



AZUL S.A.

Publicly-held Company
CNPJ/MF nº 09.305.994/0001-29
NIRE 35.300.361.130

NOTICE TO SHAREHOLDERS

INFORMATION ON CAPITAL INCREASE DUE TO THE STOCK OPTIONS PLAN OF AZUL S.A. APPROVED BY THE BOARD OF DIRECTORS IN MEETING HELD ON MAY 06, 2019

In compliance with article 30, XXXII, of CVM Instruction No. 480, as of December 7, 2009, as amended ("CVM Instruction 480"), Azul S.A. ("Company") hereby provides the information required in the Exhibit 30-XXXII of such rule, regarding the capital increase approved by the Board of Directors of the Company in meeting held on May 06th, 2019, as follows:

DATE OF THE SHAREHOLDERS MEETING IN WHICH THE STOCK OPTION PLAN WAS APPROVED

The Stock Options Plan of Azul S.A. was approved at the General Shareholders' Meeting held on December 11, 2009, and amended on July 1, 2013 ("First Plan").

The Second Stock Options Plan of Azul S.A. was approved at the General Shareholders' Meeting held on July 30, 2014, and amended on October 3, 2017 ("Second Plan").

The Third Stock Options Plan of Azul S.A. was approved at the General Shareholders' Meeting held on March 10, 2017 ("Third Plan").

AMOUNT OF THE CAPITAL INCREASE AND NEW CAPITAL STOCK

The approved capital increase amounts of five million, three hundred and forty-two thousand, one hundred and twenty-eight Brazilian Reais and eighty-eight cents (R\$5,342,128.88).

Consequently, the Company's capital stock shall raise from the current two billion, two hundred and nine million, four hundred and fifteen thousand, seventy-eight Brazilian Reais and sixteen cents (R\$ 2,209,415,078,16) to two billion, two hundred and fourteen million, seven hundred and fifty-seven thousand, two hundred and seven Brazilian Reais and four cents (R\$ 2,214,757,207,04).

NUMBER OF SHARES ISSUED OF EACH TYPE AND CLASS

The capital increase comprises the issuance of five hundred and forty-three thousand, nine hundred and fifty-six (543,956) preferred shares, which shall have the same characteristics and conditions, and will enjoy the same rights and advantages of the preferred shares which are already in existence.

ISSUANCE PRICE OF THE NEW SHARES

The new preferred shares were issued at the following prices per share:

First Plan:

(i) 196,350 preferred shares were issued at a price of R\$3.42 per share, pursuant to the First Program of the First Plan; and

(ii) 66,100 preferred shares were issued at a price of R\$6.44 per share, pursuant to the Second and Third Programs of the First Plan.

Second Plan:

(i) 42,096 preferred shares were issued at a price of R\$15.16 per share, pursuant to the Second Plan;

(ii) 43,359 preferred shares were issued at a price of R\$17.27 per share, pursuant to the Second Plan;

(iii) 51,455 preferred shares were issued at a price of R\$19.37 per share, pursuant to the Second Plan.

(iv) 13,787 preferred shares were issued at a price of R\$22.57 per share, pursuant to the Second Plan.

Third Plan:

(i) 130,809 preferred shares were issued at a price of R\$11.85 per share, pursuant to the Third Plan.

PRICE OF EACH TYPE AND CLASS OF THE ISSUER'S SHARES IN THE MARKETS IN WHICH THEY ARE TRADED

Preferred Shares¹

a) minimum, average and maximum price in each year for the last three (3) years:

	2017²	2018
Minimum	R\$ 21.00	R\$ 20,43
Average	R\$ 26.29	R\$ 28,94
Maximum	R\$ 30.40	R\$ 38,69

¹ Only preferred shares of the Company (AZUL4) are traded on the stock market.

² Since April 11, 2017, date of the first day of trading of the preferred shares of the Company on the stock market.

b) minimum, average and maximum price in each quarter of the year for the last two (2) years:

	2Q17	3Q17	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19
Minimum	21.00	23.76	25.60	26.40	21.33	20.43	22.92	34.72
Average	23.87	27.04	27.77	31.88	29.83	23.25	31.10	37.75
Maximum	26.60	30.39	30.40	38.20	38.69	25.76	36.00	42.22

c) minimum, average and maximum price in each month for the last six (6) months:

	November	December	January	February	March	April
Minimum	R\$ 30.45	R\$ 30.86	R\$ 34.72	R\$ 36.18	R\$ 36.40	R\$ 31.70
Average	R\$ 33.43	R\$ 33.25	R\$ 36.13	R\$ 37.93	R\$ 39.35	R\$ 35.08
Maximum	R\$ 36.00	R\$ 36.00	R\$ 37.47	R\$ 38.88	R\$ 42.22	R\$ 38.96

d) average price for the last ninety (90) days: R\$ 36.74

PERCENTAGE OF DILUTION RESULTING FROM THE ISSUANCE

The percentage of dilution resulting from the capital increase is 0.1602%³.

³ Percentage of dilution based on the hypothetical conversion of all common shares into preferred shares at a 75:1 ratio.