

## **Interim Financial Information**

### **CVC Brasil Operadora e Agência de Viagens S.A. and Subsidiaries**

September 30, 2019  
with Report on Review of Interim Financial Statements



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## **Independent Auditors' report on review of Quarterly Information - ITR**

*(A free translation of the original report in Portuguese, as filed with the Brazilian Securities and Exchange Commission (CVM))*

To  
the Shareholders, Board of Directors and Management  
CVC Brasil Operadora e Agência de Viagens S.A.  
Santo André - SP

### **Introduction**

We have reviewed the accompanying individual and consolidated interim financial information of CVC Brasil Operadora e Agência de Viagens S.A. ("Company"), included in the Quarterly Information Form - ITR for the quarter ended September 30, 2019, which comprises the statement of financial position as of September 30, 2019, the statements of income and comprehensive income for the three-month and nine-month periods then ended, and changes in equity and cash flows for the nine-month period then ended, and notes to the interim financial information.

Management is responsible for the preparation of this individual and consolidated interim financial information in accordance with CPC 21(R1) Technical Pronouncement - Interim Financial Information (*Demonstração Intermediária*) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – (IASB), as well as for the presentation of this quarterly information in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information – (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of review**

We conducted our review in accordance with Brazilian and international standards on reviews applicable to interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity (*Revisão de Informações Intermediárias Executada pelo Auditor da Entidade*) and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards 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.



### **Conclusion on the individual and consolidated interim financial information**

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21(R1) and IAS 34, applicable to the preparation of Quarterly Information - ITR and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

### **Other Matters - Statements of Valued Added**

The quarterly financial information referred to above include the individual and consolidated statements of value added (DVA) for the nine-month period ended September 30, 2019, prepared under the responsibility of the Company's management, and presented as supplementary information for purposes of the IAS 34. Those statements were submitted to the same review procedures of the review of the Company's Quarterly Information, in order to conclude if those statements were reconciled with the interim financial information and accounting records, as applicable, and whether their format and content are in accordance with the criteria set on Technical Pronouncement 09 (CPC 09) - Statement of Value Added (*Demonstração do Valor Adicionado*). Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement of value added is not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, November 6, 2019

KPMG Auditores Independentes  
CRC 2SP014428/O-6  
*Original report in Portuguese signed by*  
Fábio Lopes do Carmo  
Accountant CRC 1SP192172/O-3



Balance Sheet for the period ended September 30, 2019 and December 31, 2018  
(Amounts in thousands of Reais, except when designated otherwise)

Assets	Notes	Parent Company		Consolidated	
		09/30/2019	12/31/2018	09/30/2019	12/31/2018
<i>Current</i>					
Cash and cash equivalents	4	264,502	270,088	411,883	346,174
Derivative financial instruments	3.3	8,783	29,634	9,808	30,427
Trade receivables	5	2,472,736	2,352,458	3,234,934	3,015,132
Advances to suppliers	6	744,693	652,225	810,986	713,272
Prepaid expenses	7	325,080	321,434	368,606	352,237
Recoverable taxes		50,058	104,051	104,283	148,196
Trade receivables - related parties	19.1	490,633	243,306	-	-
Other accounts receivable		68,482	20,853	86,235	27,684
<b>Total current assets</b>		<b>4,424,967</b>	<b>3,994,049</b>	<b>5,026,735</b>	<b>4,633,122</b>
<i>Non-current</i>					
Accounts receivable from investee acquisition – related parties	19.1	-	-	9,973	9,973
Loans - related parties	19.1	-	221,631	-	-
Advance for future capital increase		22,896	-	-	-
Prepaid expenses	7	5,405	395	5,405	395
Deferred income tax and social contribution	16	133,094	161,461	305,192	292,909
Court deposits		80,769	77,601	91,508	84,662
Other accounts receivable		9,624	7,176	11,486	9,917
Investments	9	840,137	278,201	-	756
Property, plant and equipment		18,055	20,632	34,962	37,918
Intangible assets	10	463,026	449,001	1,379,311	1,099,547
Right-of-use asset	14	32,802	-	67,236	-
<b>Total non-current assets</b>		<b>1,605,808</b>	<b>1,216,098</b>	<b>1,905,073</b>	<b>1,536,077</b>
<b>Total assets</b>		<b>6,030,775</b>	<b>5,210,147</b>	<b>6,931,808</b>	<b>6,169,199</b>

The notes are an integral part of the Interim Financial Statements.



Balance Sheet for the period ended September 30, 2019 and December 31, 2018  
(Amounts in thousands of Reais, except when designated otherwise)

Liabilities and Equity	Notes	Parent Company		Consolidated	
		09/30/2019	12/31/2018	09/30/2019	12/31/2018
<i>Current</i>					
Borrowings and financing	12	-	503,235	1,297	553,520
Debentures	13	34,966	56,980	34,966	56,980
Derivative financial instruments	3.3	-	10,706	-	10,951
Suppliers	11	505,255	423,749	745,485	618,283
Accounts payable - related parties	19.1	127,250	43,584	889	1,755
Accounts payable for investee acquisition – related parties	19.1	52,688	65,803	52,688	69,677
Prepaid package tour boarding agreements	20	1,956,024	1,744,729	2,176,395	1,924,829
Salaries and welfare charges		61,745	61,376	96,811	93,225
Current income tax and social contribution		51,706	102,161	70,816	126,287
Taxes and contribution payable		21,133	25,610	34,131	37,512
Dividends payable		-	3,839	-	3,839
Accounts Payables for the acquisition of subsidiary	17.1	3,060	4,163	3,060	4,163
Lease liabilities	14	9,800	-	18,219	-
Other accounts payable		81,214	107,807	127,805	158,825
<b>Total current liabilities</b>		<b>2,904,841</b>	<b>3,153,742</b>	<b>3,362,562</b>	<b>3,659,846</b>
<i>Non-current</i>					
Borrowings and financing	12	-	-	-	4,090
Debentures	13	1,506,047	798,910	1,506,047	798,910
Accounts payable for investee acquisition – related parties	19.1	102,835	64,334	153,426	121,645
Deferred income tax and social contribution	16.3	-	-	23,828	25,897
Provision for lawsuits and administrative proceedings and contingent liability	15	59,328	44,169	371,235	370,755
Accounts Payables for the acquisition of subsidiary	17.1	61,201	59,008	61,201	59,008
Lease liabilities	14	24,012	-	51,364	-
Other accounts payable		1,579	2,045	13,393	13,946
<b>Total non-current liabilities</b>		<b>1,755,002</b>	<b>968,466</b>	<b>2,180,494</b>	<b>1,394,251</b>
<i>Shareholders' equity</i>					
Share capital	18	661,957	533,448	661,957	533,448
Capital reserves		10,789	(24,320)	10,789	(24,320)
Earnings reserves		656,173	656,173	656,173	656,173
Retained earnings		160,057	-	160,057	-
Other comprehensive income		(36,427)	302	(36,427)	302
Treasury shares		(81,617)	(77,664)	(81,617)	(77,664)
<b>Equity</b>		<b>1,370,932</b>	<b>1,087,939</b>	<b>1,370,932</b>	<b>1,087,939</b>
Non-controlling interests		-	-	17,820	27,163
<b>Total equity</b>		<b>1,370,932</b>	<b>1,087,939</b>	<b>1,388,752</b>	<b>1,115,102</b>
<b>Total liabilities and equity</b>		<b>6,030,775</b>	<b>5,210,147</b>	<b>6,931,808</b>	<b>6,169,199</b>

The notes are an integral part of the Interim Financial Statements.



Interim Financial Statements - CVC Brasil Operadora e Agência de Viagens S.A. and subsidiaries on September 30, 2019

