

Individual and Consolidated Quarterly Information Form (ITR)

Smiles Fidelidade S.A.

March 31, 2020

with review report of independent auditors

Smiles Fidelidade S.A.

Individual and consolidated quarterly information (ITR) March 31, 2020

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Comments on performance

After a challenging, intense and positive 2019, the Smiles team entered 2020 full of expectations and energy. And we had a very good start. The Company's performance in January and February was in line with the projected scenario for the year. However, March came and with it the major turmoil caused by the COVID-19 pandemic, an absolutely unpredictable event, a black swan and historic event that changed people's lives, companies' day-to-day activities and priorities – and continues to do so at the time of writing. This is no different for Smiles. Since the first reports that COVID-19 would become a global problem, we started to calibrate our parameters and rethink our operation.

The situation required management agility. Since the beginning of the crisis, we have installed a Contingency Committee that has been closely monitoring information about the effects of the pandemic in Brazil and worldwide. We have dramatically accelerated our digital transformation process, already underway. Within a few days, all of our employees started working from home. Therefore, we ensured, first of all, the health and safety of the team, we kept the Company operations without interruptions and made our contribution to the control of COVID-19.

This is a unique moment in history, which leads to doubts and anxieties about the most different aspects of people's lives. Planning a trip is usually planning a dream. And dreams have been interrupted. For this reason, we must pay special attention to the movements and needs of our customers, shifting all our focus towards a package of initiatives that include the implementation of online cancellation for Gol flights with no fees and reimbursement of miles, the setting up of a page on Smiles' website with all the necessary information for canceling and rebooking services, extending the validity of the Smiles Program categories until March 2022, and reinforcing customer service in all channels.

While our customers are unable to fulfill their dream of traveling, we have expanded the opportunities for them to use their miles in other convenient ways, adapted to the current situation and to the changes in consumption habits. We want them to take advantage of product offerings and other ways to redeem their miles or be assured that they can plan their trips now and enjoy them when all this is over. Within this context, we launched the "Book Now, Decide Later" campaign, which ensures that customers can plan everything now and confirm their trips up to 60 days before the departure date. All these initiatives demonstrate Smiles' concern with safety and prioritize the interests of our customers.

At Smiles, we believe that all companies have a responsibility towards society. We are committed to fulfilling our mission by protecting our employees, thinking about the well-being and convenience of our customers and making a more significant contribution to society. We recognize the huge role of health professionals, who are at the frontlines in the fight against the Coronavirus. For this reason, we joined a Gol Linhas Aéreas project: health professionals who travel around Brazil to provide care for infected patients, flying Gol, will receive 1,000 Smiles miles each way. Recently, Localiza, one of the largest car rental companies in Brazil, also joined us to contribute towards this initiative. Health professionals will also be able to travel for free using Localiza cars and will earn extra miles each way. It is our way of saying thanks.

At such a challenging time, we continue to focus on our operation. Expenses and investments are being, as always, constantly evaluated. The first quarter of 2020 financial statements show that our balance sheet and liquidity structure remain healthy. We have a solid cash position (R\$1.2 billion) and a lean cost structure, with a workforce of 147 productive and efficient employees.

Smiles is not – and could never be – an island. We are integrated into a system that is being challenged daily by an unusual and large-scale event. But we believe that with innovation, dedication, caution and responsibility towards our stakeholders and the whole of society, we will go through the pandemic and emerge from this challenge stronger and more unified when sunny days return.

1. Gross Turnover is not an accounting measure and corresponds to the total turnover from the sale of miles, gross of taxes. The turnover may have affected the current period or will be recognized as revenue in future periods, depending on when they are redeemed by the program's member.

Gross Billings: Gross Billings reached R\$629.2 million in 1Q20 versus R\$666.8 million in 4Q19, down by 5.6%, mainly due to the effects of the pandemic and the impact on accumulation from air tickets and partners in the Traveler's Universe. Compared to the same quarter last year, Gross Billings grew by 0.4%.

Revenue (R\$ million)*	1Q20	4Q19	1Q19	1Q20 vs. 4Q19 (%)	1Q20 vs. 1Q19 (%)
Revenue	474.4	647.7	561.4	(26.8%)	(15.5%)
Redemption Revenue	382.6	568.5	500.7	(32.7%)	(23.6%)
Breakage Revenue	84.0	73.6	53.9	14.1%	55.8%
Other Revenues	7.8	5.5	6.8	41.8%	14.7%
Cost of Services	(286.1)	(369.4)	(296.7)	(22.6%)	(3.6%)
Airline Tickets	(250.8)	(331.8)	(270.4)	(24.4%)	(7.2%)
Mixed Products	(35.3)	(37.6)	(26.3)	(6.1%)	34.2%
Gross Revenue	188.3	278.3	264.8	(32.3%)	(28.9%)
Taxes and Contributions	(16.9)	(25)	(24.2)	(32.4%)	(30.0%)
Net Revenue	171.3	253.3	240.6	(32.4%)	(28.8%)
Operating Costs	(24.0)	(15.8)	(17.2)	51.9%	39.5%
Gross Profit	147.3	237.5	223.4	(38.0%)	(34.0%)

*Managerial table in order to demonstrate revenues and costs related to redemption.

Net Revenue: Net Revenue fell 32.4% versus 4Q19 and 28.8% when compared to the same quarter last year. The variation in Net Revenue in the period can be explained by the following effects: 1) Transfer Pricing Readjustment of 41% in the standard fare effective since January 2020, resulting in an increase in airfare costs; 2) lower airline redemption revenue, due to the cancellation of trips (airline tickets, hotels, car rentals, etc.), led by insecurity brought on by the COVID-19 pandemic, and; 3) provision for future cancellations in the amount of R\$22.3 million, due to the uncertainties in the provision of services by partners caused by COVID-19. Redemptions in other products (Shopping Smiles, for example) showed a healthy evolution in the period, but due to the lower representativeness compared to airline tickets, they did not offset this impact.

Breakage revenue was higher in the period when compared to 4Q19 and 1Q19. However, the breakage rate remained stable at 15.8%, reflecting the mile price recovery strategy adopted since 2Q19.

Other Revenues: Other revenues totaled R\$7.8 million in 1Q20 versus R\$5.5 million in 4Q19, an increase of 41.8% in the quarter and 14.7% compared to the same period in 2019. This item is mainly made up of cancellation fees and Gol's loyalty program management fees.

Direct Redemption Margin: Direct Redemption Margin reached 26.7% in 1Q20 versus 35.6% in 4Q19, down by 8.9 p.p. in the quarter and 14.8 p.p. compared to the same period in 2019. The drop in the direct redemption margin in 1Q20 was mainly due to: 1) lower airline redemption revenue, 2) readjustment in the cost of airline tickets with a standard fare (Transfer Pricing) and 3) impact of the provision for future cancellations in the amount of R\$22.3 million, due to the uncertainties in the provision of services by our partners caused by COVID-19, as determined in the accounting standard. (For more details on the topic, please see note 1.1. of the Financial Statements, "Actions and impacts caused

by the COVID-19 pandemic”).

Excluding the impact of the R\$22.3 million provision reducing Net Revenue, Direct Redemption Margin would have reached 30.7% in 1Q20.

Management Presentation (R\$ million)	Redemption Results ¹	1Q20	4Q19	1Q19	1Q20 vs. 4Q19 (%)	1Q20 vs. 1Q19 (%)
Revenue	> Redemption Revenue (b)	390.4	574.1	507.5	(32.0%)	(23.1%)
Revenue		390.4	574.1	507.5	(32.0%)	(23.1%)
(-) Direct Taxes						
Cost of Services	> Redemption Costs	(286.1)	(369.4)	(296.7)	(22.5%)	(3.5%)
(-) Redemption Costs		(286.1)	(369.4)	(296.7)	(22.5%)	(3.5%)
(+) Credits with Direct Taxes						
Gross Revenue	Gross Redemption Result (a)	104.3	204.6	210.8	(49.1%)	(50.5%)
(-) Interest over Spread		(9.6)	(18.9)	(19.5)	(49.0%)	(50.6%)
(=) Net Revenue	Net Redemption Result	94.6	185.7	191.3	(49.1%)	(50.5%)
% Direct Redemption Margin	= (a)/(b)	26.7%	35.6%	41.5%	(8.9 p.p.)	(14.8 p.p.)
% Pro Forma Direct Redemption Margin	= (a)/(b)	30.7%	35.6%	41.5%	(4.9 p.p.)	(10.8 p.p.)

1. Net Result of Management Redemptions: Gross redemption results includes other revenues related to redemption that are recorded as “Other Revenues”.

Operating Expenses (R\$ million)	1Q20	4Q19	1Q19	1Q20 vs. 4Q19 (%)	1Q20 vs. 1Q19 (%)
Operating Expenses	(68.8)	(10.6)	(57.7)	549.1%	19.2%
Selling Expenses	(33.3)	(33.3)	(28.2)	0.00%	18.1%
Administrative Expenses	(39.0)	(23.9)	(30.4)	63.2%	28.3%
Other Expenses/Revenues	3.5	46.6	0.9	-92.5%	288.9%

Operating Expenses: Operating expenses in 1Q20 showed a significant increase when compared to 4Q19 and grew by 19.2% versus 1Q19. However, excluding the non-recurring impact of R\$46.6 million recorded in 4Q19 (arising from the recognition of credits from inputs spent in the last 5 years, previously registered as administrative expense), operating expenses in the quarter would have increased 20.3%.

