

**BIOSEV S.A.**  
Publicly-Held Company with Authorized Capital  
CNPJ: 15.527.906/0001-36  
NIRE: 35.3.0034518.5  
CVM: 22845

**MANAGEMENT MANUAL**

**EXTRAORDINARY GENERAL SHAREHOLDERS' MEETING**

**MARCH 28, 2018**

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**MANAGEMENT MANUAL FOR THE EXTRAORDINARY SHAREHOLDERS' MEETING OF  
BIOSEV S.A. TO BE HELD ON APRIL 16, 2018**

The purpose of this manual is to provide clarification to Shareholders about the resolutions to be taken at the Extraordinary General Shareholders' Meeting of **BIOSEV S.A.** (the "Company"), which will be held on April 16, 2018, at 09h30min ("Extraordinary Shareholders' Meeting"), at the headquarters of the Company, located at Avenida Brigadeiro Faria Lima, no. 1355, 11th floor, Pinheiros, Postal Code 01452-919, in the City of São Paulo, State of São Paulo, pursuant to the Call Notice published on this date as part of this Management Manual.

This Management Manual was prepared in accordance with the provisions of Law no. 6404, dated December 15, 1976 ("Brazilian Corporation Law"), in CVM Instruction no. 480, of December 7, 2009, ("ICVM 480"), CVM Instruction No. 481, dated December 17, 2009 ("ICVM 481"), CVM Official Letter, SEP 02/18, dated February 28, 2018, and other applicable legal and statutory provisions.

**I. MANAGEMENT PROPOSAL**

Management submits its proposal for the matters included in the agenda to be approved by the Shareholders at the Extraordinary Shareholders' Meeting, as follows:

- 1. An increase in the Company's capital stock, through a private subscription, in the amount of up to R\$4.792.957.021,44, through the private issuance of up to 1.109.480.792 registered, new, common, book-entry shares with no par value, with the possibility of partial ratification if there is a minimum subscription of R\$3.459.249.996,48 with the issuance of 800.752.314 common, registered, book-entry shares with no par value; and*
- 2. Authorization to the Board of Directors of the Company to ratify in due course, in whole or in part, the capital increase of the Company, as described in item (1) above.*

The Company's management proposes to increase its capital stock up in the amount of up to R\$ 4.792.957.021,44, through the private issuance of up to 1.109.480.792 new registered, book-entry, common shares, with no par value, at the issuance price of R\$4,32 per share, based on article 170, paragraph 1, item I, of the Brazilian Corporation Law, with the possibility of partial ratification if there is a subscription of at least R\$3.459.249.996,48 with the issuance of 800.752.314 new registered, common, book-entry shares with no par value. If such increase is approved, the Company's capital stock, if fully ratified, will increase from R\$ 2,618,213,511.57 (two billion, six hundred and eighteen million, two hundred and thirteen thousand, five hundred and eleven reais and fifty seven cents) to R\$7.411.170.533,01, to be composed of 1.329.109.155 registered, common, book-entry shares with no par value .

The shares must be paid-in upfront, upon the act of subscription, in national currency and by means of the capitalization of Advance for Future Capital Increase made by Hédera Investimentos e Participações Ltda. ("Hédera") on behalf of the Company on this date.

Pursuant to Article 171 of the Brazilian Corporation Law, the shareholders of the Company will have a period of thirty (30) days to exercise the preemptive right, with the possibility that the Board of Directors, until the second to last day of the preemptive right exercise period, may postpone such period only once for an additional period of 30 days. In this case, the management of the Company shall disclose a new notice to the shareholders informing the preemptive right postponement. In addition to the preemptive rights, shareholders may express interest in remaining unsubscribed shares after the preemptive right exercise period, which will be apportioned in one round. The preemptive rights, including the unsubscribed shares, shall be negotiable, pursuant to article 171, §6º of the Brazilian Corporation Law.

In case there is no total subscription of shares of the capital increase, after the end of the period for exercise of preemptive rights and the apportionment of unsubscribed shares, the Board of Directors of the Company may partially ratify the capital increase, provided that it reaches a minimum amount of R\$ 3.459.249.996,48, with the issuance of 800.752.314, registered, book-entry common shares with no par value. In view of the possibility of partial ratification of the capital increase and with a view to ensuring that shareholders who wish to subscribe part of the capital increase may, at the time of the exercise of the subscription right, condition their investment decision to the final conditions of the capital increase, each shareholder may, upon the act of subscription, condition their capital increase subscription to: (i) the subscription of the maximum amount of the capital increase; (ii) the subscription of a determined minimum amount of capital increase, provided that such minimum value is not lower than the minimum subscription value of R\$ 3.459.249.996,48; (iii) the receipt of all the subscribed shares; or (iv) the receipt of only the minimum amount of shares necessary to maintain their respective participation in the Company's capital stock.

