

Barueri, May 07, 2018 – Smiles Fidelidade S.A. (B3: SMLS3) one of the largest loyalty programs in Brazil with over 14 million members, announces today its 1Q18 results. The financial and operational information in this report refers to the consolidated results of Smiles Fidelidade S.A. and is presented in accordance with IFRS and in Brazilian reais (R\$), except when indicated otherwise. Percentage variations may use more decimal places for the calculations than shown in the document and are in comparison with Smiles S.A. numbers.

Smiles Fidelidade S.A.

B3: SMLS3
 Novo Mercado
 Price: R\$ 75.80
 No. of shares: 124,007,953
 Market value: R\$ 9.4 billion
 (close: 05/04/2018)

www.smiles.com.br/ri

1Q18 Conference Call

May 08, 2018

In Portuguese and English:

(Simultaneous Translation)

10:00 a.m. (Brasília)

09:00 a.m. (US EST)

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Gross billings increase 17.8% in annual comparison

HIGHLIGHTS

- ✓ 1Q18 Miles Accrual was up 24.1% compared to 1Q17, reaching 22.4 billion of miles.
- ✓ 1Q18 Gross Billings was up 17.8% compared to 1Q17, totalizing R\$ 507.7 million.
- ✓ 1Q18 Miles Redemption increased 17.8% versus 1T17, reaching 18.9 billion of miles
- ✓ Net income reaches R\$ 155.0 million in 1Q18, relatively stable in comparison to the same period of 2017.
- ✓ Managerial direct redemption margin reached 41.2% in 1Q18, a 1.6bps reduction in comparison to 1Q17.

Main Highlights	Unit	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Miles accrual	bln	22.4	23.9	18.0	(6.4%)	24.1%
Gol	bln	2.2	2.7	1.5	(16.1%)	44.6%
Banks, retail and others	bln	17.1	18.2	13.1	(6.0%)	30.9%
Smiles & Money	bln	3.1	3.1	3.5	(0.5%)	(10.9%)
Smiles' program redemptions ²	bln	18.9	18.4	16.0	2.4%	17.8%
Total gross billings ³	R\$ mn	507.7	511.9	430.9	(0.8%)	17.8%
Total gross billings (ex-Gol) ³	R\$ mn	479.4	482.1	418.5	(0.6%)	14.6%
Net revenues*	R\$ mn	247.1	234.6	229.9	5.3%	7.5%
EBITDA ¹	R\$ mn	188.1	149.2	182.7	26.1%	3.0%
Net income	R\$ mn	155.0	123.0	156.3	26.0%	(0.8%)

1. EBITDA is not an accounting measurement elaborated by the Company, reconciled with its financial statements. The EBITDA is composed by net income attributable to the Company's shareholders, added by net financial result, income tax and social contribution, and expenses related to depreciation and amortization.

2. Corresponds to miles redeemed in the program (new miles and legacy miles).

3. Gross Billings is not an accounting measurement and corresponds to total sales revenues for miles and the cash portion of Smiles & Money, gross of taxes. These billings may have affected the current period or will be recognized as revenue in future periods, depending on the date of redemption by the program members.

*Considers the new accounting presentation IFRS 15

Message from Management

In the first quarter of 2018, Smiles continues to show positive developments in both operational and financial indicators. Among the operating indicators, we highlight the 24.1% increase in the total of miles accrued, and the 17.8% increase in the volume of miles redeemed, comparing both indicators with the first quarter of 2017. We continue to strengthen our partnership with financial institutions which we believe is positive for business and industry growth. This result reflects once again our consistent path of engaging our customers and consolidating our leading position in the loyalty industry in Brazil.

Another highlight of this quarter is the total gross billings which reached the mark of R\$ 507.7 million, representing a 17.8% growth in comparison to 1Q17, which was the sixth sequential quarter of evolution.

It is worth to emphasize that on the 1Q18 the managerial direct redemption margin reached 41.2%, reinforcing the commitment of the management with business profitability and in line with the guidance the Company disclosed for 2018.

Smiles in Argentina. Complying with our goal to continue growing business and keep our leadership position in the loyalty industry, we announce that Smiles has started the structuration of its operation in Argentina. The operation is focused on attending the local market, replicating the business model that has proved a successful model in Brazil. It is a market that we believe may present a good growth potential in the economy, considering the partnerships that we have established with both Gol and Aerolíneas Argentinas, the economic growth perspectives and the possibility to sign partnership with local banks.

