



3Q22 RESULTS

IMC reports Ad. EBITDA of R\$96million in 3Q22, the highest ever achieved, and continues progressing in its agenda to transform and simplify the portfolio

São Paulo, Nov, 11, 2022 - São Paulo -International Meal Company Alimentação S.A. ("IMC") -B3: MEAL3, one of the largest multi-brand companies in the Latin American food retail industry, announces its results for the third quarter of 2022 (3Q22). Unless otherwise indicated, the information herein is presented in a consolidated manner, in millions of Brazilian reais (R\$). Additionally, said information was prepared in accordance with the accounting principles adopted in CPC 21 (R1) and the International Financial Reporting Standards (IAS 34).

In order to better represent the company's situation and aiming at better comparability between the company's results, this report considers the results of the operations sold in Panama. In the accounting report, the results of Panama are consolidated in the line of "discontinued operations"

Quarterly Highlights ¹

- **System sales²** of R\$882.7M in 3Q22, up **20.7%** over 3Q21
- **Net Revenue** of R\$676.9M, up **25.3%** over 3Q21
- **Consolidated Same-Store Sales³ (SSS)** of **+17.3%** over 3Q21 and **+94.5%** over 3Q20
- **Total of 562 stores**, a net addition of 47 units vs. 3Q21, focused on strategic brands and long-term view
- **Adjusted EBITDA** of R\$95.9M, up **23.1%** over 3Q21, reaching a margin of 14.2%
- **Leverage of 2.5X LTM EBITDA**, below the required covenants (3.0x), and Net debt of R\$305.1M

PORTUGUESE CONFERENCE CALL WITH SIMULTANEOUS TRANSLATION

11/11/2022 11:00 AM US EST/ 01:00 PM (Brasília)

Webcast: [clique aqui](#)

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MENSAGEM DA ADMINISTRAÇÃO

Our transformation agenda, initiated last year and based on Operational Efficiency, Digital Transformation, Financial Discipline and Expansion, continues to progress quarter after quarter with great consistency. The performance of the third quarter demonstrates, once again, the quarter's evolution towards our financial and strategic purpose and objectives. We closed the quarter with Adjusted EBITDA of R\$96 million, the highest in our history, and a margin of 14.2%. Consolidated net revenue grew 25.3% and we ended the quarter with a network of 562 stores in our system.

Our focus on simplifying and reducing the complexity of the BMI remains an important driver for prioritize brands with the greatest growth potential and, at the same time, unlock value in our company. We made progress in the divestment of operations in Panama and, recently, renewed, for more than ten years, our master franchise partnership with KFC, putting to the arbitration procedure that lasted two years.

On our Operational Efficiency front, which aims to extract synergies between brands and improve profitability of operations, we expanded 170 bps in the 4-Wall 1 margin of operations in Brazil in compared to 3Q21. We made significant progress in store management, hand optimization work and in the mix management and menu engineering. We increased the production of the central kitchen by 20% and we increased the internalization of higher value-added products, mainly for the Frango chain Assado, in which we already produce 31% of the products sold in the chain internally. Our indicator of satisfaction rating (NPS) has been 70% since, up 3 points from the beginning of the year.

We continue to advance in the digital journey, with growing sales on this front, representing 28%² of the total revenue, despite the resumption of flow in our physical stores. Our Chicken Roast app, FRAN-GO, already has more than 47 thousand registered customers and accounted for 3% of sales in our restaurants. At KFC, we started the self-service roll-out process with the expectation of achieving 100% of own stores by the end of the year.

The Financial Discipline front continues to make significant progress towards the objective of improve our capital structure. We ended the quarter with free cash flow of R\$46.7³ million, a 225% growth over the previous year, and a cash position of R\$305³ million. We reduce the debt R\$31 million and the financial leverage ratio was 2.5x (Net Debt/EBITDA), 0.2x below the previous quarter and the limit stipulated by the covenants, of 3.0x.

We expanded the network in 47 stores during the last 12 months, increasing the presence of our focus brands in the markets in which we operate. Within the growth strategy, our priority remains in simplify the portfolio and monetize new operations. In this line, we continue to maintain discipline in our expansion investments and ensuring a healthy franchise network.

We also started the execution phase of the project to modernize the Frango Assado chain, which began with the relaunch of the brand and will also encompass the consumer experience in all physical spaces. We are aware of our challenges and the long road ahead, but with growing confidence in solidity of our strategy, in the execution capacity of our team, which thinks and acts like an owner, our franchise system and the strength of our brands.

A Administração

During 3Q22, the company signed binding agreements for operations in the Caribbean. In the accounting report, Panama's operations are being allocated to the discontinued operations lines.

In the preparation of this earnings release, they were not taken into account for a better understanding and comparability of the company's results.

CONSOLIDATED HIGHLIGHTS

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
Stores	562	515	47	562	515	47
SSS (YoY R\$)	17.0%	74.8%	-58p.p.	28.2%	61.0%	-33p.p.
System Total Sales	882.7	731.2	20.7%	2,373.3	1,788.7	32.7%
Net Revenues	676.9	540.4	25.3%	1,785.6	1,307.7	37%
Same Store Sales	25.3%	80.9%	-56p.p.	36.5%	60.3%	-24p.p.
Gross Profit	274.6	185.5	48.0%	619.6	421.1	47.1%
Gross Profit	37.2%	34.3%	+286bps	33.4%	32.2%	+121bps
Adjusted EBITDA	95.9	77.9	23.1%	222.2	165.7	34.1%
Adjusted EBITDA Margin	14.2%	14.4%	-25bps	12.4%	12.7%	-22bps
Operating Cash Flow	64.0	51.0	25.5%	165.0	101.1	63.2%
Net Debt/EBITDA LTM ¹	2.5X	1.9X	+0.6p.p.	2.5X	1.9X	+0.6p.p.

¹ Ex-IFRS | Covenant Methodology

SALES HIGHLIGHTS

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
Net Revenues	676.9	540.4	25.3%	1,785.6	1,307.7	36.5%
Brazil	356.4	266.7	33.6%	1,000.6	677.4	47.7%
<i>Frango Assado</i>	158.4	140.7	12.6%	483.4	378.2	27.8%
<i>Airports</i>	41.2	26.7	54.4%	107.3	61.9	73.4%
<i>PH, KFC and Others</i>	156.8	99.3	57.9%	409.9	237.3	72.7%
USA	268.6	229.4	17.1%	632.4	521.1	21.4%
Caribbean	51.8	44.3	16.9%	152.6	109.2	39.7%

OPERATING RESULTS – Adjusted EBITDA

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
Adjusted EBITDA	95.9	77.9	23.1%	222.2	165.7	34.1%
Brazil	17.9	11.1	60.2%	35.4	4.9	616.3%
<i>Frango Assado</i>	19.2	12.5	53.3%	48.0	26.0	84.6%
<i>Airports</i>	8.1	7.8	2.9%	20.8	13.8	50.4%
<i>PH, KFC and Others</i>	19.2	13.5	42.3%	31.7	14.5	119.1%
<i>G&A and Others</i>	(28.6)	(22.7)	25.9%	(65.0)	(49.3)	31.8%
USA	60.7	51.0	18.9%	133.9	126.9	5.5%
Caribbean	17.4	15.8	10.4%	52.9	34.0	55.6%