In the event that the capital increase is approved by the shareholders at the Extraordinary Shareholders' Meeting, shares traded until April 16, 2018 will be considered eligible for the legal exercise of preemptive rights. Shares traded as of April 17, 2018 will not be considered eligible for the exercise of preemptive rights (i.e., they shall be traded without preemptive rights).

Pursuant to article 14 of ICVM 481, the information regarding the capital increase proposed herein is set forth in Exhibit I of this proposal.

## **II. SHAREHOLDERS' REPRESENTATION**

In accordance with article 7, paragraph four, of the Company's bylaws, in order to attend the Extraordinary Shareholders' Meeting, a Shareholder must: (i) present an identity document if the shareholder is an individual; (ii) present the relevant corporate acts proving the representative's legal representation and an identity document, if the shareholder is a legal entity; and (iii) present, at least forty eight (48) hours before the Extraordinary Shareholders' Meeting, the following: (a) proof of the Company's shareholding interest in the Company issued by the depositary institution, a maximum of five (5) days prior to the Extraordinary Shareholders' Meeting, and (b) if applicable, a power of attorney, pursuant to article 126, paragraph 1, of the Brazilian Corporation Law.

The above mentioned documents should be sent to the following address:

**BIOSEV S.A.**  
Chief Investor Relations Officer  
Avenida Brigadeiro Faria Lima, no. 1355, 11th floor, Pinheiros  
São Paulo, State of São Paulo  
Postal Code 01452-919

The Company recommends that Shareholders anticipate sending a copy of the power of attorney and documents proving the status of shareholder and representation, sending such documents via facsimile number (11) 3092-5341, to the Chief Investor Relations Officer, or by e-mail to [ri@biosev.com](mailto:ri@biosev.com).

## **III. ADDITIONAL CLARIFICATIONS**

Pursuant to ICVM 481, all documents of interest to the participation of Shareholders in the Extraordinary Shareholders' Meeting are available to Shareholders at the Company's head office at the above address and at the following addresses on worldwide computer network <http://www.cvm.gov.br>, <http://www.bmfbovespa.com.br> and <http://www.biosev.com/ri>.

São Paulo, March 28, 2018.

**BIOSEV S.A.**

## Call Notice

### BIOSEV S.A.

Publicly-Held Company with Authorized Capital

CNPJ: 15.527.906/0001-36

NIRE: 35.3.0034518.5

CVM: 22845

### CALL NOTICE - EXTRAORDINARY SHAREHOLDERS' MEETING

The shareholders of Biosev S.A. (the "Company") are hereby convened to meet at an Extraordinary General Meeting, to be held on April 16, 2018, at 09h30min, at the headquarters of the Company, located in the City of São Paulo, State of São Paulo, at Avenida Brigadeiro Faria Lima, No. 1355, 11th floor, Pinheiros, Postal Code 01452-919, in order to resolve on:

- (i) A proposal for an increase in the Company's capital stock, by means of a private subscription, in the amount of up to R\$4.792.957.021,44, through the private issuance of up to 1.109.480.792 registered, new, common, book-entry shares with no par value, with the possibility of partial ratification if there is a minimum subscription of R\$ 3.459.249.996,48 with the issuance of 800.752.314 common, registered, book-entry shares with no par value; and
- (ii) Authorization for the Board of Directors of the Company to ratify in due course, fully or partially, the capital increase of the Company, as described in item (i) above.

**Clarifications:** In accordance with article 7, paragraph four, of the Company's bylaws, in order to attend a Shareholders Meeting, the Shareholders must: (i) present an identity document if the shareholder is an individual; (ii) present the relevant corporate acts proving the representative's legal representation and an identity document, if the shareholder is a legal entity; and (iii) present, at least forty eight (48) hours before the Shareholders' Meeting, the following: (a) proof of the Company's shareholding interest in the Company issued by the depositary institution, a maximum of five (5) days prior to the Shareholders' Meeting, and (b) if applicable, a power of attorney, pursuant to article 126, paragraph 1, of the Brazilian Corporation Law.

Finally, in accordance with the applicable legal and statutory provisions, the Company has released copies of documents of interest to Shareholders for their participation in the meeting, including those required by CVM Instruction no. 481 of 2009, at the Company's headquarters, and at the Company's Internet address ([www.biosev.com/ri](http://www.biosev.com/ri)), of B3 S.A. – Brazil, Stock Exchange, Counter ([www.bmfbovespa.com.br](http://www.bmfbovespa.com.br)) and the Securities and Exchange Commission ([www.cvm.gov.br](http://www.cvm.gov.br)).

São Paulo, March 28, 2018.

