Special Items	(1.1)	(3.3)	-67.7%	(3.2)	(3.3)	-1.5%
(+/-) Working Capital and Other Non-Cash Items	(8.7)	(10.1)	-14.7%	(35.8)	(41.3)	-13.4%
Operating Cash Flow	45.7	46.3	(1.2%)	77.5	71.5	8.4%
(-) Paid Taxes	(0.3)	(0.5)	-33.3%	(5.0)	(2.9)	74.0%
(-) Maintenance Capex	(5.6)	(4.1)	34.8%	(16.7)	(10.8)	54.3%
Net Operating Cash Flow	39.8	41.6	(4.4%)	55.7	57.7	-3.5%
Operating Net Cash/EBITDA	71.8%	69.7%	2.1 p.p.	47.8%	49.8%	-1.9 p.p.

Operating cash flow in the 3Q19 reached R\$45.7 million (versus R\$46.3 million in 3Q18) impacted by lower special items vs. last year (last year we had the renegotiation of GRU contract and M&A expenses for a merger that did not happened).

INVESTMENT ACTIVITIES

(R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Property and Equipment	(38.1)	(15.3)	149.5%	(74.6)	(50.8)	46.9%
Additions to Intangible Assets	(5.0)	(2.2)	127.8%	(7.0)	(6.9)	1.3%
(=) Total Invested (CAPEX)	(43.1)	(17.4)	146.8%	(81.6)	(57.7)	41.4%
Payment of Acquisitions	(1.5)	(1.7)	-10.3%	(4.5)	(5.3)	-13.5%
Dividends Received	4.1	4.4	-6.7%	9.8	9.4	3.7%
Other*	0.0	0.0		3.7	1.3	179.4%
Total Investments	(40.4)	(14.7)	175.3%	(72.7)	(52.2)	39.2%

*Others related to the cash received from the sale of Puerto Rico, Mexico and Dominican Republic operations.

CAPEX (in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Expansion						
Brazilian Operations	25.6	9.9	158.8%	45.0	33.5	34.5%
<i>Brazil - Air</i>	2.8	0.2	1056.9%	5.6	1.8	211.8%
<i>Brazil - Roads</i>	18.6	3.0	523.5%	22.3	15.0	48.8%
<i>Brazil - Malls</i>	4.2	6.7	-36.4%	17.1	16.7	2.6%
USA Operations	7.6	1.6	368.0%	12.5	5.9	110.0%
Caribbean Operations	0.4	0.2	140.0%	0.6	4.8	-86.9%
Holding	3.9	1.6	144.3%	6.8	2.7	151.3%
Total Expansion Investments	37.5	13.3	182.4%	64.9	46.9	38.4%
Maintenance						
Brazilian Operations	2.2	2.0	5.7%	9.3	4.9	92.0%
<i>Brazil - Air</i>	0.8	0.7	17.3%	2.2	0.8	160.8%
<i>Brazil - Roads</i>	0.8	0.9	-14.1%	4.6	1.3	261.5%
<i>Brazil - Malls</i>	0.5	0.4	32.4%	2.5	2.7	-7.8%
USA Operations	2.2	0.7	220.2%	4.2	1.9	121.5%
Caribbean Operations	1.2	0.4	173.0%	3.0	1.2	155.2%
Holding	0.0	1.0	-100.0%	0.1	2.9	-96.8%
Total Maintenance Investments	5.6	4.1	34.8%	16.7	10.8	54.3%
Total CAPEX Investments	43.1	17.4	147.3%	81.6	57.7	41.4%

CAPEX in 3Q19 was mainly impacted by the Road segment with the Central Kitchen construction.

(Operating Results - Maintenance Capex)/Op. Results	3Q19	3Q18	YoY	9M19	9M18	YoY
Brazilian Operations	89.2%	90.3%	-1.2p.p.	72.8%	87.1%	-14.4p.p.
<i>Brazil - Air</i>	88.9%	94.7%	-5.8p.p.	89.4%	97.4%	-7.9p.p.
<i>Brazil - Roads</i>	96.7%	94.0%	+2.7p.p.	91.4%	96.5%	-5.1p.p.
<i>Brazil - Malls</i>	73.8%	92.5%	-18.7p.p.	61.2%	81.3%	-20.1p.p.
USA Operations	91.2%	97.2%	-6.1p.p.	91.2%	95.4%	-4.2p.p.
Caribbean Operations	88.6%	96.8%	-8.2p.p.	91.1%	96.8%	-5.7p.p.
IMC Consolidated	89.3%	91.8%	-2.6p.p.	84.2%	89.3%	-5.1p.p.

IMC continues to delivery good returns on operating results with 89.3% in the 3Q19 even with softer figures in the regions.

NET DEBT

R\$ million	3Q19	3Q18
Debt	517.6	166.7
Financing of past acquisitions	34.5	39.4
Total Debt	552.1	206.1
(-) Cash	(367.2)	(153.7)
Net Debt	184.9	52.4

Net debt position at the end of 3Q19 was of R\$184.9 million, including cash, cash equivalents and short-term investments. During the 3Q19, we raised R\$150 million in a 6-year debenture at CDI+1.3% cost.

NUMBER OF STORES EVOLUTION

(end of period)	3Q19	3Q18	YoY	Var. (#)
Brazil	128	149	-14.1%	-21
<i>Air</i>	30	32	-6.3%	-2
<i>Roads</i>	25	25	0.0%	0
<i>Shopping Malls</i>	73	92	-20.7%	-19
USA	22	22	0.0%	0
Caribbean	44	42	4.8%	2
Total Number of Stores	194	213	-8.9%	-19

At the end of 3Q19, the Company had 194 stores, a net reduction of 19 stores vs 3Q18, due to the closure of non-performing units at our Malls business and contract renegotiation with Guarulhos Airport at our Air business.

(end of period)	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19
Brazil	184	177	175	167	162	157	149	147	145	129	128
<i>Air</i>	57	52	51	47	47	43	32	31	31	29	30
<i>Roads</i>	26	25	25	25	25	25	25	25	25	25	25
<i>Shopping Malls</i>	101	100	99	95	90	89	92	91	89	75	73
USA	20	19	20	20	22	22	22	22	22	22	22
Caribbean	48	46	46	44	43	43	42	43	43	44	44
Total Number of Stores	252	242	241	231	227	222	213	212	210	195	194

CONSOLIDATED INCOME STATEMENT

(R\$ thousand)	3Q19	3Q18	9M19	9M18
NET REVENUE	424,821	446,346	1,189,113	1,205,840
COST OF SALES AND SERVICES	(275,756)	(286,213)	(802,012)	(808,337)
GROSS PROFIT	149,065	160,133	387,101	397,503
OPERATING INCOME (EXPENSES)				
Commercial and operating expenses	(86,206)	(94,309)	(246,577)	(255,795)
General and administrative expenses	(26,617)	(29,240)	(80,223)	(82,461)
Depreciation and amortization	(7,501)	(7,073)	(21,710)	(20,860)
Other income (expenses)	2,056	(768)	781	(2,919)
Equity income result	1,364	977	7,384	5,789
Net financial expenses	(4,176)	(3,969)	(16,913)	(7,316)
EARNINGS BEFORE TAXES	27,985	25,751	29,843	33,941
Income Taxes	(8,284)	(12,494)	(11,430)	(24,528)
NET PROFIT (LOSS)	19,701	13,257	18,413	9,413

CONSOLIDATED BALANCE SHEET

(R\$ thousand)	3Q19	3Q18
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	367,203	153,684
Accounts receivable	72,356	84,802
Inventories	40,595	33,161
Derivatives	321	172
Other current assets	92,159	83,235
Total current assets	572,634	355,054
NONCURRENT ASSETS		
Deferred income taxes	4,987	118
Derivatives	0	171
Other noncurrent assets	55,988	56,844
Property and equipment	300,788	266,642
Intangible assets	859,008	871,765
Total noncurrent assets	1,220,771	1,195,540
TOTAL ASSETS	1,793,405	1,550,594
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable	67,271	72,737
Loans, financing and acquisitions' payables	50,362	49,387
Salaries and payroll charges	53,227	60,833
Other current liabilities	44,525	46,401
Total current liabilities	215,385	229,358
NONCURRENT LIABILITIES		
Loans, financing and acquisitions' payables	502,050	157,053
Provision for labor, civil and tax disputes	11,308	9,486
Deferred income tax liability	73,071	91,184
Other noncurrent liabilities	28,062	24,366
Total noncurrent liabilities	614,491	282,089
EQUITY		
Capital and reserves	892,958	992,424
Accumulated losses	27,227	12,208
Other comprehensive income	43,344	34,515
Total equity	963,529	1,039,147
TOTAL LIABILITIES AND EQUITY	1,793,405	1,550,594

CASH FLOW STATEMENT

(R\$ thousand)	3Q19	3Q18	9M19	9M18
CASH FLOW FROM OPERATING ACTIVITIES				
Loss for the quarter	19,701	13,257	18,413	9,413
Depreciation and amortization	19,127	20,226	57,097	58,524
Impairment of intangible assets (using)	(785)	(972)	(2,662)	(4,498)
Investment amortization	620	618	1,820	1,687
Equity income result	(1,984)	(1,595)	(9,204)	(7,476)
Provision for labor, civil and tax disputes	1,165	1,807	5,083	5,777
Income taxes	8,287	12,494	11,431	24,528
Interest expenses	8,046	3,345	22,787	9,594
Effect of exchange rate changes	5	440	(265)	2,420
Disposal of property and equipment	854	3,862	3,990	6,905
Deferred Revenue, Rebates	(2,336)	(3,121)	(4,506)	(3,121)
Expenses in payments to employees based in stock plan	1,382	2,345	3,386	7,340
Others	(10,787)	(18,052)	(10,445)	(30,022)
Changes in operating assets and liabilities	2,432	11,623	(19,471)	(9,606)
Cash generated from operations	45,727	46,277	77,454	71,465
Income tax paid	(339)	(508)	(5,037)	(2,894)
Interest paid	(11,987)	(2,591)	(21,777)	(7,713)
Net cash generated by (used in) operating activities	33,401	43,178	50,640	60,858
CASH FLOW FROM INVESTING ACTIVITIES				
Payment of business acquisitions made in prior years	(1,482)	(1,653)	(4,542)	(5,250)
Dividends received	4,122	4,418	9,771	9,420
Sale of controlling interest in discontinued operations, net of cash	-	-	3,694	1,322
Additions to intangible assets	(4,967)	(2,180)	(7,033)	(6,946)
Additions to property and equipment	(38,092)	(15,269)	(74,598)	(50,773)
Net cash used in investing activities	(40,419)	(15,260)	(72,708)	(52,803)
CASH FLOW FROM FINANCING ACTIVITIES				
Dividend Payments	-	-	(1,875)	(871)
Capital contributions from minority interest	-	-	(100,000)	-
Shares in Treasury	821	(21,421)	6,390	(20,972)
New loans	147,667	-	386,377	-
Payment of loans	(9,308)	(9,210)	(177,930)	(33,400)
Net cash used in financing activities	139,180	(30,631)	112,962	(55,243)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	8,945	4,975	7,748	17,284
NET INCREASE (DECREASE) FOR THE PERIOD	141,107	2,262	98,642	(29,904)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	226,096	151,422	268,561	183,588
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	367,203	153,684	367,203	153,684

APPENDIX I – Detailed 3Q19 Results (non-IFRS 16)

CONSOLIDATED P&L

(in R\$ million)	3Q19	3Q18	YoY	3Q19 ²	YoY ²	9M19	9M18	YoY	9M19 ²	YoY ²
Net Revenue	424.8	446.3	-4.8%	427.1	-4.3%	1,189.1	1,205.8	-1.4%	1,164.1	-3.5%
Brazil	231.8	239.4	-3.2%	231.8	-3.2%	681.7	704.7	-3.3%	681.7	-3.3%
US	145.6	154.6	-5.8%	145.3	-6.1%	366.4	358.7	2.1%	344.3	-4.0%
Caribbean	47.4	52.3	-9.4%	50.0	-4.4%	141.0	142.4	-1.0%	138.1	-3.0%
Cost of Sales and Services	(275.8)	(286.2)	-3.7%	(277.1)	-3.2%	(802.0)	(808.3)	-0.8%	(787.7)	-2.5%
Direct Labor	(102.0)	(108.3)	-5.8%	(102.6)	-5.3%	(303.3)	(306.9)	-1.2%	(295.9)	-3.6%
Food	(90.3)	(92.5)	-2.4%	(91.1)	-1.5%	(251.7)	(257.1)	-2.1%	(246.9)	-3.9%
Others	(21.5)	(23.5)	-8.6%	(21.5)	-8.4%	(62.9)	(64.7)	-2.7%	(61.7)	-4.6%
Fuel and Automotive Accessories	(50.3)	(48.7)	3.2%	(50.3)	3.2%	(148.7)	(142.0)	4.7%	(148.7)	4.7%
Depreciation & Amortization	(11.6)	(13.2)	-11.6%	(11.7)	-11.4%	(35.4)	(37.7)	-6.0%	(34.5)	-8.4%
Gross Profit	149.1	160.1	-6.9%	150.0	-6.3%	387.1	397.5	-2.6%	376.4	-5.3%
Operating Expenses	(113.4)	(121.3)	-6.5%	(114.2)	-5.9%	(329.6)	(341.7)	-3.5%	(320.6)	-6.2%
Selling and Operating	(45.4)	(51.3)	-11.5%	(45.7)	-10.8%	(129.6)	(138.6)	-6.5%	(124.8)	-9.9%
Rents of Stores	(40.8)	(43.0)	-5.2%	(40.9)	-4.9%	(117.0)	(117.2)	-0.2%	(113.7)	-3.0%
Store Pre-Openings	0.0	(1.2)	-100.0%	0.0	-100.0%	0.0	(4.7)	-100.0%	0.0	-100.0%
Depreciation & Amortization	(7.5)	(7.1)	6.0%	(7.7)	8.9%	(21.7)	(20.9)	4.1%	(21.6)	3.7%
J.V. Investment Amortization	(0.6)	(0.6)	0.3%	(0.6)	-8.9%	(1.8)	(1.7)	7.9%	(1.7)	0.0%
Equity income result	2.0	1.6	24.4%	2.0	24.3%	9.2	7.5	23.1%	8.4	13.0%
General & Administrative and Others	(21.0)	(19.6)	7.2%	(21.2)	8.2%	(68.7)	(66.1)	3.8%	(67.2)	1.7%
Special Items - Other	(3.5)	(9.1)	-61.4%	(3.5)	-61.4%	(10.8)	(14.6)	-26.0%	(10.8)	-26.0%
EBIT	32.2	29.7	8.2%	32.3	8.6%	46.8	41.3	na	45.0	na
(+) D&A and Write-offs	19.7	20.8	-5.3%	19.9	-4.4%	58.9	60.2	-2.1%	57.8	-4.0%
EBITDA	51.9	50.6	2.7%	52.2	3.2%	105.7	101.5	4.1%	102.8	1.3%
EBITDA Margin (%)	12.2%	11.3%	0.9p.p.	12.2%	0.9p.p.	8.9%	8.4%	0.5p.p.	8.8%	0.4p.p.
(+) Special Items - Other	3.5	9.1	-	3.5	-	10.8	14.6	-26.0%	10.8	-26.0%
Adjusted EBITDA¹	55.4	59.7	-7.1%	55.7	-6.7%	116.4	116.0	0.4%	113.6	-2.1%
Adjusted EBITDA Margin (%)	13.0%	13.4%	-0.3p.p.	13.0%	-0.3p.p.	9.8%	9.6%	0.2p.p.	9.8%	0.1p.p.

¹Before special items; ²In constant currencies as of the prior year.