Statements of profit or loss for the periods ended September 30, 2019 and 2018  
(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Notes	Parent Company		Consolidated		Parent Company		Consolidated		
		Three-month period ended September 30,		Three-month period ended September 30,		Nine-month period ended September 30,		Nine-month period ended September 30,		
		2019	2018	2019	2018	2019	2018	2019	2018	
							<b>Restated</b>		<b>Restated</b>	
Net sales revenue	21	304,811	281,645	449,622	414,871	1,003,729	777,196	1,402,731	1,187,219	
Cost of services rendered	22.1	-	-	-	-	(97,978)	(70,956)	(97,978)	(70,956)	
Gross profit		<b>304,811</b>	<b>281,645</b>	<b>449,622</b>	<b>414,871</b>	<b>905,751</b>	<b>706,240</b>	<b>1,304,753</b>	<b>1,116,263</b>	
<i>Operating revenues (expenses)</i>										
Sales expenses	22.2	(45,586)	(42,333)	(67,794)	(62,708)	(129,032)	(121,147)	(203,813)	(168,132)	
Estimated impairment losses	22.2	(379)	(6,595)	(795)	(8,567)	(12,439)	(13,396)	(14,901)	(18,859)	
<b>General and administrative expenses</b>	22.2	<b>(95,715)</b>	<b>(94,636)</b>	<b>(191,940)</b>	<b>(166,852)</b>	<b>(285,044)</b>	<b>(238,870)</b>	<b>(571,818)</b>	<b>(489,840)</b>	
<i>General and administrative expenses</i>	22.2	<i>(75,829)</i>	<i>(78,967)</i>	<i>(156,240)</i>	<i>(139,157)</i>	<i>(227,996)</i>	<i>(201,021)</i>	<i>(468,437)</i>	<i>(410,745)</i>	
<i>Depreciation and amortization</i>	22.2	<i>(19,886)</i>	<i>(15,669)</i>	<i>(35,700)</i>	<i>(27,695)</i>	<i>(57,048)</i>	<i>(37,849)</i>	<i>(103,381)</i>	<i>(79,095)</i>	
Equity accounting method	9	36,492	18,468	(531)	389	(1,037)	58,008	341	389	
Other operating expenses	22.2	(43,388)	(5,291)	(55,674)	(12,684)	(102,763)	(24,032)	(169,582)	(34,322)	
<b>Income before financial income</b>		<b>156,235</b>	<b>151,258</b>	<b>132,888</b>	<b>164,449</b>	<b>375,436</b>	<b>366,803</b>	<b>344,980</b>	<b>405,499</b>	
Financial income	23	(52,161)	(32,591)	(54,445)	(39,830)	(131,854)	(105,085)	(153,059)	(121,387)	
<b>Profit before income tax and social contribution</b>		<b>104,074</b>	<b>118,667</b>	<b>78,443</b>	<b>124,619</b>	<b>243,582</b>	<b>261,718</b>	<b>191,921</b>	<b>284,112</b>	
<b>Income tax and social contribution</b>	16.1	<b>(24,537)</b>	<b>(36,108)</b>	<b>(4,477)</b>	<b>(42,701)</b>	<b>(83,525)</b>	<b>(72,905)</b>	<b>(39,274)</b>	<b>(95,329)</b>	
Current		(14,875)	(31,099)	(16,629)	(46,006)	(47,860)	(70,471)	(50,577)	(112,581)	
Deferred		(9,662)	(5,009)	12,152	3,305	(35,665)	(2,434)	11,303	17,252	
<b>Net income of continuing operations:</b>		<b>79,537</b>	<b>82,559</b>	<b>73,966</b>	<b>81,918</b>	<b>160,057</b>	<b>188,813</b>	<b>152,647</b>	<b>188,783</b>	
Net profit or loss from discontinued operations (net of taxes)		-	-	-	-	-	-	-	(459)	
<b>Net income for the period</b>		<b>79,537</b>	<b>82,559</b>	<b>73,966</b>	<b>81,918</b>	<b>160,057</b>	<b>188,813</b>	<b>152,647</b>	<b>188,324</b>	
Attributable to controlling shareholders		-	-	79,537	82,559	-	-	160,057	188,813	
Attributable to non-controlling shareholders		-	-	(5,571)	(641)	-	-	(7,410)	(489)	
Earnings per share from continuing operations – basic (R\$)	24							1,09	1,30	
Earnings per share from continuing operations – diluted (R\$)	24							1,07	1,28	

The notes are an integral part of the Interim Financial Statements.



Statements of comprehensive income for the periods ended September 30, 2019 and 2018  
(Amounts in thousands of Brazilian reais, unless otherwise stated)

	Parent Company		Consolidated		Parent Company		Consolidated	
	Three-month period ended September 30,		Three-month period ended September 30,		Nine-month period ended September 30,		Nine-month period ended September 30,	
	2019	2018	2019	2018	2019	2018	2019	2018
Net income for the period	79,537	82,559	73,966	81,918	160,057	188,813	152,647	188,324
Effect from cash flow hedge – effective portion of changes in fair value	18,572	(7,372)	18,572	(6,860)	11,475	15,166	11,475	15,678
Deferred income tax and social contribution	(6,314)	2,506	(6,314)	2,332	(3,901)	(5,156)	(3,901)	(5,331)
	355	-	(189)	-	(11,101)	-	(11,101)	-
Foreign operations – exchange differences upon translation	(33,202)	-	(34,623)	-	(33,202)	-	(37,161)	-
<b>Net comprehensive income to be reclassified to profit or loss in subsequent periods</b>	<b>(20,589)</b>	<b>(4,866)</b>	<b>(22,554)</b>	<b>(4,528)</b>	<b>(36,729)</b>	<b>10,010</b>	<b>(40,688)</b>	<b>10,347</b>
<b>Total comprehensive income for the period</b>	<b>58,948</b>	<b>77,693</b>	<b>51,412</b>	<b>77,390</b>	<b>123,328</b>	<b>198,823</b>	<b>111,959</b>	<b>198,671</b>
Attributable to controlling shareholders	58,948	-	58,948	77,693	123,328	-	123,328	198,823
Attributable to non-controlling shareholders	-	-	(7,536)	(303)	-	-	(11,369)	(152)

The notes are an integral part of the Interim Financial Statements.



Interim Financial Statements - CVC Brasil Operadora e Agência de Viagens S.A. and subsidiaries on September 30, 2019

Statements of changes in equity for the nine-month periods ended September 30, 2019 and 2018  
(Amounts in thousands of Brazilian reais, unless otherwise stated)

Notes	Capital reserve				Earnings reserve				Other Comprehensive Income			Equity	Non-controlling shareholder's interest	Consolidated equity	
	Share capital	Share-based payment reserve	Reserve for acquisition of non-controlling shareholders	Reserve for profit or loss from transactions with shareholders	Legal reserve	Working capital reserve	Expansion reserve	Earnings retention reserve	Treasury shares	Retained earnings	Equity valuation adjustment				Cash flow hedge
Balances as of December 31, 2017	486,370	104,994	(61,868)	(187,604)	30,146	84,264	84,264	251,413	(283)	-	-	2,555	794,251	434	794,685
Capital increase with issuance of shares	46,763	-	-	-	-	-	-	-	-	-	-	-	46,763	-	46,763
Share options granted	-	34,762	-	-	-	-	-	-	-	-	-	-	34,762	-	34,762
Goodwill on capital transactions	-	-	-	60,851	-	-	-	-	-	-	-	-	60,851	-	60,851
Effect of treasury shares on stock options	-	(140)	-	-	-	-	-	-	140	-	-	-	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	-	(78,638)	-	-	-	(78,638)	-	(78,638)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	6,242	6,242
Exercise of stock options through sale of treasury shares	-	-	-	-	-	-	-	-	237	-	-	-	237	-	237
Net profit or loss on cash flow hedge	-	-	-	-	-	-	-	-	-	-	10,009	-	10,009	338	10,347
Capitalization of share premium reserve	-	-	-	(1,214)	-	-	-	-	-	-	-	-	(1,214)	-	(1,214)
Net income for the period	-	-	-	-	-	-	-	-	-	188,813	-	-	188,813	(489)	188,324
<b>Balances on September 30, 2018</b>	<b>533,133</b>	<b>139,616</b>	<b>(61,868)</b>	<b>(127,967)</b>	<b>30,146</b>	<b>84,264</b>	<b>84,264</b>	<b>251,413</b>	<b>(78,544)</b>	<b>188,813</b>	<b>-</b>	<b>12,564</b>	<b>1,055,834</b>	<b>6,525</b>	<b>1,062,359</b>
Balances as of December 31, 2018	533,448	138,243	(35,810)	(126,753)	43,660	84,264	84,264	443,985	(77,664)	-	173	129	1,087,939	27,163	1,115,102
Capital increase with issuance of shares	18.1	5,979	-	-	-	-	-	-	(4,618)	-	-	-	1,361	-	1,361
Share options granted	18.3	-	3,150	-	-	-	-	-	-	-	-	-	3,150	-	3,150
Exercise of stock options through sale of treasury shares	-	(665)	-	-	-	-	-	-	665	-	-	-	-	-	-
Acquisition of minority shareholders - Trend	-	-	-	-	-	-	-	-	-	-	-	-	-	1,274	1,274
Acquisition of subsidiary - Camden	-	-	-	-	-	-	-	-	-	-	-	-	-	752	752
Acquisition of subsidiary - Esferatur	18.1	122,530	33,898	-	-	-	-	-	-	-	-	-	156,428	-	156,428
Cumulative conversion adjustments	-	-	-	-	-	-	-	-	-	-	(33,202)	-	(33,202)	(3,959)	(37,161)
Goodwill on capital transactions	-	-	-	(1,274)	-	-	-	-	-	-	-	-	(1,274)	-	(1,274)
Net profit or loss on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	7,574	7,574	-	7,574
Equity valuation adjustment	-	-	-	-	-	-	-	-	-	-	(11,101)	-	(11,101)	-	(11,101)
Net income for the period	-	-	-	-	-	-	-	-	-	160,057	-	-	160,057	(7,410)	152,647
<b>Balances as of September 30, 2019</b>	<b>661,957</b>	<b>174,626</b>	<b>(35,810)</b>	<b>(128,027)</b>	<b>43,660</b>	<b>84,264</b>	<b>84,264</b>	<b>443,985</b>	<b>(81,617)</b>	<b>160,057</b>	<b>(44,130)</b>	<b>7,703</b>	<b>1,370,932</b>	<b>17,820</b>	<b>1,388,752</b>

The notes are an integral part of the Interim Financial Statements.