**Patrick Julien Treuer**

Chairman of the Board of Directors

**EXHIBIT I**

**Article 14 of ICVM 481**

**1. Amount of the increase and the new capital:**

The increase to the Company's capital stock will be carried out by means of the issuance for private subscription of up to R\$4.792.957.021,44, with the issuance of up to 1.109.480.792 common, registered, book-entry, shares with no par value ("Maximum Subscription"), increasing from R\$2,618,213,511.57 to R\$7.411.170.533,01, in the event of total ratification of the capital increase and, at least R\$3.459.249.996,48 with the issuance of 800.752.314 ("Minimum Subscription"), increasing from R\$2,618,213,511.57 to R\$6.077.463.508,05, in the event of partial ratification for the minimum amount of the capital increase.

Given the possibility of partial ratification if the Minimum Subscription is reached, the effective amount of the increase and the new capital stock will depend on the subscription of shares issued as a result of the capital increase by the Company's shareholders.

The new wording of the head provision of article 5 of the Company's bylaws will be defined in due course, once the capital increase has been ratified by the Board of Directors of the Company and once the final numbers are known, in order to reflect the new amount of the capital stock and the new number of shares by means of which the Company's capital stock will be divided as a result of the capital increase.

**2. Inform whether the increase shall be carried out by means of the: (a) conversion of debentures or other debt securities into shares; (b) exercise of the subscription right or subscription bonus; (c) capitalization of profits or reserves; or (d) subscription of new shares:**

The capital increase will be carried out by means of private subscription of new common, registered, book-entry shares with no par value, to be issued by the Company.

**3. Explain, in detail, the reasons for the increase and the legal and economic consequences thereof.**

The capital increase will be performed within the context of the extension and renewal of part of the Company's bank indebtedness, which sum up to approximately R\$3.660.000.000,00 (three billion and six hundred and sixty million Brazilian reais), as disclosed at the Material Fact released on March 12, 2018, and approved by the Board of Directors of the Company in a meeting held on March 28, 2018 ("Renewal").

By means of such capital increase, the Company seeks to comply with the conditions necessary for the implementation of the Renewal as well as improve the Company's capital structure in order to bring its equity value to a positive result, thus improving its financial and economic ratios, reducing total liability as well as its net debt and therefore ensuring better financing capacity.

In light of such context, the shareholder Hédéra undertook, under the terms of the Advance for Future Capital Increase Agreement entered into on this date, the anticipation of the funds related to its share in the Company's capital increase, as well as the share to which other entities of the same economic group part of the controlling block are entitled to, which will assign to Hédéra their respective subscription rights in the capital increase of the Company, in the total amount of R\$ 3,459,249,996.48 as advance for future capital increase ("AFAC") in order to enable the contribution necessary for the implementation of the Renewal and the compliance to financial commitments of the Company until March 31, 2018. As aligned with the terms of the Renewal, the Company may instruct part of such AFAC to be paid directly to creditors of the Company and/or its controlled companies, regarding credits held in favor of such creditors, specially credits related to commercial prepayments and purchase and sale commodities agreements for purposes of exportation entered into by and between related parties.

Except for the ordinary legal consequences arising from a capital increase and the potential nonconformity with the minimum free float required by the Novo Mercado Rule of B3 S.A. – Brasil, Bolsa, Balcão, depending on the participation in the capital increase by the other shareholders, in addition to the controlling shareholder, which would result in the Company having the obligation of complying with the minimum free float within 18 months, the Company's management does not envisage other relevant legal consequences. The capital increase may lead to dilution of the shares of those of the Company's current shareholders which choose not to exercise their preemptive rights to subscribe to the issued shares, as indicated in items 5(h) and 5(n) below.

**4. Provide a copy of the opinion from the Audit Committee, if applicable**

Not applicable.

**5. Information on capital increase upon subscription of shares:**

**(a) Allocation of Funds**

Considering the financial situation of the Company, the proceeds from the capital increase will be allocated towards reducing the Company's total liability as well as its level of leverage in order to strengthen its cash and capital structure, improving its economic and financial index, given that, in the short term, there are no other capitalization structures which would be more advantageous nor are there other means to equalize its level of leverage.

Additionally, as indicated by item (3) above and as aligned with the terms of the Renewal, part of the capital increase will be used to reduce liability related to commercial prepayments and purchase and sale commodities agreements for purposes of exportation entered into by and between related parties, and another part of the capital increase will be used to reduce the net debt of the Company as well as reinforce the Company's cash flow.

**(b) Number of shares issued for each type and class**

As a result of the capital increase, a minimum of 800.752.314 and a maximum of 1.109.480.792 new common, registered, book-entry shares with no par value shall be issued.

**(c) Describe the rights, advantages and restrictions attributed to the shares to be issued:**

The newly issued shares will have the same rights and characteristics as the existing shares, fully participating in all the benefits, as listed in the Company's bylaws, including dividends and any capital remuneration that may be distributed by the Company after ratification of the capital increase.

**(d) Inform whether the subscription shall be public or private**

The subscription shall be private.

**(e) In the event of private subscription, inform whether related parties, such as defined by the accounting rules that address such issuance, shall subscribe shares in the capital increase, specifying the respective amounts, whenever such amounts have already been acknowledged:**

The new shares may be subscribed by the current shareholders of the Company in the exercise of their preemptive rights, according to their respective participation in the Company's capital stock.