RESULTS BY GEOGRAPHIC REGION

(in R\$ million)	Brazil 3Q19	USA 3Q19	Caribbean 3Q19	Consolidated 3Q19	Brazil 3Q18	USA 3Q18	Caribbean 3Q18	Consolidated 3Q18	YoY
Net Revenue	231.8	145.6	47.4	424.8	239.4	154.6	52.3	446.3	-4.8%
Restaurants & Others	170.6	145.6	47.4	363.6	180.4	154.6	52.3	387.4	-6.1%
Gas Stations	61.2	0.0	0.0	61.2	59.0	0.0	0.0	59.0	3.7%
Cost of Sales and Services	(172.3)	(81.0)	(22.4)	(275.8)	(175.9)	(86.5)	(23.8)	(286.2)	-3.7%
Direct Labor	(53.5)	(40.1)	(8.4)	(102.0)	(57.1)	(41.8)	(9.5)	(108.3)	-5.8%
Food	(48.6)	(28.8)	(13.0)	(90.3)	(48.9)	(30.2)	(13.4)	(92.5)	-2.4%
Others	(12.6)	(8.3)	(0.6)	(21.5)	(13.6)	(9.3)	(0.6)	(23.5)	-8.6%
Fuel and Automotive Accessories	(50.3)	0.0	0.0	(50.3)	(48.7)	0.0	0.0	(48.7)	3.2%
Depreciation & Amortization	(7.3)	(3.8)	(0.5)	(11.6)	(7.7)	(5.2)	(0.3)	(13.2)	-11.6%
Gross Profit	59.5	64.6	25.0	149.1	63.5	68.1	28.5	160.1	-6.9%
Operating Expenses¹	(51.5)	(44.6)	(17.3)	(113.4)	(54.6)	(49.8)	(16.9)	(121.3)	-6.5%
Selling and Operating	(13.1)	(25.6)	(6.6)	(45.4)	(14.2)	(30.4)	(6.7)	(51.3)	-11.5%
Rents of Stores	(19.5)	(15.8)	(5.5)	(40.8)	(21.2)	(16.3)	(5.6)	(43.0)	-5.2%
Store Pre-Openings	0.0	0.0	0.0	0.0	(1.2)	(0.0)	(0.1)	(1.2)	-100.0%
Depreciation & Amortization	(4.6)	(0.3)	(2.6)	(7.5)	(4.7)	(0.4)	(2.0)	(7.1)	6.2%
J.V. Investment Amortization	0.0	(0.6)	0.0	(0.6)	0.0	(0.6)	0.0	(0.6)	0.3%
Equity income result	0.0	2.0	0.0	2.0	0.0	1.6	0.0	1.6	24.4%
General & Administrative	(14.2)	(4.2)	(2.6)	(21.0)	(13.5)	(3.7)	(2.5)	(19.6)	7.2%
(+) Depreciation & Amortization	12.0	4.7	3.1	19.8	12.3	6.1	2.4	20.8	-5.2%
Operating Income	20.0	24.7	10.7	55.4	21.2	24.5	14.0	59.7	-7.1%
Special Items - Other				(3.5)				(9.1)	-61.4%
EBIT	8.0	20.0	7.7	32.2	8.8	18.4	11.6	29.7	
(+) D&A and Write-offs				19.8				20.8	-5.2%
EBITDA				51.9				50.6	2.7%
(+) Special Items				3.5				9.1	-61.4%
Adjusted EBITDA				55.4				59.7	-7.1%

¹Before special items.

RESULTS OF THE BRAZILIAN OPERATIONS

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenue	231.8	239.4	-3.2%	681.7	704.7	-3.3%
Restaurants & Others	170.6	180.4	-5.4%	499.5	533.0	-6.3%
Gas Stations	61.2	59.0	3.7%	182.2	171.8	6.1%
Cost of Sales and Services	(172.3)	(175.9)	-2.1%	(521.8)	(531.2)	-1.8%
Direct Labor	(53.5)	(57.1)	-6.2%	(168.2)	(175.4)	-4.1%
Food	(48.6)	(48.9)	-0.7%	(142.2)	(149.9)	-5.1%
Others	(12.6)	(13.6)	-7.4%	(40.4)	(41.0)	-1.6%
Fuel and Automotive Accessories	(50.3)	(48.7)	3.2%	(148.7)	(142.0)	4.7%
Depreciation & Amortization	(7.3)	(7.7)	-4.3%	(22.3)	(22.8)	-2.4%
Gross Profit	59.5	63.5	-6.3%	159.9	173.5	-7.8%
Operating Expenses¹	(51.5)	(54.6)	-5.8%	(161.9)	(172.5)	-6.1%
Selling and Operating	(13.1)	(14.2)	-7.4%	(40.9)	(45.4)	-9.9%
Rents of Stores	(19.5)	(21.2)	-7.6%	(60.5)	(64.1)	-5.7%
Store Pre-Openings	0.0	(1.2)	-100.0%	0.0	(3.4)	-100.0%
Depreciation & Amortization	(4.6)	(4.7)	-0.7%	(13.9)	(13.9)	0.3%
General & Administrative Others ²	(14.2)	(13.5)	5.4%	(46.6)	(45.8)	1.9%
(+) Depreciation & Amortization	12.0	12.3	-2.9%	36.2	36.8	-1.5%
Operating Income	20.0	21.2	-5.6%	34.2	37.8	-9.4%
Expansion Capex	25.6	9.9	158.8%	45.0	33.5	34.5%
Maintenance Capex	2.2	2.0	5.7%	9.3	4.9	92.0%
Total Capex	27.8	11.9	132.5%	54.3	38.3	41.8%
Operating Inc. - Maintenance Capex³	17.8	19.1	-1.2%	24.9	32.9	-14.4%

¹Before special items; ²Not allocated in segments; ³Maint. Capex vs Op. Inc.

RESULTS OF THE BRAZILIAN OPERATIONS – ROADS

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenue	131.2	121.6	7.9%	375.0	350.4	7.0%
Restaurants & Others	70.1	62.6	11.9%	192.7	178.6	7.9%
Gas Stations	61.2	59.0	3.7%	182.2	171.8	6.1%
Cost of Sales and Services	(100.1)	(98.7)	1.4%	(300.6)	(292.7)	2.7%
Direct Labor	(21.5)	(22.2)	-3.3%	(67.8)	(67.8)	0.0%
Food	(20.1)	(19.0)	5.9%	(57.7)	(56.6)	2.0%
Others	(4.9)	(5.6)	-13.0%	(16.7)	(16.8)	-1.1%
Fuel and Automotive Accessories	(50.3)	(48.7)	3.2%	(148.7)	(142.0)	4.7%
Depreciation & Amortization	(3.3)	(3.2)	4.7%	(9.7)	(9.4)	3.4%
Gross Profit	31.1	22.9	36.0%	74.4	57.7	28.8%
Operating Expenses¹	(10.6)	(11.1)	-4.2%	(32.9)	(32.7)	0.5%
Selling and Operating	(4.8)	(5.2)	-9.3%	(15.1)	(16.4)	-7.9%
Rents of Stores	(5.1)	(4.9)	5.5%	(15.5)	(13.8)	12.3%
Store Pre-Openings	0.0	(0.2)	na	0.0	(0.2)	na
Depreciation & Amortization	(0.8)	(0.8)	-2.4%	(2.3)	(2.4)	-0.5%
(+) Depreciation & Amortization	4.1	4.0	3.3%	12.1	11.8	2.6%
Operating Income	24.6	15.7	56.2%	53.5	36.8	45.6%
Expansion Capex	18.6	3.0	523.5%	22.3	15.0	48.8%
Maintenance Capex	0.8	0.9	-14.1%	4.6	1.3	261.5%
Total Capex	19.4	3.9	394.2%	26.9	16.2	65.5%
Operating Inc. - Maintenance Capex²	23.8	14.8	2.7%	48.9	35.5	-5.1%

¹Before special items; ²Maint. Capex vs Op. Inc.

RESULTS OF THE BRAZILIAN OPERATIONS – AIR

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenue	49.5	62.2	-20.5%	151.6	186.2	-18.6%
Restaurants & Others	49.5	62.2	-20.5%	151.6	186.2	-18.6%
Cost of Sales and Services	(32.6)	(37.7)	-13.5%	(102.2)	(120.3)	-15.0%
Direct Labor	(16.4)	(18.0)	-9.0%	(50.7)	(57.2)	-11.3%
Food	(11.5)	(14.1)	-18.9%	(36.5)	(46.0)	-20.7%
Others	(3.2)	(3.5)	-7.9%	(9.9)	(10.9)	-8.6%
Depreciation & Amortization	(1.5)	(2.0)	-25.4%	(5.0)	(6.2)	-18.4%
Gross Profit	16.9	24.5	-31.2%	49.4	65.9	-25.1%
Operating Expenses¹	(14.2)	(16.2)	-12.2%	(44.0)	(50.3)	-12.5%
Selling and Operating	(4.0)	(4.6)	-12.3%	(12.6)	(13.9)	-9.5%
Rents of Stores	(6.7)	(8.2)	-18.2%	(21.0)	(26.1)	-19.5%
Depreciation & Amortization	(3.5)	(3.4)	2.2%	(10.4)	(10.3)	1.4%
(+) Depreciation & Amortization	5.0	5.4	-7.8%	15.5	16.5	-6.3%
Operating Income¹	7.6	13.7	-44.4%	20.8	32.1	-35.2%
Expansion Capex	2.8	0.2	1056.9%	5.6	1.8	211.8%
Maintenance Capex	0.8	0.7	17.3%	2.2	0.8	160.8%
Total Capex	3.7	1.0	279.4%	7.8	2.6	195.5%
Operating Inc. - Maintenance Capex²	6.8	13.0	-5.8%	18.6	31.3	-7.9%

¹Before special items; ²Maint. Capex vs Op. Inc.

RESULTS OF THE BRAZILIAN OPERATIONS – MALLS

(in R\$ million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenue	51.1	55.6	-8.1%	155.2	168.2	-7.7%
Restaurants & Others	51.1	55.6	-8.1%	155.2	168.2	-7.7%
Cost of Sales and Services	(39.6)	(39.6)	0.2%	(119.0)	(118.3)	0.6%
Direct Labor	(15.6)	(16.8)	-7.0%	(49.7)	(50.4)	-1.4%
Food	(17.0)	(15.8)	7.7%	(47.9)	(47.2)	1.5%
Others	(4.4)	(4.4)	0.1%	(13.8)	(13.3)	3.5%
Depreciation & Amortization	(2.5)	(2.5)	0.7%	(7.5)	(7.3)	3.6%
Gross Profit	11.5	16.1	-28.5%	36.2	49.9	-27.5%
Operating Expenses¹	(12.4)	(13.9)	-10.3%	(38.4)	(43.7)	-12.3%
Selling and Operating	(4.4)	(4.4)	-0.1%	(13.2)	(15.1)	-12.4%
Rents of Stores	(7.7)	(8.1)	-4.9%	(24.0)	(24.2)	-1.0%
Store Pre-Openings	0.0	(0.9)	-100.0%	0.0	(3.2)	-100.0%
Depreciation & Amortization	(0.3)	(0.4)	-20.7%	(1.2)	(1.3)	-7.2%
(+) Depreciation & Amortization	2.9	3.0	-2.5%	8.7	8.5	2.0%
Operating Income	2.0	5.2	-62.2%	6.5	14.7	-55.6%
Expansion Capex	4.2	6.7	-36.4%	17.1	16.7	2.6%
Maintenance Capex	0.5	0.4	32.4%	2.5	2.7	-7.8%
Total Capex	4.8	7.1	-32.6%	19.7	19.4	1.1%
Operating Inc. - Maintenance Capex²	1.4	4.8	-18.7%	4.0	11.9	-20.1%

¹Before special items; ²Maint. Capex vs Op. Inc.

RESULTS OF U.S. OPERATIONS

(in US\$ Million)	3Q19	3Q18	YoY	9M19	9M18	YoY
Net Revenue	37.0	39.4	-6.1%	94.1	98.0	-4.0%
Restaurants & Others	37.0	39.4	-6.1%	94.1	98.0	-4.0%
Cost of Sales and Services	(20.5)	(22.0)	-6.6%	(55.0)	(58.0)	-5.1%
Direct Labor	(10.2)	(10.6)	-4.2%	(28.2)	(28.8)	-2.1%
Food	(7.3)	(7.7)	-5.1%	(18.4)	(19.3)	-4.7%
Others	(2.1)	(2.4)	-11.4%	(5.4)	(6.1)	-11.4%
Depreciation & Amortization	(1.0)	(1.3)	-26.1%	(3.0)	(3.8)	-20.7%
Gross Profit	16.4	17.4	-5.4%	39.1	40.0	-2.3%
Operating Expenses¹	(11.3)	(12.6)	-10.3%	(30.5)	(33.7)	-9.5%
Selling and Operating	(6.5)	(7.7)	-15.8%	(17.8)	(20.5)	-13.2%
Rents of Stores	(4.0)	(4.1)	-2.8%	(10.4)	(10.3)	0.6%
Store Pre-Openings	0.0	(0.0)	-100%	0.0	(0.3)	-100.0%
Depreciation & Amortization	(0.1)	(0.1)	-25.5%	(0.2)	(0.3)	-21.1%
J.V. Investment Amortization	(0.2)	(0.2)	0.0%	(0.5)	(0.5)	0.0%
Equity income result	0.5	0.4	23.7%	2.4	2.1	12.6%
General & Administrative and Others	(1.1)	(0.9)	16.2%	(4.0)	(3.9)	2.1%
(+) Depreciation & Amortization	1.2	1.6	-23.4%	3.7	4.5	-18.6%
Operating Income	6.3	6.3	0.0%	12.3	10.8	13.3%
Expansion Capex	1.9	0.4	366.9%	3.2	1.6	97.4%
Maintenance Capex	0.6	0.2	219.4%	1.1	0.5	108.2%
Total Capex	2.5	0.6	323.3%	4.3	2.1	100.0%
Operating Inc. - Maintenance Capex²	5.7	6.1	-6.2%	11.2	10.3	8.5%

¹Before special items; ²Maint. Capex vs Op. Inc.

RESULTS OF THE CARIBBEAN OPERATIONS

(in R\$ million)	3Q19	3Q18	YoY	3Q19 ²	YoY ²	9M19	9M18	YoY	9M19 ²	YoY ²
Net Revenue	47.4	52.3	-9.4%	50.0	-4.4%	141.0	142.4	-1.0%	138.1	-3.0%
Restaurants & Others	47.4	52.3	-9.4%	50.0	-4.4%	141.0	142.4	-1.0%	138.1	-3.0%
Cost of Sales and Services	(22.4)	(23.8)	-5.8%	(24.0)	0.8%	(66.2)	(66.0)	0.3%	(65.7)	-0.5%
Direct Labor	(8.4)	(9.5)	-11.9%	(9.0)	-5.4%	(25.1)	(26.6)	-5.6%	(25.0)	-6.0%
Food	(13.0)	(13.4)	-2.9%	(13.8)	3.3%	(38.0)	(36.7)	3.3%	(37.5)	2.0%
Others	(0.6)	(0.6)	0.8%	(0.6)	13.5%	(1.7)	(1.5)	7.9%	(1.7)	12.3%
Depreciation & Amortization	(0.5)	(0.3)	44.6%	(0.5)	55.9%	(1.4)	(1.1)	31.4%	(1.4)	31.5%
Gross Profit	25.0	28.5	-12.4%	26.0	-8.7%	74.8	76.4	-2.0%	72.5	-5.1%
Operating Expenses¹	(17.3)	(16.9)	2.5%	(18.3)	8.4%	(49.1)	(46.6)	5.4%	(48.1)	3.3%
Selling and Operating	(6.6)	(6.7)	-1.0%	(7.0)	5.3%	(19.4)	(18.5)	4.7%	(19.2)	3.4%
Rents of Stores	(5.5)	(5.6)	-3.1%	(5.6)	-0.4%	(16.1)	(15.4)	4.3%	(15.4)	-0.5%
Store Pre-Openings	0.0	(0.1)	-100.0%	0.0	-100.0%	0.0	(0.2)	-100.0%	0.0	-100.0%
Depreciation & Amortization	(2.6)	(2.0)	27.7%	(2.8)	37.2%	(7.0)	(6.0)	17.0%	(7.0)	16.6%
General & Administrative and Others	(2.6)	(2.5)	7.0%	(2.9)	16.5%	(6.6)	(6.4)	3.2%	(6.6)	3.2%
(+) Depreciation & Amortization	3.1	2.4	30.0%	3.3	39.7%	8.4	7.1	19.2%	8.4	18.8%
EBITDA	10.7	14.0	-23.3%	11.0	-21.2%	34.1	36.9	-7.4%	32.8	-11.1%
<i>Margin EBITDA (%)</i>	<i>22.7%</i>	<i>26.8%</i>	<i>-4.1p.p.</i>	<i>22.1%</i>	<i>-4.7p.p.</i>	<i>24.2%</i>	<i>25.9%</i>	<i>-1.7p.p.</i>	<i>23.7%</i>	<i>-2.2p.p.</i>
Operating Income	10.7	14.0	-23.3%	11.0	-21.2%	34.1	36.9	-7.4%	32.8	-11.1%
Expansion Capex	0.4	0.2	140.0%	0.4	153.3%	0.6	4.8	-86.9%	0.6	-87.2%
Maintenance Capex	1.2	0.4	173.0%	1.3	188.2%	3.0	1.2	155.2%	3.0	150.0%
Total Capex	1.6	0.6	164.6%	1.7	179.3%	3.7	6.0	-38.5%	3.6	-39.8%
Operating Inc. - Maintenance Capex³	9.5	13.5	-29.8%	9.7	-28.1%	31.1	35.7	-12.8%	29.8	-16.5%

¹Before special items; ²In constant currencies as of the prior year; ³ Maint. Capex vs Op. Inc.

