

## **BRASIL BROKERS PARTICIPAÇÕES S.A.**

Corporate Taxpayer's Identification Number: 08.613.550/0001-98

NIRE 33.3.0028096-1

A Publicly Held Company

### **MATERIAL FACT**

**BRASIL BROKERS PARTICIPAÇÕES S.A.** (the "**Company**," B3: BBRK3), in compliance with the provisions of the Instruction by the Brazilian Securities and Exchange Commission ("**CVM**") No. 358 of January 3, 2002, as amended, CVM Instruction 476, of January 16, 2009, as amended ("**CVM Instruction 476**") and for the purposes of Paragraph 4 of Article 157 of Law 6404, of December 15, 1976, as amended ("**Corporations Act**"), hereby informs its shareholders and the market in general that the Board of Directors of the Company, in accordance with the resolution adopted at the Ordinary and Extraordinary Shareholders' Meeting held on April 26, 2019, approved, on this date:

(i) the release of the public Offer with restricted efforts to place the first (1st) issue of the debentures of the Company, convertible into shares, in a single series, of the unsecured class, to be performed pursuant to CVM Instruction 476, whose terms and conditions are described below ("**Debentures**" and "**Restricted Offer**," respectively);

(ii) the execution of the "Private Instrument of Indenture of the First (1st) Issue of Debentures, Convertible into Shares, in a Single Series, of the Unsecured Class, for Public Distribution with Restricted Placement Efforts of Brasil Brokers Participações S.A." (the "Indenture"); and

(iii) defined the details and schedule of the Restricted Offer.

## **1 Features of Restricted Offer and Debentures**

### **1.1 Overall Features**

The Restricted Offer shall consist of the public distribution of debentures convertible into shares, in a single series, unsecured, with no additional guarantee, in the total amount of BRL 120,000,000.00 ("**Debentures**" and "**Total Issue Amount**"), and with the intermediation of Banco BTG Pactual S.A., pursuant to Article 2 of CVM Instruction 476 (the "**Leading Coordinator**"), under the terms of the "Agreement for Structuring, Coordination and Public Distribution of the First Issuance of Debentures Convertible into Shares of the Unsecured Class, in a Single Series, for Public Distribution with Restricted Efforts, under the Best Efforts of Placement, of Brasil Brokers Participações S.A.," to be entered into between the Company and the Leading Coordinator (the "**Distribution Agreement**").

### **1.2 Unit Value**

The unit par value of each Debenture is BRL 1.00 (one Brazilian Real) on the issue date ("**Unit Value**").

### **1.3 Number of Debentures**

One hundred and twenty million (120,000,000) Debentures shall be issued.

#### 1.4 Class

The Debentures shall be of the unsecured class, pursuant to the main text of Article 58 of the Brazilian Corporation Act.

#### 1.5 Trustee

The trustee hired for the Issue is Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários (the "**Trustee**").

#### 1.6 Exclusion of Preemptive Right and Grant of Priority Right

The Restricted Offer shall be made with the exclusion of the preemptive right of the shareholders of the Company, pursuant to Article 172, Item I, of the Brazilian Corporation Act, however, in compliance with Article 9-A of CVM Instruction 476, to the shareholders of the Company the right of priority to subscribe the Debentures, under the terms, conditions and deadlines established below (the "**Priority Right**" and "**Priority Offer**").

The holders of common shares issued by the Company on April 3, 2019 (the "**Shareholders**"), shall have a Priority Right in proportion to their respective shares in the capital stock of the Company on the same date (the "**Cut Date**").

**The negotiation or assignment, whether total or partial, of the Priority Rights of the Shareholders to any third parties, including among the Shareholders themselves, shall not be allowed.**

#### 1.7 Distribution Plan

After the completion of the Priority Offer, the Restricted Offer shall be exclusively for professional investors, as defined in Article 9-A of CVM Instruction 539, of November 13, 2013, as amended (the "**Professional Investors**" and the "**Institutional Offer**," respectively). Pursuant to Article 3 of CVM Instruction 476, the demand for Professional Investors, within the scope of the Institutional Offer, is limited to a maximum of 75 Professional Investors and the subscription of Debentures limited to a maximum of 50 Professional Investors.