The entities that are part of the controlling group will assign in due course their respective preemptive rights to the shareholder Hédera, member of the controlling group, that undertook to (a) anticipate the funds arising

from its stake of the capital increase of the Company, as well as of the stake held by the other shareholders part of the same economic group and assignors of their respective subscription rights, in the total amount of R\$3.459.249.996,48, as AFAC, and (b) use its credit in the amount of R\$3.459.249.996,48 as a result of the AFAC to subscribe shares to be issued in the context of the capital increase proposed herein, to which it will be entitled by means of exercising its preemptive right, and as assignee of the preemptive rights of other shareholders forming part of the controlling group.

**(f) Inform the issuance price of new shares or the reasons for which their establishment shall be delegated to the Board of Directors, in cases of public distribution**

The issuance price of each of the shares issued under the capital increase is R\$4,32 ("Issuance Price"), pursuant to the recommendation of the Board of Directors of the Company, and was fixed pursuant to item I of Article 170, §1º of the Brazilian Corporations Law, without unjustified dilution to the current shareholders of the Company.

**(g) Inform the par value of the shares issued or, in the event of shares with no par value, the share of the issuance price that shall be allocated towards the capital reserve**

The Company's shares have no par value.

The totality of the Issuance Price of the shares issued under the capital increase will be allocated to the Company's capital stock.

**(h) Provide management's opinion on the effects of the capital increase, especially with regard to the dilution caused by the increase:**

The Company's management seeks, by means of said capital increase, to comply with the necessary conditions for the implementation of the Renewal, as well as to improve the Company's capital structure, so that it brings its equity value to a positive result, thus improving its financial and economic ratios, reducing total liability as well as its net debt and therefore ensuring better financing capacity..

Taking into consideration that all shareholders of the Company will be entitled to the preemptive right, pursuant to Article 171 of the Brazilian Corporations Law, there will be no dilution of the shareholders that subscribe the shares they are entitled to. The capital increase may lead to dilution of those current shareholders of the Company which choose not to exercise their preemptive rights to subscribe shares of the capital increase. The indicative percentage of the potential dilution resulting from the capital increase is indicated in item 5(n) below.

**(i) Inform the criterion for calculation of the issuance price and justify, in detail, the economic aspects that determined choice of the same.**

The Company's management considered that the market price criterion for the Company's share price would be inadequate for the price fixation given the low liquidity of the Company's shares on the stock exchange, which makes its value hardly representative insofar as to base capital increase transaction discussed herein.

In the same way, the equity value criteria, although represents the current financial situation of the Company, it is not the best means of justifying the issuance price per share as it is currently negative.

In this context, and following the necessary discussions on the valuation report prepared by independent specialized company, N M Rothschild & Sons (Brasil) Limitada ("Economic Value Study") and on the legal opinion of renowned jurists, the Company's management recommended using the future profitability (economic value), provided for in article 170, paragraph 1, item I of Brazilian Corporation Law to set the issuance price of shares.

In effect, the Company, based on the range from R\$1,51 to R\$4,32 per share provided for in the Economic Value Study, decided, in benefit of the minority shareholders who decide not to subscribe new shares, to use the amount of R\$4,32, the highest value within the range above, as the Issuance Price.

**(j) Setting the Premium or Discount in Relation to Market Value**

Notwithstanding the market value has not been used as a parameter for determining the issue price of the capital increase, for information purposes only, the shares issued under the capital increase will be issued with a discount of approximately 7.9% in relation to the market value on March 23, 2018 because the issuance price was determined based on the Company's perspective of future profitability of the Company, as provided by article 170, paragraph 1, I, of the Brazilian Corporation Law. For more information, see the response to item "i" above.

**(k) Provide a copy of all the reports and studies that substantiate the determination of the issuance price**

Exhibit III to this proposal contains a copy of the conclusions of the Economic Value Study prepared by N M Rothschild & Sons (Brasil) Limitada.

**(l) Inform the quotation of each of the types and classes of shares of the company in the markets in which they are traded, identifying:**

- **Minimum, average and maximum quotation in each year over the last three (3) years:**

Quotation	2017	2016	2015
Minimum	4,36	4,82	4,70
Average	5,63	8,22	5,26
Maximum	7,82	12,10	7,14

- **Minimum, average and maximum quotation in each quarter (Q) over the last two (2) years:**

Quotation	2017				2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Minimum	5,05	4,86	5,04	4,36	4,82	6,34	7,91	6,99
Average	6,81	5,60	5,22	4,86	6,35	7,93	10,34	7,51
Maximum	7,82	6,29	5,89	5,42	7,74	11,00	12,10	8,55

- **Minimum, average and maximum quotation in each month over the last six (6) months:**

Quotation	February, 2018	January, 2018	December, 2017	November, 2017	October, 2017	September, 2017
Minimum	4,15	4,31	4,36	4,61	4,99	5,11
Average	4,84	4,59	4,52	4,87	5,16	5,40
Maximum	5,98	5,00	4,70	5,02	5,42	5,89

- **average price over the last ninety (90) days:**

The average price of the shares issued by the Company in the last ninety (90) days, considering March 23, 2018 as data-base, is equivalent to R\$ 4,74.