The increase was mainly due to administrative expenses, which grew by 63.2% in the quarter and by 28.3% versus 1Q19, and included the hiring of consultants, basically external financial and legal advisors in relation to the corporate reorganization process. Selling expenses remained relatively stable in the quarter, but increased by 18.1% compared to 1Q19, as a result of spending on infrastructure at Smiles Argentina and marketing campaigns related to the Smiles Credit Card Cobranded product.

Other Information (R\$ MM)	1Q20	1Q19	4Q19	1Q20 vs. 4Q19 (%)	1Q20 vs. 1Q19 (%)
Net Financial Result	9,967	34,066	29,327	(66.0%)	(70.7%)
Financial Revenues	22,591	34,908	27,832	(18.8%)	(35.3%)
Financial Expenses	(9,852)	(862)	(1,585)	521.6%	1042.9%
Net Exchange Rate Variation	(2,772)	20	3,080	(190.0%)	(13960.0%)
Income Tax & Social Contribution	(32,229)	(57,841)	(76,629)	(57.9%)	(44.3%)

Financial Result: The net financial result fell by 66.0% versus 4Q19 and 70.7% YoY. The decrease in the quarter is mainly due to the impact on the performance of investment funds in the period of the outbreak of the COVID-19 pandemic, leading to a reassessment of activity and growth estimates to significantly negative numbers. In addition, the financial result fell due to the 50-bps decrease in the basic interest rate in the quarter to 3.75% p.a., and the lower compensation of tranches of prepaid purchases of airline tickets with Gol consumed in the quarter, which include lower rates compared to previous tranches.

Net Exchange Rate Variation: The negative result of R\$2,772 million in 1Q20 versus R\$3,080 million in 4Q19 from exchange rate variations is mainly due to the effect of the local currency fluctuation in “accounts payable”, denominated in US dollars and related to the cost of issuing international air tickets.

Income Tax and Social Contribution: In 1Q20, the effective Income Tax and Social Contribution rate was 36.4% versus 30.0% in 4Q19.

Net Income: Net Income totaled R\$56.3 million in 1Q20 compared to R\$179.5 million in 4Q19 and R\$141.9 million in the same period of 2019. Excluding non-recurring effects in 1Q20 and 4Q19, Net Income showed a reduction of 50.3% in the quarter and 50% when compared to the same period of the previous year.

Balance of Advances to Suppliers: The breakdown of the balance of “advances to suppliers” in the quarter is detailed in the following table:

Contract	Tranche	Date	Balance (03/31/2020)	Rate (p.a.)
8 th Contract	Single Tranche	Apr-19	88.0	7.39%
9 th Contract	Single Tranche	Jun-19	88.8	7.39%
10 th Contract	Single Tranche	Aug-19	113.8	7.39%
11 th Contract	Single Tranche	Sep-19	214.8	6.21%
12 th Contract	Single Tranche	Dec-19	242.1	5.66%
13 th Contract	Single Tranche	Mar-20	311.2	4.79%
14 th Contract	Single Tranche	Mar-20	116.2	4.79%
Total			1,175.0	5.87%

Audit Committee's Report

Smiles Fidelidade S.A.'s Audit Committee, in compliance with its legal and statutory obligations, has reviewed the individual quarterly information for the period ended March 31, 2020. On the basis of the procedures we have undertaken and the information and explanations we have received during the period, and taking into account the independent auditors' review report issued by KPMG Auditores Independentes on April 28, 2020, we consider that these documents are fit to be submitted to the consideration of the Board of Directors.

Barueri, April 28, 2020.

Constantino de Oliveira Junior
Member of the Audit Committee

Leonardo Porciuncula Gomes Pereira
Member of the Audit Committee

Natan Szuster
Member of the Audit Committee

Declaration of the officers on the individual and consolidated quarterly information

In compliance with the provisions of CVM Instruction No. 480/09, the Executive Board declares that it has discussed, reviewed and approved the quarterly individual and consolidated information for the quarter ended March 31, 2020.

Barueri, April 28, 2020.

André Fehlauer

Chief Executive, Financial and Investor Relations Officer

Murilo Cintra Grassi

Executive Officer

Declaration of the officers on the independent auditors' report

In compliance with the provisions of CVM Instruction No. 480/09, the Executive Board declares that it has discussed, reviewed and approved the opinion expressed in the independent auditors' report issued by KPMG Auditores Independentes, on their review of the quarterly information for the period ended March 31, 2020.

Barueri, April 28, 2020.

André Fehlauer

Chief Executive, Financial and Investor Relations Officer

Murilo Cintra Grassi

Executive Officer



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Report on the review of individual and consolidated quarterly information

To the Shareholders and Management of
Smiles Fidelidade S.A.
Barueri – SP

Introduction

We have reviewed the interim, individual and consolidated balance financial information of Smiles Fidelidade S.A. ("Company") contained in the Quarterly Information – ITR Form as of March 31, 2020, which comprise the individual and consolidated of financial position on March 31, 2020, the individual and consolidated statements of income and other comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, including explanatory notes.

The Company's management is responsible for the preparation of the individual and consolidated interim financial information in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Board – IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information - ITR. Our responsibility is to express a conclusion on this quarterly information based on our review.

Scope of the review

We conducted our review in accordance with the Brazilian and International review standards (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of quarterly information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and in the application of analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Brazilian and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Statements of financial position

As of March 31, 2020 and December 31, 2019
(In thousands of Brazilian reais - R\$)

		Parent Company		Consolidated	
Assets	Note	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current assets					
Cash and cash equivalents	6	19,985	275,033	30,458	287,846
Short-term investments	7	1,127,869	886,069	1,127,879	886,069
Trade receivables	8	424,687	491,326	427,317	493,022
Advances to suppliers	9	605,873	971,601	609,328	971,788
Recoverable taxes and contributions	10	57,181	93,694	59,756	93,939
Other credits and amounts		47,615	30,965	50,274	30,784
Total current assets		2,283,210	2,748,688	2,305,012	2,763,448
Noncurrent assets					
Deferred taxes	11	-	-	3,484	2,905
Judicial deposits	12	18,247	16,565	18,247	16,565
Advances to suppliers	9	573,556	-	573,556	-
Recoverable taxes and contributions	10	76,541	48,660	76,541	48,660
Investments	13	463	1,990	-	-
Property, plant and equipment	14	4,209	4,603	4,364	4,770
Intangible assets	15	54,231	48,235	54,231	48,235
Total noncurrent assets		727,247	120,053	730,423	121,135
Total assets		3,010,457	2,868,741	3,035,435	2,884,583

The accompanying notes are an integral part of the individual and consolidated quarterly information.



Statements of financial position

As of March 31, 2020 and December 31, 2019
(In thousands of Brazilian reais - R\$)

		Parent Company		Consolidated	
Liabilities	Note	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Current liabilities					
Suppliers	16	96,257	107,648	105,556	116,766
Salaries		8,391	16,883	9,607	18,172
Dividends and interest on equity	17	103,682	133,498	103,682	133,498
Income and social contribution taxes payable		-	3,700	-	3,796
Taxes and contributions payable		1,094	5,332	1,222	5,445
Obligations to related companies	23.1	10,756	29,038	6,209	23,611
Advances from customers	18	6,147	9,411	12,192	11,706
Deferred revenues	19	1,106,185	996,962	1,118,756	1,003,768
Other liabilities		1,548	3,222	1,780	4,772
Total current liabilities		1,334,060	1,305,694	1,359,004	1,321,534
Noncurrent liabilities					
Provisions for tax, civil and labor risks	20	29,082	26,987	29,112	26,987
Deferred revenues	19	218,187	172,629	218,187	172,629
Deferred taxes	11	165,499	156,133	165,503	156,135
Other liabilities		1,655	1,963	1,655	1,963
Total noncurrent liabilities		414,423	357,712	414,457	357,714
Equity					
Capital stock	21.1	254,610	254,610	254,610	254,610
Capital reserves		277,018	276,420	277,018	276,420
Profit reserves		472,743	472,743	472,743	472,743
Equity valuation adjustments		(149)	62	(149)	62
Additional dividends proposed		201,500	201,500	201,500	201,500
Retained earnings for the period		56,252	-	56,252	-
Total equity		1,261,974	1,205,335	1,261,974	1,205,335
Total liabilities and equity		3,010,457	2,868,741	3,035,435	2,884,583

The accompanying notes are an integral part of the individual and consolidated quarterly information.



Statements of income

Periods ended March 31, 2020 and 2019

(In thousands of Brazilian reais - R\$, except basic and diluted earnings (loss) per share)

		Parent Company		Consolidated	
	Note	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Gross profit					
Net revenue	25	169,148	239,863	171,331	240,567
Operating costs	26	(23,796)	(17,028)	(24,002)	(17,224)
Total gross profit		145,352	222,835	147,329	223,343
Operating expenses					
Selling expenses	26	(30,759)	(28,074)	(33,258)	(28,167)
Administrative expenses	26	(36,662)	(30,221)	(39,053)	(30,401)
Other revenue, net	26	3,496	914	3,496	914
Total operating expenses		(63,925)	(57,381)	(68,815)	(57,654)
Equity results	13	(1,327)	168	-	-
Operating profit before financial income and taxes		80,100	165,622	78,514	165,689
Financial income (expenses)					
Financial income		22,563	34,908	22,591	34,908
Financial expenses		(9,547)	(862)	(9,852)	(862)
Exchange variation, net		(4,755)	8	(2,772)	20
Total financial income (expenses)	27	8,261	34,054	9,967	34,066
Income before income and social contribution taxes		88,361	199,676	88,481	199,755
Income and social contribution taxes					
Current		(22,743)	(37,738)	(22,863)	(37,817)
Deferred		(9,366)	(20,024)	(9,366)	(20,024)
Total income and social contribution taxes	11.3	(32,109)	(57,762)	(32,229)	(57,841)
Net income for the period		56,252	141,914	56,252	141,914
Basic earnings per share	24	0.45	1.14	0.45	1.14
Diluted earnings per share	24	0.45	1.14	0.45	1.14

The accompanying notes are an integral part of the individual and consolidated quarterly information.