Statements of cash flows for the periods ended September 30, 2019 and 2018  
(Amounts in thousands of Brazilian reais, unless otherwise stated)

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Nine-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<i>Cash flows from operating activities</i>				
Net income of continuing operations	160,057	188,813	152,647	188,783
Net profit or loss from discontinued operations (net of taxes)	-	-	-	(459)
<b>Net income for the period</b>	<b>160,057</b>	<b>188,813</b>	<b>152,647</b>	<b>188,324</b>
<i>Adjustments to reconcile profit or loss for the period to cash from operating activities:</i>				
Income tax and social contribution expenses	83,525	72,905	39,274	95,329
Depreciation and amortization	57,048	37,849	103,381	79,095
Estimated impairment loss	12,439	13,396	14,901	18,859
Share-based payment expenses	3,150	34,995	3,150	34,995
Interest, inflation adjustments and exchange rate	72,660	74,697	79,910	69,824
Equity accounting method	1,037	(58,008)	(341)	(389)
Provision for lawsuits and administrative proceedings	40,933	21,772	50,574	24,262
Reversal of contingent liability	-	-	(21,428)	-
Deferred tax	(7,296)	(3,839)	(7,237)	(3,272)
Write-off of property, plant and equipment and intangible assets	2,108	17	4,765	6,833
	<b>425,661</b>	<b>382,597</b>	<b>419,596</b>	<b>513,860</b>
<i>Decrease (increase) in assets</i>				
Trade receivables	(148,015)	(258,836)	(213,627)	(683,755)
Interest received	15,298	22,700	16,900	23,656
Advances to suppliers	(92,468)	(109,157)	(97,710)	(229,043)
Recoverable taxes	53,993	(77,438)	43,914	(117,423)
Prepaid expenses	(8,655)	(1,440)	(21,364)	(7,621)
Accounts receivable - related parties	(247,327)	(47,435)	-	4
Other accounts receivable	(51,920)	(52,334)	(64,137)	(51,973)
<i>Increase (decrease) in liabilities</i>				
Suppliers	81,507	(75,419)	93,355	8,699
Accounts payable - related parties	84,903	(18,927)	(866)	(1,361)
Prepaid boarding agreements	211,295	263,648	251,631	347,507
Salaries and welfare charges	369	(2,743)	(2,527)	5,508
Taxes and contribution payable	(67,310)	47,402	(60,649)	76,547
Income tax and social contribution paid	(35,483)	(53,955)	(51,128)	(77,803)
Dividends received by subsidiaries	-	13,462	-	-
Provision for lawsuits and administrative proceedings	(25,774)	(14,994)	(28,074)	(17,759)
Other accounts payable	(27,061)	14,739	(38,143)	5,595
<b>Net cash from (used in) operating activities</b>	<b>169,013</b>	<b>31,870</b>	<b>247,171</b>	<b>(205,362)</b>
<i>Cash flows from investment activities</i>				
Related parties' loans	-	(187,914)	-	-
Advance for future capital increase	(22,896)	(82,200)	-	-
Property, plant and equipment	(951)	-	(3,071)	(6,258)
Intangible assets	(65,548)	(47,943)	(97,390)	(71,369)
Acquisition of the subsidiaries	(123,408)	(13,979)	(133,482)	(13,979)
Capital increase in subsidiary	(71,778)	-	-	(3,923)
<b>Net cash used in investing activities</b>	<b>(284,581)</b>	<b>(332,036)</b>	<b>(233,943)</b>	<b>(95,529)</b>



Interim Financial Statements - CVC Brasil Operadora e Agência de Viagens S.A. and subsidiaries on September 30, 2019

<i>Cash flows from financing activities</i>				
Issue of debentures	708,700	199,069	708,700	199,069
Settlement of debentures	(62,891)	(50,000)	(62,891)	(50,000)
Funding of borrowings and financing	-	457,695	2,234	492,695
Settlement of borrowings and financing	(503,645)	(53,252)	(554,250)	(81,021)
Interest paid (a)	(45,746)	(40,342)	(48,694)	(42,053)
Contracting of derivative instruments	(2,134)	(1,385)	(1,799)	(1,463)
Settlement of derivative instruments	24,790	(16,730)	25,188	(15,118)
Dividends paid	(3,839)	(12,237)	(3,839)	(12,237)
Share buyback	-	(78,638)	-	(78,638)
Capital increase - granting of shares	1,361	46,763	1,361	46,763
Incorporation	-	16,304	-	-
Exercise of stock options through sale of treasury shares	-	237	-	237
Write-off lease payments – IFRS 16	-	-	(37)	-
Lease payments – IFRS 16	(6,614)	-	(12,980)	-
<b>Net cash from financing activities</b>	<b>109,982</b>	<b>467,484</b>	<b>52,993</b>	<b>458,234</b>
Exchange variation in cash and cash equivalents	-	10,028	(512)	16,077
<b>Decrease (increase) in cash and cash equivalents, net</b>	<b>(5,586)</b>	<b>177,346</b>	<b>65,709</b>	<b>173,421</b>
Cash and cash equivalents at the beginning of the period	270,088	271,919	346,174	332,020
Cash and cash equivalents at the end of the period	264,502	449,265	411,883	505,441

(a) Interest paid refers substantially to the costs of obtaining financial resources and returns on investments.

The notes are an integral part of the Interim Financial Statements.

Statements of value added for the periods ended September 30, 2019 and 2018  
(Amounts in thousands of Brazilian reais, unless otherwise stated)

	<b>Parent Company</b>		<b>Consolidated</b>	
	<b>Nine-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>1.Revenues</b>	<b>1,059,221</b>	<b>808,862</b>	<b>1,486,842</b>	<b>1,250,706</b>
Gross sales revenue	1,071,660	822,258	1,501,743	1,269,565
Estimated impairment losses	(12,439)	(13,396)	(14,901)	(18,859)
<b>2. Inputs acquired from third parties</b>	<b>(337,028)</b>	<b>(209,916)</b>	<b>(505,846)</b>	<b>(283,467)</b>
Third parties' services and other	(239,050)	(138,960)	(407,868)	(212,511)
Cost of services rendered	(97,978)	(70,956)	(97,978)	(70,956)
<b>Gross value added</b>	<b>722,193</b>	<b>598,946</b>	<b>980,996</b>	<b>967,239</b>
3. Depreciation and amortization	(57,048)	(37,849)	(103,381)	(79,095)
<b>4. Net value added produced by the Company</b>	<b>665,145</b>	<b>561,098</b>	<b>877,615</b>	<b>888,144</b>
Equity accounting income	(1,037)	58,008	341	389
<b>5. Value added received in transfer</b>	<b>664,108</b>	<b>619,105</b>	<b>877,956</b>	<b>888,533</b>
Financial revenues	29,199	42,849	42,747	46,212
<b>Total distributed value added</b>	<b>693,307</b>	<b>661,954</b>	<b>920,703</b>	<b>934,745</b>
Distributed value added	(693,307)	(661,954)	(920,703)	(934,745)
<i>6. Distribution of value added</i>				
<b>Personnel</b>	<b>(155,828)</b>	<b>(150,040)</b>	<b>(337,414)</b>	<b>(290,245)</b>
Direct compensation	(104,866)	(89,214)	(245,440)	(200,787)
Share-based payment plan	(10,213)	(34,995)	(11,279)	(34,995)
Benefits	(19,493)	(11,486)	(39,264)	(32,586)
Social charges	(21,256)	(14,345)	(41,431)	(21,877)
<b>Taxes, fees and contributions</b>	<b>(169,006)</b>	<b>(130,686)</b>	<b>(164,255)</b>	<b>(213,620)</b>
Federal	(145,200)	(114,793)	(129,744)	(181,578)
Municipal	(23,806)	(15,893)	(34,511)	(32,042)
<b>Interest and leases</b>	<b>(208,416)</b>	<b>(192,415)</b>	<b>(266,387)</b>	<b>(242,556)</b>
Interest	(161,962)	(140,943)	(194,871)	(158,493)
Credit card rate	(50,572)	(42,989)	(71,047)	(60,496)
Others	4,117	(8,483)	(469)	(23,567)
<b>7. Remuneration on equity</b>	<b>(160,057)</b>	<b>(188,813)</b>	<b>(152,647)</b>	<b>(188,324)</b>
Net profit	(160,057)	(188,813)	(160,057)	(188,813)
Non-controlling shareholders' interest in retained earnings			7,410	489

The notes are an integral part of the Interim Financial Statements.



Notes to the Interim Financial Statements  
(Amounts in thousands of Reais, except when designated otherwise)

## 1. General information

CVC Brasil Operadora e Agência de Viagens S.A. ("CVC" or "Company") is a publicly-held corporation, headquartered in Santo André, State of São Paulo, with shares listed on the B3 S.A. - Brasil, Bolsa e Balcão under ticker symbol CVCB3. CVC and its subsidiaries ("Group") are mainly engaged in providing tourism services, comprising the negotiation, either individually or collectively (package tours), including airline tickets, land transport, hotel and airline booking and ship cruise chartering, cultural and professional interchange, among others.

As of September 30, 2019, CVC owned 14 own stores, 1,363 exclusive CVC travel agencies ("franchises") and another 65 Experimento exclusive stores ("franchises"). Moreover, it also had approximately 7,900 travel agents registered throughout Brazil. CVC also operates in Florida through Trend Travel and VHC Hospitality brands, in Argentina through Avatrip, Biblos, Quiero Viajes and Ola brands, and has entered into agreements with local agents for the provision of services using the CVC brand in Argentina and Uruguay.