APPENDIX II – 3Q19 and 9M19 Results under IFRS 16

Geographic Region – 3Q19

(in R\$ million)	Brazil		USA		Caribbean		Consolidated	
	3Q19	% VA	3Q19	% VA	3Q19	% VA	3Q19	% VA
Net Revenue	231.8	100.0%	145.6	100.0%	47.4	100.0%	424.8	100.0%
Restaurants & Others	170.6	73.6%	145.6	100.0%	47.4	100.0%	363.6	85.6%
Gas Stations	61.2	26.4%	0.0	0.0%	0.0	0.0%	61.2	14.4%
Cost of Sales and Services	(172.5)	-74.4%	(81.0)	-55.6%	(22.4)	-47.2%	(275.9)	-64.9%
Direct Labor	(53.5)	-23.1%	(40.1)	-27.6%	(8.4)	-17.7%	(102.1)	-24.0%
Food	(48.6)	-21.0%	(28.8)	-19.8%	(13.0)	-27.4%	(90.3)	-21.3%
Others	(12.4)	-5.4%	(8.3)	-5.7%	(0.3)	-0.6%	(21.0)	-4.9%
Fuel and Automotive Accessories	(50.3)	-21.7%	0.0	0.0%	0.0	0.0%	(50.3)	-11.8%
Depreciation & Amortization	(7.7)	-3.3%	(3.8)	-2.6%	(0.7)	-1.6%	(12.2)	-2.9%
Gross Profit	59.3	25.6%	64.6	44.4%	25.0	52.8%	148.9	35.1%
Operating Expenses¹	(47.7)	-20.6%	(44.5)	-30.6%	(16.7)	-35.3%	(108.9)	-25.6%
Selling and Operating	(13.1)	-5.7%	(25.6)	-17.6%	(6.6)	-14.0%	(45.4)	-10.7%
Rents of Stores	(8.2)	-3.5%	(11.5)	-7.9%	(1.5)	-3.2%	(21.2)	-5.0%
Depreciation & Amortization	(13.9)	-6.0%	(4.4)	-3.0%	(6.0)	-12.6%	(24.2)	-5.7%
J.V. Investment Amortization	0.0	0.0%	(0.6)	-0.4%	0.0	0.0%	(0.6)	-0.1%
Equity income result	0.0	0.0%	2.0	1.4%	0.0	0.0%	2.0	0.5%
Other revenues (expenses)	2.8	1.2%	0.1	0.1%	0.2	0.5%	3.1	0.7%
General & Administrative	(15.3)	-6.6%	(4.5)	-3.1%	(2.9)	-6.1%	(22.7)	-5.3%
(+) Depreciation & Amortization	21.5	9.3%	8.8	6.0%	6.7	14.1%	37.0	8.7%
Operating Income	33.1	14.3%	28.9	19.8%	15.0	31.6%	77.0	18.1%
Special Items - Other							(3.5)	-0.8%
EBIT	8.1	-0.9%	20.1	-3.7%	8.3	18.3%	36.5	8.6%
(+) D&A and Write-offs							37.0	8.7%
EBITDA							73.5	17.3%
(+) Special Items							3.5	0.8%
Adjusted EBITDA							77.0	18.1%

¹Before special items; ²Not allocated in segments.

Geographic Region – 9M19

(in R\$ million)	Brazil		USA		Caribbean		Consolidated	
	9M19	% VA	9M19	% VA	9M19	% VA	9M19	% VA
Net Revenue	681.7	100.0%	366.4	100.0%	141.0	100.0%	1,189.1	100.0%
Restaurants & Others	681.7	294.1%	366.4	251.6%	141.0	297.6%	1,189.1	279.9%
Cost of Sales and Services	(521.7)	-225.1%	(214.0)	-146.9%	(66.1)	-139.4%	(801.7)	-188.7%
Direct Labor	(168.2)	-72.6%	(109.9)	-75.5%	(25.2)	-53.1%	(303.3)	-71.4%
Food	(142.2)	-61.3%	(71.6)	-49.1%	(38.0)	-80.1%	(251.7)	-59.2%
Others	(39.4)	-17.0%	(20.8)	-14.3%	(0.8)	-1.6%	(60.9)	-14.3%
Fuel and Automotive Accessories	(148.7)	-64.1%	0.0	0.0%	0.0	0.0%	(148.7)	-35.0%
Depreciation & Amortization	(23.2)	-10.0%	(11.7)	-8.0%	(2.2)	-4.6%	(37.1)	-8.7%
Gross Profit	160.0	69.0%	152.5	104.7%	75.0	158.2%	387.4	91.2%
Operating Expenses¹	(150.9)	-65.1%	(117.8)	-80.9%	(47.6)	-100.4%	(316.3)	-74.4%
Selling and Operating	(40.9)	-17.6%	(69.3)	-47.6%	(19.4)	-40.9%	(129.6)	-30.5%
Rents of Stores	(25.1)	-10.8%	(27.8)	-19.1%	(4.6)	-9.6%	(57.5)	-13.5%
Depreciation & Amortization	(42.4)	-18.3%	(12.7)	-8.7%	(16.9)	-35.6%	(72.0)	-16.9%
J.V. Investment Amortization	0.0	0.0%	(1.8)	-1.2%	0.0	0.0%	(1.8)	-0.4%
Equity income result	0.0	0.0%	9.2	6.3%	0.0	0.0%	9.2	2.2%
Other revenues (expenses)	3.1	1.3%	0.1	0.1%	0.9	1.9%	4.1	1.0%
General & Administrative	(45.6)	-19.6%	(15.5)	-10.7%	(7.6)	-16.1%	(68.7)	-16.2%
(+) Depreciation & Amortization	65.6	28.3%	26.2	18.0%	19.1	40.3%	110.9	26.1%
Operating Income	74.7	32.2%	60.9	41.8%	46.5	98.0%	182.1	42.9%
Special Items - Other							(10.8)	-2.5%
EBIT	(1.7)	-0.9%	34.7	-3.7%	27.4	18.3%	60.4	14.2%
(+) D&A and Write-offs							110.9	26.1%
EBITDA							171.3	40.3%
(+) Special Items							10.8	2.5%
Adjusted EBITDA							182.1	42.9%

¹Before special items; ²Not allocated in segments

Brazil – 3Q19

(in R\$ million)	Air	% VA	Road	% VA	Malls	% VA	3Q19	% VA
Net Revenue	49.5	100.0%	131.2	100.0%	51.1	100.0%	231.8	100.0%
Restaurants & Others	49.5	100.0%	70.0	53.4%	51.1	100.0%	170.6	100.0%
Gas Stations	0.0	0.0%	61.2	46.6%	0.0	0.0%	61.2	35.9%
Cost of Sales and Services	(32.6)	-65.9%	(100.3)	-76.4%	(39.6)	-77.5%	(172.5)	-101.1%
Direct Labor	(16.4)	-33.2%	(21.5)	-16.4%	(15.6)	-30.6%	(53.5)	-31.4%
Food	(11.5)	-23.2%	(20.1)	-15.3%	(17.0)	-33.3%	(48.6)	-28.5%
Others	(3.1)	-6.3%	(4.9)	-3.7%	(4.4)	-8.7%	(12.4)	-7.3%
Fuel and Automotive Accessories	0.0	0.0%	(50.3)	-38.3%	0.0	0.0%	(50.3)	-29.5%
Depreciation & Amortization	(1.6)	-3.2%	(3.5)	-2.7%	(2.5)	-5.0%	(7.7)	-4.5%
Gross Profit	16.9	34.1%	30.9	23.6%	11.5	22.5%	59.3	34.8%
Operating Expenses¹	(15.0)	-30.2%	(11.1)	-8.4%	(7.7)	-15.0%	(47.7)	-28.0%
Selling and Operating	(4.0)	-8.1%	(4.8)	-3.6%	(4.4)	-8.6%	(13.1)	-7.7%
Rents of Stores	(1.4)	-2.9%	(2.4)	-1.8%	(4.3)	-8.5%	(8.2)	-4.8%
Depreciation & Amortization	(8.2)	-16.6%	(2.5)	-1.9%	(3.1)	-6.1%	(13.9)	-8.1%
Other revenues (expenses) ²	(1.3)	-2.6%	(1.4)	-1.0%	4.2	8.1%	1.5	0.9%
General & Administrative ²							(12.3)	-7.2%
Corporate (Holding) ²							(1.8)	-1.0%
(+) Depreciation & Amortization	9.8	19.8%	6.1	4.6%	5.7	11.1%	21.5	12.6%
Operating Income	11.7	14.6%	26.0	19.8%	9.5	2.6%	33.2	19.4%
Expansion Capex							25.6	15.0%
Maintenance Capex							2.2	1.3%
Total Capex							27.8	16.3%
Operating Inc. - Maintenance Capex³							31.0	18.2%

¹Before special items; ²Not allocated in segments; ³Maint. Capex vs. Op. Inc.

Brazil – 9M19

(in R\$ million)	Air	% VA	Road	% VA	Malls	% VA	9M19	% VA
Net Revenue	151.6	100.0%	375.0	100.0%	155.2	100.0%	681.7	100.0%
Restaurants & Others	151.6	306.4%	375.0	285.7%	155.2	303.6%	681.7	399.5%
Cost of Sales and Services	(102.2)	-206.6%	(300.5)	-229.0%	(119.0)	-232.8%	(521.7)	-305.8%
Direct Labor	(50.7)	-102.6%	(67.8)	-51.7%	(49.7)	-97.3%	(168.3)	-98.6%
Food	(36.5)	-73.8%	(57.7)	-44.0%	(48.0)	-93.8%	(142.2)	-83.3%
Others	(9.5)	-19.3%	(16.0)	-12.2%	(13.8)	-27.0%	(39.4)	-23.1%
Fuel and Automotive Accessories	0.0	0.0%	(148.7)	-113.3%	0.0	0.0%	(148.7)	-87.1%
Depreciation & Amortization	(5.4)	-10.9%	(10.3)	-7.8%	(7.5)	-14.7%	(23.2)	-13.6%
Gross Profit	49.4	99.8%	74.4	56.7%	36.2	70.8%	160.0	93.8%
Operating Expenses¹	(42.1)	-85.2%	(31.7)	-24.2%	(31.5)	-61.6%	(150.9)	-88.4%
Selling and Operating	(12.6)	-25.4%	(15.1)	-11.5%	(13.2)	-25.9%	(40.9)	-24.0%
Rents of Stores	(4.9)	-9.9%	(7.1)	-5.4%	(13.1)	-25.6%	(25.1)	-14.7%
Depreciation & Amortization	(24.1)	-48.8%	(8.0)	-6.1%	(10.3)	-20.1%	(42.4)	-24.9%
Other revenues (expenses) ²	(0.5)	-1.0%	(1.5)	-1.1%	5.1	9.9%	3.1	1.8%
General & Administrative ²							(39.8)	-23.3%
Corporate (Holding) ²							(5.8)	-3.4%
(+) Depreciation & Amortization	29.5	59.7%	18.3	14.0%	17.8	34.7%	65.6	38.5%
Operating Income	36.8	14.6%	61.0	46.5%	22.5	2.6%	74.7	43.8%
Expansion Capex							29.5	17.3%
Maintenance Capex							2.2	1.3%
Total Capex							31.7	18.6%
Operating Inc. - Maintenance Capex³							72.6	42.5%

¹Before special items; ²Not allocated in segments; ³Maint. Capex vs. Op. Inc.

United States

(in R\$ million)	3Q19	% VA	9M19	% VA
Net Revenue	145.6	100.0%	366.4	251.6%
Restaurants & Others	145.6	100.0%	366.4	251.6%
Cost of Sales and Services	(81.0)	-55.6%	(214.0)	-146.9%
Direct Labor	(40.1)	-27.6%	(109.9)	-75.5%
Food	(28.8)	-19.8%	(71.6)	-49.1%
Others	(8.3)	-5.7%	(20.8)	-14.3%
Depreciation & Amortization	(3.8)	-2.6%	(11.7)	-8.0%
Gross Profit	64.6	44.4%	152.5	104.7%
Operating Expenses¹	(44.5)	-30.6%	(44.2)	-30.4%
Selling and Operating	(25.6)	-17.6%	(69.3)	-47.6%
Rents of Stores	(11.5)	-7.9%	(27.8)	-19.1%
Depreciation & Amortization	(4.4)	-3.0%	60.9	41.8%
J.V. Investment Amortization	(0.6)	-0.4%	(1.8)	-1.2%
Equity income result	2.0	1.4%	9.2	6.3%
Other revenues (expenses)	0.1	0.1%	0.1	0.1%
General & Administrative	(4.5)	-3.1%	(15.5)	-10.7%
(+) Depreciation & Amortization	8.8	6.0%	(47.4)	-32.5%
EBITDA	28.9	19.8%	60.9	41.8%
<i>Margin EBITDA (%)</i>	<i>19.8%</i>		<i>16.6%</i>	
Operating Income	28.9	19.8%	60.9	41.8%
Expansion Capex	7.6	5.2%	1.6	1.1%
Maintenance Capex	2.2	1.5%	0.7	0.5%
Total Capex	9.8	6.7%	2.3	1.6%
Operating Inc. - Maintenance Capex³	26.7	18.3%	60.2	41.3%

¹Before special items; ²In constant currencies as of the prior year; ³Maint. Capex vs. Op. Inc.

Caribbean

(in R\$ million)	3Q19	% VA	9M19	% VA
Net Revenue	47.4	32.5%	141.0	96.8%
Restaurants & Others	47.4	32.5%	141.0	96.8%
Cost of Sales and Services	(22.4)	-15.4%	(66.1)	-45.4%
Direct Labor	(8.4)	-5.8%	(25.2)	-17.3%
Food	(13.0)	-8.9%	(38.0)	-26.1%
Others	(0.3)	-0.2%	(0.8)	-0.5%
Depreciation & Amortization	(0.7)	-0.5%	(2.2)	-1.5%
Gross Profit	25.0	17.2%	75.0	51.5%
Operating Expenses¹	(16.7)	-11.5%	15.8	10.8%
Selling and Operating	(6.6)	-4.5%	(19.4)	-13.3%
Rents of Stores	(1.5)	-1.1%	(4.6)	-3.1%
Store Pre-Openings	0.0	0.0%	0.0	0.0%
Depreciation & Amortization	(6.0)	-4.1%	46.5	31.9%
Other revenues (expenses)	0.2	0.2%	0.9	0.6%
General & Administrative	(2.9)	-2.0%	(7.6)	-5.2%
(+) Depreciation & Amortization	6.7	4.6%	(44.3)	-30.4%
EBITDA	15.0	10.3%	46.5	31.9%
<i>Margin EBITDA (%)</i>	31.6%		32.9%	
Operating Income	15.0	10.3%	46.5	31.9%
Expansion Capex	0.4	0.3%	0.2	0.1%
Maintenance Capex	1.2	0.8%	0.4	0.3%
Total Capex	1.6	1.1%	0.6	0.4%
Operating Inc. - Maintenance Capex³	13.4	9.2%	46.0	31.6%

¹Before special items; ²In constant currencies as of the prior year; ³Maint. Capex vs. Op. Inc.

