

BIOSEV S.A.

PUBLICLY-HELD COMPANY

CORPORATE TAXPAYER'S ID (CNPJ/MF): 15.527.906/0001-36

COMPANY REGISTRY (NIRE): 35.3.0034518.5

CVM REGISTRY: 22845

MATERIAL FACT

Biosev SA, ("**Company**") (B3: BSEV3), in compliance with the provisions of CVM Instruction no. 358, dated January 3rd, 2002, as amended, and in furtherance to the clarifications on the matter provided by the Company to the market on the announcements released on October 23 and 24, 2018, hereby informs its shareholders and the market in general that, on the date hereof, the Company entered into a Sale and Purchase Agreement of Quotas and Other Covenants ("**Agreement**") establishing the sale of the entire capital stock of Usina Giasa Ltda., a company controlled by the Company ("**Usina Giasa**"), to M&N Participações S.A., a company enrolled under corporate taxpayer's ID (CNPJ/MF) no. 08.905.440/0001-08 ("**M&N**"), holding of Olho D'Água, a group of the S&E sector with 90 years of tradition and operating in the Northeast of the country, after the transfer to Usina Giasa of the commercial establishment representing unit Giasa located in the Municipality of Pedras de Fogo, State of Paraíba, Brazil, owned by the Company ("**Transaction**").

The total amount to be paid by M&N, under the terms of the Agreement, is R\$ 70,000,000.00, subject to certain potential adjustments. Furthermore, the conclusion of the Transaction is subject to the fulfillment of certain conditions precedent, including the approval of the Transaction by the Administrative Council for Economic Defense, the presentation of a bank guarantee by M&N and the approval by certain counterparties in agreements related to unit Giasa.

The Transaction was approved by the Board of Directors of the Company and is part of its operational competitiveness program, which includes reviewing potential strategic alternatives related to its portfolio of assets, as well as diversifying its financing sources, aiming at increasing its cash generation and strengthening its capital structure.

São Paulo, November 9th, 2018.

Gustavo Lopes Theodozio

Chief Financial and Investor Relations Officer