Statements of comprehensive income

Periods ended March 31, 2020 and 2019

(In thousands of Brazilian reais - R\$)

	Note	Parent Company and Consolidated	
		03/31/2020	03/31/2019
Net income for the period		56,252	141,914
Exchange variation on foreign investments	13	(211)	-
Total comprehensive income (loss) for the period		56,041	141,914

The accompanying notes are an integral part of the individual and consolidated quarterly information.



Statements of changes in equity

Periods ended March 31, 2020 and 2019
(In thousands of Brazilian reais - R\$)

	Note	Parent Company and Consolidated							
		Capital stock	Capital reserve	Share-based payments	Profit reserves		Additional dividends proposed	Retained earnings	Total
					Legal reserve	Expansion reserves			
Balances as of December 31, 2018		43,767	481,628	1,661	8,975	193,728	284,471	-	1,014,230
Net income for the period		-	-	-	-	-	-	141,914	141,914
Total comprehensive income (loss) for the period		-	-	-	-	-	-	141,914	141,914
Adjustment of initial adoption of accounting standard – CPC 06 (R2) (IFRS 16), net of tax effects (*)		-	-	-	-	-	-	(541)	(541)
Capital increase		210,000	(210,000)	-	-	-	-	-	-
Capital increase for exercise of stock options		843	-	-	-	-	-	-	843
Share-based payments	22	-	-	811	-	-	-	-	811
Interest on equity distributed	21.2	-	-	-	-	-	-	(17,408)	(17,408)
Balances as of March 31, 2019		254,610	271,628	2,472	8,975	193,728	284,471	123,965	1,139,849

(*) On January 1, 2019, the Company adopted CPC 06 (R2) – “Leases”, which resulted in an initial adjustment to retained earnings, net of tax effects in the amount of R\$541.

	Note	Parent Company and Consolidated									
		Profit reserves						Other comprehensive income (loss)	Additional dividends proposed	Retained earnings	Total
		Capital stock	Capital reserve	Share-based payments	Legal reserve	Expansion reserves					
Balances as of December 31, 2019		254,610	271,628	4,792	40,311	432,432	62	201,500	-	1,205,335	
Exchange variation on foreign investments		-	-	-	-	-	(211)	-	-	(211)	
Net income for the period		-	-	-	-	-	-	-	56,252	56,252	
Total comprehensive income (loss) for the period		-	-	-	-	-	(211)	-	56,252	56,041	
Share-based payments	22	-	-	598	-	-	-	-	-	598	
Balances as of March 31, 2020		254,610	271,628	5,390	40,311	432,432	(149)	201,500	56,252	1,261,974	

The accompanying notes are an integral part of the individual and consolidated quarterly information.



Statements of cash flows

Periods ended March 31, 2020 and 2019

(In thousands of Brazilian reais - R\$)

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Net income for the period	56,252	141,914	56,252	141,914
Adjustments to reconcile net income to net cash provided by operating activities				
Share-based payments	598	811	598	811
Deferred income and social contribution taxes	9,366	20,024	9,366	20,024
Provisions for tax, civil and labor risks	5,209	4,337	5,239	4,337
Depreciation and amortization	7,485	5,236	7,497	5,434
Discounts in advance ticket purchases	(14,482)	(22,325)	(14,482)	(22,325)
Exchange variations, net	(1,593)	(1,307)	(5,323)	(1,307)
Allowance for (reversal of) doubtful accounts	(1)	35	(1)	35
Salaries	4,120	3,611	4,021	3,611
Equity results	1,327	(168)	-	-
Other provisions	(109)	-	(103)	-
Adjusted net income	68,172	152,168	63,064	152,534
Changes in operating assets and liabilities				
Trade receivables	67,013	2,964	66,073	2,964
Advances to suppliers	(193,346)	254,453	(196,614)	254,453
Recoverable taxes	8,632	66,060	6,302	66,060
Judicial deposits and blocked escrows	(1,682)	(271)	(1,682)	(271)
Other assets (liabilities)	(18,523)	(11,086)	(22,681)	(12,192)
Transactions with related parties	(18,282)	(17,200)	(17,402)	(19,996)
Suppliers	(9,441)	(6,661)	(9,260)	(2,175)
Salaries	(12,612)	(13,001)	(12,586)	(13,001)
Advances from customers	(3,264)	(112,812)	486	(112,812)
Deferred revenue	154,781	69,899	160,546	69,899
Tax obligations	18,394	27,716	18,409	27,793
Payment of tax, civil and labor lawsuits	(3,114)	(2,573)	(3,114)	(2,573)
Income and social contribution taxes paid	(26,332)	(21,497)	(26,428)	(21,559)
Net cash flows from operating activities	30,396	388,159	25,113	389,124
Investing activities				
Acquisition of property, plant and equipment and intangible assets	(13,087)	(5,737)	(13,087)	(6,521)
Short-term investments, net	(241,795)	(354,656)	(241,810)	29,868
Net cash flows used in investing activities	(254,882)	(360,393)	(254,897)	23,347
Financing activities				
Capital increase for exercise of stock options	-	843	-	843
Interest on equity paid, net of taxes	(29,816)	(16,074)	(29,816)	(16,074)
Net cash flows used in financing activities	(29,816)	(15,231)	(28,816)	(15,231)
Effect of exchange variation on cash and cash equivalents	(746)	483	2,212	483
Net increase (decrease) in cash and cash equivalents	(255,048)	13,018	(257,388)	397,723
Cash and cash equivalents at the beginning of the period	275,033	8,371	287,846	290,850
Cash and cash equivalents at the end of the period	19,985	21,389	30,458	688,573

The accompanying notes are an integral part of the individual and consolidated quarterly information.



Statements of value added

Periods ended March 31, 2020 and 2019
(In thousands of Brazilian reais - R\$)

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Revenues				
Mileage redemption and breakage	178,202	257,202	180,472	257,947
Other operating revenues	7,824	6,817	7,788	6,817
Allowance for doubtful accounts	1	(1)	(5)	(35)
Inputs purchased from third parties				
Material, electricity, third-party services and others	(39,430)	(29,607)	(40,703)	(29,849)
Sales and marketing	(19,373)	(17,508)	(21,871)	(17,508)
Gross value added	127,224	216,869	125,681	217,372
Retentions				
Depreciation and amortization	(7,485)	(5,236)	(7,497)	(5,434)
Net value added produced by the Company	119,739	211,633	118,184	211,938
Value added received by transfer				
Equity results	(1,327)	168	-	-
Financial income	22,563	41,726	22,591	41,738
Total value added for distribution	140,975	253,527	140,775	253,676
Distribution of value added				
Direct compensation	18,113	18,054	18,670	18,054
Benefits	2,231	948	2,301	948
FGTS	698	486	698	486
Personnel	21,042	19,488	21,669	19,488
Federal	49,124	86,165	49,503	86,272
Municipal	292	51	311	66
Tax, charges and contributions	49,416	86,216	49,814	86,338
Interest	14,198	5,860	12,462	5,860
Rent	67	49	520	76
Other	-	-	58	-
Remuneration of third party capital	14,265	5,909	13,039	5,936
Interest on equity	-	17,408	-	17,408
Retained earnings	56,252	124,506	56,252	124,506
Remuneration of own capital	56,252	141,914	56,252	141,914
Total value added distributed	140,975	253,527	140,975	253,676

The accompanying notes are an integral part of the individual and consolidated quarterly information.



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

1. Operations

Smiles Fidelidade S.A. ("Smiles Fidelidade" or "Company"), formerly Webjet Participações S.A., was incorporated on January 8, 2003 and initially operated as a low-cost airline company headquartered in Rio de Janeiro. On October 3, 2011, Gol Linhas Aéreas S.A. ("GLA") acquired the Company's total shares and, in November 2012, the process to discontinue the Webjet brand and end its operating activities began.

The Extraordinary Shareholders' Meeting of July 1, 2017 approved the merger of Smiles S.A. by the Company, a subsidiary that, until that date, was controlled by Gol Linhas Aéreas Inteligentes S.A. ("GLAI"), which indirectly controlled the Company through its subsidiary GLA. The shareholders of Smiles S.A. ("Absorbed Company") also approved the above-mentioned merger at the Extraordinary Shareholders' Meeting of June 30, 2017. As a result of this merger, all of Smiles S.A.'s assets, rights and obligations were transferred to the Company. As a result, Smiles S.A.'s equity was fully absorbed by the Company, whose control was transferred from GLA to GLAI.

After the merger, the Company's main purpose was altered in order to reflect the necessary activities to manage the Smiles Customer Loyalty Program ("Smiles Program"), mainly including:

- (a) develop and manage the loyalty program;
- (b) sell redemption rights of awards; and
- (c) create and manage an individual and corporate database.

Within the scope of the Smiles Program, the miles issued are mainly sold to: (a) GLA, which delivers them to passengers participating in the Smiles Program; (b) financial institutions that deliver them to their customers; (c) retail and entertainment customers; (d) airline partners; and (e) individuals.

The Company is headquartered at Alameda Rio Negro, 585, Edifício Padoauri, Bloco B, 2º Andar, Alphaville, Industrial, in the city of Barueri, state of São Paulo, Brazil.