The tourism services intermediated by CVC are mainly provided directly to customers through independent service providers, according to the General Tourism Law (Law No. 11771/08).

The conglomerate is comprised of the Company and the entities listed below:

Subsidiaries	Type	Core activity	Country of origin	Interest	
				2019	2018
Submarino Viagens Ltda.	Direct	Online tourism services	Brazil	100%	100%
Visual Turismo Ltda.	Direct	Tourism services	Brazil	100%	100%
Trend Viagens e Turismo Ltda. (b)	Direct	Tourism services and hotel consolidator	Brazil	100%	90%
Shop Hotel Ltda. (b)	Indirect	Tourism services	Brazil	100%	90%
TC World Viagens (b)	Indirect	Tourism services	Brazil	100%	90%
Esferatur Passagens e Turismo S.A. (d)	Direct	Tourism services	Brazil	100%	-
Trend Travel LLC. (b)	Indirect	Tourism services	United States	100%	90%
VHC Hospitality LLC. (b)	Indirect	Tourism services	United States	69%	27%
Camden Enterprises LLC. (c)	Indirect	Holding	United States	56%	-
CVC Turismo S.A.U	Direct	Holding	Argentina	100%	100%
Servicios de Viajes Y Turismo Biblos S.A. (a)	Indirect	Tourism services	Argentina	60%	60%
Avatrip.com S.R.L. (a)	Indirect	Online tourism services	Argentina	60%	60%
Ola S.A. (a)	Indirect	Tourism services	Argentina	60%	60%

(a) Interests acquired in 2018. For further information, see note 8.2

(b) Grupo Trend – for further information, see note 8.1.2.

(c) Interest acquired in the first quarter of 2019. For further information, see note 8.1.1.

(d) Interest acquired in the second quarter of 2019. For further information, see note 8.1.3.

The issuance of the individual and consolidated interim financial statements was authorized by the Board of Directors on November 6, 2019.

## 2. Summary of principal accounting policies

The interim financial statements have been prepared in accordance with CVM Resolution No. 673/11, which establishes the minimum content of interim financial statements and the recognition and measurement principles for complete or condensed interim financial statements.

The interim financial statements, in this case, the quarterly financial statements have been prepared to provide updates based on the last complete annual financial statements. Therefore, they focus on new activities, events and circumstances and do not disclose again previously disclosed information, except when the maintenance of a specific information is considered important by Management.

The interim financial statements presented herein have been prepared based on the accounting policies and estimative methods adopted in preparing the annual financial statements for the year ended December 31, 2018, other than the disclosures in note 2.2. – new pronouncements, interpretations and amendments adopted.

There were no changes of any nature in such policies and estimation methods. As prescribed by CVM Resolution No. 673/11, Management elected not to disclose again in details the accounting policies adopted by the Company. Accordingly, these individual and consolidated interim financial statements must be read together with the individual and consolidated annual financial statements for the fiscal year ended December 31, 2018.

### 2.1. Statement of compliance and basis of preparation

The individual and consolidated interim financial statements have been prepared and are presented in accordance with technical pronouncement CPC 21 - Interim Statement and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of interim financial statements.

### 2.2. New pronouncements, interpretations and changes adopted

Except for the effects listed below, the accounting policies applied in preparation of these interim financial statements are similar to those applied in annual financial statements for the year ended December 31, 2018. Changes in the accounting policies presented in this note are expected to be reflected in the annual financial statements for the year ending December 31, 2019.

As of January 1, 2019, the Group has adopted CPC 06/IFRS 16, which introduces a single accounting model for leases in the balance sheet of lessees. Consequently, the Group recognized right-of-use assets, which represent its underlying lease rights and finance lease liabilities, and its obligation to make disbursements related to such lease.

The Group applied CPC 06/IFRS 16 using the modified retrospective approach, which cumulative effect from the first-time adoption is recognized in retained earnings as of January 1, 2019. Accordingly, the comparative information presented in 2018 was not changed, that is, it is presented in accordance with accounting basis previously presented. The main information on the changes in the Company's operational context suggested by the standard are as follows:

(i) Leases in which the Company is a lessee

The Group has recognized new assets and liabilities for its operating leases of the physical stores, administrative buildings and administrative equipment. The nature of the expenses related to the items previously classified as leases was changed as, after the new definition, the Group started to recognize the cost of depreciation of right-of-use assets and interest expense on lease liabilities. The

Group previously recognized a straight-line operating lease expense during the lease term, and recognized assets and liabilities to the extent that there was a timing difference between effective lease payments and expenses recognized.

For the recognition of right-of-use assets, the carrying amounts of the items included in the previous definition of operating lease (CPC 06/IAS 17) were considered, considering the present value of payments as of 12/31/2018.

Upon recognition of lease liabilities, future cash flows which disbursements are expected are estimated, discounted at the average rate of adjustment of annual agreements.

The effects arising from these applications in interim financial statements are shown in note 14.

(ii) Leases in which the Company is a lessor

Within the context of the adoption of CPC 06/IFRS 16, there are no significant changes in recognition and presentation of corresponding balances. Additionally, the Group's operating context does not include activities where it is a lessor and that may impact the interim financial statements in the period.

(iii) Transition effects

Previously, the Group classified real estate and car lease agreements under the conditions set forth in CPC 06/IAS 17. These agreements have variable terms (from one to ten years) with higher concentration of payment flows in the first five years.

During the transition period, in order to measure the balances of lease liabilities, the Group estimated future payment flows, limited to the individual maturity of each lease agreement, discounting them to present value based on the average rate of adjustment of the agreements during their extension period. A monthly rate of 0.69% was used for recognition of interest expenses of each agreement.

As additional assumptions for the calculation of lease liabilities, the following was taken into consideration:

- Real estate properties with final lease term up to 12/31/2021 (three years) and the lessees were entitled to renewal: an additional renewal period was taken into consideration;
- Real estate properties (physical stores) made available for sale: are written-off in the respective month of sale.

The following assumptions were taken into consideration to estimate right-of-use assets:

- The initial costs for measurement of right-of-use assets were excluded;
- The retrospective approach was adopted to determine whether agreements provided for extension or termination options.

### **2.3 Restatement due to the adjustments from adopting IFRS 15**

As at December 31, 2018, the Group completed its analysis on the effect from the adoption of the new accounting pronouncement CPC 47/IFRS 15 – Revenue from Contracts with Customers, which was effective as of January 1, 2018. As a result of such analysis, the Group has identified characteristics in the charter agreement of one of the ships which cabins are sold by CVC, which characterize the Group as "Principal" in the operation, whereas up to December 31, 2017, the Group was characterized as "Agent". Consequently, as at December 31, 2018, the Group started to record

this operation at the gross sales amount of the cabins (sea cruise) and their respective costs in separate captions of the statements of profit or loss, in 'service net revenue' and 'Cost of services'.

Considering that the conclusion on the impacts from the first-time adoption of CPC 47/IFRS 15 only occurred in the last quarter of the year, the amounts for the 2018 quarters shall be restated and presented as corresponding figures in the 2019 interim financial statements. The Group's Management has retrospectively made the adjustments in the statement of profit or loss, arising from the measurement of revenue and cost of services on the first-time adoption of the abovementioned pronouncements, as follows:

		<b>Parent Company</b>		
		<b>Nine-month period ended September 30, 2018</b>		
	<b>Note</b>	<b>Stated</b>	<b>Adjustments</b>	<b>Restated</b>
Net revenue	21	706,240	70,956	777,196
Cost of services	22.1	-	(70,956)	(70,956)
<b>Gross profit</b>		<b>706,240</b>	<b>-</b>	<b>706,240</b>
		<b>Consolidated</b>		
		<b>Nine-month period ended September 30, 2018</b>		
	<b>Note</b>	<b>Stated</b>	<b>Adjustments</b>	<b>Restated</b>
Net revenue	21	1,116,263	70,956	1,187,219
Cost of services	22.1	-	(70,956)	(70,956)
<b>Gross profit</b>		<b>1,116,263</b>	<b>-</b>	<b>1,116,263</b>

### 3. Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to several financial risks: market risks (including foreign exchange and interest rate risk), credit risk, and liquidity risk.

Management sets the risk management principles and the criteria for specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and the investment of cash surpluses.

##### 3.1.1 Market risk

###### 3.1.1.1 Exchange risk

The Group's exposure to the risk of fluctuation in exchange rates is applicable to the checking accounts, accounts payable and borrowings and financing denominated in foreign currency. The exchange rate risk can significantly impact the Group's future revenue as the advanced sales of package tours and cultural interchange include provisions for future payments to foreign land suppliers (hotels, receptive operators and teaching institutions), as well as the growing expansion of the Group's operations in Argentina. The foreign exchange effects can also affect the Group's financial income and costs due to borrowings and financing denominated in foreign currency.

To manage foreign exchange risk, the Group uses foreign currency purchase agreements, NDF (non-deliverable forward) derivatives and exchange swaps. The Group also hedges against the foreign exchange risk by making advanced payments to suppliers in foreign currency.

