

**INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.**

Publicly-held company (Category "A")

CVM code No. 02357-4

CNPJ/MF No. 17.314.329/0001-20

NIRE 35300488750

**NOTICE OF MATERIAL FACT**

**International Meal Company Alimentação S.A.** (B3: MEAL3), a publicly-held company registered with the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários - CVM*) under the category "A", with headquarters in the City of São Paulo, State of São Paulo, Avenida das Nações Unidas, 4777, 12º andar, Alto de Pinheiros, Zip code 05477-902 ("**Company**"), in accordance with the provisions of Law 6,404/74 and CVM Rule 358/02, informs that it has received, today at 6:30 pm, a letter from Abanzai Representações S.A, controlling shareholder of Sapore S.A., containing a proposal for a potential business combination between both companies ("**Proposal**").

The Company's Board of Directors will be convened to examine the Proposal, the terms and conditions of which are described in the referred letter, attached hereto.

The Company will keep its shareholders and the market informed on subsequent events related to the matters described herein.

São Paulo, February 9, 2018.

**INTERNATIONAL MEAL COMPANY ALIMENTAÇÃO S.A.**

**José Agote**

Financial and Investor Relations Director

Campinas, February 9, 2018.

To

**Board of Directors of  
International Meal Company Alimentação S.A.**

Attn.: Mr. Patrice Philippe Nogueira Baptista Etlin – Chairman of the Board of Directors

Attn.: Mr. Newton Maia Salomão Alves – CEO

In person and via e-mail, respectively, to:

petlin@adventinternational.com

newton.maia@internationalmealcompany.com

**Re. Proposal for Business Combination**

Dear Sirs,

Abanzai Representações S.A. ("Holding Sapore"), controlling shareholder of Sapore S.A. ("Sapore"), hereby respectfully proposes and presents, to the Board of Directors of International Meal Company Alimentação S.A. ("IMC", together with Sapore, the "Companies"), a binding proposal ("Proposal") of a transaction for the business combination between the Companies, pursuant to the terms below ("Transaction" or "Business Combination").

**I. Subject**

This Proposal aims to present the general terms and conditions to a potential Business Combination, as well as outline the next steps suggested for its negotiation and execution.

**II. Information about Sapore**

Sapore is a privately-held company based in Campinas, State of São Paulo, founded in 1992 by Mr. Daniel Mendez, the Company's current final controlling shareholder and CEO, and has become the first genuinely Brazilian multinational company of corporate catering. Currently the largest national food company, Sapore has approximately 15 thousand employees, and is present in more than 351 municipalities, in 20 Brazilian states, plus the federal district, and also has operations in Mexico and Colombia, as well as an office in Argentina. Sapore has a broad portfolio of customers, with more than 1,100 corporate restaurants, serving more than 1 million meals a day<sup>1</sup>.

Sapore's financial statements have been audited for more than 10 years by KPMG and Sapore is in the process of finalizing them for the year ended 12/31/2017. For such period, Sapore estimates net revenues of approximately R\$ 1.6 billion, adjusted EBITDA of approximately R\$ 104 million and a net profit over R\$ 34 million.

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<sup>1</sup> For more information: [www.sapore.com.br](http://www.sapore.com.br)

### III. Strategic Rationale

Holding Sapore believes that a Business Combination between IMC and Sapore would bring enormous benefits to both Companies, their business and shareholders, employees, the market and stakeholders in general, considering the strong strategic rationale of the transaction and in particular that (i) it would create the largest player of the food service segment in Brazil, acting in both the restaurant and catering segments; (ii) after the Business Combination, the forecast of IMC's net revenue in 2018 would be over R\$ 3.3 billion, synergies excluded; its estimated adjusted EBITDA in 2018 would be approximately R\$ 290 million, synergies excluded; (iii) the Business Combination will bring estimated efficiency and synergy gains of approximately R\$ 130 million per year in EBITDA, with ample commercial and operational integration between the Companies, representing an increase in EBITDA of approximately 45%; and (iv) it would potentially improve IMC's economic and financial indicators.

Additionally, we believe that the Transaction would result in an increase in the liquidity of the shares issued by IMC that would continue to be traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3"), which would result in several benefits for IMC and its shareholders, so we believe that the Operation is in the best interest of both the former and the latter.

The proposed Transaction also provides for the maintenance of the current main executives of IMC, so that the synergies of the Business Combination can be maximized.

### IV. Proposed Structure

Considering the corporate structures of the Companies and the objective of preserving IMC's identity and the trading of its shares in B3, we understand that the best way to implement the Business Combination between the Companies would be as follows:

- The Transaction would be implemented by the merger (or merger of shares) of the Holding Sapore, as owner of 100% of Sapore's equity, by IMC ("Sapore Merger"), so that (a) Sapore becomes a wholly-owned subsidiary of IMC or IMC is an indirect holder of 100% of Sapore's equity, (b) Sapore Holding's shareholders receive, in lieu of the shares issued by Holding Sapore that will be cancelled, 169,697,205 common shares issued by IMC (considering that the current number of shares issued by IMC is 166,531,600), so that Holding Sapore's shareholders become holders of at least 50.47% of IMC's equity, immediately after the Sapore Merger and after the Extraordinary Payment described below, and on fully diluted basis (considering any possible share-based compensation plans) (the exchange ratio being, as of this date, a certain number of shares issued by Holding Sapore, for each common share issued by IMC herein referred as "Exchange Ratio");
- The Transaction would include the distribution by IMC to its shareholders - prior to the Sapore Merger - of R\$ 355,342,300.00 ("Extraordinary Payment"), by a combination of dividend distribution and/or capital restitution, equivalent to R\$ 2.13 per share of IMC<sup>2</sup> (gross amount before payment or withholding of possible taxes, if applicable);
- The Exchange Ratio and/or the Extraordinary Payment would be adjusted to reflect (a) any dividends, interest on equity and other proceeds declared and paid by IMC as of

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<sup>2</sup> Including shares held in treasury and considering that on the date of the declaration of dividends there are 166,531,600 common shares issued by IMC.