COMMENTS ON IMC'S PERFORMANCE

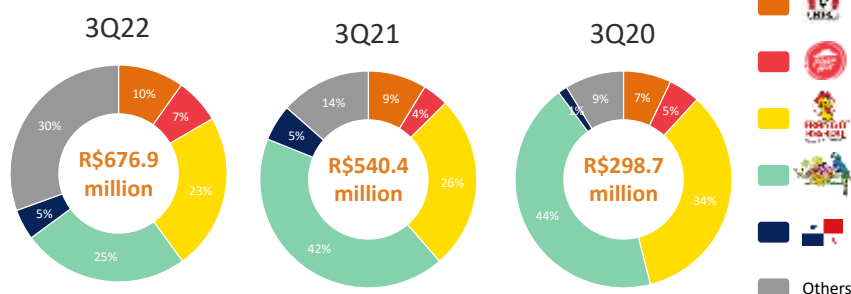
Total system sales, which consider revenues from own stores and franchises grew by 20.7% in 3Q22 over 3Q21, totaling R\$882.7 million in the quarter. **The company's consolidated net revenue totaled R\$676.9 million in 3Q22, up by 25.3% over 3Q21.** The result was driven by the recovery of all segments in Brazil and the consistent expansion of international operations. Consolidated same-store sales (SSS) growth in Brazilian Reais was 17.3% vs. 3Q21.

The net revenue totaled R\$356.4 million in Brazil in 3Q22, up by 33.6% over 3Q21, an increase of R\$90 million in the group's revenue, especially with the recovery of KFC and Pizza Hut. Same-store sales (SSS) in Brazil grew by 18.7% YoY, not only because of the price management in the period but also reflecting the improved flow and higher customer tickets in virtually all company brands.

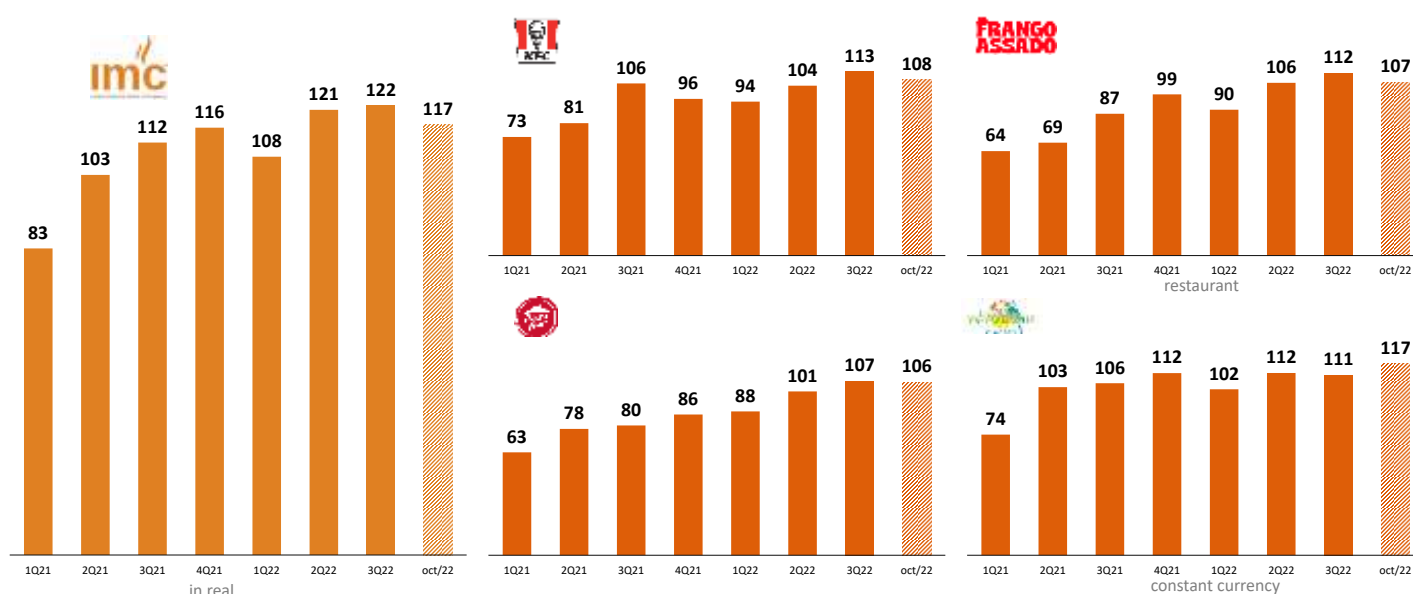
In the U.S.A., net revenue was R\$268.6 million, up by 17.1% over 3Q21, an increase of R\$39 million in the group's revenue. In local currency, the U.S. revenue grew by 16.2% over 3Q21. Same-store sales (SSS) in constant currency grew by 9.4% over 3Q21. This result was boosted by the higher sales of the new units, revenue management efforts, and the strategic location of the operations.

The Caribbean operations grew by 16.9% over 3Q21, driven by the recovery of airport activity and lower travel restrictions. Same-store sales (SSS) in constant currency grew by 27.4% over 3Q21.

Representativeness by Brand



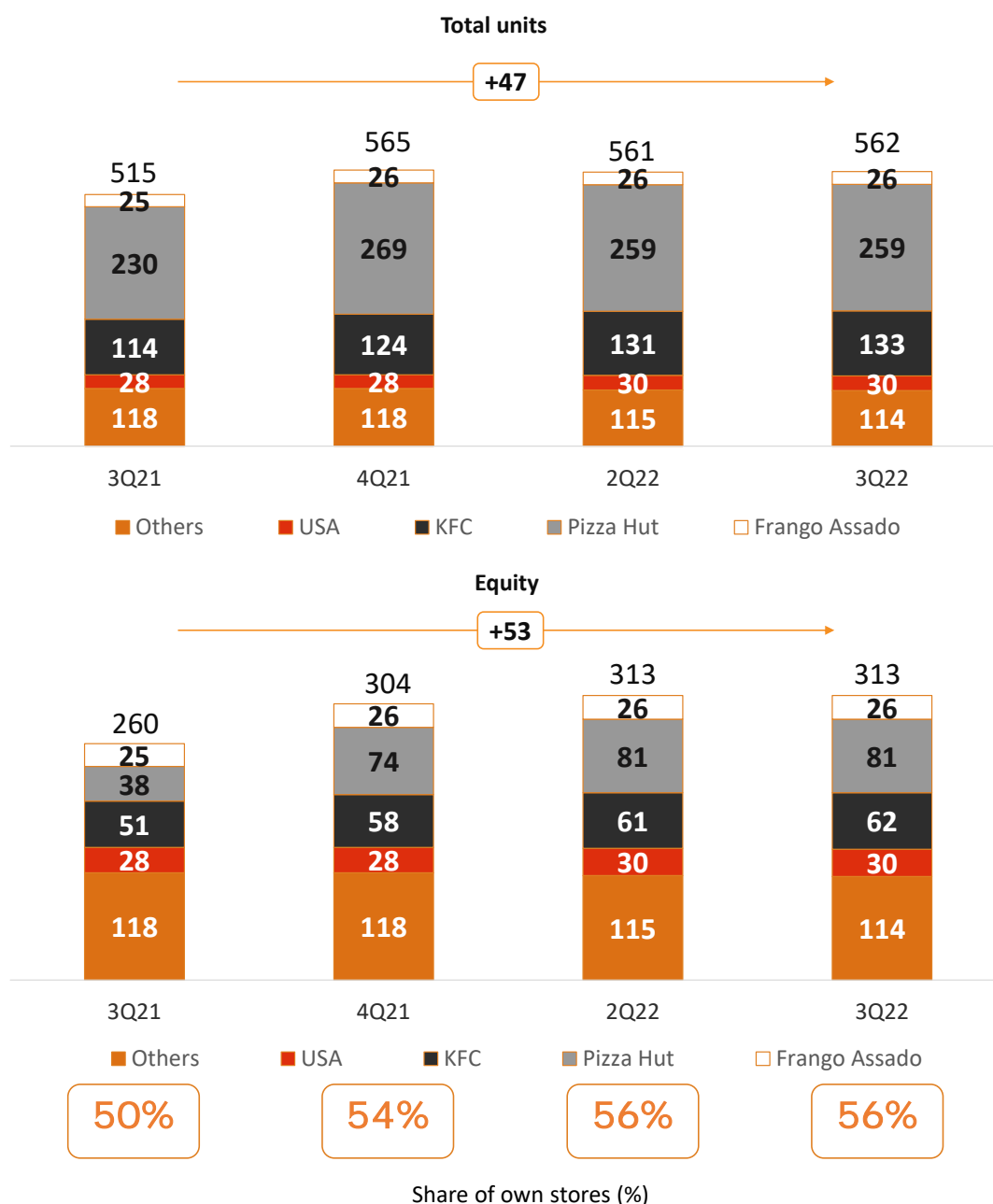
Base 100 Index of Same-Store Sales Growth vs. 2019 (SSS)



