



INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

Public Held Company (Category "A")

CVM Code nº 02357-4

Corporate Taxpayer's ID (CNPJ/ME) nº 17.314.329/0001-20

Company Registry (NIRE) 35300488750

NOTICE OF MATERIAL FACT

International Meal Company Alimentação S.A. (B3: MEAL3) ("**IMC**" or the "**Company**"), in accordance with Brazilian Securities Commission ("**CVM**") Instructions Nº 358/2002 and Nº 565/2015, hereby informs its shareholders and the market that, on this date, an Association Agreement was executed between the Company and Mr. Carlos Roberto Wizard Martins ("**Carlos**") and his sons Charles Pimentel Martins and Lincoln Pimentel Martins ("**Charles**" and "**Lincoln**", respectively and, jointly with Carlos, "**Martins Family**"), for the merger, by the Company, of all shares of MultiQSR Gestão de Restaurantes Ltda. ("**MultiQSR**"), indirectly the holder of master franchising rights of Pizza Hut and KFC systems in Brazil (the "**Merger**").

MultiQSR, by means of its controlled companies, (a) owns 11 restaurants of Pizza Hut' system in Brazil, also holding exclusivity rights to operate and grant sub-franchises for restaurants for Pizza Hut's system in Brazil; and (b) owns 20 restaurants of KFC's system in Brazil, also holding exclusivity rights to operate and grant sub-franchises for restaurants for KFC's system in Brazil. In Brazil, among proprietary and sub-franchise restaurants, there are 187 restaurants of the Pizza Hut system and 62 restaurants of the KFC system.

By means of the Merger, Martins Family will jointly receive 29.387.930 common shares issued by the Company, corresponding, on this date, to 15% of the total common shares of the Company, considering the capital increase arising from the Merger, and will be the main individual shareholder of the Company.

The exchange ratio is based on the valuation (a) of MultiQSR as of March 31, 2019 due to the synergies and discounted cash flow analysis, previous transactions with comparable companies and multiples of comparable companies, and (b) the evaluation of the Company in the amount of BRL 1.332.252.800,00, corresponding to BRL 8.00 per share.

Subject to the General Meeting's approval, as a part of the Merger negotiations, there will be an increase in the number of Board of Directors' members, from 6 to 7 members, as well as the dismissal and the subsequent appointment of the totality of the members of the Board of Directors. The Board of Directors will be composed by some of its current members and shall also

be composed by 2 (two) members appointed by Martins Family and 1 member jointly appointed by Kentucky Fried Chicken International Holdings, Inc. and Pizza Hut International LLC., franchisors of KFC and Pizza Hut' systems, respectively ("Yum!").

As a condition for the approval of the Merger by Yum!, Martins Family shall transfer to Yum!, on the date of the Merger, the amount of common shares issued by the Company, held by Martins Family, considering the capital increase resulting from the Merger, equivalent to 2,08% of the Company's total capital stock.

Also as a condition for the approval of the Merger by Yum!, Martins Family and Yum! shall execute on the date of the Merger two Shareholders' Agreements: (a) by means of the first Shareholders' Agreement, Martins Family and Yum! shall commit not to engage in any negotiations over the shares held by them, issued by the Company, for the period of time established in the Shareholder's Agreement and under the terms and conditions set forth therein; and (b) by means of the second Shareholder's Agreement, Martins Family and Yum! shall commit to appoint the candidates to compose the Board of Directors of the Company and to exercise their voting rights by voting in favor of such candidates in the Company's shareholders meetings held to discuss this matter.

Lastly, equally as a condition for the approval of the Merger and subject to the approval of the Shareholders Meeting, it will be granted a stock option plan of shares issued by the Company to the board members and management, comprised by up to 4,325,000 shares, corresponding to 2.21% of the total capital of the Company immediately after the completion of the Merger, in the terms of the Company's administration proposal to be presented.

The Merger aims at (i) exploiting significant synergies, such as optimization of purchase agreements and logistical and supply gains, (ii) creating a stronger platform for the expansion of the Company's business, through its own restaurants or franchisees with two new and well-known brands – KFC and Pizza Hut, and (iii) exchanging of operational best-practices, for more efficiency and quality, optimization of the team and the supply chain, allowing the establishment of new restaurants. It is expected that the benefits mentioned above shall have a positive impact on the whole sub-franchisees chain of KFC and Pizza Hut systems in Brazil.

The combination of IMC with Pizza Hut and KFC systems, if fulfilled, shall result in a sole company in the food service sector that, considering 2018, would have revenues of than BRL 1.8 billion in gross revenues (or approximately BRL 2,3 billion, considering also franchisees' revenues) and more than 460 stores (including franchisees) and a portfolio of very strong and traditional trademarks, such as: Frango Assado, Viena, KFC, Pizza Hut, Margaritaville, among others. Therefore, the transaction represents the implementation of the Company's strategic goal of continuing its expansion process in the food retail business.

The conclusion of the Merger is subject to (a) Shareholders' Meetings of the Company and of MultiQSR providing for the approval of the Merger and other related matters, including the appointment of a new Board of Directors of the Company, with the following structure: Flavio Benício Jansen Ferreira (chairman), Marcel Fleischmann, Rodrigo Neiva Furtado, José Agote, Charles Pimentel Martins, Lincoln Pimentel Martins and Joseph Call; (b) the unappealable approval by the Administrative Council of Economic Defense (CADE); (c) other conditions usually applicable to such transaction; and (d) the execution by Yum! of documents and agreements approving the Merger and the terms and conditions for the Company's operation as exclusive master franchisee

of Pizza Hut and KFC systems in Brazil, as the final drafts approved by the Board of Directors of the Company.

Mr. Newton Maia Salomão Alves shall remain as the Company's CEO.

Itaú BBA acted as the exclusive financial advisor of IMC.

The dissenting shareholders of the Company who exercised their withdrawal right as a result from the approval of the Merge shall have the right to the reimbursement of the book value of its shares based on the Company's Financial Statements as of December 31, 2018. Therefore, the reimbursement amount to be paid to the dissenting shareholders shall correspond to BRL 6,37 per share.

According to the Article 137, Paragraph 1 of the the Brazilian Corporation Law (Law No. 6,404/76, as amended, the "**Corporation Law**"), the withdrawal right shall only apply in relation to the shares of the Company held on the date hereof (July 25th, 2019), including negotiations on the stock exchange on this date. The withdrawal right may be enforced by the dissenting shareholders of the Company up to 30 days from the disclosure of the minutes of the respective shareholders' meeting approving the justification protocol of the transaction, provided that the reimbursement payment is conditioned to the effective transaction (the Merger) to take place.

The Company estimates that the costs and expenses for conclusion of the Merger shall be of approximately R\$20 million.

Information and documents of the Merger are available at the Company's headquarters and at the websites of the Company (www.internationalmealcompany.com.br), CVM (www.cvm.gov.br) and B3 (www.b3.com.br).

São Paulo, July 25th, 2019

INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.

Luis Felipe Silva Bresaola

Investor Relations Officer