Balance Sheet

(R\$ thousand)		3Q19
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents		367,203
Accounts receivable		72,356
Inventories		40,595
Derivatives		321
Other current assets		92,159
Total current assets		572,634
NONCURRENT ASSETS		
Deferred income taxes		4,987
Other noncurrent assets		55,988
Property and equipment		300,788
Intangible assets		859,008
Right of use		356,328
Total noncurrent assets		1,577,099
TOTAL ASSETS		2,149,733
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade accounts payable		67,271
Loans, financing and acquisitions' payables		50,362
Salaries and payroll charges		53,227
Other current liabilities		44,525
Liabilities from Right of use		84,419
Total current liabilities		299,804
NONCURRENT LIABILITIES		
Loans, financing and acquisitions' payables		502,050
Provision for labor, civil and tax disputes		11,308
Deferred income tax liability		70,194
Other noncurrent liabilities		27,776
Liabilities from Right of use		283,955
Total noncurrent liabilities		895,283
EQUITY		
Capital and reserves		892,958
Accumulated losses		18,344
Other comprehensive income		43,344
Total equity		954,646
TOTAL LIABILITIES AND EQUITY		2,149,733

Cash Flow

(R\$ thousand)	3Q19
CASH FLOW FROM OPERATING ACTIVITIES	
Loss for the quarter	9,530
Depreciation and amortization	57,097
Depreciation of right of use	52,026
Impairment of intangible assets (using)	(2,662)
Investment amortization	1,820
Equity income result	(9,204)
Provision for labor, civil and tax disputes	5,083
Income taxes	8,554
Interest expenses	22,787
Effect of exchange rate changes	(265)
Interest on lease	25,369
Disposal of property and equipment	3,990
Deferred Revenue, Rebates	(4,506)
Expenses in payments to employees based in stock plan	3,386
Others	(10,445)
Changes in operating assets and liabilities	(19,471)
Cash generated from operations	143,089
Income tax paid	(5,037)
Interest on lease paid	(9,461)
Interest paid	(21,777)
Net cash generated by (used in) operating activities	106,814
CASH FLOW FROM INVESTING ACTIVITIES	
Additions to investments in subsidiaries	(4,542)
Dividends received	9,771
Sale of controlling interest in discontinued operations, net of cash	3,694
Additions to intangible assets	(7,033)
Additions to property and equipment	(74,598)
Net cash used in investing activities	(72,708)
CASH FLOW FROM FINANCING ACTIVITIES	
Capital Increase (Reduction)	(100,000)
Shares in Treasury	6,390
Dividends Paid	(1,875)
Right of use ("lease")	(58,473)
New loans	386,377
Payment of loans	(177,930)
Net cash used in financing activities	54,489
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	10,047
NET INCREASE (DECREASE) FOR THE PERIOD	98,642
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	268,561
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	367,203

APPENDIX - CURRENCY CONVERSION TABLE

	US\$		COP	
	EoP	Average	EoP	Average
1Q16	3.559	3.857	0.001183	0.001201
2Q16	3.210	3.501	0.001149	0.001174
3Q16	3.246	3.246	0.001115	0.001102
4Q16	3.298	3.939	0.001116	0.001093
1Q17	3.168	3.145	0.001099	0.001078
2Q17	3.308	3.215	0.001086	0.001101
3Q17	3.168	3.190	0.001079	0.001082
4Q17	3.308	3.249	0.001109	0.001088
1Q18	3.324	3.247	0.001190	0.001137
2Q18	3.856	3.604	0.001320	0.001269
3Q18	4.004	3.954	0.001353	0.001337
4Q18	3.875	3.805	0.001194	0.001202
1Q19	3.897	3.772	0.001224	0.001204
2Q19	3.832	3.921	0.001195	0.001203
3Q19	4.164	3.968	0.001197	0.001188

MANAGEMENT NOTE

There may be some minor differences between the financial information presented in the charts and graphs in this release and that in the Audited Consolidated Financial Statements due to rounding.

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

GLOSSARY

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

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

EBITDA and Adjusted EBITDA: The Company calculates EBITDA as net income, before income tax and social contribution tax, financial income (expenses) and depreciation and amortization.

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

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

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

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

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

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

Same-store sales (SSS): corresponds to the sales of stores that have been opened for more than eighteen months and have maintained operations in comparable periods, excluding stores that were temporarily closed. If a store is included in the calculation of comparable store sales for only a part of one of the periods compared, then this store will be included in the calculation of the corresponding portion of another period. Some of the reasons for the temporary closure of the Company’s stores include renovation or remodeling, rebuilding, road construction and natural disasters. When there is a variation in the area of a store included in comparable store sales, said store is excluded from the comparable store sales. The variations in same-store sales is a measure used in the retail market as an indicator of the performance of the implemented business strategies

and initiatives, and also represent the trends of the local economy and consumers. The Company's sales are recorded and analyzed based on the functional currency of each country where the Company operates. Therefore, as the Company's financial information is converted and demonstrated in reais (R\$), Brazilian currency, using average exchange rates of the periods compared, the values of same-store sales may present gains or losses resulting from the exchange rate of the currency of the country where that same store is located. Same-store sales are not a measure of financial performance according to the accounting practices adopted in Brazil (BR GAAP) or IFRS. Same-store sales do not have a standardized meaning in the market, and the Company's definition may not be the same definition of same-store sales in used by other companies.

DISCLAIMER

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

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

Independent auditor's review report on quarterly information

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

Introduction

We have reviewed the individual and consolidated interim financial information International Meal Company Alimentação S.A. (the "Company") contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2019, which comprise the statement of financial position as at September 30, 2019, and the statements of profit or loss and of comprehensive income for the three and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, including the explanatory information.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual and consolidated interim information

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

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2019, prepared under the responsibility of the Company management and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG 09 – Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth by NBC TG 09 and consistently with the individual and consolidated interim financial information as a whole.

São Paulo, November 7, 2019.

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

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

International Meal Company Alimentação S.A. and Subsidiaries

Balance sheets

September 30, 2019 and December 31, 2018

(Amounts in thousands of reais - R\$)

	Nota Note	Parent		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
Assets					
Current assets					
Cash and cash equivalents	8	234,091	130,228	367,203	268,561
Trade receivables	9	14,265	14,711	72,356	78,907
Inventories	10	2,195	2,411	40,595	37,742
Taxes recoverable	11	18,470	18,808	72,681	61,658
Derivative financial instruments	7.c)	-	-	321	53
Prepaid expenses		1,778	1,491	13,734	5,278
Other current assets		819	786	5,744	6,106
Total current assets		271,618	168,435	572,634	458,305
Noncurrent assets					
Financial investments		-	-	-	20
Trade receivables	9	2,528	2,504	3,128	3,907
Derivative financial instruments	7.c)	-	-	-	40
Judicial deposits		3,277	2,854	13,309	12,070
Receivables from related parties	29.b)	33,452	20,215	-	-
Deferred income tax and social contribution	20.a)	-	-	4,987	9,863
Other noncurrent assets		3,730	3,703	16,173	17,006
Investments in subsidiaries and joint venture	12	998,026	942,933	23,378	24,254
Property, plant and equipment	13	22,589	23,668	300,788	259,399
Intangible assets	14	124,249	127,416	859,008	853,618
Right of use	15	15,491	-	356,328	-
Total noncurrent assets		1,203,342	1,123,293	1,577,099	1,180,177
Total assets		1,474,960	1,291,728	2,149,733	1,638,482

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

International Meal Company Alimentação S.A. and Subsidiaries

Balance sheets

September 30, 2019 and December 31, 2018

(Amounts in thousands of reais - R\$)

	Note	Parent		Consolidated	
		9/30/2019	12/31/2018	9/30/2019	12/31/2018
Liabilities and equity					
Current liabilities					
Trade payables	16	11,610	14,847	67,271	80,980
Borrowings and debentures	17	1,267	149,397	44,873	189,595
Payroll and related taxes		14,923	12,779	53,227	55,676
Taxes payable		758	1,123	13,634	16,141
Deferred revenue		803	1,137	7,392	7,675
Installment payment of business acquisitions	18	-	-	5,489	6,528
Proposed dividends		-	1,875	-	1,875
Agreements and installment payment of labor suits		59	169	361	1,037
Right of use ("lease")	15	4,595	-	84,419	-
Other current liabilities		-	-	23,138	16,847
Total current liabilities		34,015	181,327	299,804	376,354
Noncurrent liabilities					
Borrowings and debentures	17	387,230	-	473,079	108,113
Payables to related parties	29.c)	50,753	59,542	-	-
Agreements and installment payment of labor suits		87	129	87	129
Provision for labor, civil and tax risks	19	4,475	4,804	11,308	12,900
Deferred revenue		892	1,368	6,419	9,707
Deferred income tax and social contribution	20.a)	26,238	28,048	70,194	71,575
Installment payment of business acquisitions	18	-	-	28,971	30,182
Right of use ("lease")	15	11,528	-	283,955	-
Other noncurrent liabilities		5,096	1,292	21,270	14,304
Total noncurrent liabilities		486,299	95,183	895,283	246,910
Equity					
Capital	21	776,281	876,281	776,281	876,281
Capital reserve		89,998	83,608	89,998	83,608
Reserve for stock option plan	22	26,679	23,293	26,679	23,293
Earnings reserve		8,814	8,814	8,814	8,814
Retained earnings		9,530	-	9,530	-
Other comprehensive income (loss)		43,344	23,222	43,344	23,222
Total equity		954,646	1,015,218	954,646	1,015,218
Total liabilities and equity		1,474,960	1,291,728	2,149,733	1,638,482

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of profit or loss

Three and nine-month periods ended September 30, 2019 and 2018

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

	<u>Note</u>	Parent				Consolidated			
		7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Net revenue	23	37,538	108,922	43,507	129,206	424,821	1,189,113	446,346	1,205,840
Cost of sales and services	28	(26,216)	(77,383)	(26,499)	(84,754)	(275,898)	(801,686)	(286,213)	(808,337)
Gross profit		11,322	31,539	17,008	44,452	148,923	387,427	160,133	397,503
Operating income (expenses)									
Selling and operating expenses	24 and 28	(4,408)	(13,655)	(5,264)	(15,967)	(66,562)	(187,079)	(94,309)	(255,795)
General and administrative expenses	25 and 28	(5,043)	(19,063)	(8,120)	(21,002)	(25,144)	(76,257)	(29,240)	(82,461)
Depreciation and amortization	28	(3,927)	(11,657)	(3,038)	(9,001)	(24,196)	(72,009)	(7,073)	(20,860)
Other operating income (expenses), net	28	(559)	(641)	1,529	399	2,079	902	(768)	(2,919)
Share of profit (loss) of investees	12 and 28	24,509	34,971	15,763	21,111	1,364	7,384	977	5,789
Operating profit (loss) before finance income (costs) and income tax and social contribution		21,894	21,494	17,878	19,992	36,464	60,368	29,720	41,257
Finance income (expense), net	27	(4,498)	(13,361)	(1,767)	(3,185)	(12,212)	(42,285)	(3,969)	(7,316)
Profit (loss) before income tax and social contribution		17,396	8,133	16,111	16,807	24,252	18,083	25,751	33,941
Current income tax and social contribution	20.c)	-	-	-	(63)	(1,829)	(6,204)	(5,426)	(10,014)
Deferred income tax and social contribution	20.c)	(590)	1,397	(2,854)	(7,331)	(5,617)	(2,349)	(7,068)	(14,514)
Profit (loss) for the period		16,806	9,530	13,257	9,413	16,806	9,530	13,257	9,413
Earnings (loss) per share – R\$									
Basic (cents per share)		0,10447	0,05927	0,08151	0,05787	0,10447	0,05927	0,08151	0,05787
Diluted (cents per share)		0,10374	0,05883	0,08331	0,05915	0,10374	0,05883	0,08331	0,05915

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of comprehensive income (loss)

Three and nine-month periods ended September 30, 2019 and 2018

(Amounts in thousands of reais - R\$)

	Parent				Consolidated			
	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018	7/1/2019 to 9/30/2019	1/1/2019 to 9/30/2019	7/1/2018 to 9/30/2018	1/1/2018 to 9/30/2018
Profit for the period	16,806	9,530	13,257	9,413	16,806	9,530	13,257	9,413
Translation adjustments in the balance sheet of foreign subsidiaries	23,138	20,122	10,677	47,064	23,138	20,122	10,677	47,963
	23,138	20,122	10,677	47,064	23,138	20,122	10,677	47,963
Total comprehensive income for the period	39,944	29,652	23,934	56,477	39,944	29,652	23,934	57,376

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of changes in equity

Nine-month periods ended September 30, 2019 and 2018

(Amounts in thousands of reais - R\$)

	Capital reserve				Reserve for stock option plan	Earnings reserve			Accumulated losses	Other comprehensive income (loss)	Total equity
	Capital	Capital reserve	Treasury shares	Total capital reserve		Legal reserve	Earnings reserve	Total earnings reserve			
Balance as of December 31, 2018	876,281	134,759	(51,151)	83,608	23,293	578	8,236	8,814	-	23,222	1,015,218
Profit for the period	-	-	-	-	-	-	-	-	9,530	-	9,530
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	-	-	-	20,122	20,122
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	9,530	20,122	29,652
Capital reduction	(100,000)	-	-	-	-	-	-	-	-	-	(100,000)
Treasury shares sold	-	(3,173)	9,563	6,390	-	-	-	-	-	-	6,390
Stock option plan	-	-	-	-	3,386	-	-	-	-	-	3,386
Balance as of September 30, 2019	776,281	131,586	(41,588)	89,998	26,679	578	8,236	8,814	9,530	43,344	954,646

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of changes in equity--Continued

Nine-month periods ended September 30, 2019 and 2018

(Amounts in thousands of reais - R\$)

	Capital reserve				Reserve for stock option plan	Earnings reserve			Accumulated losses	Other comprehensive income (loss)	Equity attributable to owners of the Company	Noncontrolling interests	Total equity
	Capital	Capital reserve	Treasury shares	Total capital reserve		Legal reserve	Earnings reserve	Total earnings reserve					
Balance as of December 31, 2017	876,281	136,764	(20,714)	116,050	13,725	183	2,612	2795	-	(12,549)	996,302	7,663	1,003,965
Profit for the period	-	-	-	-	-	-	-	-	9,413	-	9,413	-	9,413
Translation adjustments in the balance sheet of foreign subsidiaries	-	-	-	-	-	-	-	-	-	47,064	47,064	899	47,963
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	9,413	47,064	56,477	899	57,376
Treasury shares sold	-	(833)	1,798	965	-	-	-	-	-	-	965	-	965
Treasury shares acquired	-	-	(21,937)	(21,937)	-	-	-	-	-	-	(21,937)	-	(21,937)
Stock option plan	-	-	-	-	7,340	-	-	-	-	-	7,340	-	7340
Effect of the termination of the operating agreement involving subsidiary located abroad (a)	-	-	-	-	-	-	-	-	-	-	-	(8,562)	(8,562)
Balance as of September 30, 2018	876,281	135,931	(40,853)	95,078	21,065	183	2,612	2,795	9,413	34,515	1,039,147	-	1,039,147

(a) On August 17, 2018, the Company concluded the negotiations for the termination of the operating agreement with an investor that held noncontrolling interest in one of the subsidiaries located in the United States of America. As a result of such transaction, the Company started to hold 100% interest in this subsidiary and calculated such gain, which offset other incurred costs.

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of cash flows

Nine-month periods ended September 30, 2019 and 2018

(Amounts in thousands of reais - R\$)

	Note	Parent		Consolidated	
		9/30/2019	9/30/2018	9/30/2019	9/30/2018
Cash flows from operating activities					
Profit for the period		9,530	9,413	9,530	9,413
Adjustments to reconcile loss for the period from continuing operations to net cash used in operating activities:					
Depreciation and amortization	28	12,267	12,681	57,097	58,524
Depreciation of right of use		2,881	-	52,026	-
Impairment of intangible assets (utilization)	13 and 14	-	(54)	(2,662)	(4,498)
Write-off of property, plant and equipment and intangible assets		703	1,193	3,990	6,905
Amortization of investment in joint venture		-	-	1,820	1,687
Share of profit (loss) of investees	12	(34,971)	(21,111)	(9,204)	(7,476)
Provision for (reversal of) labor, civil and tax risks	19	1,548	1,382	5,083	5,777
Income tax and social contribution	20 c)	(1,397)	7,394	8,554	24,528
Interest on borrowings	27	13,559	27	21,493	8,130
Interest on business acquisitions and on commercial rights	27	-	-	1,294	1,464
Interest on lease	15	1,368	-	25,369	-
Exchange gains (losses)	27	(219)	2,410	(265)	2,420
Share-based payment		3,386	7,340	3,386	7,340
Deferred revenue and discounts recognized		(810)	(3,589)	(4,506)	(3,708)
Subsidiary located abroad		-	-	-	(12,471)
Several provisions and others		4,875	(6,598)	(10,445)	(17,551)
		12,720	10,488	162,560	80,484
Changes in operating assets and liabilities:					
Trade receivables		1,619	3,179	8,350	9,504
Inventories		216	1,083	(1,779)	14,706
Taxes recoverable		2,551	(5,556)	6,728	3,353
Prepaid expenses		(287)	580	(7,732)	(7,669)
Trade payables		(4,674)	1,220	(16,829)	(14,066)
Rebates and commercial agreements		-	-	-	587
Related parties		(22,265)	22,114	-	-
Payment of labor, civil and tax risks	19	(2,029)	(2,574)	(7,446)	(10,852)
Other assets and liabilities		2,222	(3,792)	(763)	(4,582)
Cash generated by operating activities		(9,927)	26,742	143,089	71,465
Income tax and social contribution paid		(1,061)	(63)	(5,037)	(2,894)
Interest paid on borrowings		(13,014)	(27)	(20,608)	(7,298)
Interest paid on lease liability ("right of use")		(631)	-	(9,461)	-
Interest paid on business acquisitions and on commercial rights		-	-	(1,169)	(415)
Net cash provided by operating activities		(24,633)	26,652	106,814	60,858
Cash flows from investing activities					
Acquisition of noncontrolling interest		-	-	-	(576)
Payment of business acquisitions made in prior years	18	-	-	(4,542)	(5,250)
Dividends received	12	-	-	9,771	9,420
Proceeds from sale of discontinued operation		-	-	3,694	1,322
Additions to intangible assets, net of balance payable in installments		(5,590)	(1,662)	(2,281)	(6,946)
Additions to property, plant and equipment, net of balance payable in installments		(3,819)	(3,550)	(79,350)	(50,773)
Net cash used in financing activities		(9,409)	(5,212)	(72,708)	(52,803)
Cash flow from financing activities					
Payment of dividends		(1,875)	(871)	(1,825)	(871)
Capital reduction	21.a)	(100,000)	-	(100,000)	-
Treasury shares acquired		-	(21,937)	-	(21,937)
Treasury shares sold		6,390	965	6,390	965
New borrowings, net of borrowing costs		386,377	-	386,377	-
Amortization of lease liability ("right of use")		(2,987)	-	(58,473)	-
Repayment of borrowings		(150,000)	(75)	(177,930)	(33,400)
Net cash provided by (used in) financing activities		137,905	(21,918)	54,489	(55,243)
Effect of exchange rate changes on cash and cash equivalents		-	-	10,047	17,284
NET CHANGE IN THE PERIOD		103,863	(478)	98,642	(29,904)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		130,228	3,750	268,561	183,588
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		234,091	3,272	367,203	153,684