EVOLUTION OF THE NUMBER OF STORES

IMC has a network of 562 stores, including Company stores and franchises in Brazil and abroad. The company opened one net unit in the quarter. In the last twelve months we opened 47 net units, increasing the presence of our main brands in the markets in which we operate, emphasizing the 29 Pizza Hut units, 19 KFC units, 1 Frango Assado unit, and 2 Margaritaville units in the U.S.A.

It is worth noting that the share of the Company's stores in the IMC system continues progressing and currently accounts for 56% of the portfolio, a YoY growth of 6 p.p. The Company continues implementing the expansion plan with dedication and discipline, in addition to ensuring a healthy franchisee network in our system.



RESULTS OF BRAZILIAN OPERATIONS – FRANGO ASSADO



Frango Assado's revenue totaled R\$158.4 million in 3Q22, a YoY growth of 12.6%, above the increase in the flow of light vehicles on highways reported in the same period, which was 7.7% higher than in 3Q21, as reported by ABCR.

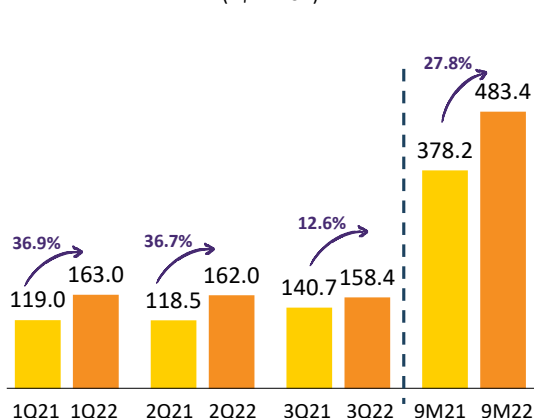
The segment's same-store sales (SSS) were 11.0% higher than in 3Q21 and 59.4% higher than in 3Q20, especially the restaurants' operation, which reported same-store sales growth of 28.8% in 3Q22, boosted by the resumption in the store flow and consequent increase in the number of transactions. SSS in the gas station operation fell by 0.4%, impacted by lower fuel prices.

EBITDA totaled R\$19.2 million, 53.3% over 3Q21, with an increase of 322 bps in the EBITDA margin, mainly boosted by productivity initiatives in food costs and gains from higher efficiency of our Central Kitchen.

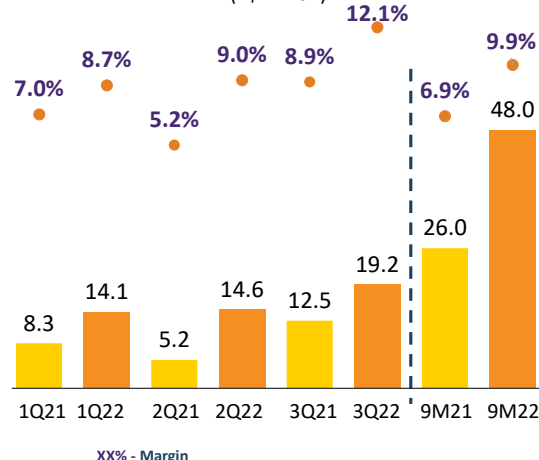
The operation continues to focus on brand renovation, improved experience in restaurants, and higher operational efficiency gains. It is worth noting the continuous innovation of menus, focus on iconic products, higher visibility on highways, and brand digitalization, with self-service kiosks accounting for 20.5% of checkouts in September.

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	A/A
Net Revenues	158.4	140.7	12.6%	483.4	378.2	27.8%
Restaurants & Others	71.1	53.0	34.2%	193.4	135.9	42.3%
Gas Stations	87.3	87.7	(0.5%)	290.0	242.3	19.7%
COGS	(130.8)	(123.0)	6.4%	(414.1)	(340.2)	21.7%
Gross Profit	27.6	17.7	55.8%	69.3	38.0	82.5%
Gross Profit	17.4%	12.6%	+482bps	14.3%	10.0%	+429bps
Operating Expenses	(14.4)	(11.8)	22.0%	(40.4)	(32.2)	25.7%
Store Pre-Openings	0.0	(0.1)	(100.0%)	0.0	(0.5)	(100.0%)
EBIT	13.2	5.8	125.9%	28.9	5.4	436.9%
(+) Depreciation & Amortization	6.0	6.6	(9.0%)	19.1	20.1	(5.4%)
(+) Store Pre-Openings	0.0	0.1	100.0%	0.0	0.5	(100.0%)
Adjusted EBITDA	19.2	12.5	53.3%	48.0	26.0	84.6%
Adjusted EBITDA Margin	12.1%	8.9%	+322bps	9.9%	6.9%	+305bps

Net Revenue
(R\$million)



Operating Results
(R\$million)



RESULTS OF BRAZILIAN OPERATIONS – CATERING AND AIRPORT RETAIL



Revenue from the Airports segment in Brazil totaled R\$41.2 million in 3Q22, a YoY increase of 54.4%, boosted by the higher passenger flow and stabilization of aircraft catering services. Same-store sales (SSS) grew by 57.2% over 3Q21.

The Catering operation reported YoY growth of 60.6% in 3Q22, and airport retail stores grew by 52.2% over 3Q21, with sales above those recorded in the pre-pandemic period.

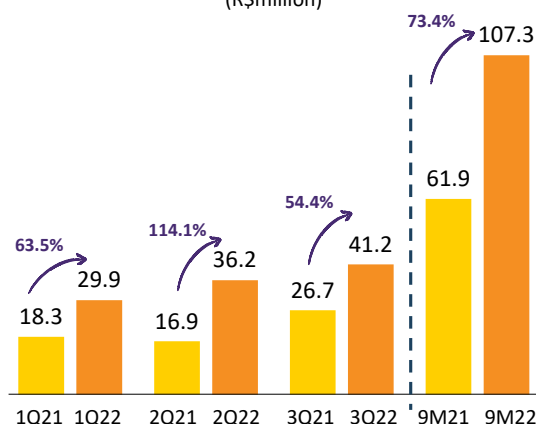
The number of passengers in the airports where IMC operates moved up by 61.4%, according to ANAC data.