Start of Uber operation. Smiles' clients have a new way to earn and redeem their miles. Since recently, it is possible buy credits (starting from R\$ 20) to use in Uber rides, in every city where the urban mobility platform is available. The payment can be with miles redemption or using credit card. In the first week of operation, we registered over R\$ 1 million of credit for rides using Uber app.

Claro Store. Smiles and Claro partnership now offers to the client the possibility of buying smartphones as well as ask for mobile portability in the new Claro Store inside Smiles Shopping. It is possible to redeem devices using miles or paying with credit card earning miles.

Miles retroactive credit. The company launched the innovation to facility the traveler experience on Smiles app, providing that may be done the retroactive credit of miles with the flight ticket picture, print screen of e-ticket or fill in the form with tickets data.

In this quarter our family is represented by 119 smiling and enthusiastic employees.

We remain optimistic about loyalty opportunities and reaffirm our commitment to consolidate Smiles as Brazil's most innovative business platform and a complete travel company.

Our mission is to turn miles into smiles :)

Operating Performance

Operating Data ¹	Unit	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Members	mn	14.2	13.7	12.3	3.0%	14.9%
Miles Accrual	mn	22.4	23.9	18.0	(6.4%)	24.1%
Gol	mn	2.2	2.7	1.5	(16.1%)	44.6%
Banks, retail and others	mn	17.1	18.2	13.1	(6.0%)	30.9%
Smiles & Money Gol	mn	3.1	3.1	3.5	(0.5%)	(10.9%)
Smiles' Program Redemptions	mn	18.9	18.4	16.0	2.4%	17.8%
Airline Redemptions	mn	17.2	16.5	15.0	4.1%	14.9%
Non-airline	mn	1.6	1.9	1.0	(12.6%)	59.4%
Breakage Rate	%	19.1%	18.5%	17.4%	0.6 p.p.	1.7 p.p.

¹ All relevant miles amounts are net of reimbursement. The data in this table do not reflect financial information.

Members: The number of program members reached 14.2 million in 1Q18, 14.9% higher than 1Q17.

Miles accrual: In 1Q18 miles accrued rose by 24.1% compared with 1Q17, boosted by the 30.9% expansion in miles accrual from banks, retail and services, and the new dynamic of miles accrual from Gol in which the customer who flies with Gol accumulate more miles per real spent. The volume of miles accrued from Gol was 44.6% higher than 1Q17.

Miles redemption: In 1Q18 miles redemption was 17.8% higher than in 1Q17, reaching 18.9 billion miles. The evolution on the redemption was largely explained by 14.9% increase of airline tickets redemption, which represents around 91.3% of total miles redeemed. The burn/earn ratio was 84.4% in 1Q18 a 7.3 bps in comparison to 4Q17.

Operating data ¹	Unit	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Smiles' redemption program	mn	18.9	18.4	16.0	2.4%	17.8%
Gol + International Partners Tickets	mn	17.2	16.5	15.0	4.1%	14.9%
Non-airline	mn	1.6	1.9	1.0	(12.6%)	59.4%
% of miles redeemed						
Gol + International Partners Tickets	%	91.3%	89.8%	93.6%	1.5 p.p.	(2.3 p.p.)
Non-airline	%	8.7%	10.2%	6.4%	(1.5 p.p.)	2.3 p.p.

¹ All values corresponding to miles are net of reimbursement. Segregation among different redemption types were not reviewed by auditors.

Breakage: The breakage rate reached 19.1% in 1Q18 and it represents an increase in relation to the same period of last year.

Financial Performance

Financial information summary	Unit	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Gross billings¹	R\$ mn	507.7	511.9	430.9	(0.8%)	17.8%
Gol	R\$ mn	28.3	29.8	12.3	(5.0%)	130.1%
ex-Gol	R\$ mn	479.4	482.1	418.5	(0.6%)	14.6%

1. Gross Billings is not an accounting measurement and corresponds to total billings from the sale of miles gross of taxes. These revenues may have affected the current period or will be recognized as revenue in future periods, depending on the date of redemption by the program members.