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

International Meal Company Alimentação S.A. and Subsidiaries

Statements of value added

Nine-month periods ended September 30, 2019 and 2018

(Amounts in thousands of reais - R\$)

	Note	Parent		Consolidated	
		9/30/2019	9/30/2018	9/30/2019	9/30/2018
Revenues					
Sales of goods, products and services	23	118,772	137,546	1,257,362	1,277,950
Other revenues	26	1,217	3,073	10,363	9,591
Allowance for expected credit losses		95	131	63	681
		120,084	140,750	1,267,788	1,288,221
Inputs purchased from third parties					
Cost of sales and services	28	(28,484)	(32,742)	(412,383)	(412,509)
Materials, electric power, outside services and others		(17,796)	(17,986)	(119,488)	(124,316)
Others		13,785	12,398	(80,086)	(94,752)
		(32,495)	(38,330)	(611,957)	(631,577)
Gross value added		87,589	102,420	655,831	656,644
Depreciation and amortization	28	(12,267)	(12,681)	(58,917)	(60,211)
Value added created by the Company		75,322	89,739	596,914	596,433
Value added received in transfer					
Share of profit (loss) of investees	12	34,971	21,111	9,204	7,476
Exchange rate changes	27	219	(2,410)	265	(2,420)
Finance income	27	4,422	1,053	9,365	8,209
		39,612	19,754	18,834	13,265
Total value added for distribution		114,934	109,493	615,748	609,698
Value added distributed					
Personnel:					
Payroll and related taxes		55,966	65,263	345,769	365,194
Management fees		15,232	5,109	15,232	5,109
Share-based payment	30	1,615	5,753	1,615	5,753
	28	72,813	76,125	362,616	376,056
Taxes, fees and contributions:					
Taxes on sales	23	10,535	8,126	39,370	48,141
Income tax and social contribution	20,c)	(1,396)	7,395	8,553	24,528
		9,139	15,521	47,923	72,669
Lenders and lessors:					
Interest		14,927	27	48,156	9,594
Royalties		-	-	19,182	18,787
Rentals		8,525	8,407	128,341	123,179
		23,452	8,434	195,679	151,560
Shareholders:					
Profit for the period		9,530	9,413	9,530	9,413
		9,530	9,413	9,530	9,413
		114,934	109,493	615,748	609,698

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information

September 30, 2019

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

1. General information

1.1 Operation

International Meal Company Alimentação S.A. ("Company"), headquartered at Avenida das Nações Unidas, 4.777, 12o andar, in the city of São Paulo, State of São Paulo, established in 1965, is a publicly-held company with shares traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3") under the ticker symbol "MEAL3" and listed in the Novo Mercado (New Market) segment.

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

As of September 30, 2019, the Group has operations in Brazil, Panama, Colombia, and the United States of America.

1.2. Execution of association agreement

On July 25, 2019, an Association Agreement was executed between the Company and Martins Family, for the incorporation, by the Company, of shares of Multi QSR gestão de Restaurantes Ltda. ("Multi QSR"), indirect holder of the rights of master franchises of the Pizza Hut and KFC systems in Brazil (the "Incorporation").

With the implementation of the Incorporation, the Martins Family shall collectively receive 29,387,930 common shares issued by the Company, corresponding to 15% of the Company's total common shares on the date, and it shall become the main individual shareholder of the Company.

As a condition for the approval of the Incorporation with Yum!, the Martins Family shall transfer to Yum! (owner of the KFC and Pizza Hut brands), on the date of the Incorporation, common shares issued by the Company and held by it, already taking into account the capital increase resulting from the Incorporation, corresponding to 2.08% of the total Capital.

The certificate that the action of incorporation became final and unappealable issued by the Administrative Council for Economic Defense – CADE was published on October 23, 2019.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

2. Preparation and presentation of the interim financial information

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

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

As required by CVM Official Letter 03, of April 28, 2011, the following are the explanatory notes that were included in the latest annual financial statements (year ended December 31, 2018, disclosed on March 29, 2019), which, since there were no significant changes in the quarter, have not been fully included in this individual and consolidated interim financial information.

Explanatory notes not included in the interim financial information	Location of the full explanatory note in the annual financial statements for the year ended December 31, 2018
Investments – full note	Note 12
Payroll and related taxes — full note	Note 17
Installment payment of business acquisitions – full note	Note 18
Deferred revenue — full note	Note 20
Income tax and social contribution – full note	Note 21

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

3. Significant accounting policies

The accounting policies adopted in preparing this individual and consolidated interim financial information were the same as those adopted in preparing the individual and consolidated financial statements for the year ended December 31, 2018, disclosed on March 29, 2019 and, accordingly, they should be read in conjunction. The accounting practices adopted in Brazil comprise the Brazilian Corporate Law and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM), and in accordance with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

3.1. Basis of consolidation

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

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

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

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

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

The investments disclosed in note 12 represent the same consolidated companies disclosed in the individual and consolidated financial statements for the year ended December 31, 2018, disclosed on March 29, 2019.

3.1. Functional and reporting currency

The financial statements of each subsidiary included in the consolidated interim financial information are prepared based on the functional currency of each entity. The functional currency of an entity is the currency of the primary economic environment in which it operates. The Company defines the functional currency of each of its subsidiaries analyzing which currency significantly influences the sales price of its products and services and the currency in which most of its operating and administrative costs is paid or incurred.

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

3. Significant accounting policies--Continued

3.2. Right of use ("lease")

Policy applicable before January 1, 2019

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Policy applicable from January 1, 2019

At the inception of a contract, the Group assesses whether a contract is or contains a lease when assessing whether the contract transfers the right to control the use of an identified asset for a period of time in exchange for a consideration.

As lessee:

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

The right of use asset is initially measured at cost, which comprises the initial value of the right of use liability ("lease") adjusted for any lease payments made up to the commencement date, plus any initial direct costs incurred and an estimate of costs to disassemble, remove or restore the underlying asset, less any lease incentives received.

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.

The right of use ("lease") liability is 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.

Lease payments are apportioned between finance costs and reduction of the lease liability ("right of use") so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

3. Significant accounting policies--Continued

3.2. Right of use ("lease")--Continued

The Group has opted for the exemption provided for in the standard and will not recognize right of use assets and lease liabilities for short term leases (12 months or less) and leases of low value assets (less than US\$ 5,000).

As lessor:

When the Group acts as a lessor, it determines at the beginning of the lease whether each lease is a finance lease or an operating lease.

In order to classify each lease, the Group makes a general assessment as to whether lease transfers substantially all the risks and rewards of ownership of the underlying asset. If this is the case, the lease is a finance lease; if not then it is an operating lease.

Contracts where the Group is the lessor were classified as operating leases and the Group recognized lease payments received as revenue on a straight-line basis over the lease term.

4. International financial reporting standards

The main new and revised standards, amendments and interpretations issued by the IASB and adopted by the CPC, and the standards issued and not yet effective are consistent with those adopted and disclosed in Note 4 to the individual and consolidated financial statements for the year ended December 31, 2018, disclosed on March 29, 2019, and accordingly, they should be read in conjunction.

4.1. Amendments to IFRS and to new interpretations that are mandatorily effective in the current year

IFRS 16/CPC 16 (R2) - Leases (effective for annual periods beginning on or after January 1, 2019).

It replaces the guidance in IAS 17 and determines essentially that lessees recognize in their liability the future payments and in their assets the right of use of the leased asset for virtually all lease agreements, thus finance and operating lease agreements now have the same accounting treatment, certain short-term or low-value agreements may be outside the scope of this new standard. The standard is effective beginning on January 1, 2019.

The Group adopted IFRS 16 on January 1, 2019 using a modified retrospective approach that results in the prospective application of the standard. The modified retrospective approach does not require the updating of accounting information of the prior period, and the effect of the initial application, if applicable, will be recognized cumulatively, as an adjustment to retained earnings at January 1, 2019.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

4. International financial reporting standards--Continued

4.1. Amendments to IFRS and to new interpretations that are mandatorily effective in the current year--Continued

IFRS 16/CPC 16 (R2) - Leases (effective for annual periods beginning on or after January 1, 2019).--Continued

On initial adoption, the Group used the following practical expedients permitted by the standard:

- The use of a single discount rate for a lease portfolio with reasonably similar characteristics;
- The accounting for leases with remaining agreement term of less than 12 months as from January 1, 2019 as short-term leases. The accounting for lease payments as expenses in the case of leases for which the underlying asset is of low value; and
- The use of past hindsight in the determination of the lease term, when the agreement contains options to extend or terminate the lease.

The term of the contracts in which the Company has a lease vary from 2 (two) to 25 (twenty five) years.

The impacts of the adoption of CPC 06 (R2)/IFRS 16 are presented below:

a) Impacts on the Balance Sheet

September 30, 2019	Parent			Consolidated		
	As presented	Adjustments	Values without the adoption of CPC 06 (R2)/IFRS 16	As presented	Adjustments	Values without the adoption of CPC 06 (R2)/IFRS 16
Assets						
Current assets	271,618	-	271,618	572,634	-	572,634
Noncurrent assets	1,203,342	(7,025)	1,196,317	1,577,099	(356,328)	1,220,771
Others	65,576	-	65,576	333,398	-	331,185
Deferred income tax and social contribution	-	-	-	4,987	-	4,987
Investments	998,026	8,466	1,006,492	23,378	-	23,378
Intangible	124,249	-	124,249	859,008	-	859,008
Right of use	(a) 15,491	(15,491)	-	356,328	(356,328)	-
Total assets	1,474,960	(7,025)	1,467,935	2,149,733	(356,328)	1,793,405
Liabilities						
Current liabilities	34,015	(4,595)	29,420	299,804	(84,419)	213,719
Others	29,420	-	29,420	215,385	-	213,719
Right of use ("lease")	(a) 4,595	(4,595)	-	84,419	(84,419)	-
Noncurrent liabilities	486,299	(11,311)	474,988	895,283	(280,971)	613,382
Others	448,533	-	448,533	541,134	287	539,208
Deferred income tax and social contribution	(a) 26,238	217	26,455	70,194	2,877	73,071
Right of use ("lease")	11,528	(11,528)	-	283,955	(283,955)	-
Equity	954,646	8,882	963,528	954,646	8,882	963,528
Others	945,116	-	945,116	945,116	-	945,116
Retained earnings (accumulated losses)	(b) 9,530	8,882	18,412	9,530	8,882	18,412
Total liabilities and equity	1,474,960	(7,025)	1,467,935	2,149,733	(356,328)	1,793,405

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

4. International financial reporting standards--Continued

4.1. Amendments to IFRS and to new interpretations that are mandatorily effective in the current year--Continued

IFRS 16/CPC 16 (R2) - Leases (effective for annual periods beginning on or after January 1, 2019).--Continued

b) Impacts on the Statements of Profit or Loss

September 30, 2019	Parent			Consolidated		
	As presented	Adjustments	Values without the adoption of CPC 06 (R2)/IFRS 16	As presented	Adjustments	Values without the adoption of CPC 06 (R2)/IFRS 16
Net revenue	108,922	-	108,922	1,189,113	-	1,189,113
Cost of sales and services	(77,383)	(18)	(77,401)	(801,686)	(325)	(802,011)
Operating expenses	(13,655)	(2,045)	(15,700)	(187,079)	(59,498)	(246,577)
General and administrative expenses	(19,063)	(1,190)	(20,253)	(76,257)	(4,089)	(80,346)
Depreciation and amortization	(11,657)	2,518	(9,139)	(72,009)	50,299	(21,710)
Other operating income (expenses), net	(641)	-	(641)	902	-	902
Share of profit (loss) of investees	34,971	8,466	43,437	7,384	-	7,384
Finance income (expense), net	(13,361)	1,368	(11,993)	(42,285)	25,372	(16,913)
Income tax and social contribution	1,397	(217)	1,180	(8,553)	(2,877)	(11,430)
Profit for the period	9,530	8,882	18,412	9,530	8,882	18,412

c) Impacts on the Statements of Cash Flows

September 30, 2019	Parent			Consolidated		
	As presented	Adjustments	Values without the adoption of CPC 06 (R2)/IFRS 16	As presented	Adjustments	Values without the adoption of CPC 06 (R2)/IFRS 16
Cash flows from operating activities						
Profit for the period	9,530	8,882	18,412	9,530	8,882	18,412
Income tax and social contribution	(1,397)	217	(1,180)	8,553	2,877	11,430
Depreciation and amortization	12,267	-	12,267	57,097	-	57,097
Depreciation of right of use	2,881	(2,881)	-	52,026	(52,026)	-
Interest on leases ("right of use")	1,368	(1,368)	-	25,369	(25,369)	-
Share of profit (loss) of investees	(34,971)	(8,466)	(43,437)	(7,384)	-	(7,384)
Interest paid on lease liability ("right of use")	(631)	631	-	(9,461)	9,461	-
Others	(13,679)	-	(13,679)	(28,916)	-	(28,916)
Net cash provided by (used in) operating activities	(24,632)	(2,987)	(27,619)	106,814	(56,176)	50,639
Net cash used in financing activities	(9,410)	-	(9,410)	(72,708)	-	(72,708)
Cash flow from financing activities						
Others	140,892	-	140,892	112,962	-	112,962
Payment of the right of use ("lease")	(2,987)	2,987	-	(58,473)	58,473	-
Net cash provided by (used in) financing activities	137,905	2,987	140,892	54,489	58,473	112,962
Effect of exchange rate changes on cash and cash equivalents	-	-	-	10,047	(2,297)	7,750
Decrease in cash and cash equivalents	103,863	-	103,863	98,642	-	98,462
At the beginning of the period	130,228	-	130,228	268,561	-	268,561
At the end of the period	234,091	-	234,091	367,203	-	367,203

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

4. International financial reporting standards--Continued

4.1. Amendments to IFRS and to new interpretations that are mandatorily effective in the current year--Continued

IFRS 16/CPC 16 (R2) - Leases (effective for annual periods beginning on or after January 1, 2019).--Continued

(a) Refers to the recognition of leasehold assets and lease liabilities of lease agreements defined as leasing in accordance with IFRS 16/CPC 06 (R2). Note 15.

(b) The adjustment presented refers to the impact on net profit from the adoption of the new standard that changes the accounting method of lease contracts classified as lease. Previously, the minimum contractual amount of rent was recognized as an expense and as of January 1, 2019 and started to be recognized as assets and liabilities adjusted to present value. Monthly, the value of the asset is depreciated according to the contractual term and the amount recognized under depreciation expenses. The amount of the liability is adjusted by the interest incurred and the amount recorded under the line item of financial expenses. The variable amount referring to the lease contracts remains recognized as operating expense.

5. Key estimates and judgments

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

The key assumptions and estimates used for the individual and consolidated interim financial information for the nine-month period ended September 30, 2019 are the same as those adopted in the individual and consolidated financial statements for the year ended December 31, 2018, disclosed on March 29, 2019.