The Leading Coordinator and the Company shall not conduct a search for investors through stores, offices or establishments open to the public, or through the use of public communications services such as the press, radio, television and public pages on the Internet, pursuant to CVM Instruction 476.

At the time of subscription of the Debentures, each Professional Investor shall sign a declaration attesting to the fact that:

(a) the Restricted Offer was not registered with the CVM and the Brazilian Association of Financial and Capital Market Entities (ANBIMA) (the "**ANBIMA**");

(b) the Debentures are subject to the negotiation restrictions provided for in the Indenture, in this Material Fact and in the applicable regulations, and also, by means of such declaration, he/she expresses his/her express agreement to all its terms and conditions; and

(c) has made his/her own analysis with respect to the Company.

## **1.8 Partial Distribution**

The partial distribution of the Debentures within the scope of the Restricted Offer shall not be admitted.

In the event the Total Issue Amount is not reached, the amounts received as payment of Debentures by the investors shall be returned, within five (5) Business Days counted from the disclosure of a material fact, by the Company, regarding the cancellation of the Restricted Offer:

(i) through the liquidating bank, for the Debentures electronically kept in the CETIP UTVM segment of B3 S.A. "Brazil, Bolsa, Balcão" ("**B3 - Segment CETIP UTVM**"); or

(ii) through the Bookkeeper (as defined below), for Debentures that are not electronically kept in B3 - Segment CETIP UTVM, without interest or monetary correction, without reimbursement of expenses, but with deduction of any applicable taxes on the amounts received, due to the IOF Tax/Exchange Rate and any other taxes that may be created, including those with a current rate equivalent to zero that have their rate increased.

## **1.9 Early Redemption**

The Debentures are not subject to either full or partial early redemption by the Company.

## **1.10 Term, Form of Subscription and Payment of Debentures**

The Debentures shall be subscribed and paid up at any time, within a maximum term of twenty four (24) months, counted from the date of the distribution of the Restricted Offer, pursuant to Articles 7-A and 8, Paragraph 2, of CVM Instruction 476 .

The Debentures shall be paid in cash and in local currency, on the date they are subscribed, and shall be fully paid at their Unit Par Value, according to the procedures of B3 - Segment CETIP UTVM B3.

## **1.11 Remuneration of Debentures**

Pursuant to Article 56 of the Brazilian Corporations Act, no interest, whether fixed or variable, profit sharing or reimbursement premium shall be applicable to the Debentures.

## **1.12 Issue Date**

For all legal purposes and effects, the issue date of the Debentures is April 30, 2019 (the "**Issue Date**").

## **1.13 Maturity of Debentures**

The Debentures shall have a maturity of five (5) years ("**Debenture Maturity Term**"), when they will be mandatorily converted into common shares issued by the Company, without prejudice to the rights of Debenture holders to convert their Debentures in the events provided for in the Indenture of Issue ("**Optional Early Conversion**").

## **1.14 Distribution, Negotiation and Electronic Custody**

The Debentures shall be deposited to:

- (i) Public distribution in the primary market through the Asset Distribution Module ("**MDA**"), managed and operated by B3 - Segment CETIP UTVM, the distribution being settled financially through B3 - Segment CETIP UTVM; and
- (ii) Trading in the secondary market through CETIP21 - Securities ("CETIP21"), managed and operated by B3 - Segment CETIP UTVM, with the trading of the Debentures being settled financially through B3 - Segment CETIP UTVM and the Debentures electronically kept in B3 - Segment CETIP UTVM.

The Debentures may only be traded between Qualified Investors after the expiration of eighteen (18) months from the date of admission of the Debentures to trading, pursuant to Article 15, Paragraph 3, Item II, of CVM Instruction 476.