EBITDA totaled R\$8.1 million in the period, a YoY increase of 2.9%, with a margin of 19.6%. The decrease in the profitability of the operation was a result of the higher pressure of food costs and price management limited by contractual obligations in the Catering segment. The Company remains committed to recovering margins, improving services, and reviewing contracts.

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	A/A
Net Revenues	41.2	26.7	54.4%	107.3	61.9	73.4%
COGS	(26.7)	(17.1)	56.1%	(70.2)	(44.7)	57.0%
Gross Profit	14.6	9.6	51.4%	37.2	17.2	115.9%
Gross Profit	35.4%	36.1%	-71bps	34.6%	27.8%	+682bps
Operating Expenses	(15.7)	(11.2)	39.7%	(42.5)	(32.5)	31.0%
Store Pre-Openings	0.0	0.0	0.0%	0.0	(0.0)	0.0%
EBIT	(1.1)	(1.6)	(31.8%)	(5.4)	(15.3)	(64.9%)
(+) Depreciation & Amortization	9.1	9.4	(2.9%)	26.1	29.0	(10.1%)
(+) Store Pre-Openings	0.0	0.0	0.0%	0.0	0.0	0.0%
Adjusted EBITDA	8.1	7.8	2.9%	20.8	13.8	50.4%
Adjusted EBITDA Margin	19.6%	29.4%	-980bps	19.3%	22.3%	-296bps

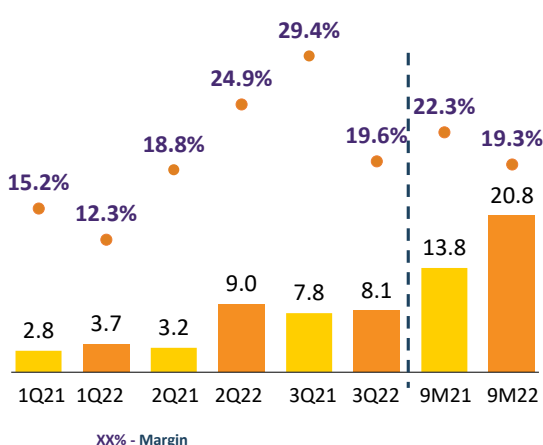
Net Revenue

(R\$million)



Operating Results

(R\$million)



RESULTS OF BRAZILIAN OPERATIONS – Pizza Hut, KFC and Others ¹



Consolidated revenue from Pizza Hut, KFC, and other brands totaled R\$156.8 million in 3Q22, up by 57.9% over 3Q21. Pizza Hut and KFC grew by 65.0% in the period, mainly boosted by store expansions and higher average tickets.

Same-store sales (SSS) increased by 19.5% over 3Q21. The indicator increased by 9.7% YoY in KFC and by 22.8% YoY in Pizza Hut.

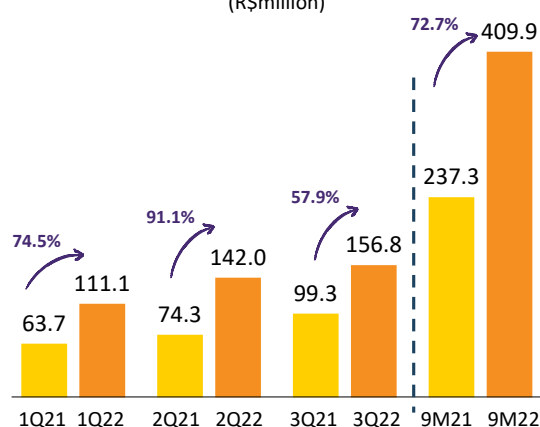
EBITDA totaled R\$19.2 million, a YoY growth of 42.3%, due to higher revenues and efficiency in the control of food costs and management of the promotional mix.

The operation continues to focus on expanding and taking advantage of the strength of the brands, growing profitability, and optimizing investments. Furthermore, the operation continues to increase in fronts exclusively dedicated to the management of the franchise network and support to our franchisees.

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	A/A
Net Revenues	156.8	99.3	57.9%	409.9	237.3	72.7%
Pizza Hut and KFC	112.2	68.0	65.0%	287.1	163.1	76.0%
Others	44.5	31.3	42.4%	122.7	74.2	65.5%
COGS	(98.5)	(66.5)	48.1%	(276.9)	(169.4)	63.5%
Gross Profit	58.3	32.8	77.7%	133.0	67.9	95.8%
Gross Profit	37.2%	33.0%	+414bps	32.4%	28.6%	+382bps
Operating Expenses	(47.6)	(25.9)	83.6%	(126.0)	(74.2)	69.8%
Store Pre-Openings	(1.0)	(3.4)	(71.5%)	(2.2)	(4.8)	(54.5%)
EBIT	9.7	3.5	175.8%	4.8	(11.1)	(143.6%)
(+) Depreciation & Amortization	8.5	6.6	28.8%	24.7	20.7	19.0%
(+) Store Pre-Openings	1.0	3.4	(71.5%)	2.2	4.8	(54.5%)
Adjusted EBITDA	19.2	13.5	42.3%	31.7	14.5	119.1%
Adjusted EBITDA Margin	12.2%	13.6%	-134bps	7.7%	6.1%	+163bps

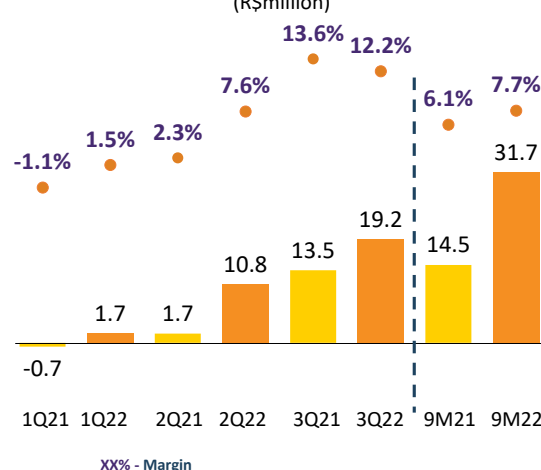
Net Revenue

(R\$million)



Operating Results

(R\$million)



RESULTADOS DAS OPERAÇÕES NOS EUA



Revenue from the U.S. operations (in local currency) totaled US\$51.1 million, a growth of 16.2% over 3Q21. Same-store sales (SSS) grew by 9.4% over 3Q21 in constant currency (+10.2% vs. 3Q21 in Brazilian reais).

Adjusted EBITDA totaled US\$11.6 million in 3Q22, a YoY growth of 18.7%, with a 50bps expansion in the margin, which came to 22.8%, due to improved control of costs and expenses in the period.

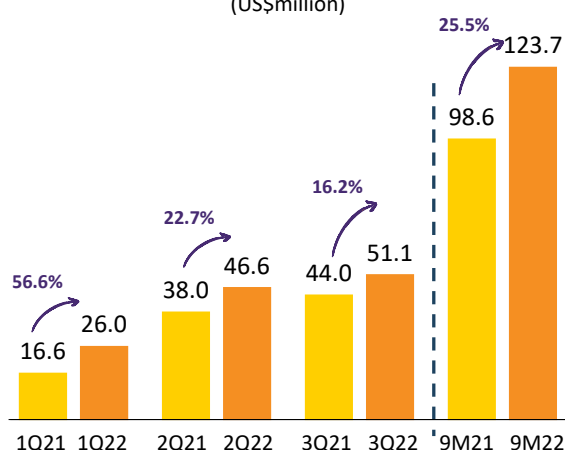
In 3Q22, the operation benefitted from higher average tickets and increased traffic in the stores.

