

PDG REALTY S.A. EMPREENDIMENTOS E PARTICIPAÇÕES
IN JUDICIAL REORGANIZATION
Publicly Held Corporation

CNPJ/MF nº 02.950.811/001-89
NIRE 33.300.285.199 | Código CVM 2047-8

NOTICE TO THE SHAREHOLDERS

Expiration of the term for the exercise of preemptive rights

PDG Realty S.A. Empreendimentos e Participações – in judicial reorganization (“Company” or “PDG”), announces to its Shareholders and the market the expiration of the term for the exercise of preemptive rights in the context of the capital increase approved by the Company’s Extraordinary Shareholders’ Meeting held on second call, on March 15, 2018 (“Capital Increase”).

As previously informed, the Capital Increase is one of the steps to perform the reorganization provided by the judicial reorganization plan presented by the Company and other companies of its economic group, which was approved in the Creditors’ Meeting held on November 30, 2017 confirmed by means of a judicial decision published in the Official Gazette on December 18, 2017 (“Plan”).

The proposed Capital Increase corresponds to R\$ 74.190.291,45 (seventy-four million, one hundred and ninety thousand, two hundred and ninety-one reais and forty-five cent), upon the issuance, for private subscription, of 31.476.993 (thirty-one million, four hundred and seventy-six thousand, nine hundred and ninety-three) common, nominative, and with no par value shares, which shall be identical to and assign the same rights assigned to the other common shares issued by the Company, at the issuance price of R\$ 2,36 (two reais and thirty six cents) per share.

Pursuant to Article 171, second paragraph of Law No. 6,404/76, the shareholders were entitled to exercise their preemptive rights to subscribe the new shares pro rata to their respective stake in the Company’s capital stock within 45 (forty-five days) from the day following the publication of the notice to the shareholders informing the approval of the Capital Increase.

On April 30, 2018, the term for the exercise of preemptive rights on the context of the Capital Increase expired. Within this period, 70,145 shares were subscribed by the shareholders who validly exercised their preemptive rights, thus remaining 31,406,848 shares unsubscribed up to the present date.

As previously disclosed, there will not be apportionment of the leftover shares among the Company’s shareholders. Since the Capital Increase shall be performed through capitalization of claims, the remaining shares will be subscribed by the creditors of classes

III and IV of Article 41 of Law No. 11.101/05 who validly elected this option of payment, according to the terms and conditions set forth in the Plan.

The amounts paid up by the shareholders who exercised their preemptive right will be distributed proportionally to the holders of the capitalized credits, according to the provisions of the Article 171, second paragraph of Law No. 6,404/76. The delivery of *(i)* the amount payable by shareholders as per the exercise their preemptive rights; and *(ii)* the new shares subscribed by the creditors shall represent full payment of such creditors, discharging the Company of any obligation before these creditors.

Additional information may be obtained through the Company's Investor Relations channel at +55 (11) 2110-4400 or e-mail ri@pdg.com.br.

São Paulo, May 15, 2018.

Vladimir Kundert Ranevsky

Chief Executive Officer, Chief Financial Officer and Investors Relations Officer