- (m) **Inform the issuance price of shares in capital increases carried out in the last three (3) years**

Not applicable given that within the last three (3) years as from the date hereof, the Company has not carried on any capital increase.

- (n) **Present percentage of potential dilution resulting from the issuance**

Considering that the shareholders of the Company will be assured preemptive rights in the subscription of new shares, in the event the shareholders exercise all their respective preemptive rights, the capital increase will not entail any dilution of the current shareholders.

In the case of shareholders who choose not to exercise their preemptive rights in the subscription of new shares, the potential dilution resulting from the capital increase, considering the subscription of the minimum and maximum amounts of the capital increase, respectively, will be 78.4758406396% and 83.4755210154%.

- (o) **Inform the terms, conditions and form of subscription and payment of the shares issued**

The shares must be paid in upfront at the time of subscription in national currency or by means of the use of credits of AFAC.

- (p) **Inform whether the shareholders shall have preemptive rights to subscribe to the new shares issued and provide in detail the terms and conditions to which such right is subject**

The shareholders who own company shares as at April 16, 2018 will have a term of thirty (30) days in order to exercise their preemptive rights, beginning on April 18, 2018, inclusive, and ending on May 17, 2018 inclusive, as the Notice to Shareholders to be published by the Company, with the details of the proceedings to be observed by those shareholders that are interested in subscribing new shares. The Board of Directors of the Company may, until the second to last day of the preemptive right exercise period, postpone such period only once for an additional period of 30 days. In this case, the management of the Company shall disclose a new notice to the shareholders informing the preemptive right postponement.

Shareholders holding a common share may subscribe to 5,0516280176 common shares resulting from the capital increase for each common share held, resulting in a subscription percentage of 505.1628017644%.

As from, and inclusively, April 17, 2018, the Company's shares will be traded without a preemptive right for the subscription of shares of the capital increase.

If a shareholder elects to exercise its preemptive rights, it shall pay the Issuance Price upfront at the time of subscription, in national currency, or by means of the use of credit of the AFAC. Shareholders who hold their shares in a central depository environment should contact their custody agent to exercise their right to subscription. Shareholders who hold their shares in the depository institution's environment should go to one of the branches of Itaú Corretora de Valores S.A., the depository financial institution of the Company's book-entry shares. In both situations, the maximum period established above, or any other period which comes to

be fixed by the Board of Directors of the Company and disclosed in a notice to the shareholders, must be complied with in order to exercise the right to subscribe.

Shareholders who choose not to exercise their preemptive rights for the subscription of shares of the capital increase may negotiate or assign such right to third parties, either on the stock market or in a private trading environment. Shareholders must observe the procedures established by the bookkeeping agent (Itaú Corretora de Valores S.A.) and B3 S.A. - Brazil, Stock Exchange, Counter, for the purpose of assigning their preemptive rights.

**(q) Inform the management's proposal for dealing with any remaining unsubscribed shares**

In the event that not all shares of the capital increase are subscribed to, after expiration of the period for exercise of the preemptive rights, the Company will carry out one round of apportionment of eventual remaining unsubscribed shares among those shareholders that express an interest in acquiring remaining unsubscribed shares in the respective subscription bulletins, given that shareholders may indicate, at the time of subscription and expression of interest in the remaining shares, the quantity to which they wish to subscribe.

If, after such apportionment round, unsubscribed shares still remain, the Company, based on a resolution of the Board of Directors, may partially ratify the capital increase with the cancellation of the remaining shares, provided that the subscribed amount reaches the Minimum Subscription value of R\$3.459.249.996,48, with the issuance of 800.752.314 registered, book-entry common shares with no par value.

In the event of any apportionment of the remaining shares, shareholders which express an interest in the remaining unsubscribed shares in the subscription form shall have a period of five (5) business days, as from the disclosure of the Notice to Shareholders by the Company, regarding subscription of the apportioned remaining unsubscribed shares, observing the proportion of their respective interests in the Company's capital stock and also observing the total amount of the capital increase.

In view of the possibility of partial ratification of the capital increase and with a view to ensuring that shareholders who wish to subscribe part of the capital increase may, at the time of the exercise of the subscription right, condition their investment decision to the final conditions of the capital increase, each shareholder may, upon the act of subscription, condition their capital increase subscription to: (i) the subscription of the maximum amount of the capital increase; (ii) the subscription of a determined minimum amount of capital increase, provided that such minimum value is not lower than the minimum subscription value of R\$ 3.459.249.996,48; (iii) the receipt of all the subscribed shares; or (iv) the receipt of only the minimum amount of shares necessary to maintain their respective participation in the Company's capital stock.