Notwithstanding, the Debentures subscribed under the Institutional Offer may only be traded on the regulated securities markets after ninety (90) days of each subscription by the Professional Investors, pursuant to Articles 13 and 15 of CVM Instruction 476.

## **2 Convertibility**

The Debentures shall be convertible into common, registered, book-entry shares with no par value, issued by the Company, with the same characteristics and conditions and shall enjoy the same rights and advantages of the other common shares issued by the Company, pursuant to the Corporations Act, the Ruling of the New Market and the Articles of Incorporation of the Company ("**Shares**").

### **2.1 Conversion Deadlines**

The Debentures shall be convertible, according to the procedures described in the Indenture of Issue, on a voluntary or mandatory basis (as the case may be), upon the occurrence of:

- (i) Conversion on the Maturity Date (as defined below);
  - (ii) Optional Early Conversion (as defined below); and/or
  - (iii) Early Punitive Conversion (as defined below).
- (i) *Conversion on the Maturity Date.* Within three (3) business days prior to the Maturity Date, the Trustee shall send notice to the Issuer, the Settlement Bank and the Bookkeeper, with a copy to B3 - Segment CETIP UTVM, by registered letter with acknowledgment of receipt, pursuant to the Indenture of Issue about the Conversion on the Maturity Date. The number of Shares to be issued in the case of a Conversion on the Maturity Date shall be calculated as a result of the division of the total Issue amount by the applicable Conversion Price ("**Conversion on Maturity Date**").
  - (ii) *Optional Early Conversion.* The Debentures may be converted at the discretion of their respective holders:
    - (a) between June 1, 2020 and August 31, 2020 (the "**First Conversion Period**"), at the Average Conversion Price; and
    - (b) between June 1, 2021 and the Maturity Date, in accordance with the Net Revenue of the Company, during the Calculation Period, as described below ("**Second Conversion Period**"), and in conjunction with the First Conversion, "**Optional Early Conversion Windows**").

- (iii) *Punitive Early Conversion*. The Debentures may be fully converted by decision of the General Meeting of Debenture Holders upon the occurrence, at any time, of a Punitive Conversion Event, as defined in the Indenture ("**Punitive Early Conversion**" and, together with the Conversion on the Maturity Date and Optional Conversion, "**Conversion Into Shares**").

## 2.2 Conversion Prices

The number of Shares to be delivered to the Debenture holders as a result of conversions of Debentures into Shares shall be representative of the division between the Unit Value of each Debenture at the conversion price, to be determined based on the procedure of collection of investment intentions, to be carried out exclusively in Brazil with Professional Investors within the scope of the Restricted Offer, by observing the criteria established in Paragraph 1 of Article 170 of the Brazilian Corporations Act, without generating an unjustified dilution for the shareholders of the Company ("**Bookbuilding Procedure**").

The conversion of the Debentures into shares of the Company shall be carried out based on one of three distinct Conversion Prices, which may vary, based on the net revenue calculated by the Company in accordance with the quarterly financial statements disclosed in the eight (8) quarters subsequent to the Issue, including the quarter in effect of the Issue Date, duly audited by the independent auditors hired by the Company ("**Net Revenue**" and "**Calculation Period**," respectively), as follows:

- (a) if the total Net Revenue is less than BRL 333 million during the Calculation Period, the Conversion Price shall be equivalent to 70% of the Average Conversion Price ("**Minimum Conversion Price**");
- (b) if the total Net Revenue is equal to or greater than BRL 333 million and less than BRL 400 million during the Calculation Period, the Conversion Price shall be that one established in the Bookbuilding Procedure ("**Average Conversion Price**"); and
- (c) if the total Net Revenue is equal to or greater than BRL 400 million during the Calculation Period, the Conversion Price shall be equivalent to 130% of the Average Conversion Price ("**Maximum Conversion Price**").