###### 3.1.1.2 Risk of cash flow or fair value associated with interest rate risk

The Group's exposure to the risk of fluctuation in market interest rates is applicable mainly to cash equivalents, debentures and loans, adjusted at CDI, which can affect profit or loss and cash flows.

### 3.1.1.3 Sensitivity analysis

In order to verify the rate sensitivity in foreign currency-denominated checking accounts, cash equivalents and borrowings and financing, as well as operations subject to interest rate risk classified as cash equivalents, debentures and loans, to which the Group was exposed as of September 30, 2019, three different scenarios were defined.

Based on projections disclosed by financial institutions (Central Bank), the foreign currency and CDI projection was obtained for each of the transactions analyzed, being defined as the probable scenario (scenario 1); based on such scenario, deterioration stresses by 25% (scenario 2) and 50% (scenario 3) were calculated. Considering the stress rates, the estimated accounting balances would be:

Operations	Risk	Interest	09/30/2019	Scenario 1	Scenario 2	Scenario 3
Foreign currency-denominated checking account - USD	USD depreciation	4.164	115,996	(4,749)	(32,561)	(60,373)
Foreign currency-denominated checking account - EUR	EUR depreciation	4.540	10,218	(225)	(2,723)	(5,222)
Foreign currency-denominated checking account - GBP	GBP depreciation	5.123	4,940	(193)	(1,380)	(2,566)
Foreign currency-denominated checking account - CAD	CAD depreciation	3.144	4,026	(153)	(1,121)	(2,089)
Foreign currency-denominated checking account - AUD	AUD depreciation	2.809	136	(3)	(37)	(70)
Foreign currency-denominated checking account - CHF	CHF depreciation	4.173	107	(3)	(29)	(55)
Foreign currency-denominated checking account - ARS	ARS depreciation	0.072	1,922	186	(341)	(868)
Cash equivalents – R\$	CDI depreciation	5.40%	274,538	(24,785)	(88,346)	(151,152)
Non-deliverable forward (NDF) contract	USD	4.164	9,324	(9,578)	(65,668)	(121,759)
Non-deliverable forward (NDF) contract	EUR	4.540	251	(957)	(11,566)	(22,175)
Non-deliverable forward (NDF) contract	GBP	5.123	6	(138)	(984)	(1,830)
Non-deliverable forward (NDF) contract	CAD	3.144	215	(338)	(2,480)	(4,623)
Non-deliverable forward (NDF) contract	AUD	2.809	11	(90)	(957)	(1,824)
Debentures	CDI rate increase	5.40%	(1,541,013)	139,119	(221,942)	(587,341)
Borrowings and financing	CDI rate increase	5.40%	(1,297)	107	(170)	(451)

### 3.1.2 Credit Risk

The Group is mainly exposed to credit risk related to cash and cash equivalents, trade receivables, other trade receivables, derivative financial instruments and trade receivables from related parties. The credit risk is minimized by the following policies:

Cash and cash equivalents: the Group limits the amounts to be allocated to a single financial institution and analyzes credit ratings of financial institutions with which it invests balances of cash and cash equivalents.

Trade accounts and other accounts receivable: The Group mitigates its risks through diversification of its trade receivables by conducting sales using credit cards and sales of receivables in installments with financial institutions upon payment of a discount rate, in addition to conducting a financial background check for internal financing of its customers. These institutions received ratings from Ba1 to Baa3 according to ranking from Moody's.

	Consolidated	
	09/30/2019	12/31/2018
Cash and cash equivalents	411,883	346,174
Accounts receivable	3,234,934	3,015,132
Trade receivables - related parties	9,973	9,973
Derivative financial instruments	9,808	30,427
Other accounts receivable	97,721	37,601
	<b>3,764,319</b>	<b>3,439,307</b>

### 3.1.3 Liquidity Risk

The Group treasury department monitors the continuous estimates of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

The Group invests cash surpluses in interest-bearing bank accounts, time deposits, short-term deposits and securities, by selecting instruments with adequate maturity dates or sufficient liquidity to provide the necessary margin, as determined by the aforementioned estimates.

The table below shows the Group's financial liabilities, by maturity ranges, based on the remaining period in the balance sheet date up to the contractual maturity date:

	Consolidated			
	Less than 3 months	3 to 12 months	1 to 5 years	Total
Suppliers	448,306	297,179	-	<b>745,485</b>
Accounts payable from related parties	1,740	17,845	187,418	<b>207,003</b>
Borrowings and financing	138	1,159	-	<b>1,297</b>
Debentures	18,749	16,218	1,506,046	<b>1,541,013</b>
Accounts Payables for the acquisition of subsidiary	-	3,060	61,201	<b>64,261</b>
Lease liabilities	4,555	13,364	51,664	<b>69,583</b>
Other accounts payable	-	127,809	13,389	<b>141,198</b>
<b>Balances as of September 30, 2019</b>	<b>473,488</b>	<b>476,634</b>	<b>1,819,718</b>	<b>2,769,840</b>

	Consolidated			
	Less than 3 months	3 to 12 months	1 to 5 years	Total
Suppliers	617.910	373	-	<b>618.283</b>
Accounts payable from related parties	30.294	41.138	121.645	<b>193.077</b>
Borrowings and financing	22.465	531.055	4.090	<b>557.610</b>
Debentures	53.715	3.265	798.910	<b>855.890</b>
Accounts Payables for the acquisition of subsidiary	4.163	-	59.008	<b>63.171</b>
Other accounts payable	146.933	11.892	13.946	<b>172.771</b>
<b>Balances as at December 31, 2018</b>	<b>875.480</b>	<b>587.723</b>	<b>997.599</b>	<b>2.460.802</b>

### 3.2 Capital management

In order to maintain or adjust the capital structure, the Group can revise the receivables prepayment policy, dividend payment policy, return capital to shareholders or, also, issue new shares to reduce, for example, indebtedness. Capital is not managed at the Parent Company's level but at the Consolidated level, as shown below:

	<b>Consolidated</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>
Borrowings and financing	1,297	557,610
Debentures	1,541,013	855,890
Derivative financial instruments - SWAP	-	(19,593)
<i>Accounts payable - investee acquisition:</i>		
Submarino Viagens	64,261	63,171
<i>Accounts payable - related party acquisition</i>		
Duotur Group (a)	49,559	74,357
Viatrix Viagens e Turismo (a)	3,177	16,368
Trend Group	1,826	27,022
Visual Turismo	5,822	12,390
Bibam	1,301	1,301
Ola	49,290	59,884
Esferatur	95,139	-
(-) Cash and cash equivalents	(411,883)	(346,174)
<b>(=) Net debt</b>	<b>1,400,802</b>	<b>1,302,226</b>
(+) Equity	1,388,752	1,115,102
<b>(=) Equity and net debt</b>	<b>2,789,554</b>	<b>2,417,328</b>

(a) Company incorporated by CVC Brasil.

### 3.3 Fair value hierarchy and classification

The table below shows a comparison of the carrying amount and the fair value of the Company's financial instruments by level and class:

	<b>Level</b>	<b>Classification</b>	<b>Parent Company</b>			
			<b>Carrying amount</b>		<b>Fair value</b>	
			<b>09/30/2019</b>	<b>12/31/2018</b>	<b>09/30/2019</b>	<b>12/31/2018</b>
Financial assets						
Cash and cash equivalents	2	Amortized cost	264,502	270,088	264,502	270,088
Derivative financial instruments	2	Derivatives designated for cash flow hedge/measured at fair value through profit or loss	8,783	29,634	8,783	29,634
Trade receivables	2	Amortized cost	2,472,736	2,352,458	2,472,736	2,352,458
Accounts receivable - related parties	2	Amortized cost	490,633	243,306	490,633	243,306
<b>Total financial assets</b>			<b>3,236,654</b>	<b>2,895,486</b>	<b>3,236,654</b>	<b>2,895,486</b>
Financial liabilities						
Borrowings and financing	2	Amortized cost	-	503,235	-	503,235
Debentures	2	Amortized cost	1,541,013	855,890	1,563,673	866,512
Derivative financial instruments	2	Derivatives designated for fair value hedge/measured at fair value through profit or loss	-	10,706	-	10,706
Suppliers	2	Amortized cost	505,255	423,749	505,255	423,749
Accounts payable - related parties	2	Amortized cost	127,250	43,584	127,250	43,584
Accounts payable for investee acquisition – Related parties	2	Amortized cost	155,523	130,137	155,523	130,137
Accounts payable for the acquisition of subsidiary	2	Amortized cost	64,261	63,171	64,261	63,171
<b>Total financial liabilities</b>			<b>2,393,302</b>	<b>2,030,472</b>	<b>2,415,962</b>	<b>2,041,094</b>

	<u>Level</u>	<u>Classification</u>	<u>Consolidated</u>			
			<u>Carrying amount</u>		<u>Fair value</u>	
			<u>09/30/2019</u>	<u>12/31/2018</u>	<u>09/30/2019</u>	<u>12/31/2018</u>
<b>Financial assets</b>						
Cash and cash equivalents	2	Amortized cost	411,883	346,174	411,883	346,174
Derivative financial instruments	2	Derivatives designated for cash flow hedge/measured at fair value through profit or loss	9,808	30,427	9,808	30,427
Trade receivables	2	Amortized cost	3,234,934	3,015,132	3,234,934	3,015,132
Accounts receivable - related parties	2	Amortized cost	9,973	9,973	9,973	9,973
<b>Total financial assets</b>			<b>3,666,598</b>	<b>3,401,706</b>	<b>3,666,598</b>	<b>3,401,706</b>
<b>Financial liabilities</b>						
Borrowings and financing	2	Amortized cost	1,297	557,610	1,297	557,610
Debentures	2	Amortized cost	1,541,013	855,890	1,563,673	866,512
Derivative financial instruments	2	Derivatives designated for fair value hedge/measured at fair value through profit or loss	-	10,951	-	10,951
Suppliers	2	Amortized cost	745,485	618,283	745,485	618,283
Accounts payable - related parties	2	Amortized cost	889	1,755	889	1,755
Accounts payable for investee acquisition – Related parties	2	Amortized cost	206,114	191,322	206,114	191,322
Accounts payable for the acquisition of subsidiary	2	Amortized cost	64,261	63,171	64,261	63,171
<b>Total financial liabilities</b>			<b>2,559,059</b>	<b>2,298,982</b>	<b>2,581,719</b>	<b>2,309,604</b>

The Group assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, and short-term related parties are equivalent to their carrying amounts, mainly due to the nature and short-term maturities of the relevant instruments.