It is worth noting that two new stores were opened at the end of 2Q22 and are still in a natural maturation process, consequently putting pressure on the consolidated margin of the operation by approximately 95bps.

(in US\$ million)	3Q22	3Q21	YoY	9M22	9M21	A/A
Net Revenues	51.1	44.0	16.2%	123.7	98.6	25.5%
COGS	(27.6)	(24.9)	10.8%	(70.0)	(53.4)	31.1%
Gross Profit	23.6	19.1	23.2%	53.7	45.2	18.8%
Gross Profit	46.1%	43.5%	+262bps	43.4%	45.8%	-244bps
Operating Expenses	(15.8)	(12.5)	25.8%	(38.4)	(29.5)	30.2%
(+) Depreciation & Amortization	3.8	3.2	19.4%	11.4	8.4	36.1%
Store Pre-Openings	0.0	(0.1)	(100.0%)	0.0	(1.3)	(100.7%)
EBIT	11.6	9.7	20.0%	26.7	22.8	17.4%
(+) Store Pre-Openings	0.0	0.1	(100.0%)	(0.0)	1.3	(100.7%)
Adjusted EBITDA	11.6	9.8	18.7%	26.7	24.1	10.9%
Adjusted EBITDA Margin (%)	22.8%	22.3%	+47bps	21.6%	24.4%	-284bps

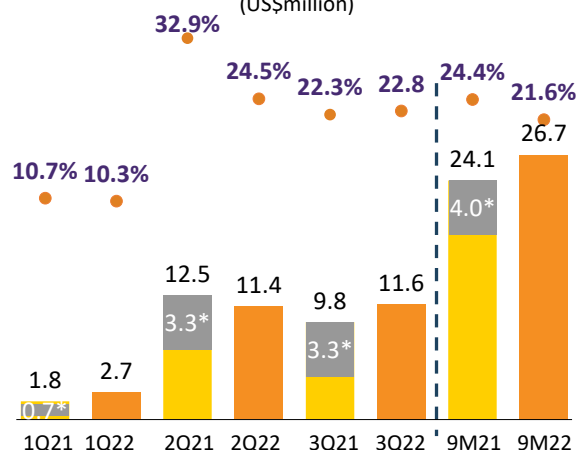
Net Revenue

(US\$million)



Operating Results

(US\$million)



XX% - Margin

* Amount referring to the PPP contribution

RESULTADOS DAS OPERAÇÕES NO CARIBE



The Caribbean operation reported net revenue of R\$51.8 million in 3Q22, a YoY growth of 16.9%. Same-store sales (SSS) grew by 27.4% YoY in constant currency in 3Q22.

Despite the growths recorded and the continuous improvement in passenger flow at the airports, the operation continues to be impacted by the restricted food offered during flights in the Catering segment in Colombia.

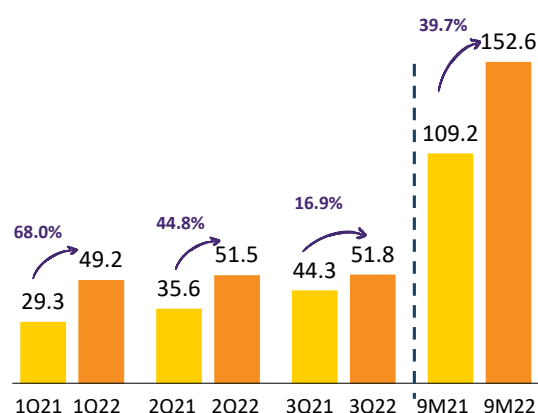
In Panama, the number of passengers at the Tocumen airport grew by 53.3% over 3Q21, reaching a level close to that reported in 2019. It is worth noting that in the second fortnight of June a new terminal was opened in Tocumen.

The region closed the quarter with 45 units of Catering and Air Retail and, considering the 9 Carl's Jr. units, the Adjusted EBITDA of the Caribbean operations totaled R\$17.4 million, a growth of 10.4%. The EBITDA margin of the segment was 33.6%, mainly due to higher inflation pressures.

R\$ million	3Q22	3Q21	YoY	9M22	9M21	A/A
Net Revenues	51.8	44.3	16.9%	152.6	109.2	39.7%
COGS	(24.4)	(18.6)	31.5%	(69.1)	(49.8)	38.8%
Gross Profit	27.4	25.8	6.4%	83.5	59.4	40.4%
Gross Profit	52.9%	58.1%	-521bps	54.7%	54.4%	+29bps
Operating Expenses	(16.3)	(16.6)	(1.8%)	(49.5)	(46.2)	7.1%
(+) Depreciation & Amortization	6.3	6.6	(4.9%)	18.9	20.6	(8.3%)
Store Pre-Openings	0.0	0.0	(100.0%)	0.0	0.0	(100.0%)
EBITDA	17.4	15.8	10.4%	52.9	33.9	56.2%
(+) Store Pre-Openings	0.0	(0.0)	(100.0%)	0.0	(0.0)	(100.0%)
Adjusted EBITDA	17.4	15.8	10.4%	52.9	33.8	56.5%
Adjusted EBITDA Margin (%)	33.6%	35.6%	-198bps	34.7%	31.0%	+373bps

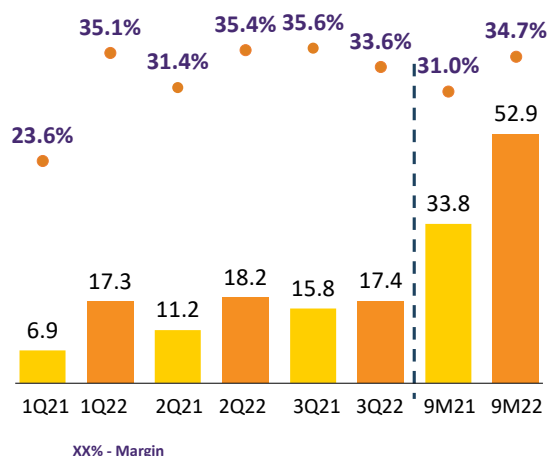
Net Revenue

(US\$million)



Operating Results

(US\$million)



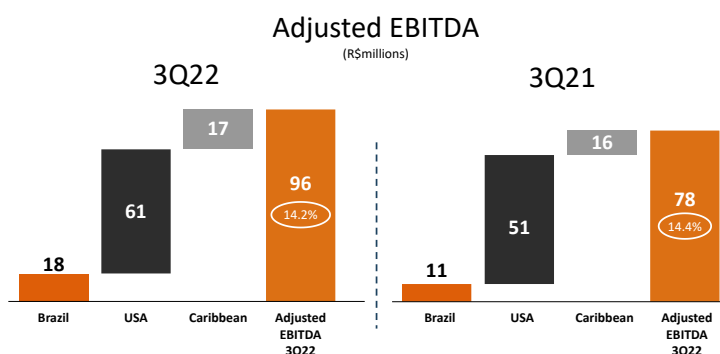
FINANCIAL PERFORMANCE

Adjusted EBITDA totaled R\$95.9 million, a YoY growth of 23.1%, boosted by higher revenue and control of costs and expenses in all operations. The consolidated EBITDA margin was 14.2%, a 25bps decrease caused by the lower margin in the Caribbean region.