## 2.3 Conversion Ratio

The number of Shares resulting from the Conversion to be delivered for each converted Debenture shall be calculated based on the following conversion ratio ("**Conversion Ratio**"):

$$\text{Conversion Ratio} = N \times \text{VNU/PC}$$

Where:

N = Number of Debentures to be converted

VNU = one Brazilian Real (BRL 1.00)

PC = Conversion Price

## 2.4 Fractions of Shares

Only whole shares shall be delivered to the Debenture Holders. The fractions of shares shall be grouped together to form a whole number of Shares resulting from the conversion, which shall be subject to an auction of Shares to be held by the Company, under the rules applicable by B3.

The proceeds obtained by the Company from the sale of the Shares object of the auction shall be distributed on a *pro rata* basis among the Debenture Holders. The request for conversion into Shares made in the centralized escrow system operated by B3 shall be processed in the escrow account of each debenture holder, that is, the fractional value shall be treated individually.

## 2.5 Anti-Dilution Adjustment

The Conversion Price shall be adjusted automatically and proportionally in case of distribution of dividends, payment of interest on shareholders' equity, capital increase (except for capital increase events related to Conversion into Shares and to stock option plans of the Company), splits or reverse split of the Shares after the Issue Date.

In the event that the Company makes any capital increase in the period of twelve (12) months after the Issue Date of the Debentures (other than increases resulting from Conversion into Shares and the stock option plans of the Company), including capital increases arising from conversion of other convertible securities and subscription warrants eventually issued by the Company, the Conversion Price shall be adjusted according to the anti-dilution mechanism established below:

$$\text{Anti-Dilution Conversion Price} = (A)/[(B)-(C)]$$

Where:

"(A)" means the total number of outstanding shares at the date of the Indenture (excluding treasury shares) ("Number of Outstanding Shares") immediately prior to such capital increase x Volume (BRL) to be converted into the first event after the capital increase;

"(B)" means the (Total Amount of Issue/Conversion Price) x Total number of outstanding shares immediately after such capital increase;

"(C)" means the total number of shares received by the debenture holder within the scope of the partial voluntary conversion in shares occurring before the capital increase x [Number of outstanding shares + (Total Amount of Issue/Conversion Price)].

## 2.6 Punitive Early Conversion

In the event of a punitive conversion of the Debentures, according to the Indenture, the conversion of the Debentures into Shares shall be subject to a Conversion Price that shall be equivalent to the Minimum Conversion Price.

## 3 Investment Commitment

As informed by a material fact disclosed by the Company on March 26, 2019, the Board of Directors approved, at a meeting held on March 26, 2019, the execution of an investment commitment with an affiliate of Cerberus Capital Management, L.P. ("**Investment Commitment**" and "**Cerberus**," respectively), under which Cerberus committed to subscribe and pay up to the totality of the Issue under the Restricted Offer. In addition to the usual conditions precedent to this type of transaction, such as the negotiation and completion of all documents related to the Issue, the Investment Commitment is conditional on Cerberus subscribing at least 2/3 (two thirds) of the Debentures within the scope of the Issue ("**Minimum Anchorage Allocation**").

Pursuant the terms of the Investment Commitment, Cerberus committed to subscribe and pay up to the Total Issue Amount, totaling BRL 120,000,000.00 to the Company, according to the following Conversion Prices:

- (i) BRL 3.50, for the Minimum Conversion Price;
- (ii) BRL 5.00, for the Average Conversion Price; and
- (iii) BRL 6.50 for the Maximum Conversion Price, always subject to subscription and payment by Cerberus of at least 2/3 (two thirds) of the Issue.

Such terms were negotiated between independent parties and, according to the opinion of the Company, they are justifiable and represent the best financing alternative found by the Company considering the current financial situation of the Company and all the characteristics of its business.