The Group uses the assumptions below for the fair value measurement and determination of financial assets and financial liabilities:

- Long-term receivables at fixed and floating rates are assessed by the Group based on parameters, such as: interest rate and individual customer or counterparty creditworthiness. As of September 30, 2019 and December 31, 2018, the carrying amount of these receivables approximates their fair values.
- The fair value of non-negotiable instruments, such as borrowings and financing, debentures and other financial debts, as well as other non-current financial liabilities, is estimated based on discounted future cash flows using rates currently available for debts with similar and remaining terms.
- The Group applies CPC 40/IFRS 7 for financial instruments measured in the balance sheet at fair value, which requires disclosure of fair value measurements. The fair value of financial instruments traded in active market (FVTOCI) is based on market prices, quoted on the balance sheet date, and the market price quoted used for financial assets held by the Group is the current competition price.
- The fair value of financial instruments that are not traded in active markets (e.g., over-the-counter derivatives) is determined using discounted cash flows based on benchmark yield curves (*curvas de mercado*).

### 3.4 Hedge accounting

The Group formally designated its transactions subject to hedge accounting for derivative financial instruments for cash flow hedge of future payments to be made in foreign currency to foreign

suppliers and local suppliers indexed in foreign currency. The Group does not carry out transactions with unusual derivative financial instruments.

As of September 30, 2019 and December 31, 2018, the fair values related to hedge transactions were measured based on observable factors such as quoted prices in active markets or discounted cash flows based on benchmark yield curves, as shown in the table below:

	09/30/2019					
	Notional amount	Fair value (a)	Fair value (b)	Total	Profit or loss	Equity
<i>Exchange rate risk</i>						
USD	8,172	8,757	19,972	<b>28,729</b>	1,853	912
EUR	17,533	17,094	(13,412)	<b>3,682</b>	1,282	720
Non-deliverable forward (NDF) contract	236,139	(9,808)	-	<b>(9,808)</b>	2,389	4,842
<b>Total assets</b>	<b>261,844</b>	<b>16,043</b>	<b>6,560</b>	<b>22,603</b>	<b>5,524</b>	<b>6,474</b>
	12/31/2018					
	Notional amount	Fair value (a)	Fair value (b)	Total	Profit or loss	Equity
<i>Exchange rate risk</i>						
USD	14,189	14,129	11,848	<b>25,977</b>	16,688	354
EUR	19,947	19,967	(6,574)	<b>13,393</b>	10,499	550
Non-deliverable forward (NDF) contract	236,420	(117)	-	<b>(117)</b>	25,358	(708)
<b>Total assets</b>	<b>270,556</b>	<b>33,979</b>	<b>5,274</b>	<b>39,253</b>	<b>52,545</b>	<b>196</b>

(a) Balances of derivative financial instruments designated in hedge transactions associated with boarded package tours.

(b) Balance of derivative financial instruments related to boarded package tours which suppliers were not paid yet.

As of September 30, 2019, the consolidated effect of deferred taxes on balance of cash flow hedge in other comprehensive income is R\$21,183 and (R\$67) as of December 31, 2018.

The table below shows the open positions, consolidated by maturity date, of NDF contracts used to hedge foreign exchange risk:

Derivative	Position	Contract	Contracting date	Maturity date	09/30/2019	
					Notional amount	Fair value
Forward	Short	NDF	From 12/13/2018 to 09/30/2019	From 10/01/2019 to 08/27/2020	236,139	(9,808)
<b>Total</b>					<b>236,139</b>	<b>(9,808)</b>
					12/31/2018	
Derivative	Position	Contract	Contracting date	Maturity date	Notional amount	Fair value
Forward	Short	NDF	From 03/05/2018 to 12/25/2018	From 01/02/2019 to 11/28/2019	236,420	(117)
<b>Total</b>					<b>236,420</b>	<b>(117)</b>

### 3.5 Exchange rate risk

The table below shows the open positions, consolidated by maturity date, of swap contracts used to hedge the foreign exchange risk as of December 31, 2018. There is no swap contracted for this type of hedge as of September 30, 2019.

Derivative	Position	Contract	Contracting date	Maturity date	12/31/2018	
					Notional amount	Fair value
Swap (a)	LIBOR 3M X CDI	CITIBANK	04/23/2018	04/23/2019	(229,218)	26,769
Swap (a)	Fixed at 4.68% p.a.	SANTANDER	06/20/2018	06/17/2019	(68,914)	1,621
Swap (a)	Fixed at 4.393% p.a.	SANTANDER	06/21/2018	06/18/2019	(37,019)	793
Swap (a)	LIBOR 3M X CDI	CITIBANK	07/06/2018	07/01/2019	(97,711)	(2,070)
Swap (a)	Fixed at 1.26% p.a.	BRDESCO	09/04/2018	08/30/2019	(89,210)	(7,193)
Swap (a)	LIBOR 3M X CDI	CITIBANK	02/26/2015	03/02/2019	(18,182)	(327)
<b>Total</b>					<b>(540,254)</b>	<b>19,593</b>

(a) The sole purpose of these swap transactions is to hedge against the foreign exchange risk related to loans denominated in foreign currency, as described in note 12. Swaps are used to hedge against the exposure to changes in fair value of loans collateralized using the same rate above for these financial institutions.

#### 4. Cash and cash equivalents

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
<b>Cash equivalents</b>	188,575	197,927	222,420	218,049
<i>Cash and bank accounts</i>				
Cash and local currency-denominated checking account	23,978	26,042	52,118	54,472
Foreign currency-denominated checking account - USD	37,166	23,690	115,996	47,571
Foreign currency-denominated checking account - EUR	6,242	14,177	10,218	16,125
Foreign currency-denominated checking account – other currencies	8,541	8,252	11,131	9,957
<b>Total cash and bank accounts</b>	<b>75,927</b>	<b>72,161</b>	<b>189,463</b>	<b>128,125</b>
<b>Total</b>	<b>264,502</b>	<b>270,088</b>	<b>411,883</b>	<b>346,174</b>

Cash equivalents are represented by highly liquid financial investments subject to low risk of change in value and relating to investments in CDBs and fixed-income repurchase agreements, yielding interest based on the interbank deposit certificate (CDI) rate which as at September 30, 2019 presented an annual average rate of 6.10% (6.40% as of December 31, 2018).

#### 5. Trade receivables

Trade receivables are recognized at the total transaction amount, less estimated impairment losses, if any. Estimated losses are substantially recognized on receivables with respect to which the counterparty may not perform its obligations, plus estimated future credit risk, thus considering the expected loss on receivables since initial recognition, in line with the new accounting pronouncement CPC 48/IFRS 9.

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Arising from sales through:				
Credit card companies (a)	1,260,500	1,178,931	1,695,109	1,572,880
Accounts receivable from securities (b)	717,858	777,899	1,001,725	968,575
Own financing (c)	437,423	374,725	463,402	415,999
Others	103,746	70,581	132,233	121,923
	<b>2,519,527</b>	<b>2,402,136</b>	<b>3,292,469</b>	<b>3,079,377</b>
Estimated impairment loss (d)	(46,791)	(49,678)	(57,535)	(64,245)
<b>Total</b>	<b>2,472,736</b>	<b>2,352,458</b>	<b>3,234,934</b>	<b>3,015,132</b>

(a) Installment sales using credit cards are received in installments that do not exceed one year. These installments are not subject to explicit interest rates.

(b) Accounts receivable refer to the sale of installment receivables to financial institutions that structure and negotiate financial services to the Group's customers. The financial risks and benefits arising from these transactions are fully transferred to the financial institutions at sale.

(c) Financing accounts receivable correspond to sales using internal financing offered to customers. Upon adoption of CPC 48/IFRS 9, the credit risk was no longer part of the discount rate at present value, as it is already reflected in credit estimated losses of the falling due portfolio.