The adjusted EBITDA in Brazil grew by 60.2% over 3Q21, to R\$17.9 million, expanding the margin by 83bps, to 5.0%. The result was driven by higher revenues reported in all segments, cost management efficiency, and the operating leverage of our operations. Furthermore, it is worth noting that R\$8.5 million was accrued in 3Q22 for the profit-sharing program, which was partially offset by the R\$9.0 million from extemporaneous tax credits.

Adjusted EBITDA from the U.S. and Caribbean operations totaled R\$60.7 million and R\$17.4 million, respectively, a YoY increase of R\$11.3 million.

The Company reported an operating profit 49.5% higher than in 3Q21. However, due to the rise in interest rates, the negative financial result was 93.9% higher than in 3Q21. Combined with taxes levied on the operations' higher profit, the loss was R\$4.5 million, in line with the figure reported in 2021, but improving the net margin by 16bps.



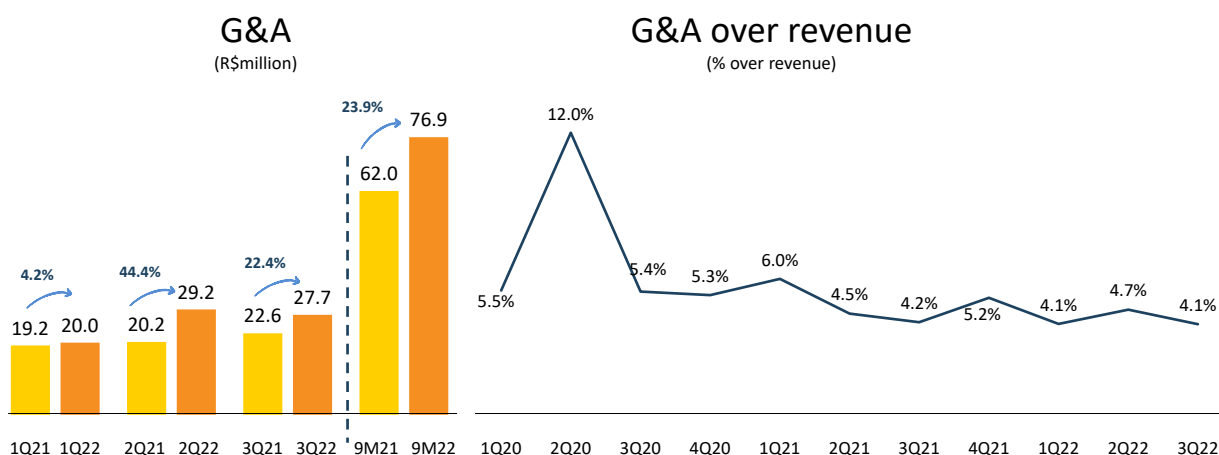
(R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
NET INCOME (LOSS)	(4.5)	(4.5)	0.6%	(50.0)	(38.7)	29.0%
(+) Income Taxes	15.6	16.6	-6.0%	24.0	26.4	-9.0%
(+) Net Financial Result	30.6	15.8	93.9%	93.4	40.2	132.4%
(+) D&A and Write-offs	49.0	46.1	6.4%	144.3	135.3	6.6%
EBITDA	90.7	73.9	22.7%	211.6	163.1	29.7%
(+) Special Items	4.3	(0.0)	na	8.5	(9.5)	na
(+) Pre-Opening Expenses	1.0	4.0	-76%	2.1	12.0	-82%
Adjusted EBITDA	95.9	77.9	23.1%	222.2	165.7	34.1%
<i>EBITDA / Net Revenues</i>	<i>13.4%</i>	<i>13.7%</i>	<i>-28bps</i>	<i>11.8%</i>	<i>12.5%</i>	<i>-63bps</i>
<i>Adjusted EBITDA / Net Revenues</i>	<i>14.2%</i>	<i>14.4%</i>	<i>-25bps</i>	<i>12.4%</i>	<i>12.7%</i>	<i>-22bps</i>

(R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
Adjusted EBITDA	95.9	77.9	23.1%	222.2	165.7	34.1%
(+) Profit Sharing (Bonus)	8.5	0.0	-	13.6	0.0	-
(-) Tax Credit	(9.0)	0.0	-	(26.5)	(15.9)	66%
(-) PPP Paycheck Protection Program	0.0	0.0	-	0.0	(22.6)	-100%
Adjusted EBITDA Recurrent	95.5	77.9	22.6%	209.4	127.2	64.5%
<i>EBITDA Ajustado Recurrent / Net Revenues</i>	<i>14.1%</i>	<i>14.4%</i>	<i>-31bps</i>	<i>11.7%</i>	<i>9.7%</i>	<i>+200bps</i>

GENERAL AND ADMINISTRATIVE EXPENSES IN BRAZIL (CORPORATE)

IMC's General and Administrative Expenses totaled R\$27.7 million in 3Q22 (+22.4% over 3Q21), accounting for 4.1% of the consolidated net revenue, reflecting the company's increased efforts with structuring projects and reinforcement of strategic areas. Moreover, R\$8.5 million was accrued in 3Q22 for the employee's incentive plan.

The net result of other operating profit and expenses was a positive R\$7.6 million, boosted by the recognition of R\$9.0 million in tax credits arising from the operation, which were partially mitigated by impacts with terminations related to the Company's restructuring process.



(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
G&A and Others	(28.6)	(22.7)	25.9%	(65.0)	(49.3)	31.8%
G&A	(27.7)	(22.6)	22.4%	(76.9)	(62.0)	23.9%
Others	7.6	(0.1)	na	25.5	12.7	100.3%
Profit sharing	(8.5)	0.0	na	(13.6)	0.0	na

EBITDA RECONCILIATION - EX-IFRS 16

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
Adjusted EBITDA	95.9	77.9	23.1%	222.2	165.7	34.1%
Adjustments	(5.2)	(4.0)	31.0%	(10.7)	(2.6)	317.1%
EBITDA	90.7	73.9	22.7%	211.6	163.1	29.7%
IFRS effects	(29.1)	(23.1)	26.1%	(82.2)	(62.8)	30.8%
EBITDA Ex-IFRS16	61.6	50.8	21.1%	129.4	100.3	29.0%

INVESTMENT ACTIVITIES

Investments totaled R\$17.3 million in 3Q22, of which R\$10.1 million was for expansion, and R\$7.1 million for Maintenance and Remodeling.

CAPEX (in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
Total Expansion Investments	10.1	19.8	-48.8%	34.4	41.1	-16.2%
Total Maintenance Investments	7.1	16.8	-57.5%	18.8	26.2	-28.1%
Total CAPEX Investments	17.3	36.6	-52.8%	53.3	67.3	-20.8%

GERAÇÃO DE CAIXA

Operating cash generation was R\$ 64.0 million in the quarter, up 25.5% vs. 3Q21, driven by the improvement in the company's operating result and better management of working capital. Free cash flow was R\$46.7 million versus R\$14.4 million in the same period of the previous year, a 225% growth, driven by the improvement in the results of operations and discipline in investments.

During the 9 months of 2022, the company generated R\$ 165.0 million of operating cash, a growth of 63.2% compared to the same period in 2021, and presented a free cash flow of R\$ 111.8 million vs. R\$ 33.8 million from last year, an expansion of 230.5%.

