



SMILES FIDELIDADE S.A.

Publicly Held Company

Corporate Taxpayer's ID (CNPJ/ME): 05.730.375/0001-20

Company Registry (NIRE): 35.300.493.095

MATERIAL FACT

Barueri, July 6th, 2020 – SMILES FIDELIDADE S.A. (B3: SMLS3) ("Company" or "Smiles"), pursuant to the provisions of Normative Instruction No. 358, of January 3rd, 2002, of the Brazilian Securities Commission (CVM), as amended, informs its shareholders and the market in general that the Company's Board of Directors unanimously approved a commercial transaction ("Transaction") between Smiles and Gol Linhas Aéreas S.A. ("GLA"), with Gol Linhas Aéreas Inteligentes S.A. ("GLAI") as an intervening party who will also be a joint debtor and main payer of all obligations undertaken by GLA.

The Transaction involves the acquisition, by the Company, of R\$1.200.000.000,00 (one billion, two hundred million Brazilian reais) in credits from GLA for the future acquisition of air tickets issued by GLA, pursuant to the conditions contractually agreed, and, in consideration to Smiles, the granting of certain benefits and commercial conditions.

Corporate Governance

Previously to the decision of the Board of Directors regarding the Transaction, the Company's Independent Committee, composed only by independent members, pursuant Article 16, paragraphs 1st and 2nd, of the Company's Bylaws ("Committee"), has unanimously expressed its favorable opinion on the Transaction.

The performance of the Committee's activities was aimed to maximize Smiles' economic value as well as their shareholders', observing the commercial and operational interdependence among the Company, GLA and GLAI.

The Company emphasizes that the corporate governance procedure adopted has complied with the law and the Company's Bylaws, was adequate, necessary and sufficient to assure the independence and the effectiveness of the analysis, negotiation and recommendation of the Committee regarding the Transaction against possible conflicts of interest with GLA and GLAI, and has preserved the Company's and its shareholders' interests and secured a transaction on an arm's-length basis.



Value Generation for Smiles

The Transaction is a strategic and incremental investment to the Company and its value generation arises primarily from the maintenance of Smiles' business and its present and future cash flow generation as a consequence of strengthening GLA, its main commercial and operational partner and a company with whom Smiles maintains an intense interdependent relationship, in a moment of particular instability.

Therefore, the ecosystem in which the Company runs is enhanced, the commercial and operational relation between the two companies is preserved and, consequently, all Smiles' advantages that arise from it are also preserved, making Smiles a more competitive and perennial company.

Transaction Overview

In consideration of the advance acquisition of air tickets, new commercial conditions were negotiated in favor of Smiles. Such conditions diversify Smiles' products with its partner and secure air tickets fees in prices and conditions more competitive than those stated in the operational agreement, the miles and air tickets purchase agreement and the back office service agreement concluded among the companies (jointly the "Operational Agreements"). These conditions become effective immediately generating commercial and operational benefits for Smiles.

Such conditions essentially are:

- (i) The acquisition of tickets in the standard fee for the rest of 2020 with an average discount of 11% regarding the current price practiced between the parties as stated in the Operational Agreements; and
- (ii) The guarantee, until July 30th, 2023, of a minimum access to tickets in the promotional fee that correspond to a considerable minimum fixed percentage of the total tickets redeemed by Smiles' clients. It is believed that the term of this benefit will enhance the ticket consumption of the previously acquired tickets that have not yet been used by Smiles and of the credit resulting from the Transaction.

According to a Smiles' management estimate, with the savings for Smiles with the cost of redemption of air tickets and the creation of new sources of income, said commercial conditions imply the generation of approximately R\$85 million in net present value to Smiles.



In addition to that, it was also secured in the negotiation:

- (iii) The development of a shared product that will allow GLA's clients to pay the boarding fee using Smiles' miles in GLA's distribution channels, product that may exist until the expiration of the Operational Agreements;
- (iv) Other non-quantified benefits that will strengthen the Company's business, as new conditions to the cobranded cards and to the passenger rebooking; and
- (v) Agreement that secures Smiles' right to maintain the exploration of Clube Smiles until the expiration of the Operational Agreements.

The Transaction's credit balance, until it is not used in the acquisition of air tickets pursuant the new negotiated commercial conditions, will be remunerated according to an interest rate equivalent to 115% of the CDI (Interbank Deposit Certificate), which will have its incidence over the amount of the credit from the date it is transferred to GLA to its effective redemption.

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