(d) The recognition and reversal of estimated impairment losses were recorded as estimated impairment losses in the statement of profit or loss. The Company periodically assesses past-due receivables that are not expected to be collected and recognizes the write-off in profit or loss, reversing the estimated loss.

The aging list of trade receivables is presented as follows:

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
To be due	2,429,128	2,289,936	3,118,041	2,897,952
Overdue securities				
Past due for less than 30 days	34,904	76,377	105,164	108,550
Overdue for more than 30 days	55,495	35,823	69,264	72,875
<b>Total</b>	<b>2,519,527</b>	<b>2,402,136</b>	<b>3,292,469</b>	<b>3,079,377</b>

Activity of estimated impairment loss is presented as follows:

	Parent Company	Consolidated
Balance as of December 31, 2017	(15,149)	(37,666)
Additions	(13,396)	(18,859)
Effective losses	8,171	9,683
Incorporation	(17,737)	-
Business combination	-	(620)
Exchange rate changes on translation	-	1
<b>Balance as of September 30, 2018</b>	<b>(38,111)</b>	<b>(47,461)</b>
Balance as of December 31, 2018	(49,678)	(64,245)
Additions	(12,439)	(14,901)
Effective losses	15,326	21,835
Business combination	-	(1,036)
Exchange rate changes on translation	-	812
<b>Balance as of September 30, 2019</b>	<b>(46,791)</b>	<b>(57,535)</b>

## 6. Advances to suppliers

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Airlines (a)	659,524	548,377	707,976	582,393
Hotels in Brazil and abroad (b)	66,292	72,453	70,617	85,633
Educational institutions (c)	1,857	3,981	1,857	4,427
Other (d)	17,020	27,414	30,536	40,819
<b>Total</b>	<b>744,693</b>	<b>652,225</b>	<b>810,986</b>	<b>713,272</b>

(a) Payments to airlines related to tickets already sold and not yet used, as well as advances to obtain better airfares for future purchases of tickets.

(b) Advances to hotels mainly derive from transactions carried out between the Group and its suppliers.

(c) Payments to educational institutions abroad refer to student exchange programs.

(d) Includes prepayments of receptive operator services, tickets, travel insurance and other tourism services.

## 7. Prepaid expenses

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Sales commissions (a)	253,789	242,628	285,174	263,200
Credit card management fees (b)	15,490	25,471	18,934	30,846
Advertising and publicity (c)	20,692	11,361	20,980	11,403
Ship charter (d)	621	26,297	4,877	26,297
Insurance	6,734	613	6,769	1,023
Others	33,159	15,459	37,277	19,863
	<b>330,485</b>	<b>321,829</b>	<b>374,011</b>	<b>352,632</b>
Current	325,080	321,434	368,606	352,237
Non-current	5,405	395	5,405	395

(a) Commissions paid to travel agents as compensation for the services provided by travel agencies, which will be realized upon the effective boarding of passengers.

(b) Refer to the percentage of sales based on the agreements entered into among the Company and credit card companies as costs for transfer of credit risk of sales made under this category, and will be recognized in profit or loss upon the effective boarding of passengers.

(c) Includes expenses with advertising and publicity not yet aired.

(d) Amount of Pullmantur ship charter for the 2019/2020 season to be carried out up to March 2020.

## 8. Business combinations

### 8.1 Acquisitions in 2019

#### 8.1.1 Camden Enterprises L.L.C.

##### 8.1.1.1 Acquisition

On March 27, 2019, the Share Purchase Agreement and Other Covenants ("Camden Agreement") was entered into through indirect subsidiary Trend Travel LLC., which provides for the acquisition of a 56% shareholding interest in share capital of Camden Enterprises LLC. ("Camden").

Camden is a closely held corporation, headquartered in Orlando, State of Florida, United States of America, and is mainly engaged in management of investments. Camden was, up to acquisition date, the direct parent company of the then associate VHC Hospitality LLC. ("VHC"), which is mainly engaged in real estate management and lease of vacation properties in Orlando and Miami.

Pursuant to the agreement, the total acquisition amount for the 56% shareholding interest is R\$4,329. As of such acquisition, the Group is the direct parent company of Camden (56% of shareholding) and of VHC (69% of shareholding).

##### 8.1.1.2 Fair value of identified assets and liabilities

The fair value of Camden's identifiable assets acquired and liabilities assumed on the acquisition date is as follows:

Interest acquired	56.00%
Acquisition price	4,329
Amount paid on acquisition date	4,329
<b>Amount payable</b>	<b>-</b>
<b>Assets</b>	
Cash and cash equivalents	1
Accounts receivable	1,707
<b>Total identifiable assets</b>	<b>1,708</b>
Non-controlling shareholder's interest	752
Total net assets acquired (fair value)	956
Goodwill arising from the transaction	3,373
<b>Total consideration</b>	<b>3,373</b>

The transaction was completed through the direct parent company of Trend Travel LLC. ("Trend Viagens S.A."). Total net assets acquired (fair value) on acquisition date are as follows:

	<u>03/31/2019</u>
Investment	956
Goodwill	3,373
<b>Total</b>	<b><u>4,329</u></b>

### 8.1.2 Trend Viagens S.A.

The Company, pursuant to the material fact notice disclosed on November 5, 2018, completed in the first quarter of 2019 the acquisition of the remaining 10% stake in share capital of Trend Viagens S.A., and became the holder of 100% of its shares and of its direct subsidiaries. As it is a direct subsidiary, the acquisition of non-controlling interests does not affect the measurement of goodwill.

### 8.1.3 Esferatur Passagens e Turismo S.A.

#### 8.1.3.1 Acquisition

On April 1, 2019, pursuant to the material fact notice disclosed on February 28, 2019, the Company and the shareholders of Esferatur Passagens e Turismo S.A. ("Esferatur") entered into a purchase and sale agreement for the acquisition of 100% of the shares corresponding to Esferatur's share capital.

Esferatur operates for more than 26 years in the intermediation of airline tickets for travel agencies and owns 14 units that serve different regions in Brazil. Its acquisition is in line with the Company's strategy to expand its operation in the multibrand channel (B2B), thus contributing to the leading position in the travel industry in Brazil.

**Base Price:** The Base Price will be equivalent to the total amount of R\$245,061 and will be paid to Sellers in proportion to the Company's equity interest disposed of by each seller to Buyer as follows:

- i) Twenty percent (20%) of the Base Price will be paid to Sellers on the closing date, in cash, by electronic transfer of funds immediately available to Sellers' bank accounts;
- ii) Fifty percent (50%) of the Base Price will be paid upon delivery of common, registered, book-entry shares with no par value issued by Buyer ("CVC Shares"), noting that the number of CVC Shares to be delivered will be fixed by dividing fifty percent (50%) of the Base Price by the simple average of the quotation of such shares in B3 of the thirty (30) trading sessions prior to closing date ("Cash Base Price in Shares");
- iii) Thirty percent (30%) of the Base Price will be paid in five (5) equal annual installments, to be adjusted by the CDI from the closing date to the effective payment date of each installment, observing that each installment will be paid on the dates of the corresponding closing anniversaries, from the first (1st) anniversary and up to the fifth (5th) anniversary of the closing date.

**Future Variable Price:** In addition to the Base Price, buyer will pay Sellers a variable installment of the price, to be calculated based on the Company's realized EBITDA variation from 2017 to 2020 and will be paid in two (2) installments in proportion to the Company's interest sold by each Seller to Buyer on June 30, 2020 and June 30, 2021, as follows:

- i) Fifty percent (50%) in cash, by electronic transfer of immediately available funds, to Sellers' bank accounts;



ii) Fifty percent (50%) of CVC Shares, provided that the number of CVC Shares to be delivered to Sellers shall be fixed by dividing fifty percent (50%) of said Future Variable Price Installment by the simple average of the quotation of such shares in B3 of the thirty (30) trading sessions prior to the said Variable Price Payment Date.

### 8.1.3.2 Fair value of identified assets and liabilities

The fair value of Esferatur's identifiable assets acquired and liabilities assumed on the acquisition date is as follows:

Interest acquired	100.00%
Acquisition price	245,061
<i>Earn Out</i>	57,416
AVP Earn Out	(4,497)
<b>Amount paid on acquisition date</b>	<b>(171,543)</b>
Cash payment on closing date	(49,012)
Delivery of shares	(122,531)
Capital reserve	(33,898)
<b>Amount payable</b>	<b>92,539</b>
<i>Assets</i>	
Cash and cash equivalents	6,057
Trade receivables	44,492
Prepaid expenses	1,189
Other assets	148
Deferred taxes	3,012
Property, plant and equipment	1,756
Intangible assets	219
Intangible assets arising from PPA allocation	143,859
Other assets	66
<b>Total identifiable assets</b>	<b>200,798</b>
<i>Liabilities</i>	
Suppliers	(29,307)
Accounts payable	(4,720)
Recoverable taxes	(2,517)
Salaries and welfare charges	(5,450)
Other accounts payable	(913)
Provision for lawsuits and administrative proceedings	(65)
Provisions for restructuring	(8,584)
<b>Total identifiable liabilities</b>	<b>(51,556)</b>
<b>Total net assets acquired (fair value)</b>	<b>149,242</b>
Goodwill arising from the transaction	153,235
<b>Total consideration</b>	<b>302,477</b>
Total net assets acquired (fair value):	<b>06/30/2019</b>
Investment	5,383
Customer portfolio	143,859
Goodwill	153,235
<b>Total</b>	<b>302,477</b>

### 8.1.3.3 Allocation of consideration paid

For purposes of consolidation of goodwill, the concept of business combination (CPC 15/IFRS 3) is applied and the consideration paid is allocated to intangible assets identified by the Company. The consideration paid was allocated as follows:

	Amount allocated to intangible assets	Useful life
<i>Intangible assets</i>		
Customer portfolio	143,859	16 years
Unallocated goodwill	153,235	Undefined
<b>Total</b>	<b>297,094</b>	

Business combination transactions at fair value were measured on provisional basis and the measurement period is outstanding, and may be changed within a period of twelve months.