**(r) Describe, in detail, the procedures to be adopted in the event of provision of partial ratification of a capital increase**

In the event that full subscription of the capital increase does not occur within the period for exercise of the preemptive rights and for apportionment of remaining unsubscribed shares, the Board of Directors may partially ratify the capital increase as soon as possible, provided that the subscribed amount reaches the Minimum Subscription value.

In the event of partial ratification of the capital increase, no additional period will be granted for reconsideration of the decision to subscribe, however, the subscriber will be assured a subscription right conditioned to the capital increase. In order to do so, the subscriber must, at the time of subscription, condition their capital increase subscription to: (i) the subscription of the maximum amount of the capital increase; (ii) the subscription of a determined minimum amount of capital increase, provided that such

minimum value is not lower than the Minimum Subscription value of R\$ 3.459.249.996,48; (iii) the receipt of all the shares subscribed; or (iv) the receipt of only the minimum number of shares necessary to maintain their respective participation in the Company's capital stock.

In the event a condition for the subscription of a shareholder is not implemented, such shareholder will receive the amount paid-in by it, without monetary correction, totally or partially, according to the option indicated in the respective subscription bulletin.

Taking into account the shareholders' wishes indicated in the subscription bulletins, the Company's Board of Directors will meet to calculate the amount of the capital increase to be ratified in whole or in part, and shall proceed with the ratification accordingly.

**(s) If the share issuance price is fully or partially paid in the form of assets:**

Not applicable.

**6. In the event of capital increase upon profit or reserve capitalization:**

Not applicable.

**7. In case of capital increase as a result of the conversion of debentures or other debt securities into shares or upon exercise of a subscription warrant:**

Not applicable.

**8. In case of a capital increase resulting from an option plan:**

Not applicable.



**BIOSEV S.A.**  
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## **EXHIBIT II**

### **Conclusions of the Economic Value Study**



## Assessment Report Summary

March 22<sup>nd</sup>, 2018

# Disclaimer



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## THE FOLLOWING INFORMATION IS IMPORTANT AND SHOULD BE READ CAREFULLY AND IN ITS ENTIRETY

1. N M Rothschild & Sons (Brasil) Ltda. ("Rothschild") was engaged by Biosev S.A. ("Biosev" or "Company") to prepare a valuation study ("Assessment Report") on the Company's economic value. The material presented herein is an extract of such Assessment Report ("Summary" and together with the Assessment Report, "Materials"). Only the full access to the Assessment Report allows for a complete understanding of the study performed by Rothschild.

2. The Materials have been prepared exclusively for use by the Company's Board of Directors. They may not be used for any other purpose without the prior written authorization of Rothschild. The Materials, including its analyses and conclusions, (i) do not constitute a recommendation to any board member or shareholder of the Company, or any of their controlling, controlled, or related companies ("Affiliates") on how to exercise its rights, vote or act on any matter; and (ii) cannot be used to justify and substantiate the exercise of voting rights of any person on any matter. No investor or shareholders of the Company should take any investment decision based on the Materials.

3. To come to the conclusions presented in the Materials, we performed the following procedures, among others we: (i) reviewed the audited financial statements of the Company for the years ending on March 31<sup>st</sup> 2015, 2016 and 2017 and last available financial statement as of December 31<sup>st</sup> 2017; (ii) reviewed the financial, operational and management projections ("5y Business Plan") provided by the Company starting in April 1<sup>st</sup> 2018 to March 31<sup>st</sup> 2023; (iii) reviewed the budget and landing forecast ("Budget") provided by the Company from January 1<sup>st</sup> 2018 to March 31<sup>st</sup> 2018; (iv) performed such other financial studies and analyses and considered such other information as we deemed appropriate; and (v) reviewed other publicly available information on the Company (collectively, the "Information") and its relevant market for the purposes of the study. Our study is necessarily based on economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect the Materials and that we do not have any obligation to update, revise, or reaffirm the Materials.

4. Within the scope of our review we do not assume any responsibility or liability for independent investigation of any of the Information provided by the Company and we relied on the completeness and accuracy of the Information in all material respects. Furthermore, we were not asked to perform, and we did not perform, (i) independent verification of the Information or of the documentation that supports the Information; (ii) a technical audit of the Company's operations; (iii) independent verification or valuation of any of the Company's assets or liabilities (including any property, assets or unrecorded contingency, liability or financing.); (iv) assessment of the Company's solvency under bankruptcy, insolvency, or similar legislation; or (v) any physical inspection of the Company's properties, facilities or assets.

