



SMILES FIDELIDADE S.A.

PUBLICLY HELD COMPANY

Corporate Taxpayer's ID (CNPJ/MF) 05.730.375/0001-20

Company Registry (NIRE) 35.300.493.095

NOTICE TO SHAREHOLDERS

INCREASE OF CAPITAL STOCK APPROVED BY THE BOARD OF DIRECTORS

Smiles Fidelidade S.A. (ticker in B3 S.A. – Brasil, Bolsa, Balcão: SMLS3) (“Company” or “Smiles”), in compliance with Article 30, item XXXII, of the Normative Ruling No. 480 issued by the Brazilian Securities Commission, on December 07th, 2009, as amended from time to time (“ICVM 480/2009”), provide its shareholders and the capital market with the information required by the Appendix 30-XXXII of ICVM 480/2009 concerning Smile’s capital stock increase, approved by the Board of Directors during a meeting held on February 25th, 2019, under the limit of the authorized capital, due to the exercise of call options by the beneficiaries of the Company’s Stock Option Plan for Long-Term Motivation.

A. INCREASE OF CAPITAL STOCK BY PRIVATE SUBSCRIPTION IN THE SCOPE OF THE STOCK OPTION PLAN FOR LONG-TERM MOTIVATION

I. DATE OF THE SHAREHOLDERS’ MEETING WHEN THE STOCK OPTION PLAN WAS APPROVED:

The succession and permanence of Smiles S.A.’s Stock Option Plan for Long-Term Motivation merged by the Company on July 01st, 2017, was approved by the Shareholders’ Meeting held on July 01st, 2017.

II. CAPITAL INCREASE VALUE AND NEW CAPITAL STOCK EXPRESSION:

The total amount of the Company’s capital stock increase is of R\$ 843,013.74 (eight hundred and forty-three thousand, thirteen reais and seventy-four cents).

Due to the aforementioned increase, the Company’s capital stock raised from R\$ 254,873,818.50 (two hundred and fifty-four million, eight hundred and seventy-three thousand, eight hundred and eighteen reais and fifty cents), divided in 124,007,953 (one hundred and twenty-four million, seven thousand and nine hundred and fifty-three) non-par value, registered, book-entry common shares, to R\$ 255,716,832.24 (two hundred and fifty-five million, seven hundred and sixteen thousand, eight hundred and thirty-two reais and twenty-four cents), divided in 124,158,953 (one hundred and twenty-four million, one hundred and fifty-eight thousand and nine hundred and fifty-three) non-par value, registered, book-entry common shares.

III. NUMBER OF ISSUED SHARES CONSIDERING EACH TYPE AND CLASS:

It was issued 151,000 (one hundred and fifty-one thousand) new non-par value, registered, book-entry common shares, with rights and prerogatives identical to the Company’s common shares formerly issued and in circulation, including potential dividends and/or interests on capital that may happen to be distributed.

IV. EMISSION PRICE OF THE NEW SHARES:

The emission price of the shares mentioned in section III above is 5.58287245 for share.

V. PRICE OF EACH ONE OF THE TYPES AND CLASSES OF SHARES ISSUED BY THE COMPANY IN THE MARKETS WHERE THEY ARE NEGOTIATED:

WE INFORM THAT SHARE PRICES IN THE TABLE BELOW OF ANY PERIOD PRIOR TO JULY 1ST, 2017 REFER TO SMILES S.A., WHICH WAS MERGED BY THE COMPANY IN THE DATE MENTIONED ABOVE.

a) MINIMUM, MEDIUM AND MAXIMUM PRICE OF THE LAST THREE (3) YEARS:

	2016	2017	2018
Minimum	R\$ 26.92	R\$ 44.00	R\$ 30.86
Medium	R\$ 43.70	R\$ 67.39	R\$ 57.77
Maximum	R\$ 59.57	R\$ 95.06	R\$ 85.74

b) MINIMUM, MEDIUM AND MAXIMUM PRICE ON EACH QUARTER OF THE LAST TWO (2) YEARS:

	1T17	2T17	3T17	4T17	1T18	2T18	3T18	4T18
Minimum	R\$ 44.00	R\$ 57.33	R\$ 59.86	R\$ 70.88	R\$ 66.32	R\$ 42.21	R\$ 39.54	R\$ 30.86
Medium	R\$ 55.02	R\$ 64.57	R\$ 69.54	R\$ 80.96	R\$ 77.46	R\$ 60.67	R\$ 51.26	R\$ 41.61
Maximum	R\$ 64.39	R\$ 71.73	R\$ 82.04	R\$ 95.06	R\$ 85.74	R\$ 75.80	R\$ 57.98	R\$ 55.50

c) MINIMUM, MEDIUM AND MAXIMUM PRICE ON EACH MONTH OF THE LAST SIX (6) MONTHS:

	ago/18	set/18	out/18	nov/18	dez/18	jan/19
Minimum	R\$ 49.01	R\$ 39.54	R\$ 30.86	R\$ 36.00	R\$ 41.25	R\$ 40.71
Medium	R\$ 54.64	R\$ 45.47	R\$ 42.00	R\$ 39.00	R\$ 43.91	R\$ 42.71
Maximum	R\$ 57.98	R\$ 53.72	R\$ 55.50	R\$ 44.20	R\$ 46.55	R\$ 45.46

d) MEDIUM PRICE OF THE LAST NINETY (90) DAYS:

Medium	R\$ 42.39
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VI. PERCENTAGE OF POTENTIAL DILUTION RESULTANT OF THE EMISSION:

The percentage of the dilution due to the increase of capital stock informed by this notice is of 0.1218%.

Barueri, February 25th, 2019.

Marcos Antonio Pinheiro Filho
Financial and Investor Relations Officer

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