The Company's shares are traded on B3 S.A. - Brasil, Bolsa, Balcão ("B3"). The Company adopts corporate governance practices in compliance with the Novo Mercado listing regulations, which, among other provisions, expand shareholders' rights and improve the quality of the information provided.

1.1. Actions and impacts caused by the COVID-19 pandemic

The COVID-19 pandemic, considered by the World Health Organization as a "public health emergency of international concern", has rapidly spread throughout the world, causing significant ruptures in the global economic activity and leading to an unprecedented crisis.

This crisis has greatly increased uncertainties in the macroeconomic scenario and will inevitably give rise to a global recession, as per the World Bank's report entitled "The Economy in the Time of COVID-19", published on April 12. In Brazil, a 5% retraction in GDP is expected for 2020, mainly due to the weak international demand, the drop in oil prices and the sudden decline in economic activity to contain the virus.

The measures taken by the country to reduce the speed of propagation and dissemination of the disease included social distancing recommendations, travel restrictions and the closing of borders. As a result, the airline, travel and tourism industries were the first and most affected segments in relation to their operations and results. These impacts were immediate and significant.



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

In order to face this highly disruptive scenario, the Company promptly created a special committee, which is composed of its entire management body, with the purpose of monitoring this issue, establishing financial and operational strategies, and defining the Company's role in society. At a time like this, the Company could not abstain itself from contributing as much as possible, using all the resources at its disposal.

The Company's priority is to take measures to maintain people's health and well-being. Accordingly, in the second half of March, all of the Company's employees began working from home. The employees are being constantly monitored by the Company's leadership and human resources department.

With the purpose of improving services to members of the Smiles Program at a time of high demand and great uncertainty, the Company created specific communication channels related to coronavirus, which are continually updated. The Company reinforced its Customer Service team and gave priority to the most urgent cases. This team's focus is to help customers reorganize their airline tickets, hotel rooms and car rentals, with flexible conditions for changing their future travel. We have also improved our digital channels by implementing the online self-service cancellation, free of charge, which is available at Smiles Fidelidade's website and app, as well as online chat services for customers that have eligible GOL airline tickets. The system was developed internally and in record time, already accounting for 90% of the resolutions for these cases.

We understand that there is no definite end date for this crisis and that it will inevitably impact our customers' travel plans; therefore, the Company announced an extension to the validity of the program's categories. The Company chose not to consider the current year as a basis for the requalification of the next year, given that the analysis for the downgrade of categories would consider the accrual of miles from stretches traveled between January and December 2020. This measure grants customers more time in their category, with all the benefits it includes.

In the social sphere, as a contribution and in recognition of those who are fighting COVID-19 on the front lines, the Company, in partnership with GLA, began awarding miles to healthcare workers who travel across Brazil to provide medical assistance to patients. For every GOL stretch that is traveled free of charge, the traveler receives 1,000 miles.

Being at the center of one of the industries that were most affected by the crisis as a result of the pandemic, Smiles Fidelidade's operations and results were predictably impacted. The main impact was the decline, in the first quarter of 2020, in the volume of accrued miles exchanged by the members of the Smiles program, mainly for airline tickets, hotel rooms and car rentals. In April, the Company also recorded more cancellations than usual of exchanges carried out in previous months. As a result, a provision for cancellations in the amount of R\$22,271 was recorded on March 31, 2020.

Expected realization of assets and liabilities was reassessed and, as a consequence, the Company made the following reclassifications, given that assets and liabilities will take more time to be realized:

Assets	Parent Company and Consolidated
Advances to suppliers	244,915
Recoverable taxes and contributions	27,730

The balance sheet was also impacted by a decline in investment funds' performance in the period due to the COVID-19 pandemic, repricing all estimates of activity and growth to essentially negative figures.

It is worth mentioning that throughout this period, management was in compliance with the Company's



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

investment policy, limited to investments in sovereign fixed income funds pegged to the SELIC rate, as well as in private fixed income funds with immediate liquidity and high-quality credit.

Management assessed that the receipt of accounts receivable balances will not be impacted due to the COVID-19 pandemic.

In order to mitigate the negative impacts from the crisis caused by the COVID-19 pandemic, Smiles Fidelidade launched a series of incentive initiatives so that members may exchange their miles for products offered by other partners, mainly retailers, through Shopping Smiles.

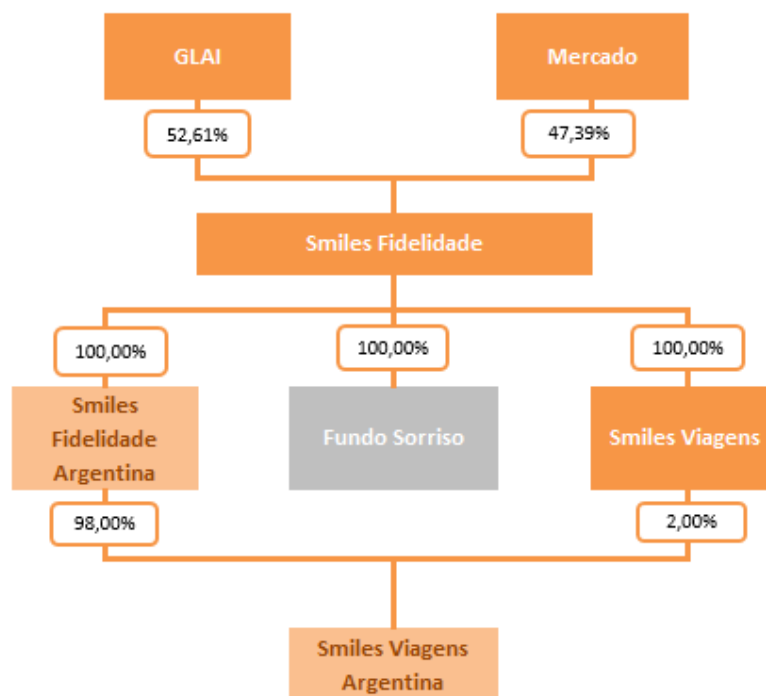
It is important to note that the Company had a strong liquidity position on March 31, 2020, as a result of measures to preserve cash and maintain its business, which were taken as soon as the gravity of the situation became clear. Unfortunately, like all other business organizations, the Company is unable to foresee the duration of the pandemic and the extent of the impacts caused by it on future business, results and cash generation. That being said, the Company's priority will continue to be people's health and well-being. We will closely follow WHO guidelines, as we have up to now, as part of our commitment to do everything within our reach to withstand this period of turmoil in the best possible way.

1.2. Compliance program

In 2016, Brazilian tax authorities questioned the parent company GLAI regarding certain payments to companies owned by politically exposed persons in Brazil. GLAI carried out an internal investigation and hired legal counsels from the United States and Brazil to conduct an independent investigation in order to perform a full clarification of the facts. The investigation was concluded in April 2017 and showed that additional irregular payments were made to politically exposed persons. None of the amounts paid was significant (individually or jointly) in terms of cash flow and none of the current employees, representatives or members of the Board of Directors of GLAI and its subsidiaries was aware of any illegal purpose from the transactions identified, or of any illegal benefit for GLAI and its subsidiaries arising from the operations object of the investigation. The Company did not identify any impacts resulting from this issue that may affect its operations and quarterly information.

2. Ownership Structure

As at March 31, 2020, the Company's ownership structure was as follows:



Entity	Date of constitution	Location	Operational activity	Type	% equity interest	
					03/31/2020	12/31/2019
Subsidiaries						
Fundo Sorriso (a)	07/14/2014	Brazil	Investment fund	Direct control	100.0%	100.0%
Smiles Viagens	08/10/2017	Brazil	Travel agency	Direct control	100.0%	100.0%
Smiles Fidelidade Argentina (b)	11/07/2018	Argentina	Loyalty program	Direct control	100.0%	100.0%
Smiles Viagens Argentina (b)	11/20/2018	Argentina	Travel agency	Indirect control	100.0%	100.0%

(a) "Sorriso" is an exclusive investment fund and, pursuant to CVM Instructions 247/1996 and 408/2004, the Company consolidates this fund's assets and liabilities in its consolidated financial statements.

(b) Companies whose functional currency is the Argentine peso.

As of November 7 and 20, 2018, the companies, which are currently subsidiaries, Smiles Fidelidade S.A. ("Smiles Fidelidade Argentina") and Smiles Viajes Y Turismo S.A. ("Smiles Viagens Argentina") were respectively established, both headquartered in Buenos Aires, Argentina, with the purpose of promoting the operations of the Smiles Program and airline ticket sales in that country.

2.1. Corporate reorganization plan - 2019

On December 9, 2019, through a Material Fact, the Company and parent company GLAI disclosed the plans for a corporate reorganization whose main purpose was to ensure the long-term competitiveness of the Group ("GOL"), aligning the interests of all stakeholders, reinforcing a combined capital structure, simplifying the corporate governance of the companies, reducing operating, administrative and financing costs and expenses, and increasing the market liquidity for all of GLAI's shareholders, though the merger of the Company into GLA.



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

On March 13, 2020, through a Material Fact, the Company and its parent company GLAI announced that, due to extraordinary events in the domestic and international markets as a result of the COVID-19 pandemic and its structuring impacts on the aviation industry, they cancelled the proposed corporate reorganization presented on December 9, 2019.