Nevertheless, during the Bookbuilding Procedure, the Leading Coordinator shall seek to collect investment intentions in the Debentures, taking as reference the terms and conditions of the Investment Commitment undertook by Cerberus.

#### **4 Procedure of Priority Offer**

Within the context of the Priority Offer, the Shareholder Priority Right shall be assured, to be exercised by completing a specific form, together with a Escrow Agent (as defined below) (the "**Priority Subscription Request**") during the period between 2 May, 2019, and May 8, 2019, (the "**Priority Subscription Period**"), up to the proportional limit of such Shareholder's participation in the total share capital of the Company, as evidenced on the Cut Date, disregarding the shares kept in treasury ("**Proportional Subscription Limit**"). Accordingly, each common share issued by the Company held by the Shareholder on the Cut Date shall ensure the Shareholder the right to subscribe 3.3820978290 Debentures. In addition, if the ratio results in a debenture fraction, the subscription value shall be limited to the integer value calculated, disregarding any fractions of Debenture, as well as no apportionment shall be made within the scope of the Priority Offer.

In order to ensure the Priority Rights of Shareholders, the shareholding of the respective Shareholders shall be based on the escrow positions at the end of the Cut Date:

- (i) at the Depository Center of Assets of B3 (the "**Depository Center**"); and
- (ii) at Itaú Corretora de Valores S.A., the institution responsible for the bookkeeping of the common shares of the Company (the "**Bookkeeper**").

Shareholders who wish to exercise their Priority Right and participate in the Priority Offer must register or, if they are already registered, ensure that their respective registrations are up to date with a escrow agent holding access authorization for the custody of assets in the B3, duly authorized to act in the exercise of the right of priority within the scope of public offers with restricted efforts ("**Escrow Agent**"), for which they wish to effect their respective Priority Subscription Requests. Such Shareholders shall be subject to the internal rules and procedures of the respective Participating Institutions, custodians, representatives of non-resident investors and B3, in particular the rules and norms applicable to the Central Depository, with neither the Company nor the Leading Coordinator nor B3 for any material losses, demands, financial losses, damages or obligations arising from non-compliance by the Shareholders with the

requirements for exercising the Priority Right, and consequent participation of the Priority Offer, established in this Material Fact.

Each Shareholder is the sole responsible person for taking the appropriate measures to register or update his/her register, as the case may be, with the Escrow Agent in a timely manner to allow the execution of the Priority Subscription Request during the Priority Subscription Period, by observing the procedures of the respective Escrow Agent, as well as the procedures provided for in this Material Fact, and the Company, the Leading Coordinator and B3 are not liable for any material losses, demands, financial losses, damages or obligations arising from problems and/or outdated registration data. The Escrow Agent shall act with the strict purpose of serving the Shareholders in the Priority Offer, and under no circumstances may it make any kind of effort to sell or place the Debentures in the context of the Priority Offer, since the Restricted Offer is intended exclusively to Professional Investors, and Shareholders are only the priority in the subscription of the Debentures, under the terms of Instruction CVM 476.

In view of the operational procedures adopted by each Escrow Agent, it is recommended that Shareholders wishing to participate in the Priority Offer to contact the Escrow Agent of their choice before making their Priority Subscription Requests, to:

- (i) verify the need to maintain resources held in account therein and/or maintained, for the purposes of guaranteeing their respective Priority Subscription Requests;
- (ii) verify the possibility of an early debit of the account by the Escrow Agent;
- (iii) obtain more detailed information about the deadlines established for the execution of the Priority Subscription Request, by observing the operational procedures adopted by the Escrow Agent, as well as the procedures provided for in this Material Fact; and, where appropriate,
- (iv) update data and/or register with the Escrow Agent.