5. We are not an accounting firm and we do not provide accounting or auditing services in connection with the Materials. We are not a law firm and we do not provide legal, regulatory or tax services regarding the Materials. The preparation of the Assessment Report and of this Summary by Rothschild do not include any service or opinion related to such services. No accounting, financial, legal, tax, or any other kind of due diligence process was performed with respect to Biosev or any third party.

6. Rothschild, its officers, employees, consultants, agents, and representatives do not provide, and will not provide, any representation, direct or implied, or any warranty concerning the accuracy or completeness of the Information (including financial and operating projections provided by Biosev's management, and assumptions and estimates underlying such projections) used in the preparation of the Materials.

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# Disclaimer



8. With the consent of the Company's management, we assumed that: (i) the operational and financial projections and the demand and market growth projections, provided to Rothschild by the Company's management were prepared on bases that reflect the best estimates currently available and the best judgment of the Company's management regarding the Company's future financial performance and regarding future demand and market growth; and (ii) from the delivery date of the Information to the present date, neither the Company nor its management is aware of any information that could materially impact the business, financial condition, assets, liabilities, business prospects or business transactions, and neither of them is aware of any other significant event that could change the Company's future performance or the Information, make the Information incorrect or inaccurate in any material aspect, or have a material effect on the Materials.
9. Due to the fact that the analysis is based on forecast future results provided by the Company's management, such analysis and values intrinsically do not necessarily indicate the financial results that will be achieved by the Company in the future, and the Company's actual future financial results may be significantly more or less favorable than the data used in our analysis. In addition, since analyses of this kind are intrinsically subject to uncertainties, as they are based on events and factors which are beyond our control and the control of the Company, we shall not have any liability whatsoever if the future results of the Company differ from the results presented in the Materials. There is no guarantee that the future results of the Company will be the same as those contained in the financial projections used as a basis for our analysis, and, accordingly, the differences between such projections and the Company's financial results may be material. The future results of the Company may also be affected by economic and market conditions.
10. The preparation of a financial analysis is a complex process which involves subjective judgments and various determinations as to the most appropriate and relevant analysis methods, and the application of such methods to the specific circumstances. Accordingly, (i) the Assessment Report is not subject to a partial analysis and no such partial analysis shall be made based on this Summary, which cannot be considered alone. In order to come to the conclusions presented in the Assessment Report, we did not give specific weight to given factors considered in the Assessment Report, but instead applied qualitative reasoning to the analyses and factors, considered within the specific circumstances of the Company. We came to a final conclusion based on the results of the entire analysis, considered as a whole, and we did not come to conclusions based on, or related to, any individual factors or methods in our analysis. Accordingly, our analysis must be considered as a whole and the selection of parts of our analysis, or specific factors, without considering the whole of our analysis and conclusions, may result in an incomplete and incorrect understanding of the processes used in our analysis and conclusions.
11. The Materials are necessarily based on information provided to us up to the present date, and the points expressed are subject to change due to a number of factors, such as market, economic, and other conditions, as well as the Company's business and perspectives. Rothschild does not assume any responsibility or liability to update, rectify or cancel the Assessment Report nor this Summary, in whole or in part, after the present date, or to indicate any events or matters related to third parties that Rothschild may become aware of and that could change the contents of the Materials after the present date.
12. We will receive a fee for the preparation of the Materials (to be paid by Biosev) regardless of our conclusions under such documents. In addition, the Company has agreed to indemnify us for certain liabilities arising out of our engagement.
13. We have rendered from time to time in the past financial advisory and other services to the Company and to some of the Company's shareholders or its Affiliates, for which we were paid, and we may in future render such services to some of the Company's shareholders and to the Company or its Affiliates, for which we would expect to be paid.
14. The Assessment Report and this Summary is the intellectual property of Rothschild and may not be published, reproduced, copied, summarized, quoted, disclosed or distributed, in whole or in part, or used by third parties, without the prior written authorization of Rothschild, except as required by law. If the disclosure of this Report becomes necessary under applicable law, it may only be disclosed if its contents are reproduced in their entirety, and any description or reference to Rothschild must be made in a manner reasonably acceptable to Rothschild.
15. The financial calculations included in the Assessment Report may not always result in a precise number due to rounding.
16. The Materials were drafted exclusively in English and, in the event it is translated to another language, the English version shall prevail for all purposes and effects.