3. Message from Management, basis of preparation and presentation of the individual and consolidated quarterly information

The individual and consolidated quarterly information form corresponds to the interim financial statements and thus has been prepared in accordance with technical pronouncement CPC21 (R1) – “Demonstração Intermediária”, approved by the Federal Accounting Council (“CFC”) and the Brazilian Securities and Exchange Commission (“CVM”) and equivalent to IAS 34 – “Interim Financial Reporting”, an integral part of the International Financial Reporting Standards (“IFRS”), issued by the International Accounting Standards Board (“IASB”).

The individual and consolidated quarterly information form (ITR) was prepared using the Brazilian real (“R\$”) as the functional and presentation currency. Figures are expressed in thousands of Brazilian reais, except when otherwise indicated. The items disclosed in foreign currencies are duly identified, when applicable.

The preparation of the Company’s individual and consolidated quarterly information requires Management to make judgments, use estimates and adopt assumptions affecting the stated amounts of revenues, expenses, assets and liabilities. However, the uncertainty inherent in these judgments, assumptions and estimates could give rise to results that require a material adjustment of the book value of certain assets and liabilities in future reporting years.

The Company is continually reviewing its judgments, estimates and assumptions.

When preparing this individual and consolidated quarterly information form, Management used disclosure criteria, taking into consideration regulatory aspects and the relevance of the transactions to understand the changes in the Company’s economic and financial position and its performance since the end of the fiscal year ended December 31, 2019, as well as the restatement of relevant information included in the annual financial statements disclosed on February 18, 2020. There were no changes to the methodologies adopted to prepare the estimates used by the Company in the period ended March 31, 2020.

Management confirms that all the material information related to this individual and consolidated quarterly information form is being demonstrated and corresponds to the information used by Management in the development of its business management activities.

The individual and consolidated quarterly information was prepared based on historical cost, except for certain financial assets and liabilities that are measured at fair value, when applicable, and investments measured using the equity method in the parent company.

4. Approval of individual and consolidated quarterly information (ITR)

This individual and consolidated quarterly information form was assessed and authorized for issue at the Board of Directors’ meeting of April 24, 2020.



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

5. Summary of significant accounting practices

The individual and consolidated quarterly information presented herein has been prepared based on the policies, accounting practices and methods to calculate estimates adopted in the preparation of the annual financial statements for the year ended December 31, 2019, where they were presented in detail.

5.1. New accounting standards and pronouncements adopted in the current year

There were no new standards or interpretations adopted in the three-month period ended March 31, 2020.

5.2. New accounting standards and pronouncements not yet adopted

There are no other standards or interpretations issued and not yet adopted that may, in Management's opinion, have a significant impact on profit or loss or equity disclosed by the Company.

6. Cash and cash equivalents

	Weighted average rate (p.a.)	Parent Company		Consolidated	
		03/31/2020	12/31/2019	03/31/2020	12/31/2019
Local currency		17,739	273,612	19,834	275,181
Foreign currency		1,804	984	10,182	12,228
Cash and bank deposits		19,543	274,596	30,016	287,409
Private bonds	103.0% of CDI	442	437	442	437
Cash equivalents		442	437	442	437
Total		19,985	275,033	30,458	287,846

7. Short-term investments

	Weighted average rate (p.a.)	Parent Company		Consolidated	
		03/31/2020	12/31/2019	03/31/2020	12/31/2019
Local currency					
Investment funds	55.7% of CDI	1,090,637	859,744	1,090,647	859,744
Government bonds	96.6% of CDI	37,232	26,325	37,232	26,325
Total		1,127,869	886,069	1,127,879	886,069



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

8. Trade receivables

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Local currency				
Credit card administrators	290,079	334,500	290,267	334,807
Non-airline partners	106,600	113,533	107,956	114,132
Airline partner companies (*)	21,033	34,986	21,033	34,986
Total local currency	417,712	483,019	419,256	483,925
Foreign currency				
Credit card administrators	-	-	1,086	790
Non-airline partners	6,988	8,321	6,988	8,321
Total foreign currency	6,988	8,321	8,074	9,111
Total	424,700	491,340	427,330	493,036
Estimated losses from doubtful accounts	(13)	(14)	(13)	(14)
Total trade receivables	424,687	491,326	427,317	493,022

(*) Of the total, R\$18,589 (R\$32,271 as of December 31, 2019) refers to miles sold to GLA, R\$1,329 (R\$1,300 as of December 31, 2019) to the collection of Smiles program management fees from GLA, and R\$1,115 (R\$1,414 as of December 31, 2019) to the letter of indemnity agreement, pursuant to the operating agreement described in Note 23.1.

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
To be due				
Up to 30 days	211,846	235,098	211,367	233,762
31 to 60 days	66,993	98,656	70,050	100,016
61 to 90 days	41,375	37,653	41,380	39,237
91 to 180 days	64,587	68,992	64,633	69,036
181 to 360 days	39,861	50,755	39,861	50,799
Above 360 days	25	169	26	169
Total to be due	424,687	491,323	427,317	493,019
Overdue				
31 to 60 days	-	2	-	2
61 to 90 days	-	1	-	1
Total overdue	-	3	-	3
Total	424,687	491,326	427,317	493,022

	Parent Company and Consolidated	
	03/31/2020	12/31/2019
Balance at the beginning of the period	(14)	(9)
(Additions) recoveries	1	(5)
Balance at the end of the period	(13)	(14)



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

9. Advances to suppliers

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Advance ticket purchases	1,174,996	970,899	1,174,996	970,899
Other advances	4,433	702	7,888	889
Total	1,179,429	971,601	1,182,884	971,788
Current	605,873	971,601	609,328	971,788
Noncurrent	573,556	-	573,556	-

The Company had advance ticket purchase agreements with GLA. Pursuant to the agreement entered into between the Company and the party, on the outstanding balance, the Company received a weighted average remuneration of 5.87% p.a. as of March 31, 2020 (6.71% p.a. as of December 31, 2019), with a counter entry recorded in the financial result under "Discounts obtained".

During the three-month period ended March 31, 2020, the Company recorded the following advance payments and/or uses of outstanding advances to suppliers with GLA:

	Parent Company and Consolidated
Advance ticket purchases	
Balances at the beginning of the year	970,899
Disbursement related to agreement entered into on 03/03/2020	310,055
Disbursement related to agreement entered into on 03/10/2020	115,908
Discounts	14,482
Airline tickets acquired	(236,348)
Balances at the end of the period	1,174,996

10. Recoverable taxes and contributions

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Prepaid income taxes	75,117	80,012	75,117	80,012
PIS and COFINS	57,021	62,333	56,719	62,082
Value added tax (IVA)	-	-	2,102	84
Other	1,584	9	2,359	421
Total	133,722	142,354	136,297	142,599
Current	57,181	93,694	59,756	93,939
Noncurrent	76,541	48,660	76,541	48,660

11. Deferred taxes

11.1. Breakdown of deferred taxes

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Income tax losses	-	-	3,484	2,905
Temporary differences				
Provision for accounts payable and other provisions	42,492	39,800	42,488	39,800
Breakage provision	(208,254)	(196,206)	(208,254)	(196,206)
Right of use	263	273	263	273
Other	-	-	-	(2)
Total deferred income and social contribution tax liabilities	(165,499)	(156,133)	(162,019)	(153,230)
Deferred tax assets	-	-	3,484	2,905
Deferred tax liabilities	(165,499)	(156,133)	(165,503)	(156,135)

Management estimates that deferred tax assets related to income tax losses and negative basis of social contribution of Smiles Fidelidade Argentina, in the amount of R\$3,484, will be realized within the next 60 months.

The Company's Management considers that deferred income and social contribution taxes on temporary differences recognized as of March 31, 2020 will be realized in proportion to the realization of the respective provisions, given the taxable income history and future prospects.

The amounts of income and social contribution taxes recorded in the statement of income are reconciled at a combined nominal rate, as follows:

11.2. Changes in deferred taxes

	Parent Company		
	12/31/2019	Result	03/31/2020
Temporary differences			
Provision for accounts payable and other provisions	39,800	2,692	42,492
Breakage provision	(196,206)	(12,048)	(208,254)
Right of use	273	(10)	263
Total deferred income and social contribution tax liabilities	(156,133)	(9,366)	(165,499)



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

	Consolidated			
	12/31/2019	Result	Exchange variation	03/31/2020
Income tax losses	2,905	-	579	3,484
Temporary differences				
Provision for accounts payable and other provisions	39,800	2,692	(4)	42,488
Breakage provision	(196,206)	(12,048)	-	(208,254)
Right of use	273	(10)	-	263
Other	(2)	-	2	-
Total deferred income and social contribution taxes, net	(153,230)	(9,366)	577	(162,019)
Total deferred tax assets	2,905	-	579	3,484
Total deferred tax liabilities	(156,135)	(9,366)	(2)	(165,503)

11.3. Reconciliation of nominal and effective income tax and social contribution rates

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Income before income and social contribution taxes	88,361	199,676	88,481	199,755
Combined nominal tax rate	34%	34%	34%	34%
Income and social contribution tax credits at the combined tax rate	(30,043)	(67,890)	(30,084)	(67,917)
Adjustments to calculate the effective tax rate				
Nondeductible expenses and others	(1,229)	(1,400)	(1,229)	(1,400)
Equity results	(451)	57	-	-
Difference of tax rate on the result of subsidiaries	-	-	(544)	-
Tax benefit of interest on equity	-	5,919	-	5,919
Tax incentives	41	383	41	383
Reversal of provision for loss on investment	-	5,162	-	5,162
Other	(427)	7	(413)	12
Income and social contribution taxes	(32,109)	(57,762)	(32,229)	(57,841)
Current income and social contribution taxes	(22,743)	(37,738)	(22,863)	(37,817)
Deferred income and social contribution taxes	(9,366)	(20,024)	(9,366)	(20,024)
Effective tax rate	36.34%	28.93%	36.43%	28.96%

12. Judicial deposits

The Company's judicial deposits and blocked escrows represent guarantees of lawsuits related to civil, labor and tax claims deposited in escrow until the resolution of the related claims.