Gross billings: Total gross billings climbed 17.8% compared to 1Q17's figure, mostly due to the 14.6% increase in ex-Gol miles billings. Gol's billing rose 130.1% versus 1Q17, mainly due to the new dynamic of Gol's accrual since 3Q17 that allows the client to earn more miles per real spent.

New accounting methodology – IFRS15: From 1Q18, the Company adopted the IFRS 15 as a new accounting standard. In the process of the adoption of the new standard, the Company considered its responsibility in the supply of goods and/or services in the delivery of awards redeemed considering that in this process there are more than two entities involved. The result of this assessment was that the Company is responsible for making sure that the goods and/or services provided by a third party (since there is no risks of not having the award redeemed in inventory) are effectively transferred for Smiles participants. Consequently, the company was classified as agent in the execution of its performance obligations. As an agent, the Company started to recognize the gross revenue with awards redeemed net of its respective costs associated to the provision of goods or services for the participants.

Revenue (R\$ thousand)	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Net Revenue	247,083	234,652	229,889	5.3%	7.5%
Operational Costs	(12,585)	(12,894)	(9,228)	(2.4%)	36.4%
Gross profit	234,498	221,758	220,661	5.7%	6.3%

Redemption revenue: Gross revenues from miles redemption had a positive increase n increase by 7.5% over 1Q17.

Breakage revenue: breakage revenue reached R\$ 90.6 million, 17.3% up than 1Q17, mainly driven by the higher volume of miles that expired.

Other revenues: Other revenues fell by 22.9% in compared with 1Q17, reaching R\$ 4.9 million. This item is mainly composed of cancellation fee, incentives to sell co-branded credit card and Gol's loyalty program's management fees. It is worth noting that revenue from the Gol tickets cancellation are not being recorded as "other revenues"

since the 3Q17. This effect does not change the profitability of the company, considering that the referred revenue was absolutely reflected in the cost until 2Q17.

Direct redemption margin: For the calculation of the direct redemption margin only the revenues and costs directly related to miles redemptions are considered, as calculated in the chart below:

Redemption P&L	Redemption Results	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Revenue	> Net Revenue of Redemption (b)¹	442,977	406,527	372,879	9.0%	18.8%
Revenue		442,977	447,964	410,886	(1.1%)	7.8%
(-) Direct Taxes		-	(41,437)	(38,007)	(100.0%)	(100.0%)
Costs of provided services	> Redemption costs	(260,500)	(243,664)	(213,415)	6.9%	22.1%
(-) Cost with Redemption		(260,500)	(262,773)	(229,174)	(0.9%)	13.7%
(+) Credits with direct taxes			19,108	15,759	(100.0%)	(100.0%)
Gross Revenue	Gross result of redemption (a)	182,477	162,863	159,464	12.0%	14.4%
(-) Taxes over Spread		(16,879)	-	-	-	-
(=) Net Revenue	Net result of redemption (=a/b)	165,598	162,863	159,464	1.7%	3.8%
<i>% Redeem direct margin</i>		41.2%	40.1%	42.8%	1.1 p.p.	(1.6 p.p.)

¹ managerial redemption results: Gross results of redemption consider other revenues related to redemption that are registered as "Other revenues".

Pro-forma managerial redemption direct margin: In the table below, we demonstrate the calculation of direct margin redemption, considering the effect of the new accounting standard IFRS 15 for 1Q17 and 4Q17:

Redemption P&L	Redemption Results	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Revenue	> Net Revenue of Redemption (b)	442,977	447,964	410,886	(1.1%)	7.8%
Revenue		442,977	447,964	410,886	(1.1%)	7.8%
(-) Direct Taxes		-	-	-	-	-
Costs of provided services	> Redemption costs	(260,500)	(262,773)	(229,174)	(0.9%)	13.7%
(-) Cost with Redeem		(260,500)	(262,773)	(229,174)	(0.9%)	13.7%
(+) Credits with direct taxes		-	-	-	-	-
Gross Revenue	Gross result of redemption (a)	182,477	185,191	181,712	(1.5%)	0.4%
(-) Taxes over Spread		(16,879)	(17,130)	(16,808)	(1.5%)	0.4%
(=) Net Revenue	Net result of redemption (=a/b)	165,598	168,061	164,904	(1.5%)	0.4%
<i>% Redeem direct margin</i>		41.2%	41.3%	44.2%	(0.1 p.p.)	(3.0 p.p.)