# 1.1 Scope of the valuation



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**Rothschild was engaged by Biosev S.A. ("Biosev" or "Company") to prepare a valuation study ("Assessment Report") of Biosev's economic value as an ancillary document to Biosev's Board of Directors in connection with a potential private capital increase ("Transaction")**

- For such, the following analysis were performed:
  - Market value
  - Book value of equity
  - Trading multiples
  - Transaction multiples
  - Discounted cash flow ("DCF")

# 1.2 Considerations on the valuation methodologies



## DCF as the most appropriate valuation criteria to value Biosev

	Considerations
Market value	<ul style="list-style-type: none"> <li>• Takes into account the current market value of Biosev</li> <li>• Given the limited liquidity of Biosev's shares coupled with the fact that it is not present in any relevant traded Brazilian index, its price may not be a good proxy for Biosev's economic value</li> </ul>
Book value of equity	<ul style="list-style-type: none"> <li>• Takes into account only historical accounting value</li> <li>• Does not reflect growth and future perspectives of the business</li> </ul>
Trading multiples	<ul style="list-style-type: none"> <li>▪ Usually a good price reference, since it takes into account the current market environment for the stock</li> <li>• Adequate valuation methodology in case there are truly comparable peers                             <ul style="list-style-type: none"> <li>– São Martinho is the closest listed company to Biosev</li> </ul> </li> <li>• In the case of Biosev, the application of São Martinho's multiples as of today is not adequate as Biosev's current financial risk and lower profitability would not be captured by this methodology</li> </ul>
Transaction multiples	<ul style="list-style-type: none"> <li>• Reflects relative valuation implied in transactions involving similar companies</li> <li>• Lack of relevant comparable transactions with available / reliable information (most targets were not publicly traded)</li> <li>• Does not fully capture different asset / transaction characteristics and multiples are influenced by overall macro economic environment at the time of the transactions (sugar prices, oil prices, foreign exchange and interest rates)</li> </ul>
Discounted cash flow	<ul style="list-style-type: none"> <li>• Captures the specifics of Biosev's business model and asset characteristics (cash flow generation, mills location, cane supply, product mix), and future growth perspectives (operational efficiency gains, sugar and ethanol prices, among others)</li> <li>• Reflects the best estimates and views of the management about the future performance of the company</li> <li>• Depends on several operational and financial assumptions, which may be more or less predictable and, therefore, can affect the relevance of the methodology</li> </ul>

# 1.3 Summary Valuation



## Enterprise value and equity value

Criteria	Comments	Enterprise value (R\$m)	Equity value (R\$m)
<b>1</b> <b>Market value</b> <u>Share price: 30 days VWAP</u> <u>Share price: Spot</u>	30 days volume weighted average price (21-Feb-18 to 22-Mar-18)	8,533	1,186
	Closing price on 22-Mar-18	8,386	1,039
<b>2</b> <b>Book value of equity</b> <u>As of December 31<sup>st</sup>, 2017</u>	Based on the last financial information released by the company (as of 31-Dec-2017)	5,894	(1,454)
<b>3</b> <b>Trading multiples</b> <u>EV / EBITDA (ex-land) LTM<sup>1</sup>: 4.0x</u> <u>EV/ton (ex-land) LTM: 91.9 USD/ton<sup>2</sup></u>	Based on São Martinho trading multiples adjusted for land value	6,670	(677)
		9,565	2,218
<b>4</b> <b>Transaction multiples</b> <u>EV/ton since 2013: 69.2 USD/ton</u>	Average multiple of the precedent transactions since 2013	7,202	(146)
<b>5</b> <b>Discounted cash flow (FCFF)</b> <u>WACC: +/- 1%</u> <u>EV/ton multiple: +/- 5%</u>	FCFF based on Biosev's 5-year Business Plan, discounted by the weighted average cost of capital (WACC)	7,980	633
	Terminal value assuming an EV/ton (US\$) multiple	7,680	333
		8,296	949
		7,687	340
		7,980	633
		8,274	926

**Notes**

- 1 Last twelve months (LTM) as of Dec-17
- 2 Valuation multiple usually applied in the sugar and ethanol industry

# 1.4 Summary Valuation



## Price per share

Criteria	Comments	Price per share (R\$/share)
<b>1</b> <u>Market value</u> Share price: 30 days VWAP Share price: Spot	30 days volume weighted average price (21-Feb-18 to 22-Mar-18) Closing price on 22-Mar-18	5.40 4.73
<b>2</b> <u>Book value of equity</u> As of December 31 <sup>st</sup> , 2017	Based on the last financial information released by the company (as of 31-Dec-2017)	(6.62)
<b>3</b> <u>Trading multiples</u> EV / EBITDA (ex-land) LTM <sup>1</sup> : 4.0x EV/ton (ex-land) LTM: 91.9 USD/ton <sup>2</sup>	Based on São Martinho trading multiples adjusted for land value	(3.08) 10.10
<b>4</b> <u>Transaction multiples</u> EV/ton since 2013: 69.2 USD/ton	Average multiple of the precedent transactions since 2013	(0.66)
<b>5</b> <u>Discounted cash flow (FCFF)</u> WACC: +/- 1% EV/ton multiple: +/- 5%	FCFF based on Biosev's 5-year Business Plan, discounted by the weighted average cost of capital (WACC) Terminal value assuming an EV/ton (US\$) multiple	2.88 1.51 ◆ 4.32 2.88 1.55 ◆ 4.22

**Notes**

- 1 Last twelve months (LTM) as of Dec-17
- 2 Valuation multiple usually applied in the sugar and ethanol industry