The Priority Subscription Requests are irrevocable and irreversible, subject to the conditions of the instrument for Priority Subscription Request itself and in accordance with the following conditions:

- (i) subject to the Proportional Subscription Limit, each Shareholder interested in participating in the Priority Offer shall file his/her Priority Subscription Request with the Escrow Agent, upon completion during the Priority Subscription Period, by indicating the maximum number of Debentures that he/she intends to subscribe through the Priority Subscription Request;
- (ii) there is no minimum investment amount (or minimum number of Debentures) to be traded by the Shareholders, however, it is certain, however, that the maximum amount of Debentures, within the Priority Offer, is subject to their respective Proportional Subscription Limit;

considering the Minimum Anchoring Allocation, each Shareholder may indicate in the Priority Subscription Request, at his/her sole discretion:

- (a) whether he/she wishes to exercise its Priority Right in the number of Debentures indicated by him/her, regardless of whether the Minimum Anchorage Allocation is reached; or



(b) if, in the event that there are insufficient Debentures to comply with the Minimum Anchoring Allocation after the closing of the Priority Offer, the Shareholder wishes to limit the number of Debentures to be acquired by him/her in the proportion necessary for the Minimum Allocation of Anchorage to be reached.

If the Shareholder fails to indicate sub-item "b" above, the interest in receiving all the Debentures indicated in the Priority Subscription Request shall be presumed.

**Given the convertibility of the Debentures, Shareholders should be aware that they have agreed to increase their proportional participation in the capital stock of the Company in the event that the Shareholder opts for sub-item "a" above. On the other hand, Shareholders who opt for sub-item "b" above must be aware that they may have their proportional participation in the capital stock of the Company diluted as a result of the reduction of the Debentures they would receive had they not made such an option, and may not receive any Debenture within the scope the Priority Offer;**

- (iii) in case the sub-item "a" above is indicated by Shareholders participating in the Priority Offer representing a fraction greater than 1/3 of the Total Issue Amount, so that the remaining Debentures are insufficient for the Minimum Anchorage Allocation, and provided that all the Debentures not subscribed in the Priority Offer are subscribed and paid within the scope of the Institutional Offer, all Shareholders participating in the Priority Offer shall have their subscription requests fully paid, including those that have opted for sub-item "b" above;
- (iv) there shall be no possibility of requesting subscription of remainders in the Priority Offer, and after the allocation of the Debentures in the Priority Offer, subject to the Proportional Subscription Limit, any remaining Debentures shall be allocated to the Institutional Offer;
- (v) the number of Debentures to be subscribed and the value of their respective investment must be informed to each Shareholder by his/her respective Escrow Agent by 4:00 p.m. on the Business Day subsequent to the date of receipt by the Escrow Agents of the notice on the allocation of the Debentures to be sent by B3 after:
  - (a) the conclusion of the Priority Subscription Period; and
  - (b) the definition of the allocation of the remaining Debentures within the scope of the Institutional Offer;
- (vi) each Shareholder shall make the payment in cash of the amount indicated in item "vi" above, with the Escrow Agent with which it has made the respective Priority Subscription Request, in immediately available resources, in national currency, until 10:00 a.m. on the Settlement Date, unless otherwise required by the Escrow Agent;
- (vii) the Subscribed Debentures that are not paid up until 10:00 a.m. on the Settlement Date shall be automatically reallocated to the Institutional Offer, and neither the Company, the Leading Coordinator, nor B3 shall be liable for any material losses, demands, financial losses or damages incurred by their respective defaulting subscriber;
- (viii) in the event that a subscriber deposits only part of the funds due as payment of his/her Debentures, the portion of Debentures of such subscriber that is not paid up until the

time limit indicated in items "vii" and "viii" above shall be automatically reallocated to the Institutional Offer, and neither the Company, the Leading Coordinator, nor B3 shall be liable for any material losses, demands, financial losses or damages incurred by its respective defaulting subscriber;

- (ix) on the Settlement Date, until 4:00 pm, the Escrow Agent who has received the respective Priority Subscription Request shall provide each one of the Shareholders who has placed the Priority Subscription Request and who has made the payment of the number of Debentures informed to the Shareholder in terms of item "i" above. If such a distribution results in a fraction of Debentures, the amount to be subscribed shall be limited to the integer part only, disregarding eventual fractions of Debentures, which shall be collected by the Leading Coordinator and the corresponding Debentures formed by such fractions shall be reallocated to the Institutional Offer;
- (x) in case of:
  - (a) no conclusion of the Restricted Offer;
  - (b) termination of the Distribution Agreement; or
  - (c) cancellation or withdrawal of the Restricted Offer.