6. Segment information

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

The chief operating decision maker evaluates the performance of the operating segments based on the operating profit before depreciation and amortization, finance income (expense), income tax and social contribution.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

6. Segment information--Continued

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

	Consolidated					Total
	Airports	Shopping malls	Highways	United States of America	Others	
September 30, 2019:						
Net revenue	255,067	192,669	374,974	366,403	-	1,189,113
Operating profit (loss) (*)	64,425	9,136	47,953	61,734	(11,937)	171,311
Depreciation and amortization	(20,940)	(11,509)	(12,086)	(14,349)	(33)	(58,917)
Depreciation of right of use	(20,482)	(13,431)	(6,230)	(11,883)	-	(52,026)
Finance income (expense)	(24,280)	(4,138)	(5,062)	(8,887)	82	(42,285)
Income tax benefit (expense)	(484)	(1,394)	(699)	(5,976)	-	(8,553)

	Consolidated					Total
	Airports	Shopping malls	Highways	United States of America	Others	
September 30, 2018:						
Net revenue	288,450	208,254	350,398	358,738	-	1,205,840
Operating profit (loss) (*)	50,860	1,333	21,435	41,450	(13,610)	101,468
Depreciation and amortization	(20,684)	(11,274)	(11,780)	(16,421)	(52)	(60,211)
Finance income (expense)	(5,394)	3,112	(512)	(5,133)	611	(7,316)
Income tax benefit (expense)	(10,079)	(7,620)	(1,578)	(5,251)	-	(24,528)

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

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

	Consolidated	
	9/30/2019	9/30/2018
Reconciliation of loss for the period:		
Operating profit from reportable segments, excluding the effects of depreciation and amortization	183,248	115,078
Operating loss from other segments, excluding the effects of depreciation and amortization	(11,937)	(13,610)
	171,311	101,468
Depreciation and amortization	(58,917)	(60,211)
Amortization of right of use asset	(52,026)	-
Finance income (expense)	(42,285)	(7,316)
Income tax and social contribution	(8,553)	(24,528)
Loss for the period	9,530	9,413

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

6. Segment information--Continued

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

	Consolidated	
	9/30/2019	12/31/2018
Shopping malls	371,807	368,172
Airports	712,361	464,777
Highways	559,044	427,338
United States of America	502,658	371,394
Subtotal	2,145,870	1,631,681
Assets not allocated to the segments	3,863	6,801
	2,149,733	1,638,482

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	
	9/30/2019	9/30/2018
Net revenue:		
Brazil	681,699	704,721
The Caribbean	141,011	142,381
United States of America	366,403	358,738
	1,189,113	1,205,840

b) Information on major customers

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

7. Financial instruments

a) Capital management

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

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

7. Financial instruments--Continued

a) Capital management--Continued

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

b) Significant accounting policies

For details on the significant accounting policies and practices adopted, including the criteria used to recognize revenues and expenses for each class of financial assets and financial liabilities, see the individual and consolidated financial statements for the year ended December 31, 2018, disclosed on March 29, 2019.

c) Categories of financial instruments

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

	Carrying amount and fair value			
	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Financial assets				
Trade receivables and receivables at amortized cost:				
Cash and cash equivalents	234,091	130,228	367,203	268,561
Financial investments (noncurrent)	-	-	-	20
Currency swap derivatives (item f)	-	-	321	93
Trade receivables	16,793	17,215	75,484	82,814
Receivables from related parties	33,452	20,215	-	-
	284,336	167,658	443,008	351,488
	Carrying amount and fair value			
	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Financial liabilities				
Financial liabilities recognized at amortized cost:				
Trade payables	11,610	14,847	67,271	80,980
Borrowings and debentures	388,497	149,397	517,952	297,708
Payables to related parties	50,753	59,542	-	-
Right of use ("lease")	16,123	-	368,374	-
Installment payment of business acquisitions	-	-	34,460	36,710
	466,983	223,786	988,057	415,398

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

7. Financial instruments--Continued

d) Liquidity

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

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

The table below details the remaining contractual maturity of the Group's financial assets and financial liabilities, and the agreed repayment terms. The tables below were prepared using the undiscounted cash flows of the financial assets and financial liabilities based on the nearest date on which the Group can be required to make the related payment or collect its receivables. As interest flows are based on floating rates, the undiscounted amount obtained is based on the interest curves in the nine-month period ended September 30, 2019. Accordingly, the disclosed balances do not match the balances stated in the balance sheets.

	Weighted average effective interest rate - %	Parent					Total
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 year s	More than 5 years	
September 30, 2019:							
Trade payables	-	(11,399)	(162)	(34)	(15)	-	(11,610)
Trade receivables	-	13,588	579	98	2,527	-	16,793
Borrowings and debentures	7,60%	-	-	(14,781)	(290,851)	(219,017)	(524,649)
Right of use ("lease")	11,99%	(429)	(1,286)	(3,430)	(11,896)	(1,015)	(18,056)

	Weighted average effective interest rate - %	Consolidated					Total
		Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 year s	More than 5 years	
September 30, 2019:							
Trade payables	-	(64,769)	(2,188)	(34)	(280)	-	(67,271)
Trade receivables	-	62,214	6,362	3,780	3,128	-	75,484
Derivative financial instrument of exchange swap (item f))	9,25%	-	-	344	-	-	344
Borrowings and debentures	7,24%	-	-	(35,146)	(396,392)	(219,017)	(650,555)
Right of use ("lease")	11,99%	(7,878)	(23,635)	(63,027)	(255,525)	(62,476)	(412,541)
Installment payment of business acquisitions	5,75%	-	(2,127)	(8,179)	(27,775)	-	(38,081)

e) Credit risk

Credit risk refers to the risk of a counterparty not complying with its contractual obligations, which would result in financial losses for the Group. Group sales are basically made using various means of payment, especially credit and debit cards, which reduce significantly the risk of default. A portion of the catering segment sales is made to airlines, the creditworthiness of which is monitored. As a result of such management, expected losses are recorded in 'Allowance for expected credit losses', as described in Note 9.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

7. Financial instruments--Continued

e) Credit risk--Continued

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

f) Currency risk

As referred to in Note 17, the Group has a US dollar-denominated loan plus a spread of 4.05% p.a., with a swap instrument classified in Level 2, contracted on the same date and with the same financial institution, exchanging 100% of this debt for the interbank deposit rate (CDI) plus spread of 3.1% per year.

As of September 30, 2019 and 2018, due to this financial instrument, the following results were obtained:

	9/30/2019	9/30/2018
Notional amount in thousands of US dollars	4,528	4,528
Average contracting rate - real - R\$	3,87	3.87
Notional amount in reais - R\$	17,510	17,510
Long position (purchased)		
US dollar - US\$ thousand plus interest of 4.05% per year	321	371
Short position (sold)		
CDI plus interest of 3.1% per year	16	(28)
Balances at the end of the period	337	343

g) Interest rate risk

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

The Group does not have any derivative contract to mitigate this risk since Management understands there is no significant risk of abrupt fluctuation of these interest rates.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

7. Financial instruments--Continued

g) Interest rate risk--Continued

Sensitivity analysis

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

	Consolidated		
	Probable	Scenario I	Scenario II
Swap (p.a.) - CDI plus interest of 3.1% per year	9.25%	10.81%	12.38%
Estimated charges	325	380	435
CDI plus interest from 1.15% to 1.60% per year	7.60%	9.16%	10.72%
Estimated charges	30,482	36,751	43,020
180-day LIBOR plus interest from 3.40% to 4.05% per year	5.77%	6.28%	6.80%
Estimated charges	6,267	6,823	7,379
IBR (p.a.) plus interest of 3.70% per year	8.02%	9.10%	10.18%
Estimated charges	1,052	1,194	1,335

h) Debt-to-equity ratio

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Debt (i)	388,497	149,397	517,952	297,708
Derivative financial instrument of exchange swap	-	-	(321)	(93)
Installment payment of business acquisitions	-	-	34,460	36,710
Cash and cash equivalents and financial investments	(234,091)	(130,228)	(367,203)	(268,561)
Net debt (net assets)	154,406	19,169	184,888	65,764
Equity (ii)	954,646	1,015,218	954,646	1,015,218
Debt-to-equity ratio	0.16	0.02	0.19	0.07

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

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

8. Cash and cash equivalents

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Cash	218	260	4,578	8,287
Banks	2	5	103,005	79,382
Financial investments	233,871	129,963	259,620	180,892
	234,091	130,228	367,203	268,561

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

Transactions	Average yield	Liquidity	Country	Parent	
				9/30/2019	12/31/2018
Bank deposit certificate	100% to 101.5% of CDI	Immediate	Brazil	83,491	127,290
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	149,977	2,673
Others	80% to 100% of CDI	Immediate	Brazil	403	-
				233,871	129,963
Transactions	Average yield	Liquidity	Country	Consolidated	
				9/30/2019	12/31/2018
Bank deposit certificate	100.0% to 101.5% of CDI	Immediate	Brazil	83,491	152,103
Lease bill	100.2 to 101.5% of CDI	Immediate	Brazil	13,497	14,759
Overnight deposits	30% to 60% of CDI	Immediate	Brazil	152,249	5,886
Overnight deposits	7.41 % p.a.	Immediate	Colombia	6,735	4,074
Others	70% to 90% of CDI	Immediate	Brazil	3,648	4,070
				259,620	180,892

9. Trade receivables

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Means of payment (credit and debit cards, and meal tickets)	851	1,042	29,483	38,603
Trade receivables	16,764	15,830	38,109	34,417
Rebates and commercial agreements	2,813	4,030	11,530	13,562
Others	115	157	432	363
	20,543	21,059	79,554	86,945
Allowance for expected credit losses	(3,750)	(3,844)	(4,070)	(4,131)
	16,793	17,215	75,484	82,814
Current	14,265	14,711	72,356	78,907
Noncurrent	2,528	2,504	3,128	3,907
	16,793	17,215	75,484	82,814

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:

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

9. Trade receivables--Continued

	Consolidated	
	9/30/2019	12/31/2018
In Brazilian reais - R\$	56,122	64,076
In US dollars - US\$ (*)	10,743	9,799
In Mexican pesos - MXN\$ (*)	1,274	766
In Colombian pesos - COP\$ (*)	11,415	12,304
	79,552	86,945

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

The balance of 'Trade receivables' refers mainly to receivables from airlines.

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Current	13,731	16,777	67,777	79,539
Past due:				
Up to 30 days	2,651	2,201	6,794	5,091
31 to 60 days	356	1,352	716	1,478
61 to 90 days	55	632	197	691
Over 90 days	3,750	97	4,070	146
Allowance for expected credit losses (*)	(3,750)	(3,844)	(4,070)	(4,131)
	16,793	17,215	75,484	82,814

(*) On December 10, 2018, the airline company OceanAir Linhas Aéreas ("Avianca Brasil") filed for in-court reorganization, which was accepted by the court on December 13, 2018. At that date, the Company had receivables from Avianca Brasil in the amount of R\$ 3,748 in the parent and R\$ 4,098 in the consolidated.

As described in Note 17, the Group pledged receivables from credit and debit card companies as collateral for loans and borrowings. As of September 30, 2019, the balance receivable related to this collateral is R\$ 5,844 (R\$ 10,155 as of December 31, 2018) in consolidated. The terms and conditions of this transaction include mainly pledging to banks as collateral current and future receivables originating from credit and debit card sales up to the debt limit. This collateral could be enforced by banks in case of default of a borrowing.

Allowance for expected credit losses

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
At the beginning of the period/year	(3,844)	(138)	(4,131)	(859)
Additions	(4)	(3,958)	(111)	(4,384)
Reversals and write-offs	98	252	194	1,038
Exchange rate changes	-	-	(22)	74
At the end of the period/year	(3,750)	(3,844)	(4,070)	(4,131)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

9. Trade receivables--Continued

Rebates and commercial agreements

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

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

10. Inventories

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Food and beverages	1,533	1,910	20,395	20,023
Fuel and vehicle accessories	-	-	5,001	5,556
Nonfood products and souvenirs for resale	-	-	10,588	8,286
Supplies and fixtures	662	603	5,753	5,587
Provision for inventory losses	-	(102)	(1,142)	(1,710)
	2,195	2,411	40,595	37,742

As of September 30, 2019, the total cost of inventories sold disclosed in line item 'Cost of sales and services' was R\$ 28,484 (R\$ 32,742 as of September 30, 2018) in parent and R\$ 412,383 (R\$ 412,509 as of September 30, 2018) in consolidated (See Note 28).

11. Taxes recoverable

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Prepaid income tax and social contribution	-	-	11,275	10,835
Withholding income tax (IRRF) on financial investments	7,499	5,876	3,609	9,776
Taxes on revenue (PIS and COFINS)	7,423	12,817	48,943	40,592
National Institute of Social Security (INSS)	2,935	-	7,437	-
Others	613	115	1,417	455
	18,470	18,808	72,681	61,658

12. Investments in subsidiaries

The list of the Company's subsidiaries and the variation in investments for the year ended December 31, 2018 are presented in the financial statements for the year then ended, disclosed on March 29, 2019.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

12. Investments--Continued

Information on subsidiaries

Variation in investments in subsidiaries for the nine-month period ended September 30, 2019 is as follows:

	Parent					Total
	Tob's	Pimenta Verde and Niad	Gas stations	IMC USA	IMC The Caribbean	
As of December 31, 2018	4,634	528,312	51,900	226,052	132,035	942,933
Share of profit (loss) of investees	(134)	(5,963)	2,133	19,786	19,149	34,971
Translation adjustments	-	-	-	18,114	2,008	20,122
As of September 30, 2019	4,500	522,349	54,033	263,952	153,192	998,026

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

	Margaritaville (Orlando)
As of December 31, 2018	24,254
Share of profit (loss) of investees (*)	7,384
Dividends received	(9,771)
Translation adjustments of foreign joint venture	1,511
As of September 30, 2019	23,378

(*) Share of profit (loss) of investees net of the amortization of investment in joint venture incurred in the nine-month period ended September 30, 2019 amounting to R\$1,820. The investment is amortized because the joint venture has finite duration.

13. Property, plant and equipment

The activity in property, plant and equipment for the year ended December 31, 2018 is presented in the financial statements for the year then ended, disclosed on March 29, 2019. The activity in the nine-month period ended September 30, 2019 is as follows:

	Parent			
	Balance as of 12/31/2018	Additions (*)	Transfers, write-offs and others	Balance as of 9/30/2019
<u>Cost</u>				
Machinery and equipment	23,961	337	454	24,752
Furniture and fixtures	7,552	-	100	7,652
Leasehold rights	26,800	5	1,313	28,118
Computers, vehicles and other items	26,334	755	(754)	26,335
Works and construction in progress	807	2,498	(2,298)	1,007
Total cost	85,454	3,595	(1,187)	87,864
<u>Depreciation</u>				
Machinery and equipment	(17,481)	(1,239)	56	(18,664)
Furniture and fixtures	(6,140)	(470)	4	(6,606)
Leasehold rights	(16,262)	(1,262)	19	(17,505)
Computers, vehicles and other items	(21,903)	(1,400)	803	(22,500)
Total depreciation	(61,786)	(4,371)	882	(65,275)
Total, net	23,668	(776)	(305)	22,589

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

13. Property, plant and equipment--Continued

	Consolidated					
	Balance as of 12/31/2018	Uses	Additions (*)	Transfers, write-offs and others	Effects of exchange differences	Balance as of 9/30/2019
<u>Cost</u>						
Land and buildings	4,524	-	-	-	11	4,535
Machinery and equipment	188,268	-	6,882	2,106	2,205	199,461
Furniture and fixtures	81,561	-	411	139	2,609	84,720
Leasehold rights	339,352	-	14,449	8,908	11,058	373,767
Computers, vehicles and other items	74,794	-	5,494	(1,106)	1,084	80,266
Works and construction in progress	33,542	-	50,573	(44,720)	1,191	40,586
Total cost	722,041	-	77,809	(34,673)	18,158	783,335
<u>Depreciation</u>						
Land and buildings	(2,730)	-	(571)	289	(2)	(3,014)
Machinery and equipment	(134,903)	-	(11,495)	6,772	(1,449)	(141,075)
Furniture and fixtures	(65,087)	-	(4,800)	2,785	(2,222)	(69,324)
Leasehold rights	(192,599)	-	(21,525)	19,754	(6,505)	(200,875)
Computers, vehicles and other items	(62,078)	-	(5,329)	2,930	(929)	(65,406)
Total depreciation	(457,397)	-	(43,720)	32,530	(11,107)	(479,694)
<u>Provision for impairment of assets</u>						
Machinery and equipment	(1,761)	663	-	-	-	(1,098)
Furniture and fixtures	(95)	25	-	(36)	-	(106)
Leasehold rights	(2,346)	1,045	-	217	-	(1,084)
Computers, vehicles and other items	(1,043)	442	-	36	-	(565)
Total provision	(5,245)	2,175	-	217	-	(2,853)
Total, net	259,399	2,175	34,089	(1,925)	7,051	300,788

(*) The value of property, plant and equipment additions presented in the cash flow statements reflects what was actually paid over the 9-month period ended September 30, 2019. Thus, in the statements of cash flows, from the additions to property, plant and equipment in the nine-month period ended September 30, 2019, the amount of R\$ 222 was added in parent and the amount of R\$ 3,211 in the consolidated.