Operating Expenses (R\$ thousand)	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Operating Expenses	(50,487)	(76,122)	(41,301)	(33.7%)	22.2%
Commercial Expenses	(27,754)	(32,079)	(21,433)	(13.5%)	29.5%
Administrative Expenses	(22,733)	(28,859)	(19,868)	(21.2%)	14.4%
Other Expenses/ Revenues	-	(15,184)	-	n/a	n/a

Operating expenses: operating expenses increased by 22.2% when compared to 1Q17. The increase was largely in reason of the 29.5% rise of commercial expenses (that represents 55% of the total) which are related to marketing expenses, higher credit cards commission costs and call center. Administrative expenses expanded 14.4% due to costs associated to employee's variable compensation and the payment of IT services associated of new products development.

Other information (R\$ thousand)	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Equity method investment	-	-	-	-	-
Net financial result	44,966	45,211	59,066	(0.5%)	(23.9%)
Financial expenses	(129)	(163)	(22)	(20.7%)	487.9%
Financial income	44,704	47,774	59,493	(6.4%)	(24.9%)
Net exchange variation	391	(2,400)	(405)	(116.3%)	(196.5%)
Income tax and social Contribution	(73,964)	(67,852)	(82,096)	9.0%	(9.9%)

Financial result: the financial result declined 23.9% over 1Q17 figures, chiefly due to the reduction of the key base interest rate in Brazilian market.

Net exchange variation: The net exchange variation recorded in the period is largely a result of the effect of foreign exchange rate variation of the accounts payable outstanding in USD, related to the cost of international ticket redemptions.

Income tax and social contribution: this quarter had the tax benefit of the distribution of interest on Capital. Considering this effect, the effective income tax and social contribution was 32.3%.

Net income: Smiles Fidelidade's net income totaled R\$155.0 million in 1Q18.

Advance to suppliers balance: This quarter Gol Linhas Aéreas withdraw R\$ 200 million of balance left of the anticipation of air tickets related to the contract additive celebrated in April 05, 2017. For that matter, the balance grew only 0.6% in comparison to 4Q17.

Income Statement – IFRS 15

Income statement (R\$ thousand)	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Net revenues	247,083	234,652	229,889	5.3%	7.5%
Operational costs	(12,585)	(12,894)	(9,228)	(2.4%)	36.4%
Gross profit	234,498	221,758	220,661	5.7%	6.3%
<i>gross margin</i>	94.9%	94.5%	96.0%	0.4 p.p.	(1.1 p.p.)
Operating expenses	(50,487)	(76,122)	(41,301)	(33.7%)	22.2%
Selling expenses	(27,754)	(32,079)	(21,433)	(13.5%)	29.5%
Administrative expenses	(22,733)	(28,859)	(19,868)	(21.2%)	14.4%
Other expenses/revenues	-	(15,184)	-	n/a	n/a
Operating profit	184,011	145,636	179,360	26.3%	2.6%
<i>operating margin</i>	74.5%	62.1%	78.0%	12.4 p.p.	(3.5 p.p.)
Financial income	44,966	45,211	59,066	(0.5%)	(23.9%)
Financial revenues	44,704	47,774	59,493	(6.4%)	(24.9%)
Financial expenses	(129)	(163)	(22)	(20.7%)	487.9%
Exchange variation, net	391	(2,400)	(405)	n/a	(196.5%)
EBT	228,977	190,847	238,426	20.0%	(4.0%)
Income and social contribution taxes	(73,964)	(67,852)	(82,096)	9.0%	(9.9%)
Net income	155,013	122,995	156,330	26.0%	(0.8%)
<i>Net margin</i>	62.7%	52.4%	68.0%	10.3 p.p.	(5.3 p.p.)