All Priority Subscription Requests shall be canceled and the Escrow Agent who has received the respective Priority Subscription Request shall notify the respective Shareholder of the cancellation of the Restricted Offer, which may occur through disclosure of material fact.

The Debentures of the Restricted Offer not subscribed and/or paid by Shareholders in the Priority Offer, including the cases provided in items "viii," "ix" and "x" above, shall be allocated to Professional Investors within the scope of the Institutional Offer.

## **5 Proceeds Allocation**

The net proceeds raised by the Company through the Issue shall be used for the following purposes:

- (i) up to 84% of the proceeds shall be used to defray expenses arising from existing litigation involving the Company; and
- (ii) 16% of the resources, plus any proceeds not used under the terms of item "i," shall be allocated to reinforce the working capital of the Company, especially for investments in innovation, technology and digital marketing.

## **6 Dilution**

The table below illustrates the share dilution per share, based on the shareholders' equity of the Company as of December 31, 2018, considering the realization of the Restricted Offer, taking as reference, for the purposes of this document, the Conversion Prices indicated in the Investment Commitment, which shall, however, only be defined after the Bookbuilding Procedure.

## Stock Dilution

Calculation of Dilution	Brasil Brokers			
Conversion Price	[BRL]	3.50	5.00	6.50
Number of Shares delivered in the Conversion	[#]	34,285,714	24,000,000	18,461,538
Volume of Issue	[BRL]	120,000,000	120,000,000	120,000,000
Number of Shares (including shares in treasury) on December 31, 2018	[#]	36,278,303	36,278,303	36,278,303
Equity interest of Shareholders after Conversion	[%]	51.41%	60.18%	66.27%
<b>Dilution for current shareholders after Conversion</b>	[%]	<b>48.59%</b>	<b>39.82%</b>	<b>33.73%</b>

## Equity Dilution

Calculation of Dilution	Brasil Brokers			
Conversion Price	[BRL]	3.50	5.00	6.50
Number of Shares delivered in the Conversion	[#]	34,285,714	24,000,000	18,461,538
Increase in Shareholders' Equity in Conversion	[BRL]	120,000,000	120,000,000	120,000,000
Number of Shares (including shares in treasury) on December 31, 2018	[#]	36,278,303	36,278,303	36,278,303
Shareholders' Equity as of December 31, 2018	[BRL]	225,357,000	225,357,000	225,357,000
Book value per Share as of December 31, 2018	[BRL]	6.21	6.21	6.21
Book value per Share on December 31, 2018 adjusted for the Conversion of Debentures into Shares	[BRL]	4.89	5.73	6.31
Increase / (Decrease) in book value per Share for current Shareholders in Conversion	[BRL]	(1.32)	(0.48)	0.10
Increase / (Decrease) percentage in book value per Share for current shareholders	[%]	(21.21%)	(7.77%)	1.56%
Difference between the Conversion Price and the book value per Share adjusted for the conversion of the Debentures into Shares	[BRL]	(1.39)	(0.73)	0.19
<b>Dilution for current shareholders after Conversion</b>	[%]	<b>(39.84%)</b>	<b>(14.59%)</b>	<b>2.94%</b>

## 7 Distribution Costs

The commissions, pursuant the terms of the Distribution Agreement, and the expenses with independent auditors, lawyers, consultants, translations and publicity related to the Restricted Offer, shall be paid by the Company, amounting to approximately BRL 6,000,000.00.