(in R\$ million)	3Q22	3Q21	YoY	9M22	9M21	YoY
Adjusted EBITDA	95.9	77.9	23.1%	222.2	165.7	34.1%
(-) Financial Results	(30.6)	(15.8)	93.9%	(93.4)	(40.2)	132.4%
(-) Store Pre-openings	(1.0)	(4.0)	(76.1%)	(2.1)	(12.0)	(82.3%)
(+/-) Non-Cashes	19.1	24.9	(23.4%)	74.7	61.4	21.6%
(+/-) Working Capital	(19.5)	(32.1)	(39.2%)	(36.4)	(73.8)	(50.7%)
Net Operating Cash Flow	64.0	51.0	25.5%	165.0	101.1	63.2%
(-) Capex	(17.3)	(36.6)	(52.8%)	(53.3)	(67.3)	(20.8%)
Free Cash Flow	46.7	14.4	224.9%	111.8	33.8	230.5%

NET DEBT

The company ended 3Q22 with a cash position of R\$305.1 million, in line with its net debt position of R\$305.1 million. The leverage ratio was 2.5x (EBITDA LTM, ex-IFRS16), down 0.2x from the previous quarter (2Q22) and 0.5x below the 3.0x limit stipulated by the covenants in the period. The company has been making efforts to improve its capital structure and during the quarter it reduced its gross debt by R\$31.7 million, having settled part of the debt abroad.

R\$ million	3Q22	% total	2Q22	% total	4Q21	% Total	3Q21	% total
Short Term	199.1	33%	167.5	26%	86.8	12%	40.2	6%
Long Term	411.1	67%	474.4	74%	649.4	88%	668.8	94%
Total Debt	610.2	100%	641.9	100%	736.2	100%	709.0	100%
(-) Cash	(305.1)	-	(344.4)	-	(466.8)	-	(536.6)	-
Net Debt	305.1	-	297.5	-	269.4	-	172.4	-
Leverage (ex-IFRS16)	2,5X	-	2,7X	-	2,9X	-	1,9X	-
Covenant limit	3,0X		3,0X		5,0X		7,5X	

SUBSEQUENT EVENTS

At the beginning of October, the approval by the waiver debenture holders was announced, authorizing the sale of assets by the company and the conclusion of the sale of the 9 stores of Carl's Jr. in Panama..

At the end of October, the conclusion of the arbitration process involving KFC was reported, with the renewal of the partnership valid for another 10 years.

EXHIBITS:

CONSOLIDATED PRO-FORMA INCOME STATEMENT:

Pro Forma Result - Considering the Panama operations

(R\$ thousand)	3Q22	3Q21	YoY	9M22	9M21	YoY
NET REVENUE	676,856	540,402	25.3%	1,785,631	1,307,730	36.5%
COST OF SALES AND SERVICES	(403,233)	(354,893)	13.6%	(1,168,883)	(886,598)	31.8%
GROSS PROFIT	273,623	185,509	47.5%	616,747	421,132	46.4%
	<i>40.4%</i>	<i>34.3%</i>	<i>6.1 p.p.</i>	<i>34.5%</i>	<i>32.2%</i>	<i>2.3 p.p.</i>
OPERATING INCOME (EXPENSES)						
Sales, general and administrative expenses	(246,868)	(133,197)	85.3%	(598,697)	(431,442)	38.8%
Equity income	775	2,836	-72.7%	8,432	10,002	-15.7%
Other operating expenses	14,141	3,585	294.4%	40,938	28,160	45.4%
	41,670	27,879	49.5%	67,421	27,851	142.1%
Net financial expenses	(30,575)	(15,769)	93.9%	(93,358)	(40,173)	132.4%
EARNINGS BEFORE TAXES	11,095	12,110	-8.4%	(25,937)	(12,322)	110.5%
Income Taxes	(15,573)	(16,560)	-6.0%	(24,042)	(26,426)	-9.0%
NET PROFIT (LOSS)	(4,478)	(4,450)	0.6%	(49,979)	(38,748)	29.0%
	<i>-0.7%</i>	<i>-0.8%</i>	<i>0.2 p.p.</i>	<i>-2.8%</i>	<i>-3.0%</i>	<i>0.2 p.p.</i>

CONSOLIDATED PRO-FORMA AND ACCOUNTING INCOME STATEMENT:

Accounting Result (ITR) - Considering the businesses sold in Panama as a Discontinued Operation

Result Discontinued Operations, Carl's Jr. and Panama Airports

(R\$ thousand)	3Q22	3Q21	YoY	9M22	9M21	YoY	3Q22	3Q21	YoY	9M22	9M21	YoY
NET REVENUE	645,963	511,088	26.4%	1,690,470	1,235,375	36.8%	30,893	29,314	5.4%	95,161	72,355	31.5%
COST OF SALES AND SERVICES	(414,023)	(344,705)	20.1%	(1,156,551)	(858,691)	34.7%	10,790	(10,188)	-205.9%	(12,333)	(27,907)	-55.8%
GROSS PROFIT	231,940	166,383	39.4%	533,919	376,684	41.7%	41,683	19,126	117.9%	82,829	44,448	86.4%
	35.9%	32.6%	3.4 p.p.	31.6%	30.5%	1.1 p.p.	134.9%	65.2%	69.7 p.p.	87.0%	61.4%	25.6 p.p.
OPERATING INCOME (EXPENSES)												
Sales, general and administrative expenses	(233,580)	(127,395)	83.4%	(543,775)	(400,390)	35.8%	(13,288)	(5,802)	129.0%	(54,923)	(31,052)	76.9%
Equity income	775	2,836	-72.7%	8,432	10,002	-15.7%	0	0	na	0	0	na
Other operating expenses	14,332	3,644	293.3%	41,047	27,985	46.7%	(191)	(59)	226.2%	(110)	174	-163.0%
	13,467	19,586	-31.2%	39,624	14,281	177.5%	28,203	8,293	240.1%	27,797	13,570	104.8%
Net financial expenses	(29,718)	(17,610)	68.8%	(91,277)	(45,607)	100.1%	(857)	1,841	-146.6%	(2,081)	5,434	-138.3%
EARNINGS BEFORE TAXES	(16,251)	1,976	-922.5%	(51,653)	(31,326)	64.9%	27,346	10,134	169.8%	25,716	19,004	35.3%
Income Taxes	(15,725)	(16,478)	-4.6%	(24,081)	(26,107)	-7.8%	152	(82)	-286.3%	39	(319)	-112.3%
Profit from discontinued operations	27,499	10,052	173.6%	25,755	18,685	37.8%						
NET PROFIT (LOSS)	(4,478)	(4,450)	0.6%	(49,979)	(38,748)	29.0%	27,499	10,052	173.6%	25,755	18,685	37.8%
	-0.7%	-0.9%	0.2 p.p.	-3.0%	-3.1%	0.2 p.p.	89.0%	34.3%	54.7 p.p.	27.1%	25.8%	1.2 p.p.

Pro Forma Result - Considering the Panama operations

(R\$ thousand)	3Q22	3Q21	YoY	9M22	9M21	YoY
NET REVENUE	676,856	540,402	25.3%	1,785,631	1,307,730	36.5%
COST OF SALES AND SERVICES	(403,233)	(354,893)	13.6%	(1,168,883)	(886,598)	31.8%
GROSS PROFIT	273,623	185,509	47.5%	616,747	421,132	46.4%
	40.4%	34.3%	6.1 p.p.	34.5%	32.2%	2.3 p.p.
OPERATING INCOME (EXPENSES)						
Sales, general and administrative expenses	(246,868)	(133,197)	85.3%	(598,697)	(431,442)	38.8%
Equity income	775	2,836	-72.7%	8,432	10,002	-15.7%
Other operating expenses	14,141	3,585	294.4%	40,938	28,160	45.4%
	41,670	27,879	49.5%	67,421	27,851	142.1%
Net financial expenses	(30,575)	(15,769)	93.9%	(93,358)	(40,173)	132.4%
EARNINGS BEFORE TAXES	11,095	12,110	-8.4%	(25,937)	(12,322)	110.5%
Income Taxes	(15,573)	(16,560)	-6.0%	(24,042)	(26,426)	-9.0%
Profit from discontinued operations						
NET PROFIT (LOSS)	(4,478)	(4,450)	0.6%	(49,979)	(38,748)	29.0%
	-0.7%	-0.8%	0.2 p.p.	-2.8%	-3.0%	0.2 p.p.

