



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

MATERIAL FACT

Barueri, December 2, 2019 – SMILES FIDELIDADE S.A. (B3: SMLS3) (“SMILES” or “Company”), pursuant to the provisions of Normative Instruction No. 358, of January 3, 2002, of the Brazilian Securities and Exchange Commission, as amended, and Paragraph 4 of Article 157, of Law No. 6404 of December 15, 1976, hereby informs its shareholders and the market in general its projections for the years 2019 and 2020, as follows:

Projection of Gross Revenue Growth

Smiles expects a yearly growth of its gross revenue for the year 2019 ranging from 11.0% to 12.5% compared to the year 2018. For the year 2020, the Company's estimated gross revenue growth ranges from 5.0% to 10.0% compared to the expected gross revenue for 2019.

These estimates mainly consider the following factors: (i) competitive environment with regards to airline loyalty programs; (ii) competitive environment in relation to loyalty programs of retail banks in Brazil; and (iii) estimates of installed capacity growth in Brazil from our major airline ticket suppliers.

	Observed 9M19	Projected 2019	Projected 2020
Revenue Growth (YoY)	17.9%	11.0% - 12.5%	5.0% - 10.0%

Projection of the Direct Redemption Margin

Smiles estimates that the Company's direct redemption margin for the year 2019 will range from 37.0% to 38.2%, and for the year 2020, ranging from 25.0% to 30.0%. These estimates mainly consider the following factors: (i) mix of tickets offered by Gol Linhas Aéreas (“Gol”) (i.e. Standard Tickets, Promotional Tickets, or Commercial Tickets); (ii) domestic airline ticket prices; (iii) preliminary perspectives regarding the ordinary update of the transfer price between Gol and Smiles; (iv) availability of access to purchase airline tickets purchased from international airline companies; (v) cost related to the purchase of airline tickets purchased from international airline companies; and (vi) competitive environment with regards to airline and bank loyalty programs.

	Observed 9M19	Projected 2019	Projected 2020
Direct Redemption Margin	40.5%	37.0% - 38.2%	25.0% - 30.0%



The projections and guidance disclosed herein are only estimates and indicatives, and are not guarantees of any future results. Investors are cautioned that any projections are subject to various risks, uncertainties and factors related to Smiles' market and operational context. Although Smiles believes that the expectations and assumptions made in these estimates are reasonable, based on information currently available to its managers, Smiles cannot guarantee any future results.

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