



PDG Realty S.A. Empreendimentos e Participações – In Judicial Reorganization
Publicly Held Corporation

CNPJ/MF n.º 02.950.811/001-89
NIRE 35.300.158.954 | Code CVM 20478

MATERIAL FACT

Reverse Stock Split

PDG Realty S.A. Empreendimentos e Participações – Under Court-supervised Reorganization (BM&FBOVESPA: PDGR3), a publicly held company, under the CNPJ/MF number 02.950.811/0001-89 (“Company”), located at Avenida Doutor Cardoso de Melo, 1,955, 6th floor, Vila Olímpia, city of São Paulo, São Paulo, Zip Code 04548-005. The Company is registered as a public company under the category “A”, in accordance to the Comissão de Valores Mobiliários (“CVM”, or the Brazilian Securities and Exchange Commission) and the CVM Code 20478 in accordance with Article 157, paragraph fourth of Law No. 6,404/76, pursuant to the terms of CVM Rule No. 358/2002 and in continuity to the Material Fact disclosed in 08/29/2018, informs the shareholders and the market in general as it follows:

- The Company's Board of Directors, held on 09/26/2018 to approve the Reverse Stock Split of the total 80,669,550 (eighty million, six hundred and sixty-nine thousand, five hundred and fifty) common, nominative, book-entry shares with no par value, issued by the Company, in the proportion of 20 (twenty) shares to 1 (one) share, without alterations in share capital value, pursuant to article 12 of Law 6,404.

If the Extraordinary General Meeting approves the Reverse Stock Split, the Company's Capital Stock, in the amount of R\$5,044,270,139.49 (five billion, forty-four million, two hundred and seventy thousand, one hundred and thirty-nine reais and forty-nine cents) will be divided into 4,033,477 (four million, thirty-three thousand,

four hundred and seventy-seven) common, nominative, book-entry shares with no par value, issued by the Company.

The approval of the Reverse Stock Split shall not result in any alteration to the total Capital Stock value or to the shareholder rights, pursuant to Article 12 of Law 6.404.

To the Company' shareholders will be granted 30 (thirty) days, counted from the disclosure of the Notice to Shareholders, so that, if they wish, they can adjust their positions in multiples of 20 (twenty), by trading common shares in B3. After the thirty days, the fractions of shares resulting from the Reverse Stock Split will be grouped in whole numbers and sold in an auction to be carried out at B3. The credit resulting from the auction will be proportionally distributed in cash to the holders of the fractions. Additional information on the terms and conditions for share adjustments and the auction of shares fraction, as well as information on the date from which shares will be traded in whole numbers, will be disclosed in a timely manner.

The Board of Directors also approved the modification in the Article 7 of Bylaws, reflecting the new number of shares resulting from the Reverse Split.

- In addition, the Company informs that the period for establishing the Reverse Stock Split proportion took a longer time than initially expected. Therefore, the preliminary deadlines informed in the Material Fact released on 08/29/2018, were not met.

Therefore, PDG informs the next procedures to be followed during the Reverse Split process.

- i. 09/28/2018: Meeting of the Board of Auditors to deliberate: (a) on the Reverse Stock Split proposal; (b) the treatment to be dispensed to the share fractions and (iii) the modification in the Company's Bylaws, reflecting the change resulting from the Reverse Split.
- ii. 10/05/2018: Publication of the Call Notice for the General Meeting and (ii) the Management Proposal for Reverse Split.
- iii. 11/05/2018: Holding of the Extraordinary Shareholders' Meeting to resolve on the proposed Reverse Split.

The Company will keep its shareholders and the market informed of any developments related to the subject-matter of this Material Fact, in accordance with the rules and time frames established by applicable laws.

São Paulo, September 26, 2018.

Vladimir Kundert Ranevsky
CEO, CFO and IRO

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