Balance Sheet

Balance Sheet (R\$ thousand)	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Assets	2,353,170	2,170,911	1,664,530	8.4%	41.4%
Current	2,110,449	1,901,672	1,004,150	11.0%	110.2%
Cash and cash equivalents	291,098	446,191	40,463	(34.8%)	619.4%
Short-term investments	541,650	221,242	108,098	144.8%	401.1%
Trade receivable	378,095	352,640	267,260	7.2%	41.5%
Advances to suppliers	871,453	866,341	576,691	0.6%	51.1%
Recoverable Taxes	2,346	-	-	n/a	n/a
Other credits and values	25,807	15,258	11,638	69.1%	121.7%
Noncurrent assets	242,721	269,239	660,380	(9.8%)	(63.2%)
Deferred taxes	186,660	211,993	65,389	(11.9%)	185.5%
Judicial deposits and blocked escrows	16,675	16,943	-	(1.6%)	n/a
Advances to suppliers	-	-	535,699	n/a	(100.0%)
Investments	-	-	15,184	n/a	(100.0%)
Property, plant and equipment	2,962	2,756	1,634	7.5%	81.3%
Intangible assets	36,424	37,547	34,882	(3.0%)	4.4%
Other credits and values	-	-	7,592	n/a	(100.0%)
Liabilities	2,353,170	2,170,911	1,664,530	8.4%	41.4%
Current	1,135,080	1,096,357	1,083,008	3.5%	4.8%
Suppliers	131,902	145,661	127,713	(9.4%)	3.3%
Salaries	8,433	18,270	7,151	(53.8%)	17.9%
Dividends/	112,116	101,861	-	10.1%	n/a
Tax obligations	31,043	16,403	39,089	89.3%	(20.6%)
Obligations to related companies	25,667	30,394	-	(15.6%)	n/a
Advances from customers	75,140	14,727	117,617	410.2%	(36.1%)
Deferred revenues	748,181	768,688	765,193	(2.7%)	(2.2%)
Obligations with affiliates	-	-	15,588	n/a	(100.0%)
Other liabilities	2,598	353	10,657	636.0%	(75.6%)
Noncurrent liabilities	204,152	202,835	188,419	0.6%	8.4%
Suppliers	1,977	246	2,692	703.7%	(26.6%)
Provision for legal proceedings	15,774	14,385	1,342	9.7%	n/a
Deferred revenue	186,401	188,204	184,385	(1.0%)	1.1%
Shareholder's equity	1,013,938	871,719	393,103	16.3%	157.9%
Capital stock	44,874	43,104	185,606	4.1%	(75.8%)
Cost of issue shares	(1,107)	(1,107)	(36,402)	0.0%	(97.0%)
Capital reserve	481,628	481,628	43,765	0.0%	n/a
Share-based payments	258	172	7,440	50.0%	(96.5%)
Profit reserves	8,621	8,621	36,364	0.0%	(76.3%)
Additional dividend proposed	339,301	339,301	-	0.0%	n/a
Retained earnings	140,363	-	156,330	n/a	(10.2%)