CONSOLIDATED BALANCE SHEET:

(R\$ thousand)	3Q22	3Q21	2Q20	4Q20
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	259,192	461,280	536,569	537,581
Accounts receivable	79,279	89,386	99,106	35,380
Inventories	54,766	53,236	45,233	44,120
Other current assets	232,106	51,034	108,959	106,410
Total current assets	625,343	654,936	789,867	723,491
NONCURRENT ASSETS				
Financial investments	5,928	5,533	0	0
Deferred income taxes	96,934	109,315	105,834	134,072
Other noncurrent assets	100,802	102,042	82,156	54,052
Property and equipment	402,947	447,298	378,109	356,447
Intangible	1,032,958	1,049,566	1,042,769	1,085,858
Property Use Right Asset	551,012	582,508	577,382	399,058
Total noncurrent assets	2,190,581	2,296,262	2,186,250	2,029,487
TOTAL ASSETS	2,815,924	2,951,198	2,976,117	2,752,978
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade accounts payable	182,065	191,256	182,927	162,857
Loans, financing and acquisitions' payables	193,340	86,810	40,195	70,093
Salaries and social charges	87,519	71,702	69,250	52,898
Lease Liabilities	101,500	87,984	69,772	54,177
Other current liabilities	204,501	50,410	73,579	59,051
Total current liabilities	768,925	488,162	435,723	399,076
NONCURRENT LIABILITIES				
Loans, financing and acquisitions' payables	357,030	649,388	668,767	603,692
Provision for labor, civil and tax disputes	90,985	92,479	82,637	85,654
Deferred income tax and social contribution LP	36,302	40,204	42,560	56,774
LP Lease Liabilities	483,186	525,883	505,668	374,272
Other noncurrent liabilities	19,785	28,396	82,711	52,110
Total noncurrent liabilities	987,288	1,336,350	1,382,343	1,172,502
EQUITY				
Capital and reserves	1,540,382	1,535,491	1,533,899	1,532,697
Accumulated losses	(611,034)	(561,055)	(519,354)	(480,606)
Other comprehensive income	130,362	152,250	143,506	129,309
Total equity	1,059,710	1,126,686	1,158,051	1,181,400
TOTAL LIABILITIES AND EQUITY	2,815,924	2,951,198	2,976,117	2,752,978

CASH FLOW:

(R\$ thousand)	3Q22	3Q21	YoY	9M22	9M21	YoY
CASH FLOW FROM OPERATING ACTIVITIES						
Loss of continuing operations	(31,977)	(14,502)	120.5%	(75,734)	(57,433)	31.9%
Profit from discontinued operations	27,499	10,052	173.6%	25,755	18,685	37.8%
Loss for the quarter	(4,478)	(4,450)	0.6%	(49,979)	(38,748)	29.0%
Depreciation and amortization	20,812	20,331	2.4%	67,839	71,997	-5.8%
Depreciation of use right	14,018	9,734	44.0%	62,228	45,797	35.9%
Impairment of intangible assets (using)	0	8,449	-100.0%	0	0	0.0%
Impairment of intangible assets (provision)	(4,431)	0	0.0%	(4,592)	0	0.0%
Retirement of fixed and intangible assets	(646)	63,028	-101.0%	4,313	13,171	-67.3%
Investment amortization	0	(1,535)	-100.0%	0	0	0.0%
Equity income result	(774)	(556)	39.2%	(8,432)	(7,722)	9.2%
Provision for labor, civil and tax disputes	786	1,497	-47.5%	6,281	8,587	-26.9%
Income taxes	15,612	16,241	-3.9%	24,081	26,107	-7.8%
Interest expenses	20,698	10,808	91.5%	65,172	28,126	131.7%
Interest on company acquisition and rights over point of sales	5,024	9,668	-48.0%	22,340	17,943	24.5%
Effect of exchange rate changes	3,808	1,139	234.3%	5,108	955	434.9%
Deferred Revenue, Rebates	(17,907)	4,108	-535.9%	(11,236)	3,656	-407.3%
Expenses in payments to employees based in stock plan	1,609	1,978	-18.7%	4,787	1,202	298.3%
Others	29,349	(57,376)	-151.2%	13,523	3,822	253.8%
Changes in operating assets and liabilities	(59,500)	(32,097)	85.4%	(76,357)	(73,778)	3.5%
Cash generated from operations	23,980	50,967	-53.0%	125,076	101,115	23.7%
Income tax paid	(292)	859	-134.0%	(835)	4,594	-118.2%
Income tax paid	(5,024)	186	-2801.1%	(22,340)	(1,030)	2068.9%
Interest paid	(38,334)	(1,129)	3295.0%	(81,152)	(1,556)	5115.0%
	(4,030)	(699)	476.8%	(4,030)	(699)	476.8%
Net cash generated by (used in) operating activities	(23,700)	50,184	-147.2%	16,719	102,424	-83.7%
CASH FLOW FROM INVESTING ACTIVITIES						
Payment of business acquisitions made in prior years	(1,084)	0	0.0%	2,111	0	0.0%
Additions to intangible assets	(3,575)	(369)	868.8%	(14,019)	(1,417)	889.3%
Additions to property and equipment	(10,528)	(35,638)	-70.5%	(36,083)	(65,286)	-44.7%
	(3,175)	(600)	428.9%	(3,175)	(600)	428.9%
Net cash used in investing activities from continued operations	(18,362)	(36,607)	-49.8%	(51,166)	(67,303)	-24.0%
CASH FLOW FROM FINANCING ACTIVITIES						
			0.0%			0.0%
Dividend Payments	0	(2,314)	-100.0%	0	(2,314)	-100.0%
Capital contributions from minority interest	0	0	0.0%	0	0	0.0%
Shares in Treasury	0	1,536	-100.0%	0	0	0.0%
Shares in Treasury	(17,708)	(6,715)	163.7%	(57,253)	(24,168)	136.9%
New loans	576	0	0.0%	153,570	0	0.0%
Payment of business acquisitions	0	30	-100.0%	(408)	(4,351)	-90.6%
	0	0	0.0%	0	0	0.0%
Payment of loans	(13,076)	(730)	1691.2%	(241,795)	(730)	33022.6%
	(16,103)	(6,805)	136.6%	(16,103)	(6,805)	136.6%
Net cash used in financing activities	(46,311)	(14,998)	208.8%	(161,989)	(38,368)	322.2%
EFFECT OF EXCHANGE RATE VARIATIONS	8,904	14,162	-37.1%	-5,652	2,236	-352.8%
NET INCREASE (DECREASE) FOR THE PERIOD	(79,469)	12,741	-723.7%	(202,088)	(1,011)	19897.4%
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	338,661	523,829	-35.3%	461,280	537,581	-14.2%
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	259,192	536,569	-51.7%	259,192	536,569	-51.7%