	Parent Company and Consolidated	
	03/31/2020	12/31/2019
Tax	8,624	8,557
Labor	7,538	5,931
Civil	2,085	2,077
Total	18,247	16,565



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

13. Investments

Information related to the Company's investments is as follows:

	Smiles Viagens	Smiles Fidelidade Argentina
Material information as of March 31, 2020		
Total number of shares	40,000	-
Capital stock	40	7,530
Exchange variation on foreign investments		(139)
Profit reserve	1,288	-
Retained earnings (accumulated losses)	226	(8,482)
Equity	1,554	(1,091)
Net income (loss) for the period	226	(1,553)

	Smiles Viagens	Smiles Fidelidade Argentina
Material information as of December 31, 2019		
Total number of shares	40,000	-
Capital stock	40	7,530
Exchange variation on foreign investments	-	62
Profit reserve	1,288	-
Retained earnings (accumulated losses)	-	(6,930)
Equity	1,328	662
Net income (loss) for the period	1,069	(6,930)

The investment changes are as follows:

	Smiles Viagens	Smiles Fidelidade Argentina	Total
Balances as of December 31, 2019	1,328	662	1,990
Payment of capital	-	-	-
Exchange variation on foreign investments	-	(211)	(211)
Equity results	226	(1,553)	(1,327)
Mandatory minimum dividends	-	-	-
Other investment changes	-	11	11
Balances as of March 31, 2020	1,554	(1,091)	463
			Smiles Viagens
Balances as of December 31, 2018			526
Equity results			168
Balances as of March 31, 2019			694

14. Property, plant and equipment

The balances of and changes in property, plant and equipment are as follows:

		Parent Company		
	Weighted average rate (p.a.)	12/31/2019	Additions	03/31/2020
Property, plant and equipment in use				
Cost				
Vehicles	-	533	-	533
Machinery and equipment	-	70	-	70
Furniture and fixtures	-	397	-	397
Computers and peripherals	-	1,598	4	1,602
Communication equipment	-	6	-	6
Leasehold improvements	-	1,968	-	1,968
Third-party leasehold – right of use	-	3,151	-	3,151
Construction in progress	-	381	-	381
		8,104	4	8,108
Depreciation				
Vehicles	20.00%	(189)	(27)	(216)
Machinery and equipment	10.00%	(30)	(2)	(32)
Furniture and fixtures	10.00%	(147)	(10)	(157)
Computers and peripherals	20.00%	(814)	(75)	(889)
Communication equipment	10.00%	(2)	-	(2)
Leasehold improvements	22.64%	(1,464)	(49)	(1,513)
Third-party leasehold – right of use	29.87%	(855)	(235)	(1,090)
		(3,501)	(398)	(3,899)
Total property, plant and equipment		4,603	(394)	4,209

		Consolidated		
	Weighted average rate (p.a.)	12/31/2019	Additions	03/31/2020
Property, plant and equipment in use				
Cost				
Vehicles	-	533	-	533
Machinery and equipment	-	89	-	89
Furniture and fixtures	-	399	-	399
Computers and peripherals	-	1,783	4	1,787
Communication equipment	-	6	-	6
Leasehold improvements	-	1,968	-	1,968
Third-party leasehold – right of use	-	3,151	-	3,151
Construction in progress	-	381	-	381
		8,310	4	8,314
Depreciation				
Vehicles	20.00%	(190)	(27)	(217)
Machinery and equipment	10.00%	(34)	(2)	(36)
Furniture and fixtures	10.00%	(147)	(10)	(157)
Computers and peripherals	20.00%	(847)	(87)	(934)
Communication equipment	10.00%	(2)	-	(2)
Leasehold improvements	22.64%	(1,465)	(49)	(1,514)
Third-party leasehold – right of use	29.87%	(855)	(235)	(1,090)
		(3,540)	(410)	(3,950)
Total property, plant and equipment		4,770	(406)	4,364



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15. Intangible assets

The balances of and changes in intangible assets are as follows:

		Parent Company			
	Weighted average rate (p.a.)	12/31/2019	Additions	Write-off	03/31/2020
Cost					
License of use	-	88,058	13,083	(7,955)	93,186
Other	-	10,000	-	-	10,000
Total		98,058	13,083	(7,955)	103,186
Amortization					
License of use	32.93%	(45,657)	(6,587)	7,955	(44,289)
Other	20.00%	(4,166)	(500)	-	(4,666)
Total		(49,823)	(7,087)	7,955	(48,955)
Net intangible assets		48,235	5,996	-	54,231

		Consolidated			
	Weighted average rate (p.a.)	12/31/2019	Additions	Write-off	03/31/2020
Cost					
License of use	-	88,842	13,083	(8,739)	93,186
Other	-	10,000	-	-	10,000
Total		98,842	13,083	(8,739)	103,186
Amortization					
License of use	32.93%	(46,441)	(6,587)	8,739	(44,289)
Other	20.00%	(4,166)	(500)	-	(4,666)
Total		(50,607)	(7,087)	8,739	(48,955)
Net intangible assets		48,235	5,996	-	54,231

16. Suppliers

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Local currency (*)	20,535	17,369	20,584	17,236
Foreign currency	75,722	90,279	84,972	99,530
Total	96,257	107,648	105,556	116,766

(*) As of March 31, 2020 R\$8,001 in the parent company and R\$8,013 in the consolidated, (R\$6,222 in the parent company and R\$ R\$6.283 in the consolidated as of Decemberb 31, 2019) related to related parties.



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17. Dividends and interest on equity

	Parent Company and Consolidated	
	03/31/2020	12/31/2019
Dividends payable	103,682	103,682
Interest on equity payable	-	29,816
Total	103,682	133,498

18. Advances from customers

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Multiple partners	319	334	3,772	334
Financial institutions	5,828	9,077	8,420	11,372
Total	6,147	9,411	12,192	11,706

Advances from customers related to advance sales of miles are recognized under “Deferred revenues” as miles are credited to the accounts of Smiles Program members.

19. Deferred revenues

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Mileage program	1,935,506	1,744,902	1,948,076	1,751,708
Other	1,377	1,764	1,378	1,764
Breakage	(612,511)	(577,075)	(612,511)	(577,075)
Total	1,324,372	1,169,591	1,336,943	1,176,397
Current	1,106,185	996,962	1,118,756	1,003,768
Noncurrent	218,187	172,629	218,187	172,629

Miles issued are initially recorded as deferred revenue and subsequently recognized as revenue in the income statement as they are redeemed by the members of the Smiles Program, net of direct costs associated with the sale of goods and services to third parties.

Breakage reflects revenue recognized on the date the participant is entitled to the miles and represents the estimate of miles issued that are not expected to be redeemed, i.e. miles that are expected to expire without being used, which are recorded in profit or loss for the year on the date they are acquired by the participant, pursuant to CPC 47, equivalent to IFRS 15.

20. Provisions for tax, civil and labor risks

The Company and its subsidiaries are party to certain tax, labor and civil lawsuits deriving from the normal course of its business.

The Company classifies the likelihood of loss in lawsuits as “probable”, “possible” or “remote”. The provision recorded for these lawsuits is calculated by the Company’s Management, based on its legal counsels’ analysis, and reasonably reflects estimated probable losses.

Details regarding relevant lawsuits were presented in the financial statements of December 31, 2019.



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The Company's Management believes that the provision for tax, labor and civil risks, recorded in accordance with CPC 25 – "Provisions, Contingent Liabilities and Contingent Assets", is sufficient to cover any losses with administrative and legal proceedings.

Changes in provisions for tax, labor and civil risks in the quarter ended March 31, 2020 are as follows:

	Parent Company			
	12/31/2019	Additions	Payments and reversals	03/31/2020
Tax	566	-	-	566
Labor	24,449	4,544	(2,629)	26,364
Civil	1,972	665	(485)	2,152
Total	26,987	5,209	(3,114)	29,082

	Consolidated			
	12/31/2019	Additions	Payments and reversals	03/31/2020
Tax	566	-	-	566
Labor	24,449	4,544	(2,629)	26,364
Civil	1,972	695	(485)	2,182
Total	26,987	5,239	(3,114)	29,112

The Company has lawsuits whose chances of losses assessed by Management and its legal counsels are possible and, therefore, no provision was recorded.

The position of possible contingencies is presented below:

	Parent Company and Consolidated	
	03/31/2020	12/31/2019
Tax	137,350	136,252
Labor	18,199	21,883
Civil	1,262	1,157
Total	156,811	159,292

21. Equity

21.1. Capital stock

As of March 31, 2020, the subscribed and paid-up capital stock totaled R\$255,717 (R\$255,717 as of December 31, 2019), corresponding to 124,158,953 (124,158,953 as of December 31, 2019) book-entry, registered common shares with no par value, reduced by the cost of issued shares in the amount of R\$1,107 (R\$1,107 as of December 31, 2019).

The authorized capital stock as of March 31, 2020 and December 31, 2019 amounted to 139,999,999 common shares.

The Company's shareholding structure is as follows:



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	03/31/2020	12/31/2019
Gol Linhas Aéreas Inteligentes S.A.	52.61%	52.61%
Other	47.39%	47.39%
Total	100.00%	100.00%

21.2. Dividends and interest on equity

In December 2019, the Company approved the interest on capital distribution in the amount of R\$50,962, of which R\$17,408 was paid in advance on April 15, 2019 and R\$33,554 was paid on January 17, 2020.