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
<u>Net balances</u>				
Land and buildings	-	-	1,521	1,794
Machinery and equipment	6,088	6,480	57,288	51,604
Furniture and fixtures	1,046	1,412	15,290	16,379
Leasehold rights	10,613	10,537	171,808	143,597
Computers, vehicles and other items	3,835	4,432	14,295	11,673
Works and construction in progress	1,007	807	40,586	34,352
	22,589	23,668	300,788	259,399

Depreciation charges are allocated as follows:

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Allocated to cost of sales and services	3,590	4,138	37,193	39,512
Allocated to general and administrative expenses	781	857	6,527	5,622
Total depreciation expenses	4,371	4,995	43,720	45,134
PIS and COFINS credits on depreciation (*)	(461)	(458)	(1,806)	(1,848)
Total depreciation expenses, net of tax credits	3,910	4,537	41,914	43,286

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

14. Intangible assets

The activity in intangible assets for the year ended December 31, 2018 is presented in the financial statements for the year then ended, disclosed on March 29, 2019. The activity in the nine-month period ended September 30, 2019 is as follows:

	Parent		
	Balance as of 12/31/2018	Additions (*)	Transfers, write-offs and others
Cost:			
Goodwill	91,790	-	-
Software	19,955	-	1,341
Rights over trademarks	4,100	-	-
Commercial rights	30,748	-	-
Licensing rights	70,130	-	-
Leasehold rights	25,532	-	-
Intangibles in progress	942	5,590	(1,742)
Total cost	243,197	5,590	(401)
Amortization:			
Software	(15,826)	(954)	-
Commercial rights	(16,062)	(2,395)	-
Licensing rights	(58,818)	(3,524)	-
Leasehold rights	(23,227)	(1,483)	-
Total amortization	(113,933)	(8,356)	-
Provision for impairment of assets			
Rights over trademarks	(1,848)	-	-
Total, net	127,416	(2,766)	(401)

	Consolidated				
	Balance as of 12/31/2018	Uses	Additions (*)	Transfers, write-offs, and others	Effects of exchange differences
Cost					
Goodwill	696,870	-	-	-	14,257
Software	34,873	-	347	1,321	27
Rights over trademarks	66,322	-	-	-	51
Commercial rights	103,819	-	770	(2,249)	290
Licensing rights	115,012	-	327	(1,475)	839
Leasehold rights	28,072	-	-	(463)	158
Non-compete agreements	3,193	-	-	-	8
Intangibles in progress and other assets	1,656	-	5,589	(1,744)	2
Total cost	1,049,817	-	7,033	(4,610)	15,632
Amortization					
Software	(27,320)	-	(1,582)	199	(12)
Commercial rights	(51,082)	-	(6,362)	1,901	(163)
Licensing rights	(84,557)	-	(5,459)	786	(457)
Leasehold rights	(23,227)	-	(1,483)	-	-
Non-compete agreements	(2,034)	-	(241)	-	(5)
Intangibles in progress and other assets	(527)	-	(56)	-	(1)
Total amortization	(188,747)	-	(15,183)	2,886	(638)
Provision for impairment of assets					
Software	(503)	6	-	-	-
Rights over trademarks	(6,662)	236	-	(236)	-
Commercial rights	(34)	245	-	(217)	-
Licensing rights	(253)	-	-	236	-
Total provision	(7,452)	487	-	(217)	-
Total	853,618	487	(8,150)	(1,941)	14,994

859,008

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

14. Intangible assets--Continued

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
<u>Net balances</u>				
Goodwill (a)	91,790	91,790	711,127	696,870
Software	4,516	4,129	7,356	7,050
Rights over trademarks (b)	2,252	2,252	59,711	59,660
Commercial rights (c)	12,291	14,686	46,918	52,705
Licensing rights (d)	7,788	11,312	24,999	30,201
Leasehold rights (e)	822	2,305	3,057	4,845
Non-compete agreements	-	-	921	1,159
Intangibles in progress and other assets	4,790	942	4,919	1,128
	124,249	127,416	859,008	853,618

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

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

14. Intangible assets--Continued

Main intangible assets--Continued

a) *Goodwill--Continued*

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

	Consolidated	
	9/30/2019	12/31/2018
Brazil:		
Shopping malls	187,905	187,905
Airports	91,790	91,790
Highways	206,187	206,187
	<u>485,882</u>	<u>485,882</u>
The Caribbean:		
Shopping malls	1,041	1,038
Airports	19,943	19,893
	<u>20,984</u>	<u>20,931</u>
United States of America	204,261	190,057
	<u>711,127</u>	<u>696,870</u>

b) *Rights over trademarks*

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

c) *Commercial rights*

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

d) *Licensing rights*

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

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

14. Intangible assets--Continued

Main intangible assets--Continued

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. Management concluded that as of September 30, 2019 there are no indications that any of the cash-generating units is impaired.

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

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

In the nine-month period ended September 30, 2019 are as follows:

a) Changes in the right-of-use asset

	Parent	Consolidated
Balance as of 12/31/2018	-	-
(+) Initial adoption – IFRS 16 / CPC 06 (R2)	17,106	405,398
Balance as of 1/1/2019	17,106	405,398
(-) Accumulated depreciation	(2,881)	(52,026)
(+) Additions	1,580	22,250
(-) Write-offs	(314)	(30,218)
(+) Exchange rate changes	-	10,924
As at 9/30/2019	15,491	356,328

b) Change in the right-of-use liability ("lease")

	Parent	Consolidated
Balance as of 12/31/2018	-	-
(+) Initial adoption – IFRS 16 / CPC 06 (R2)	17,106	405,398
Balance as of 1/1/2019	17,106	405,398
(+) Interest incurred, net of write-offs	1,368	25,369
(-) Principal paid	(2,987)	(58,473)
(-) Interest paid	(631)	(9,461)
(+) Additions	1,580	22,250
(-) Write-offs of principal	(314)	(30,218)
(+) Exchange rate changes	-	13,509
Balance as of 9/30/2019	16,123	368,374
Current	4,595	84,419
Noncurrent	11,528	283,955

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

Ano	Parent	Consolidated
3 months of 2020	973	20,571
2021	3,478	73,120
2022	2,804	59,458
2023	2,333	46,391
2024	1,035	28,628
Over 5 years	905	55,787
	11,528	283,955

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

16. Trade payables

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Product suppliers	5,909	7,345	40,696	53,953
Service providers	5,655	7,088	22,209	25,487
Suppliers - others	46	414	4,366	1,540
	11,610	14,847	67,271	80,980

17. Borrowings and debentures

	Financial charges	Maturity	Parent		Consolidated	
			9/30/2019	12/31/2018	9/30/2019	12/31/2018
CCB international - Swap - Brazil (a)	CDI + spread of 3.1% p.a.	Quarterly up to 9/14/20	-	-	3,834	6,221
Bank Credit Note - CCB - United States of America (b)	180-day LIBOR + spread of 4.05% p.a. 180-day LIBOR (or IBR 6-months) + spread from 3.4% to 3.7% p.a.	Semi-annual up to 9/21/22	-	-	62,866	62,294
Bank Credit Note - CCB - The Caribbean (c)	CDI + spread of 2.50% p.a.	Semi-annual up to 10/12/2022	-	-	60,425	77,558
Commercial promissory notes	CDI + spread of 2.50% p.a.	Single installment on 3/21/2019	-	149,397	-	149,397
Debentures 1st Series (d)	CDI + spread of 1.15% p.a.	Annual until 3/15/2024	125,334	-	125,334	-
Debentures 2 nd Series (d)	CDI + spread of 1.60% p.a.	Annual until 3/15/2026	125,365	-	125,365	-
Debentures 2 nd issue - Single series (e)	CDI + spread of 1.30% p.a.	Annual until 9/10/2025	150,567	-	150,567	-
Costs to be recognized			(12,779)	-	(12,779)	-
Others			-	-	2,330	2,238
			388,497	149,397	517,952	297,708

Classified as:

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Current:				
Foreign currency-denominated borrowings	-	-	40,092	40,198
Local currency-denominated borrowings (R\$)	1,267	149,397	4,781	149,397
	1,267	149,397	44,873	189,595
Noncurrent:				
Foreign currency-denominated borrowings	-	-	83,520	105,875
Local currency-denominated borrowings (R\$)	387,230	-	389,559	2,238
	387,230	-	473,079	108,113

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

17. Borrowings and debentures--Continued

Guarantees and commitments

- (a) US dollar denominated borrowing subject to 4.05% interest p.a. plus exchange fluctuation. This loan is backed by the co-obligated guarantors represented by certain subsidiaries of the Company, a swap collateral assignment and liens on debit and credit rights arising from sales made by the Company's subsidiaries using debit and credit cards. The agreement contains certain covenants that require the compliance with the net debt-to-EBITDA ratio and the debt service coverage ratio, annually calculated based on the financial statements. The Group conducts swap transactions to exchange US dollar-denominated payables at fixed rates for the Brazilian real (R\$) pegged to 100% of the CDI plus spread of 3.1% per year. The Group conducts swap transactions with the same counterparty. These transactions are classified as derivatives, as described in Note 7.f.
- (b) Borrowing repayable in 10 semiannual installments beginning March 2018 and collateralized by the Company and certain Company's subsidiaries. Under this borrowing agreement, the Group is required to comply with certain covenants on a consolidated basis. The financial ratios established in the agreement are evaluated semiannually by financial institutions and consist basically of net debt-to-EBITDA ratios.
- (c) Borrowings payable in 10 semiannual installments beginning March 2018 and collateralized by certain Company's subsidiaries. The agreement contains certain covenants that require the compliance with the net debt-to-EBITDA ratio, the debt service coverage ratio and the total indebtedness, calculated based on the financial statements, which are measured semiannually.
- (d) First issue of 250,000 simple non-convertible debentures, in two series, with unit par value of R\$ 1,000.00, of the unsecured type with collateral, to interest of 100% of the accumulated variation of the average rates of DI – Interbank Deposits of one day, plus a spread (surcharge) of 1.15% per year, issued March 18, 2019 with maturity in 2024, with interest paid semiannually until the due date for the first series, and 1.60% per year, with maturity in 2026 for the second series. The financial ratios established in the agreement are evaluated quarterly, by the trustee, and consist basically of net debt-to-EBITDA ratios. On September 30, 2019, the Group complied with these clauses.
- (e) Second issue of 150,000 simple non-convertible debentures, in a single series, with unit par value of R\$ 1,000.00, of the unsecured type with collateral, with interest of 100% of the accumulated variation of the average rates of DI - Interbank Deposits of one day, plus a spread (surcharge) of 1.30% per year, issued September 24, 2019 with maturity in 2025, with interest paid semiannually until the due date. The financial ratios established in the agreement are evaluated quarterly, as from December 31, 2019, pursuant to the distribution agreement, by financial institutions, and consist basically of net debt-to-EBITDA ratios.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

17. Borrowings and debentures--Continued

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

	<u>Consolidated</u>
3 months of 2020	36,577
2021	68,044
2022	101,791
2023	91,667
2024 and thereafter	175,000
	<u>473,079</u>

18. Installment payment of business acquisitions

	<u>Consolidated</u>	
	<u>9/30/2019</u>	<u>12/31/2018</u>
Business acquisitions in other countries (5.75% p.a.)	34,460	36,710
	<u>34,460</u>	<u>36,710</u>
Current	5,489	6,528
Noncurrent	28,971	30,182

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

	<u>Consolidated</u>
3 months of 2020	3,566
2021	7,445
2022	7,782
2023	10,178
	<u>28,971</u>

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

19. Provision for labor, civil and tax risks

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

	Parent		Consolidated	
	9/30/2019	12/31/2018	9/30/2019	12/31/2018
Labor and social security (a)	3,676	3,880	8,568	10,956
Civil (b)	799	924	2,715	1,944
Tax (c)	-	-	25	-
	4,475	4,804	11,308	12,900

- (a) Provision recognized to cover labor and social security risks arising from labor relationships established in the normal course of its businesses. As the Group is a defendant in labor lawsuits that have similar nature, that is, lawsuits with recurring content filed in general by plaintiffs who held certain positions and functions and that make claims based on common offenders, it is understood that the best estimate of the risk of loss (and consequently of the recognition of a provision) is the assessment of the historical performance based on actual losses on lawsuits of such nature. Based on the analyses performed by the Company, the historical losses of the last five (5) years were on average approximately 12% when compared with the amounts of the respective causes.
- (b) The Group is a party to civil and various other lawsuits, such as, claim of economic imbalance or claims filed by suppliers/manufacturers, related to quality discounts. Management recognized a provision for lawsuits in which the risk of loss is considered probable, based on the opinion of the Company's legal counsel.
- (c) The Group is exposed to risks related to challenges by tax authorities (federal, state and municipal) and, based on the opinion of its legal counsel, recognized a provision to cover probable losses for such risks.

The Group is a party to tax and civil lawsuits that, according to the opinion of its legal counsel, involve possible risk of losses amounting to R\$ 4,383 in Parent and R\$ 26,631 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\$ 3,828. The lawsuit is under discussion at the administrative level.

As of September 30, 2019, the Group has a total exposure related to labor lawsuits in the amount of R\$ 31,423 (R\$ 29,845 as of December 31, 2018) in Parent and R\$ 87,023 (R\$ 89,602 as of December 31, 2018) in Consolidated, and of this amount R\$ 10,083 (R\$ 16,020 as of December 31, 2018) refers to lawsuits for which the likelihood of loss was assessed as possible in Parent and R\$ 28,857 (R\$ 40,160 as of December 31, 2018) in Consolidated.

The Group uses the average percentage of approximately 12% applied to the total amount of exposure when recognizing a provision.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

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

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

	Parent			
	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2017	3,082	-	724	3,806
Additions	1,059	196	127	1,382
Uses	(2,212)	(196)	-	(2,408)
Balance as of September 30, 2018	1,929	-	851	2,780
Balance as of December 31, 2018	3,880	-	924	4,804
Additions	1,486	-	62	1,548
Uses*	(1,690)	-	(187)	(1,877)
Balance as of September 30, 2019	3,676	-	799	4,475

	Consolidated			
	Labor and social security	Tax	Civil	Total
Balance as of December 31, 2017	10,181	298	2,060	12,539
Additions	5,583	188	152	5,923
Reversals	-	(268)	122	(146)
Uses of provisions for risks associated to discontinued operations	-	-	(560)	(560)
Uses	(8,203)	(196)	-	(8,399)
Exchange rate changes	-	-	129	129
Balance as of September 30, 2018	7,561	22	1,903	9,486
Balance as of December 31, 2018	10,956	-	1,944	12,900
Additions	4,118	34	990	5,142
Reversals	-	(9)	(50)	(59)
Uses*	(6,506)	-	(222)	(6,728)
Exchange rate changes	-	-	53	53
Balance as of September 30, 2019	8,568	25	2,715	11,308

(*) The uses of the provision for labor risks in the nine-month period ended September 30, 2019 plus the net variation of the provision for agreements and installment payment of labor lawsuits totaled R\$ 2,029 in Parent and R\$ 7,446 in Consolidated.

Based on a decision issued by the Supreme Federal Court (STF) on March 15, 2017, of general repercussion, the ICMS (state VAT) must be excluded from the PIS and COFINS tax base. The Company filed a lawsuit in prior years claiming for the right to such exclusion, but paid normally the PIS and COFINS taxes and is therefore entitled to credit. The Company estimates that the PIS and COFINS credits related to this matter total approximately R\$ 13 million, disregarding the effects of inflation adjustment, and are pending final and unappealable decision in their specific proceeding in order to be able to confirm and record such credits.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

20. Income tax and social contribution

a) Deferred income tax and social contribution

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

As of September 30, 2019 and December 31, 2018, deferred income tax and social contribution is as follows:

	Parent	
	9/30/2019	12/31/2018
Tax loss carryforwards	8,075	6,645
Temporary differences:		
Provision for labor, civil and tax risks	1,521	1,633
Provision for disposal of assets	-	28
Deferred income tax liability on amortization of goodwill of companies acquired	(40,768)	(40,762)
Deferred tax liability arising from fair value allocation of business combinations	(1,044)	(1,555)
Accrued liabilities	2,990	3,614
Other temporary differences	2,988	2,349
	(26,238)	(28,048)
Assets	-	-
Liabilities	(26,238)	(28,048)
	Consolidated	
	9/30/2019	12/31/2018
Tax loss carryforwards	100,934	95,385
Temporary differences:		
Provision for labor, civil and tax risks	4,223	4,138
Provision for disposal of assets	1,147	3,422
Accrued liabilities	5,392	8,824
Asset appreciation and difference between accounting and tax law depreciation rates	21,706	25,355
Deferred income tax liability on amortization of goodwill of companies acquired and merged and/or derived from fair value allocation of business combinations	(205,277)	(194,268)
Other temporary differences	6,668	(4,568)
	(65,207)	(61,712)
Assets	4,987	9,863
Liabilities	(70,194)	(71,575)
	(65,207)	(61,712)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

20. Income tax and social contribution--Continued

In accordance with CPC 32, the Company, based on the expected generation of future taxable profits and based on a technical study approved by Management, recognizes the tax assets and liabilities on the deductible temporary differences and on the accumulated tax losses, which can be carried forward indefinitely and can be utilized up to the limit of 30% of the annual taxable profits. The carrying amount of the deferred tax asset and liability is reviewed quarterly and the projections are reviewed annually.

b) Realization of deferred income tax and social contribution

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

	Parent	Consolidated
Year		
Up to 1 year	4,621	19,441
From 1 to 2 years	1,467	11,307
From 2 to 3 years	1,554	14,795
From 3 to 5 years	5,125	16,470
From 5 to 7 years	-	50,305
From 7 to 10 years	2,807	27,752
	<u>15,574</u>	<u>140,070</u>

As of September 30, 2019, the Group had tax loss carryforwards amounting to R\$ 318,274 (R\$ 280,544 as of December 31, 2018) for which it recognized deferred taxes and the amount of R\$ 83,256 (R\$ 60,787 as of December 31, 2018) for which no deferred taxes were recognized since until that date there were no projections of future taxable income to confirm their realization.