## 8 Expected Schedule of the Offer

Below is the expected schedule of the main stages of the Offer, informing its main events from this date:

Nº	Event	Date of Holding / Expected Date
1.	Cut Date	April 3, 2019
2.	Approval of the Issue and Restricted Offer at the Shareholders' Meeting of the Company	April 26, 2019
3.	Approval of the Issue and Restricted Offer by the Board of Directors of the Company Disclosure of this Material Fact	April 29, 2019
4.	Beginning of Presentations to Prospective investors Beginning of Bookbuilding Procedure Beginning of the Priority Subscription Period	May 2, 2019
5.	Closing of the Priority Subscription Period	May 8, 2019
6.	Closing of Presentations to Prospective Investors	May 10, 2019

	Closing the Bookbuilding Procedure Setting of Conversion Rates Signing of the Distribution Agreement and other contracts related to the Restricted Offer	
7.	Settlement Date	May 16, 2019

## 9 Additional Information

This Material Fact shall not, under any circumstances, be considered a recommendation for investment in the Debentures. When deciding to invest in the Debentures, the Shareholders must conduct their own analysis and evaluation of the financial situation of the Company, its activities and the risks arising from the investment in the Debentures.

The Offer is automatically exempted from the registration of public distribution by the CVM, which is provided for in Article 19 of the Securities Market Act, and pursuant to Article 6 of CVM Instruction 476, and is therefore not subject to analysis of a prior opinion by CVM. Because it is a public Offer with restricted distribution efforts, the Restricted Offer may be subject to registration with ANBIMA, exclusively for information purposes to be submitted in the ANBIMA database, pursuant to Paragraph 1, Item I, and Paragraph 2, Clause 1 of the "ANBIMA Code of Regulation and Best Practices for Public Offers for the Distribution and Acquisition of Securities," currently in force, provided that specific guidelines, in respect of such registration, are issued by the Regulation and ANBIMA Best Practices until the disclosure of the notice of closing of the Restricted Offer.

**THE COMPANY AND THE LEADING COORDINATOR STRONGLY RECOMMEND THAT SHAREHOLDERS INTERESTED IN PARTICIPATING IN THE OFFER CAREFULLY READ THEIR TERMS AND CONDITIONS, THE INFORMATION CONTAINED IN THIS MATERIAL FACT, AS WELL AS THE REFERENCE FORM OF THE COMPANY, WHICH INCLUDES ADDITIONAL INFORMATION AND COMPLEMENTARY INFORMATION. THIS RELEVANT FACT, ESPECIALLY THE RISK FACTORS DESCRIBED IN ITEM "4. RISK FACTORS ," AS WELL AS ITEMS "17. SHARE CAPITAL" AND "18. SECURITIES" BEFORE ANY INVESTMENT DECISION IS MADE.**

For the purposes of this Material Fact, "Useful Day" shall be deemed to be any day other than a Saturday, Sunday or national holiday, or even when there is no banking hours in the city of São Paulo Paulo city, in São Paulo state, or Rio de Janeiro city, in Rio de Janeiro state.

Any notices to Shareholders related to the Restricted Offer, including any changes to the Schedule of the Restricted Offer, shall be disclosed by means of a notice to the market or relevant fact on the websites of CVM (<http://www.cvm.gov.br>), of B3 (<http://www.b3.com.br>) and the Company (<http://ri.brasilbrokers.com.br>).

The Company shall keep its shareholders and the market in general informed about the Restricted Offer process, pursuant to the applicable regulations. Additional information may be obtained from the Investor Relations Department of the Company, in the city of Rio de Janeiro, state of Rio de Janeiro, address: *Avenida Luis Carlos Prestes, 230, salas 104-106, CEP 22775-055* or on the website of the Company (<http://ri.brasilbrokers.com.br>).

Rio de Janeiro, April 29, 2019.

**Claudio Kawa Hermolin**  
Investor Relations Officer