On February 18, 2020, the Board of Directors approved the distribution of additional dividends to shareholders in the amount of R\$201,500, referring to the result for fiscal year 2019. The additional dividend will be submitted for approval by the Annual Shareholders' Meeting.

Until the disclosure of this individual and consolidated quarterly information, no dividends were paid.

22. Share-based payments

The plans granted and their conditions, pricing models and valuation assumptions adopted have been disclosed in detail in the financial statements for the year ended December 31, 2019, and did not change during the three-month period ended March 31, 2020.

There were no changes to options outstanding in the three-month period ended March 31, 2020.

In the period ended March 31, 2020, the Company recorded R\$598 in equity related to share-based payments with a counter entry in the statement of income under "Personnel Expenses" (R\$811 in the three-month period ended March 31, 2019).

Additionally, executives and employees are granted an additional bonus paid through cash, referenced to Company shares, as a way to strengthen their commitment to the results and increase productivity. As of March 31, 2020, the obligation balance was R\$702 (R\$6,079 as of December 31, 2019) recognized under "Salaries" in the amount equivalent to 43,892 Company shares. In the period, the Company recognized the same amount under "Personnel" (R\$1,438 in the quarter ended March 31, 2019) related to the granting of said right.



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23. Transactions with related parties

23.1. Related party balances and transactions

		Parent Company		Consolidated	
Counterparty		03/31/2020	12/31/2019	03/31/2020	12/31/2019
Assets					
Trade receivables					
Miles sold	GLA	18,589	32,271	18,589	32,271
Management fees	GLA	1,329	1,300	1,329	1,300
Letter of indemnity agreement	GLA	1,115	1,415	1,115	1,415
Total		21,033	34,986	21,033	34,986
Dividends receivable					
Dividends receivable	Smiles Fidelidade Argentina	267	267	-	-
Advances to suppliers					
Advance ticket purchases	GLA	1,174,996	970,899	1,174,996	970,899
Total assets		1,196,029	1,006,151	1,196,029	1,005,884
Liabilities					
Suppliers					
Administrative services	GLA	8,001	6,222	8,013	6,283
Total		8,001	6,222	8,013	6,283
Dividends and interest on equity					
Dividends and interest on equity payable	GLAI	54,544	69,548	54,544	69,548
Dividends and interest on equity payable	Smiles Viagens Argentina	267	267	-	-
Total		54,811	69,815	54,544	69,548
Obligations to related companies					
Local currency:					
Airline ticket intermediation	Smiles Viagens	329	392	-	-
Transfers	Smiles Viagens	159	1,475	-	-
Transfers	GLA	16,549	34,458	16,733	34,458
Foreign currency:					
Transfers	GLA	(10,524)	(10,918)	(10,524)	(10,918)
Transfers	Smiles Argentina	4,243	3,631	-	-
Total		10,756	29,038	6,209	23,540
Total liabilities		73,568	105,075	69,767	99,371



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		Parent Company		Consolidated	
	Counterparty	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Revenues					
Other operating revenues					
Management fees	GLA	2,544	2,401	2,544	2,401
Total revenues		2,544	2,401	2,544	2,401
Expenses					
Selling expenses					
Administrative services	GLA	(6,947)	(6,159)	(6,947)	(6,159)
Administrative expenses					
Administrative services	GLA	(1,949)	(2,158)	(1,962)	(2,251)
Letter of indemnity agreement	GLA	-	2,454	-	2,454
Total expenses		(8,896)	(5,863)	(8,909)	(5,956)
Financial income (expenses)					
Financial income					
Discounts obtained	GLA	14,482	22,325	14,482	22,325
Total financial income (expenses)		14,482	22,325	14,482	22,325

23.2. Remuneration of key management personnel

	Parent Company and Consolidated	
	03/31/2020	03/31/2019
Salaries, bonus and benefits (*)	3,831	8,076
Related taxes and charges	418	397
Share-based payments	598	811
Total	4,847	9,284

(*) Includes the Board of Directors', Audit Committee's and Fiscal Council's compensation.

	Parent Company and Consolidated	
	03/31/2020	03/31/2019
Number of members		
Members of the Board of Directors	7	7
Statutory officers	2	2
Non-statutory officers	3	4
Fiscal Council members	3	3
Total	15	16



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24. Earnings per share

	Parent Company and Consolidated	
	03/31/2020	03/31/2019
Numerator		
Net income for the period	56,252	141,914
Denominator		
Weighted average number of outstanding shares (in thousands)	124,159	124,066
Effect of dilutive securities		
Adjusted weighted average number of outstanding shares and diluted presumed conversions (in thousands)	124,159	124,066
Basic earnings per share	0.45	1.14
Diluted earnings per share	0.45	1.14

For the quarters ended March 31, 2020 and 2019, the stock option plans had a market price lower than the out of money prices; therefore, they did not have a dilutive effect and were not considered in the total amount of outstanding shares.

25. Revenue

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Revenue from the redemption of miles (a)	94,870	203,272	96,467	204,017
Revenue from breakage and expired miles	83,332	53,930	84,006	53,930
Other operating revenue (b)	7,824	6,817	7,788	6,817
Gross revenue	186,026	264,019	188,261	264,764
Related tax	(16,878)	(24,156)	(16,930)	(24,197)
Net revenue	169,148	239,863	171,331	240,567

(a) Net revenue from costs incurred in the acquisition of goods or services from third parties delivered to Smiles participants.

(b) Of the total amount, R\$2,544 refers to Smiles program management fees charged from GLA for the quarter ended March 31, 2020 (R\$2,401 in the period ended March 31, 2019), as described in Note 23.1.



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26. Operating costs, selling and administrative expenses

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Operating costs				
IT services	(16,406)	(12,006)	(16,611)	(12,006)
Depreciation and amortization	(6,587)	(4,389)	(6,587)	(4,585)
Other, net	(803)	(633)	(804)	(633)
Total operating costs	(23,796)	(17,028)	(24,002)	(17,224)
Selling expenses				
Personnel	(3,559)	(3,349)	(3,559)	(3,349)
Call center	(9,989)	(8,921)	(9,989)	(9,014)
Sales and marketing	(17,211)	(15,804)	(19,710)	(15,804)
Total selling expenses	(30,759)	(28,074)	(33,258)	(28,167)
Administrative expenses				
Personnel	(19,043)	(18,279)	(19,895)	(18,279)
IT services	(5,076)	(5,316)	(5,286)	(5,327)
Services provided	(10,517)	(7,145)	(11,301)	(7,280)
Depreciation and amortization	(898)	(847)	(910)	(849)
Other, net	(1,128)	1,366	(1,661)	1,334
Total administrative expenses	(36,662)	(30,221)	(39,053)	(30,401)
Other, net				
Other, net	3,496	914	3,496	914
Total other, net	3,496	914	3,496	914
Total	(87,721)	(74,409)	(92,817)	(74,878)

27. Financial income (expenses)

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Financial income				
Discounts	14,482	22,325	14,482	22,325
Income from short-term investments	8,308	11,978	8,336	11,978
(-) Taxes on financial income	(1,165)	(1,761)	(1,165)	(1,761)
Other income	938	2,366	938	2,366
Total financial income	22,563	34,908	22,591	34,908
Financial expenses				
Interest	(74)	(43)	(321)	(43)
Taxes on financial operations	(102)	(51)	(102)	(51)
Loss on short-term investments	(8,629)	(11)	(8,629)	(11)
Other expenses	(742)	(757)	(800)	(757)
Total financial expenses	(9,547)	(862)	(9,852)	(862)
Exchange variation, net	(4,755)	8	(2,772)	20
Total	8,261	34,054	9,967	34,066



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28. Financial instruments

28.1. Overview

In the normal course of its business, the Company is exposed to credit, liquidity and market risks, which are actively managed by the Finance and Audit Committee ("CAF"), pursuant to this committee's regulations. The details regarding the way through which the Company manages risks has been widely presented in the financial statements for the year ended December 31, 2019. Since then, there has been no changes.



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28.2. Breakdown of financial instruments by category

The Company's financial instruments recorded in the statement of financial position as of March 31, 2020 and December 31, 2019 are shown below:

	Parent Company				Consolidated			
	Measured at fair value through profit or loss		Amortized cost (*)		Measured at fair value through profit or loss		Amortized cost (*)	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Assets								
Cash and cash equivalents	19,985	275,033	-	-	30,458	287,846	-	-
Short-term investments	1,127,869	886,069	-	-	1,127,879	886,069	-	-
Trade receivables	-	-	424,687	491,326	-	-	427,317	493,022
Other credits	-	-	47,615	30,965	-	-	50,274	30,784
Liabilities								
Suppliers	-	-	(96,257)	(107,648)	-	-	(105,556)	(116,766)
Obligations to related companies	-	-	(10,756)	(29,038)	-	-	(6,209)	(23,611)
Other liabilities	-	-	(3,203)	(5,185)	-	-	(3,435)	(6,735)

(*) As it refers to credits and obligations involving private institutions in which, in any cases of early settlement, there are no substantial alterations in relation to the amounts recognized, the fair values are approximately the same as book values due to the short-term maturities of these assets and liabilities.

28.3. Interest rate risk

Interest rate risk is the risk through which the Company may suffer economic losses from changes in interest rates affecting its assets and liabilities. The Company's results are exposed to interest rate variations on interest income from cash and cash equivalents and short-term investments.