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

	Parent	
	9/30/2019	9/30/2018
Profit (loss) before income tax and social contribution	8,133	16,807
Statutory tax rate	34%	34%
Income tax and social contribution at statutory rate	(2,764)	(5,715)
Adjustments made:		
Permanent differences (*)	(1,797)	(2,047)
Share of profit (loss) of investees	11,890	7,178
Deferred income tax credits on tax loss carryforwards not recognized	(7,366)	(7,263)
Other permanent differences	1,434	453
Income tax and social contribution	<u>1,397</u>	<u>(7,394)</u>
Current	-	(63)
Deferred	1,397	(7,331)
	<u>1,397</u>	<u>(7,394)</u>

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

20. Income tax and social contribution--Continued

	Consolidated	
	9/30/2019	9/30/2018
Profit (loss) before income tax and social contribution	(18,082)	33,941
Statutory tax rate	34%	34%
Income tax and social contribution at statutory rate	(6,148)	(11,540)
Adjustments made:		
Permanent differences (*)	(4,338)	(2,837)
Effect on differences of statutory tax rates of foreign subsidiaries	2,658	2,454
Deferred income tax credits on tax loss carryforwards not recognized	(5,875)	(10,818)
Others	5,149	(1,787)
Income tax and social contribution	(8,554)	(24,528)
Current	(6,204)	(10,014)
Deferred	(2,349)	(14,514)
	(8,554)	(24,528)

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

21. Equity

a) Capital

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

As of September 30, 2019, the Company's capital comprises 166,531,600 shares that represent an amount of R\$ 776,281 (R\$ 876,281 as of December 31, 2018).

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

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

21. Equity--Continued

b) Allocation of profit—Continued

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.

As of December 31, 2018, Management proposed dividends to be distributed amounting to R\$ 1,875, which correspond to 25% of the profit for the year after the recognition of the legal reserve.

c) Treasury shares

On September 18, 2018, the Company's Board of Directors approved the new "Program to Buy Back" shares effective until September 18, 2019 and for a volume of up to 13,000,000 (thirteen million) shares in order to increase the value generated for the shareholders.

The activity in treasury shares in the nine-month period ended September 30, 2019 is as follows:

	Number of shares	Amount	Average price per share - R\$
Balance as of December 31, 2018	8,557,600	51,151	5.98
(-) Stock options exercised	(1,662,000)	(9,563)	5.98
Balance as of September 30, 2019	6,895,600	41,588	5.98

d) Other comprehensive income (loss)

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

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

22. Share-based payment plan

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

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

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

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

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

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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

22. Share-based payment plan--Continued

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

The position of the granted options outstanding as of September 30, 2019 is as follows:

Exercise of grant	Number of shares				Fair value of the option ⁽¹⁾	Exercise price ⁽¹⁾	
	Granted	Not exercised due to withdrawal ⁽²⁾	Exercised	Outstanding		On grant	Updated
<u>Stock Option Plan - 2015</u>							
2015	2,700,000	(1,508,000)	(1,192,000)	-	4.75 ⁽³⁾	4.00	4.77
2016	3,900,000	(1,067,000)	(2,733,000)	100,000	2.19	4.00	4.39
2017	4,050,000	(1,761,250)	(810,000)	1,478,750	3.27	6.28	7.08
2018	100,000	-	-	100,000	1.96	6.75	6.95
2019	3,850,000	-	-	3,850,000	4.13	6.00	6.00
	14,600,000	(4,336,250)	(4,735,000)	5,528,750			
<u>Stock Option Plan - 2017</u>							
2017	4,300,000	(720,000)	-	3,580,000	2.96	8.00	8.72
2018	965,000	-	-	965,000	1.96	6.97	7.26
	5,265,000	(720,000)	-	4,545,000			
	19,865,000	(5,056,250)	(4,735,000)	10,073,750			

(1) Amounts expressed in R\$.

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

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

Changes in the nine-month period ended September 30, 2019 are as follows:

	Stock Option Plan - 2015	Stock Option Plan - 2017	Total
Number of options outstanding as of December 31, 2018	3,325,750	4,960,000	8,285,750
(+) Options granted in 2019	3,850,000	-	3,850,000
(-) Not exercised due to withdrawal/expired			
2018 grant	-	-	-
2017 grant	(85,000)	(470,000)	(555,000)
2016 grant	-	-	-
2015 grant	-	-	-
(-) Exercised			
2017 grant	(502,000)	-	(502,000)
2016 grant	(960,000)	-	(960,000)
2015 grant	(45,000)	-	-
Number of options outstanding as of September 30, 2019	5,583,750	4,490,000	10,073,750

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

22. Share-based payment plan--Continued

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

Exercise of grant	As of 09/30/2019	Amounts to be recorded in future periods ⁽¹⁾
Stock Option Plan - 2015		
2015	5,659	-
2016	6,196	16
2017	6,323	507
2018	601	1,161
2019	121	1,324
	18,900	3,008
Stock Option Plan – 2017		
2017	7,171	3,460
2018	608	1,136
	7,779	4,596
Total	26,679	7,604

(1) The weighted average of the remaining contractual period is of 18 months.

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

	<u>Weighted average</u>
Expected life of the option ⁽¹⁾	2.8
Volatility ⁽²⁾	43.4%
Risk-free rate ⁽³⁾	5.4%

(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.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

23. Net revenue

<u>Disaggregated revenue</u>	Parent		
	Catering	Retail	Total
Gross revenue	90,539	28,233	118,772
Taxes on sales	(8,464)	(2,071)	(10,535)
Returns and rebates	745	(60)	685
Net revenue as of September 30, 2019	82,820	26,102	108,922
Gross revenue	107,422	30,123	137,545
Taxes on sales	(10,711)	2,585	(8,126)
Returns and rebates	(104)	(109)	(213)
Net revenue as of September 30, 2018	96,607	32,599	129,206

<u>Disaggregated revenue</u>	Consolidated		
	Catering	Retail	Total
Gross revenue	135,144	1,122,219	1,257,363
Taxes on sales	(10,627)	(28,742)	(39,370)
Returns and rebates	745	(29,625)	(28,880)
Net revenue as of September 30, 2019	125,262	1,063,852	1,189,113
Gross revenue	156,622	1,121,328	1,277,950
Taxes on sales	(17,452)	(30,689)	(48,141)
Returns and rebates	(105)	(23,864)	(23,969)
Net revenue as of September 30, 2018	139,065	1,066,775	1,205,840

24. Selling and operating expenses

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Payroll	(5,352)	(4,277)	(9,652)	(10,941)
Publicity and advertising	(224)	(366)	(19,623)	(22,151)
Variable rental expenses	(4,664)	(7,141)	(57,460)	(117,224)
Third party services	(1,392)	(1,915)	(22,775)	(28,464)
Credit and debit card fees	(229)	(193)	(15,226)	(14,978)
Royalties	-	-	(19,182)	(18,787)
Maintenance	(38)	(35)	(12,374)	(12,465)
Logistics	(665)	(772)	(3,770)	(3,478)
Communication infrastructure	(261)	(497)	(2,288)	(2,905)
Fees and charges	(281)	(258)	(10,342)	(9,565)
Other expenses	(549)	(513)	(14,387)	(14,837)
	(13,655)	(15,967)	(187,079)	(255,795)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

25. General and administrative expenses

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Payroll	(26,636)	(24,650)	(45,174)	(47,845)
Third party services	(6,394)	(5,533)	(12,225)	(7,496)
Travel expenses	(314)	(684)	(1,537)	(2,134)
Maintenance and utilities	(1,345)	(1,531)	(2,458)	(2,799)
Share-based payments	(3,386)	(7,340)	(3,386)	(7,340)
Store launchings	-	-	(1,746)	(4,678)
Expense recovery – apportionment among related parties	25,592	26,019	-	-
Expenses related to association agreement	(4,100)	(3,577)	(4,168)	(3,577)
Others	(2,480)	(3,706)	(5,563)	(6,492)
	(19,063)	(21,002)	(76,257)	(82,461)

26. Other operating income (expenses), net

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Other expenses:				
Loss on sale and/or write-off of PP&E	(60)	(56)	(1,300)	(2,647)
Provision for labor, civil and tax risks, net of reversals	(1,548)	(1,382)	(5,083)	(5,777)
Costs with closure of stores	(4)	(1,236)	(2,088)	(1,379)
Net gain (loss) on acquisition of noncontrolling interest	-	-	-	(819)
Other expenses	(246)	-	(990)	(1,888)
	(1,858)	(2,674)	(9,461)	(12,510)
Other income:				
Rebates and commercial agreements	361	380	1,902	2,026
Gains in sales of PP&E and commercial rights	-	-	3,799	78
Recovery of tax credits	856	2,340	4,662	6,926
Other revenues	-	353	-	561
	1,217	3,073	10,363	9,591
Total, net	(641)	399	902	(2,919)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

27. Finance income (expense), net

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Finance income:				
Income from financial investments	4,422	-	5,922	2,142
Inflation adjustment gains	-	916	2,205	6,067
Exchange gains	219	-	265	-
Other finance income	-	137	1,238	-
	4,641	1,053	9,630	8,209
Finance expense:				
Interest on borrowings	(13,559)	(27)	(21,493)	(8,130)
Transaction cost amortization	(2,509)	-	(2,509)	-
Interest on business acquisitions	-	-	(1,294)	(1,464)
Exchange losses	-	(2,410)	-	(2,420)
Monetary losses	(160)	-	(1,148)	-
Interest on right of use ("lease")	(1,368)	-	(25,372)	-
Inflation adjustment, interest and banking fees	(307)	(657)	-	(2,068)
Others	(99)	(1,144)	(99)	(1,443)
	(18,002)	(4,238)	(51,915)	(15,525)
Total, net	(13,361)	(3,185)	(42,285)	(7,316)

28. Expenses by nature

	Parent		Consolidated	
	9/30/2019	9/30/2018	9/30/2019	9/30/2018
Inventory costs	(28,484)	(32,742)	(412,383)	(412,509)
Personnel expenses	(72,813)	(76,125)	(362,616)	(376,056)
Selling expenses	(224)	(366)	(19,623)	(22,151)
Third party services	(7,786)	(7,448)	(35,078)	(36,195)
Operating expenses	(15,128)	(19,675)	(170,033)	(235,868)
Depreciation and amortization - Fixed and intangible assets	(12,267)	(12,681)	(57,097)	(58,524)
Depreciation of right of use	(2,881)	-	(52,026)	-
Expense recovery – related parties	25,592	26,019	-	-
Amortization of investment in joint venture	-	-	(1,820)	(1,687)
Share of profit (loss) of investees	34,971	21,111	9,203	7,476
Other expenses	(7,767)	(7,706)	(28,174)	(26,150)
	(86,787)	(109,613)	(1,129,647)	(1,161,664)
Classified as:				
Cost of sales and services	(77,383)	(84,754)	(801,686)	(808,337)
Selling and operating expenses	(13,655)	(15,967)	(187,079)	(255,795)
General and administrative expenses	(19,063)	(21,002)	(76,257)	(82,461)
Depreciation and amortization - Fixed and intangible assets	(8,776)	(9,001)	(19,983)	(20,860)
Depreciation of right of use	(2,881)	-	(52,026)	-
Share of profit (loss) of investees	34,971	21,111	7,384	5,789
	(86,787)	(109,613)	(1,129,647)	(1,161,664)

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

29. Related parties

The subsidiaries conduct intragroup purchases and apportion intragroup expenses, relating to services contracted, employees' salary and others, which have been fully eliminated in the preparation of the consolidated financial statements. Intragroup purchase transactions are carried out under conditions established between the parties. The transactions between the Company and its related parties are as follows:

a) Transactions recognized in the statement of profit or loss

	Parent	
	9/30/2019	9/30/2018
<u>Sales transactions</u>		
Viena Chain	1,908	1,553
Frango Assado	97	125
	<u>2,005</u>	<u>1,678</u>
 <u>Reimbursement of expenses</u>		
Viena Chain	22,138	22,582
Frango Assado (Gas station)	3,454	3,437
	<u>25,592</u>	<u>26,019</u>

b) Assets

	Parent	
	9/30/2019	12/31/2018
Viena Chain	29,670	17,481
Frango Assado Chain	3,782	2,734
	<u>33,452</u>	<u>20,215</u>

c) Liabilities

	Parent	
	9/30/2019	12/31/2018
Tob's	453	751
Panama	50,300	58,791
	<u>50,753</u>	<u>59,542</u>

The guarantees provided by Group companies for own or related-party financing are disclosed in Note 17.

30. Compensation of key management personnel

For the nine-month period ended September 30, 2019, key management compensation totaled R\$ 15,232 (R\$ 10,862 as of September 30, 2018) in Parent and Consolidated, out of which R\$ 2,422 (R\$ 5,752 as of September 30, 2018) related to the share-based payment plan. This amount was recorded in line item "General and administrative expenses". Management does not have post-retirement benefits or other short- and long-term benefits.

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

31. Insurance

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

As of September 30, 2019, insurance coverage is as follows:

	Consolidated
Civil liability	56,508
Sundry risks - inventories and property, plant and equipment	625,486
Vehicles	67,588
Others	11,547
	761,129

32. Earnings per share

Basic

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

Diluted

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

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

	Parent and Consolidated	
	9/30/2019	9/30/2018
Basic and diluted numerator		
Profit for the period attributable to Company's shareholders used to calculate total basic and diluted earnings per share	9,530	9,413
Outstanding shares:		
Basic and diluted denominator (thousands of shares)	160,789	162,645
Weighted average number of stock options granted	1,210	(3,515)
Weighted average number of available shares	161,999	159,130
Basic earnings per share - R\$	0.05927	0.05787
Diluted earnings per share - R\$	0.05883	0.05915

International Meal Company Alimentação S.A. and Subsidiaries

Notes to the interim financial information--Continued

September 30, 2019

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

33. Subsequent event

On October 31, 2019, the following occurred: (i) the consummation and closing of the merger of shares issued by MultiQSR Gestão de Restaurantes SA ("MultiQSR") by the Company ("Merger"), as approved by the Company's Extraordinary General Meeting held on August 28, 2019 ("AGE"), whereby Martins Family became shareholders of the Company holding, together, 29,387,930 common shares issued by the Company; and (ii) the subsequent transfer, from the Martins Family to Kentucky Fried Chicken International Holdings LLC and Pizza Hut International LLC (collectively, "Yum!"), of 4,077,931 common shares of the Company to Yum! Holding 2.08% of the Company's capital stock and the Martins Family holding 12.92% of the Company's capital stock.

In addition, all matters approved by the EGM became fully effective on this date, including the new composition and election of the members of the Company's Board of Directors.

34. Authorization of the individual and consolidated interim financial information

The meeting of the Board of Directors held on November 7, 2019 approved and authorized for disclosure this individual and consolidated interim financial information.

Comments on the business projections

There are no comments to be reported

Other relevant information

There is no relevant information to be disclosure.

Opinion of the supervisory board or equivalent institute

Not applicable

Opinion of Executive Board on the Financial Statements

In accordance with section VI of article 25 of CVM Instruction 480, of December 7, 2009, the Board states that in the reviewed, discussed and agreed with the Company's Interim Financial Information Form (ITR), for the year-end September 30, 2019.

São Paulo, November 7, 2019.

Newton Maia Salomão Alves
Chief Executive Officer

Maristela Aparecida do Nascimento
Chief Financial Officer

Opinion of Executive Board on Independent Auditor's Report

In accordance with section V of article 25 of CVM Instruction 480, of December 7, 2009, the Board states that in the reviewed, discussed and agreed with the Independent Auditors' Report on the Company's Interim Financial Information Form (ITR), for the year-end September 30, 2019.

São Paulo, November 7, 2019.

Newton Maia Salomão Alves
Chief Executive Officer

Maristela Aparecida do Nascimento
Chief Financial Officer