February 9, 2018, except for (i) the exact amount of the mandatory minimum dividend, as currently provided for in its bylaws, to be annually resolved at the IMC annual shareholders' meeting, and (ii) the Extraordinary Payment; and (b) any unfolding, grouping, repurchase, bonus and/or change in the number of shares issued by IMC or Holding Sapore, as of the present date; (c) the variation of the net debt in which the Proposal is based and the closing net debt; and (d) any adjustment in the number of shares resulting from any stock option programs. After the adjustments resulting from any of the above, the premise is that the Holding Sapore's shareholders will hold 50.47% of the voting and total share capital of IMC after the Business Combination;

- The financial statements of Sapore Holding and of IMC that will serve as basis for the Sapore Merger will be audited and should have the same base date as of December 31, 2017, which will be the base date of the Transaction;
- Prior to the approval of the Sapore Merger at an Extraordinary Shareholder's Meeting, (1) the IMC shall have equity value, after the Extraordinary Payment, of up to R\$ 1.130 billion, based on the average closing price per share, weighted by the trading volume of the 30 days<sup>3</sup> prior to the date of this Proposal, of R\$ 8.92 per IMC share, which represents a premium of 11.50% in relation to the price of the last public offering of shares (follow-on) made by IMC on November 9, 2017, and a premium of 6.57% in relation to the closing price of the day prior to the news published in Valor Pro on January 19, 2018, about a potential transaction involving the Companies, and (2) Sapore shall have an equity value of R\$ 1.152 billion. The proposed Transaction may result in an upside of more than 40% for current IMC shareholders considering the Extraordinary Payment and the increase in value generated by the synergies;
- We assume as a premise for the basis of the Transaction and condition for its implementation that there will be no shares issued by IMC held in treasury. Therefore – prior to the Sapore Merger – all the stock options issued by IMC that have been effectively granted (and allocated) to beneficiaries and not exercised (whether or not the vesting period has elapsed, provided that they can still be exercised in accordance with the conditions of the respective stock option plans) shall have been exercised and satisfied, through the delivery of shares held by IMC in its treasury, within the scope of the stock option plans issued by IMC approved to date. We consider that there are currently 3,817,700<sup>4</sup> IMC shares in treasury; and
- We assume as a premise of the Transaction a net debt, considering minority interest, of R\$ 7.7 million for IMC and of R\$ 74.4 million for Holding Sapore.

Between this date and the date of conclusion of the Transaction or the date of the end of the negotiations between the managements of the Companies, whichever occurs first, Holding Sapore and the Companies shall not carry out, approve and/or resolve on certain acts, to be negotiated and detailed in the Protocol (as defined below), that may substantially change the legal, economic and financial aspects of IMC and Sapore, as well as their activities (in relation to the way they are conducted up to this date).

We propose that the Extraordinary Shareholders' Meetings of both IMC and Holding Sapore be convened and held to resolve on the Transaction in the first quarter of 2018

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<sup>3</sup> Closing price weighted by the volume of each day in the period from 1/8/2018 to 2/7/2018.

<sup>4</sup> Considering the current amount of shares held in treasury.

yet, so that the Holding Sapore and IMC will have their respective audited financial statements, related to the fiscal year ended on December 31, 2017, finalized and available before March 27, 2018, allowing the companies to conclude the negotiations about the Transaction.

We understand that speed and diligence are crucial for carrying out the Transaction, and, therefore the conclusion of the negotiations between the companies must occur as brief as necessary, counting on the commitment of the managements of each company, their advisors and other professionals that shall participate of the structuring and viability of the Transaction.

This Proposal is valid for 15 days from this date and is subject to – besides the acceptance of its terms – the negotiation and conclusion by the managements of the companies of customary closing conditions usual for this kind of transaction, the approval by the management bodies of the companies and their respective shareholders at general meetings, the governmental and regulatory approvals and the non-occurrence of material adverse changes to the market conditions or to the IMC business.

In light of the basis of the Transaction as described above, and in order to move towards its conclusion in the shortest timeframe possible, we suggest that the Companies' managements proceed with the following acts:

1. In case IMC's management agrees with the basis of the Transaction, the managements of both companies shall engage in discussions in order to enter into the protocol and justification of the Sapore Merger ("Protocol") and subsequently convene, as briefly as possible, the shareholders' meetings of both Holding Sapore and IMC to resolve on the Transaction. We estimate that, in the course of negotiations in good-faith, it is possible to conclude the Protocol within 7 to 10 days after the acceptance of the above-mentioned by the IMC management;
2. Once the Transaction has been approved by the shareholders' meetings of Holding Sapore and IMC, the companies will then jointly submit it to approval by the Brazilian Administrative Board for Economic Defense ("CADE"), pursuant to the applicable laws; and
3. If CADE approves the Transaction, a new shareholders' meeting of IMC should be held to ratify and conclude the transaction with the completion of the Sapore Merger, the delivery of the shares issued by IMC to the shareholders of Holding Sapore and the Extraordinary Payment.

This letter and its terms are not confidential and, in order to keep the IMC shareholders and the market informed about the matters addressed herein, pursuant to the applicable regulation, we request that this letter be disclosed in a notice of material fact. Likewise, we reserve our right to disclose it in the media.

Sincerely,

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**Abanzai Representações S.A.**

CEO