The Company's Risk Policy does not limit exposure to different interest rates and does not establish limits between fixed or floating rates. However, the Company is continually monitoring market interest rates, mainly to assess the appropriate level of return of its short-term investments.

The sensitivity analysis of the Company's assets and liabilities to fluctuations in interest rates is presented in Note 28.8.

28.4. Foreign currency risk

Foreign currency risk refers to foreign currency exchange variations that may lead to unexpected losses for the Company, resulting in a reduction in assets and/or increase in liabilities.

The Company has a small number of operations denominated in foreign currency, mainly represented by ticket purchases from counterparts, trade receivables from counterparts and cash equivalents.

Assets and liabilities denominated in foreign currency as of March 31, 2020 and December 31, 2019 are presented below:

	Parent Company		Consolidated	
	03/31/2020	12/31/2019	03/31/2020	12/31/2019
Cash and cash equivalents	1,804	984	10,182	12,228
Trade receivables	6,988	8,321	8,074	9,111
Recoverable taxes	-	-	2,575	426
Credits with related parties	-	6,653	-	10,891
Other credits and amounts	-	-	124	84
Foreign suppliers	(75,722)	(90,279)	(84,972)	(99,530)
Other liabilities	-	-	(21)	(17)
Total foreign currency exposure R\$	(66,930)	(74,321)	(64,038)	(66,807)
Total foreign currency exposure US\$	(12,874)	(18,438)	(12,318)	(16,574)
Exchange rate (R\$/US\$)	5.1987	4.0307	5.1987	4.0307

As of March 31, 2020, the Company adopted the R\$5.1987/US\$1.00 exchange rate corresponding to the month's closing rate announced by the Central Bank of Brazil as probable scenario. The table below shows the sensitivity analysis and the effect on profit or loss of exchange rate fluctuations in the exposure amount at the end of the quarter:

		Parent Company	Consolidated
	Rate		Liabilities, net (*)
Amounts exposed to the risk of appreciation of the U.S. dollar (R\$5.1987/US\$1.00)	5.1987	(66,930)	(64,038)
Possible adverse scenario (+25%)	6.4984	(16,732)	(16,010)
Remote adverse scenario (+50%)	7.7981	(33,465)	(32,019)
Possible favorable scenario (-25%)	3.8990	16,732	16,010
Remote favorable scenario (-50%)	2.5994	33,465	32,019

(*) The Company considers as probable scenario the amounts of liabilities exposed to the US dollar as of March 31, 2020.

28.5. Credit risk

The credit risk is inherent in the Company's operating and financing activities, mainly represented by cash and cash equivalents, short-term investments, trade receivables and advances to suppliers.

Financial assets classified as cash, cash equivalents and short-term investments are deposited with counterparties rated investment grade or higher by S&P or Moody's (between AAA and AA+), pursuant to risk management policies. The Company concentrates more than 10% of its total financial assets in financial institutions whose rating is similar to or more favorable than that of the Company.

The trade receivables balance mainly consists of amounts not yet due from the main credit card operators, whose credit risk is similar to or lower than that of the Company, as well as trade receivables from airline and non-airline partners. The Company uses a provisioning matrix for the constitution of an expected loss provision for the entire life of the asset, in which it considers historical data in determining the expected loss for the duration of the contract, by segmenting the receivables portfolio into groups that have the same behavior and according to the maturity dates. The credits considered as definitive losses are written off according to an individual analysis that considers the maturity and the amount outstanding.

The balance of advances to suppliers is monitored on a quarterly basis and presented to the Finance and Audit Committee. Until the end of the reported period, advances to related parties included in the balance as of March 31, 2020 received a unanimous favorable opinion from said Committee.

28.6. Liquidity risk

The Company is exposed to two different types of liquidity risk: market liquidity risk and cash flow liquidity risk. The former is related to current market prices and varies based on the type of assets and the markets in which they are traded. Cash flow liquidity risk, on the other hand, is related to difficulties in meeting our contracted operating obligations at the maturity dates.

In order to manage liquidity risk, the Company invests its surplus funds in liquid assets, mainly fixed income investment funds and CDBs.

The Company significantly depends on GLA and financial institutions, which, jointly, represent almost all of its revenue and turnover sources. A possible reduction in sales of miles to any of its main partners or the termination of business relations may have a significant adverse impact on the Company's results.

The schedule of disbursements through payments of the Company's operating liabilities is as follows:

	Parent Company			
	Up to 6 months	6 - 12 months	1 - 5 years	Total
Suppliers	96,257	-	-	96,257
Obligations to related companies	10,756	-	-	10,756
As of March 31, 2020	107,013	-	-	107,013

	Parent Company			
	Up to 6 months	6 - 12 months	1 - 5 years	Total
Suppliers	107,648	-	-	107,648
Obligations to related companies	29,038	-	-	29,038
As of December 31, 2019	136,686	-	-	136,686

	Consolidated			
	Up to 6 months	6 - 12 months	1 - 5 years	Total
Suppliers	105,556	-	-	105,556
Obligations to related companies	6,209	-	-	6,209
As of March 31, 2020	108,963	-	-	108,963

	Consolidated			
	Up to 6 months	6 - 12 months	1 - 5 years	Total
Suppliers	116,766	-	-	116,766
Obligations to related companies	23,611	-	-	23,611
As of December 31, 2019	140,377	-	-	140,377

28.7. Capital management

The Company is committed to maintaining its liquidity at high levels, as well as ensuring its ability to continue as a going concern, providing its shareholders with a strong capital base and other related parties with the return of benefits. Available funds are sufficient to meet the current requirements.

As of March 31, 2020, the Company did not have relevant financial leverage as it did not have debt instruments.

28.8. Sensitivity analysis

The sensitivity analysis of financial instruments has been prepared in accordance with CVM Instruction 475/08 in order to estimate the impact on fair value of financial instruments traded by the Company in three scenarios for each risk variable: the most likely scenario in the Company's assessment; a 25% deterioration (possible adverse scenario) in the risk variable; a 50% deterioration (remote adverse scenario).

As the estimates are based on statistical simplifications, they do not necessarily reflect amounts to be stated in the next financial statements. The use of different methodologies may have a material effect on estimates.

In addition, the Company must include in its sensitivity analysis of financial instruments risks that may direct or indirectly generate material losses, considering the following elements, pursuant to CVM Instruction 475/08:

- The probable scenario is the scenario expected by the Company's Management and corroborated by an external independent source;
- The possible adverse scenario assumes a 25% deterioration in the main risk variable that determines the fair value of financial instruments; and
- The remote adverse scenario assumes a 50% deterioration in the main risk variable that determines the fair value of financial instruments.

The probable scenario adopted by the Company is represented by market levels remaining unchanged.

Based on the Company's analysis, the financial instruments exposed to the risk of change in interest rate are short-term investments in CDBs and investment funds, classified as cash equivalents and short-term investments. The Company assessed its non-derivative financial instruments, considering the impact of fluctuations in interest rates on the exposed amounts as of March 31, 2020. The exposed amounts and interest rate fluctuation scenarios, and their respective effect on the Company's result, are as follows:

	Parent Company and Consolidated	
	Cash equivalents	Short-term investments
Amounts exposed to risk of variation in the CDI rate (3.65%)	442	1,127,869
Possible adverse scenario (-25%)	(5)	(12,407)
Remote adverse scenario (-50%)	(10)	(24,813)
Possible favorable scenario (+25%)	5	12,407
Remote favorable scenario (+50%)	10	24,813

Measurement of the fair value of financial instruments

In order to comply with the disclosure requirements for financial instruments measured at fair value, the Company and its subsidiaries must classify its instruments in Levels 1 to 3, based on observable fair value levels:

- Level 1: Fair value measurements are calculated based on quoted prices (without adjustment) in active market or identical liabilities;
- Level 2: Fair value measurements are calculated based on other variables besides quoted prices included in Level 1, that are observable for the asset or liability directly (such as prices) or indirectly (derived from prices); and
- Level 3: Fair value measurements are calculated based on valuation methods that include the asset or liability but that are not based on observable market variables (unobservable inputs).

The following table shows a summary of the Company's consolidated financial instruments measured at fair value, including their related classifications of the valuation method, as of March 31, 2020 and December 31, 2019.



Notes to the quarterly information form - ITR

Period ended March 31, 2020

(In thousands of Brazilian reais - R\$, except when otherwise indicated)

		Parent Company and Consolidated			
		03/31/2020		12/31/2019	
	Fair value level	Book value	Fair value	Book value	Fair value
Short-term investments	Level 2	1,127,869	1,127,869	886,069	886,069

29. Liabilities from financing activities

There were no changes in the period ended March 31, 2020.

30. Non-cash transactions

	Parent Company		Consolidated	
	03/31/2020	03/31/2019	03/31/2020	03/31/2019
Interest on equity payable	-	15,850	-	15,850
Withholding income tax on interest on equity	3,739	1,558	3,739	1,558
Exchange variation on foreign investments	(211)	-	-	-

31. Insurance

As of March 31, 2020, the main insurance coverage, by nature, in relation to maximum indemnifiable amounts, was as follows:

Type	03/31/2020
Rent insurance (Rio Negro – Alphaville complex)	1,318
D&O liability insurance	100,000
Fire insurance (Property insurance Rio Negro – Alphaville complex)	12,747

The adequacy of our insurance coverage, which was assessed by the Company's Management, was considered sufficient to cover possible losses (unreviewed).

32. Subsequent events

There are no subsequent events, in Management's opinion, have a significant impact individual and consolidated quarterly information form disclosed by the Company.