Statement of cash flows

Statement of Cash Flows (R\$ thousand)	1Q18	4Q17	1Q17	1Q18 vs. 4Q17 (%)	1Q18 vs. 1Q17 (%)
Net Income	155,013	122,994	156,330	26.0%	(0.8%)
Share-based payments	86	86	150	0.0%	(42.7%)
Deferred income and social contribution taxes	25,291	26,195	(2,725)	(3.5%)	n/a
Provision for legal proceedings	5,166	3,403	398	51.8%	n/a
Depreciation and amortization	4,081	3,560	3,333	14.6%	22.4%
Discounts in advance ticket purchases	(34,089)	(41,635)	(41,863)	(18.1%)	(18.6%)
Financial restatement of income and social contribution taxes	-	-	-	n/a	n/a
Exchange variations, net	(2,586)	(1,410)	(1,281)	83.4%	101.9%
Interest and amortization of costs on loans	-	-	-	n/a	n/a
Allowance for doubtful accounts	10	18	42	(44.4%)	(76.2%)
Profit sharing	5,371	3,688	3,490	45.6%	53.9%
Write-off of goodwill	-	15,184	-	(100.0%)	n/a
Equity method investment	-	-	-	n/a	n/a
Trade receivables	(25,342)	(8,846)	(99,438)	186.5%	(74.5%)
Advances to suppliers	28,977	239,445	(79,940)	(87.9%)	(136.2%)
Recoverable taxes	(2,346)	-	-	n/a	n/a
Judicial deposits and blocked escrows	268	(1,923)	-	(113.9%)	n/a
Credits with related companies	(4,727)	3,562	91,133	(232.7%)	(105.2%)
Other credits / obligations	(8,303)	(4,005)	6,498	107.3%	(227.8%)
Suppliers	(9,993)	3,928	5,398	(354.4%)	(285.1%)
Labor obligations	(15,208)	(943)	(11,201)	n/a	35.8%
Advances from customers	60,413	(38,118)	111,163	(258.5%)	(45.7%)
Deferred revenue	(22,310)	(6,044)	(51,681)	269.1%	(56.8%)
Tax obligations	50,058	38,778	76,111	29.1%	(34.2%)
Lawsuits and labor claims	(3,777)	(3,051)	(318)	23.8%	n/a
Income and social contribution taxes paid	(37,326)	(40,557)	(59,279)	(8.0%)	(37.0%)
Net cash flows from (used in) operating activities	168,727	314,309	106,320	(46.3%)	58.7%
Acquisition of property, plant and equipment and intangible assets	(3,165)	(12,981)	(3,288)	(75.6%)	(3.7%)
Short-term investments	(320,408)	(47,361)	201,644	576.5%	(258.9%)
Net cash flows used in investing activities	(323,573)	(60,342)	198,356	436.2%	(263.1%)
Capital Increase	1,770	-	3,784	n/a	1,770
Advance for future capital increase	-	-	-	n/a	-
Debentures caption	-	-	-	n/a	-
Cost of issued shares	-	237	-	(100.0%)	-
Interest on equity paid, net of taxes	-	(12,707)	(521,751)	(100.0%)	-
Transaction with related parties	(2,569)	2,712	-	(194.7%)	(2,569)
Net cash flows from (used in) financing activities	(620)	(9,758)	(517,967)	(93.6%)	(99.9%)
Effect of exchange variation on cash and cash equivalents	552	(1,693)	95	(132.6%)	481.1%
Net increase (decrease) in cash and cash equivalents	(155,093)	242,516	(213,196)	(164.0%)	(27.3%)
Cash and cash equivalents at the beginning of the period	446,191	203,675	253,659	119.1%	75.9%
Cash and cash equivalents at the end of the period	291,098	446,191	40,463	(34.8%)	619.4%

Business Model

Smiles started as a single loyalty program, but has evolved into its current coalition model, which features several unique characteristics that allow for the accrual and redemption of Miles from GOL flights and its international partner airlines, as well as Brazil's main commercial banks, including co-branded cards issued by Bradesco and Banco do Brasil, and a wide network of retail partners. The current model works through (i) the accrual of Miles by Members when they purchase airline tickets with GOL or other partner airlines, or products and services from Business and Financial Partners; Smiles Miles being acquired through the loyalty of these customers to those businesses, and (ii) Awards redemptions by Members when they exchange their Miles for flights on GOL and other partner airlines, or for products and services offered by Commercial and Financial Partners

The main sources of our revenues come from (i) redeemed miles revenues, represented by tickets and awards in its network of airline, commercial and financial partners, (ii) interest income between the date the miles were accrued and the date they were redeemed, and (iii) Breakage revenues if issued miles expire without being redeemed.

Glossary

Awards - Products or services provided to members by a commercial partner as the result of redeeming customer miles loyalty program.

Award Products - Product or service, excluding air tickets, provided to members by a commercial partner as the result of redeeming customer loyalty program points.

Breakage Estimate – Miles expired and not redeemed; it may be expressed as a number of miles, an amount in Brazilian reais or as a percentage of miles issued, depending on the context.

Burn/Earn Ratio - The ratio between the number of redeemed and accrued miles in a given period.

Free Float - Shares owned by non-controlling shareholders.

Miles - The redemption rights of Smiles Program members sold to commercial partners.

Smiles & Money - A means of issuing air tickets by combining money and miles.

Smiles Program - A multi-loyalty program for several companies, including GOL Linhas Aéreas Inteligentes S.A.

This release may contain forward-looking statements related to business prospects, estimates of operating and financial results, and growth prospects for Smiles. These are merely projections and, as such, are based exclusively on management's expectations for Smiles. Such forward-looking statements depend, substantially, on external factors and risks presented in the disclosure documents filed by Smiles, and are, therefore, subject to change without notice. Independent auditors did not review the Company's non-financial information. Some values from this report may differ from the financial statements due to rounding.