MANAGEMENT REPORT

MESSAGE FROM MANAGEMENT

The year of 2020 was certainly the most challenging year in IMC history. The advent of the Covid-19 pandemic and the restrictions adopted by governments in each of the regions where we operate have significantly affected our business. Since the beginning of the pandemic, in mid-March, we have been committed to the implementation of operational measures that allow the operation of our restaurants and that follow all hygiene and safety protocols, in order to preserve the health of our employees and customers. During this period, we seek to take actions to strengthen our cash generation and, together with the review of the capital structure, build solid bases for accelerated growth in the near future. We also took advantage of this moment to implement processes and establish partnerships that enable the rapid expansion of the number of stores. The results of the year were, of course, very impacted in all the regions where we operate, with sales in the same stores negative by 26.9%. The second wave of the pandemic and the new restriction measures continued to affect the Company throughout the first quarter of 2021, keep monitoring the evolution of the pandemic with attention to adopt all needed means to minimize the impact over Companies activities. To lead the company in this new phase, which requires a greater focus on operational excellence and the consumer experience, Alexandre Santoro takes over as Global CEO of IMC from April 1st.

We ended 2020 with consolidated net revenue, reducing 28% to R$ 1.15 billion, given that the advent of the Covid-19 pandemic and the restrictions adopted by governments in each of the regions where we operate have significantly affected our business. Our gross profit reached R$ 275.4 million with a margin of 24%, representing a decrease of 8 pp. compared to 2019. Consolidated adjusted EBITDA reached R$ 35.2 million in 2020, a reduction of 85% compared to 2019, reaching a margin of 3.1%. The net loss for the year was R$ 473.6 million, compared to a loss of R$ 15.8 million last year. The consolidated result reflects the performance of our three regions in which we operate: Brazil, the United States and the Caribbean.

In Brazil, our highway business, represented by Frango Assado, showed a reduction in revenue and a decrease in margin due to reduced flow on the highways and the temporary closure of some operations. Our airport, restaurant and catering business was impacted by the reduction in the number of flights and passengers at airports due to the Covid-19 pandemic and, finally, our mall business, which showed an increase in revenue with the addition of the Pizza brands. Hut and KFC at the end of 2019, but decreased operating income due to the temporary closure of stores throughout the year. Our Caribbean operation, represented by restaurants at Tocumen airport in Panama and 7 catering operations in Colombia, was impacted by the reduction in the flow of passengers and the number of flights.

In the United States, where we operate with restaurants mainly under the Margaritaville brand, the results were also impacted by the temporary closure of stores and restrictions on opening hours.

For more details, visit our page http://ri.internationalmealcompany.com/

Consolidated Results

	2020	2019	Var%
Net Revenues	**1,153.7**	**1,603.3**	**-28.0%**
Gross profit	**271.5**	**512.7**	**-47.1%**
Net earnings	**(473.60)**	**(15.80)**	**-2889.4%**

<u>Net Revenues</u>

In the year 2020, IMC obtained a net revenue of R$ 1.15 billion, a decrease of 28% compared to the year 2019, mainly due to the temporary closing of stores and restrictions on opening hours in all regions where we operate due to Covid-19.

<u>Costs of Sales and Services</u>

In 2020, the Company had a total cost of sales and services of R$ 878.3 million, representing 24.5% of net revenue compared to 25.2% in 2019, therefore a reduction of 0.8 pp.

<u>Gross Profit</u>

In view of the above, the Gross Profit of the BMI reached R$ 271.5 million in 2020, a reduction of 47.1% in relation to 2019, representing a gross margin of 24.0%, 0.8 pp below the registered in 2019.

<u>Operating Expenses</u>

Sales and Operating Expenses: It was totaled R$ 231.7 million in 2020, which represents a decrease of 7.9% in relation to 2019.

General and administrative expenses: It was totaled R$ 124.9 million in 2020, compared to R$ 135.1 million in the same period of the previous year, which represents a 7.6% REDUCTION.

Depreciation and Amortization: It was increased from R $ 99.6 million in 2019 to R $ 117.6 million in 2020, which represents an increase of 18%.

Impairment: In 2020 it was totaled R$ 327.4 million compared to R$ 3.9 million in 2019. The increase is mainly due to the impairment of the goodwill generated in the acquisitions of the operations of Viena, Batata Inglesa and Airports in Brazil, due to the reduction of the recoverable value of these assets due to the definitive closing of stores and changes in the prospects of these businesses.

Other income (expenses): In 2020, other net operating income / expenses totaled an expense of R$ 24.1 million, compared to a revenue of R$ 17.1 million in 2019.

Equity Income: In 2020 there was a reduction of 127.5% in equity income result, which totaled an expense of R$ 2.7 million compared to a revenue of R$ 9.8 million in 2019.

Financial Result: In 2020 was a negative R$ 51.1 million, compared to a negative R$ 57.4 million in 2019.

Income Taxes

The total of income tax and social contribution was revenue of R$ 134.4 million in 2020, compared to a tax expense of R$ 7.9 million in 2019.

Net Income (Loss)

Consequently, IMC presented in 2020 a net loss from continuing operations of R$ 473.6 million compared to a loss of R$ 15.8 million in 2019.

Relationship with external auditors

In compliance with CVM Instruction 381/03, the Company informs that its policy for contracting services not related to the independent audit is based on the principles that preserve the auditor's independence. In the fiscal year ended December 31, 2020, Ernst & Young Auditores Independentes SS was contracted to perform services not related to the independent audit: (i) issue of a report on Pre-Agreed Procedures at the subsidiary IMCMV and (ii) issue comfort letters and the application of procedures in accordance with CTA 23, exclusively with respect to their analysis of the Company's individual and consolidated financial statements, for the years ended December 31, 2019, 2018 and 2017 and the Quarterly Information - The Company's individual and consolidated ITRs, for the three-month periods ended March 31, 2020 and 2019, related to the primary distribution offering of common shares, with restricted placement efforts, pursuant to the Securities and Exchange Commission Instruction (“ CVM ”) No. 476, of January 16, 2009, as amended (“CVM Instruction 476 ”) - representing the amount of R $ 1,275,274, approximately 41.6% of the amount of the consolidated fees related to the independent audit for International Meal Company Comida S.A. and its subsidiaries.

Ernst & Young Auditores Independentes S.S. communicated to us that the provision of such services did not affect its independence and objectivity, due to the definition of the scope and procedures performed.