## 8.2 Acquisitions in 2018

### 8.2.1 Ola S.A.

#### 8.2.1.1 Acquisition

On December 11, 2018, pursuant to the notice to the market after the material event notice of September 4, 2018, through its wholly-owned subsidiary in Argentina, CVC Turismo S.A.U., the Company completed the acquisition of the shareholding interest representing sixty percent (60%) of the share capital of Ola S.A.

Ola S.A. operates for more than 40 years in the tourism sector and has more than 320 employees in the area; it operates in the tourism and travel sector through three main business units: Ola Mayorista de Turismo, Quinceãneras and Transatlántica Viajes y Turismo (Minorista business).

Pursuant to the share purchase agreement entered into on December 11, 2018, the estimated base price for acquisition of 60% of the Company is US\$19.2 million (R\$74,456), of such amount US\$3 million (R\$11,651) were paid to the former controlling shareholders, US\$1 million (R\$3,875) were paid to the former controlling shareholders in January 2019, US\$3.5 million (R\$13,595) were paid through contribution by the Company to the share capital of the acquiree (cash-in). The payment of an additional price ("Contingent Share") of up to US\$7.2 million (R\$27,898) is estimated to be made, which will be paid according to the attainments of goals and performance, plus a contingent "escrow" share to noncontrolling shareholders of up to US\$4.5 million (R\$17,437). The payment of these amounts is related to the attainment of performance goals during 2019, 2020 and 2021. The performance goals are expected to be attained and, therefore, the contingent share was added to the purchase price at the initial date.

Acquisition price	74,456
Amount paid on acquisition date	(25,246)
<b>Balance payable as of December 31, 2018</b>	<b>49,210</b>
Current	3,875
Non-current	45,335

### 8.2.1.2 Fair value of identified assets and liabilities

The fair value of Ola S.A's identifiable assets acquired and liabilities assumed on acquisition date is as follows:

Interest acquired	60%
Acquisition price	74,456
Amount paid on acquisition date	<u>(25,246)</u>
<b>Amount payable</b>	<b><u>49,210</u></b>
<i>Assets</i>	
Cash and cash equivalents	19,524
Accounts receivable	76,435
Recoverable taxes	2,465
Deferred taxes	55
Property, plant and equipment	650
Intangible assets – Software	863
Intangible assets arising from allocation (PPA)	42,287
Other receivables	<u>4,187</u>
<b>Total identifiable assets</b>	<b><u>146,466</u></b>
<i>Liabilities</i>	
Suppliers	(59,786)
Prepaid package tour boarding agreements	(13,942)
Taxes and contribution payable	(733)
Salaries and welfare charges	(872)
Provision for lawsuits	(1,205)
Deferred tax liabilities	(14,378)
Other accounts payable	<u>(4,563)</u>
<b>Total identifiable liabilities</b>	<b><u>(95,479)</u></b>
Non-controlling shareholder's interest	<u>(9,231)</u>
<b>Total net assets acquired (fair value)</b>	<b><u>41,756</u></b>
Goodwill arising from the transaction	<u>32,700</u>
<b>Total consideration</b>	<b><u>74,456</u></b>

The initial investment recorded in the Parent's interim financial statements as of December 31, 2018 is as follows:

	<u>12/31/2018</u>
Investment	13,847
Trademark	8,823
Customer portfolio	33,464
Goodwill	32,700
Deferred tax liabilities	<u>(14,378)</u>
<b>Total</b>	<b><u>74,456</u></b>

Business combination transactions at fair value were measured on provisional basis and the measurement period is outstanding, and may be changed within a period of twelve months.

### 8.2.1.3 Allocation of consideration paid

For purposes of consolidation of goodwill, the concept of business combination (CPC 15/IFRS 3) is applied and the consideration paid is allocated to intangible assets identified by the Company. The consideration paid was allocated as follows:

	Amount allocated to intangible assets	Useful life
<i>Intangible assets</i>		
Trademark	8,823	10 years
Customer portfolio	33,464	10 years
Unallocated goodwill	32,700	undefined
Deferred tax liabilities	(14,378)	n.a.
<b>Total</b>	<b>60,609</b>	

#### 8.2.1.4 Cash-generating unit

Goodwill and allocations are associated with the cash-generating unit of subsidiary Ola Transatlántica, which is part of the same segment as the Group, "tourism".

#### 8.2.1.5 Call and put options

As prescribed in the Company's shareholders' agreement, the Company has call and put options as shown below:

Option details	Vesting period
Put option	Exercisable by the noncontrolling shareholder in 2024
Call option	Exercisable by the controlling shareholder in 2025

The strike price of the call option shall be determined by multiples, already set out in the shareholders' agreement, of the EBITDA for the fiscal year immediately prior to the option exercise, multiplied by the percentage stake acquired.

CPC 15 – Business Combination does not provide specific guidance on how these agreements must be accounted for in a business combination. To determine the appropriate accounting treatment, CPC 38 and CPC 39 must be taken into consideration.

Based on the foregoing, the Company recognized a financial liability and fair value effects in the amount of R\$10,653 and a financial asset and fair value effects in the amount of R\$9,886, relating to the call and put option for the acquisition of noncontrolling interests. The recognition to the provision was a specific reserve in equity, as it considers that it refers to transactions among shareholders.

### 8.2.2 Servicios de Viajes Y Turismo Biblos S.A ("Biblos")

#### 8.2.2.1 Acquisition

On September 4, 2018, as disclosed in a material event notice, the Company entered into, through its wholly-owned subsidiary in Argentina, CVC Turismo S.A.U. and BIBLOS AMERICA LLC ("Bibam"), the Share Purchase Agreement and Other Covenants ("Biblos Agreement") for the acquisition of a shareholding interest of 60.06% in share capital of Servicios de Viajes Y Turismo Biblos S.A. ("Biblos").

The transactions represent an important growth opportunity for the Company, by expanding and replicating its successful business model implemented and consolidated in Brazil. The transactions also strengthen the business of the companies acquired in Argentina, besides allowing operating and financial synergies.

The Company's management considers it as a good opportunity for growth and value generation aligned with the international growth strategy, despite the recent volatility of the Argentine economy, which fact was contemplated in the two transactions. Moreover, the tourist flow between Brazil and Argentina represents a major opportunity for synergy.

Pursuant to the Biblos Agreement, CVC Turismo S.A.U. acquired the controlling stake in Biblos in consideration for the payment of an amount corresponding to approximately US\$1,780 million (R\$7,349); of this amount, US\$280 million (R\$1,157) were paid to the former controlling shareholders ("Bibam") and US\$1,500 million (R\$6,192) were paid through contribution by the Company to the share capital of the acquiree (cash-in). The amount was fully paid on September 4, 2018.

The Biblos Agreement does not offer the possibility of payment of contingent share ("earn-out").

The put/call option was estimated together with Avantrip and presented in the next item.

### 8.2.2.2 Fair value of identified assets and liabilities

The fair value of Biblos' identifiable assets acquired and liabilities assumed on the acquisition date is as follows:

Interest acquired	60.06%
Acquisition price	7,349
Amount paid on acquisition date	(7,349)
<b>Amount payable</b>	<b>-</b>
<i>Assets</i>	
Cash and cash equivalents	6,655
Accounts receivable	6,822
Advances to suppliers	2,386
Prepaid expenses	61
Recoverable taxes	1,906
Deferred taxes	2,369
Trade receivables - related parties	5,155
Property, plant and equipment	4,042
Other receivables	3,407
<b>Total identifiable assets</b>	<b>32,803</b>
<i>Liabilities</i>	
Suppliers	(2,914)
Borrowings and financing	(54)
Prepaid boarding agreements	(449)
Taxes and contribution payable	(1,706)
Salaries and welfare charges	(1,480)
Accounts payable - related parties	(13,513)
Provision for lawsuits	(218)
Accounts payable	(4,804)
<b>Total identifiable liabilities</b>	<b>(25,138)</b>
Non-controlling shareholder's interest	(3,061)
<b>Total net assets acquired (fair value)</b>	<b>4,604</b>
Goodwill arising from the transaction	2,745
<b>Total consideration</b>	<b>7,349</b>

The initial investment recorded in the Parent's interim financial statements as of September 30, 2018 is as follows:



	<u>09/30/2018</u>
Investment	4,604
Goodwill	2,745
<b>Total</b>	<b><u>7,349</u></b>

Goodwill and allocations are associated with the cash-generating unit of subsidiary Biblos, which is part of the same segment of the Company, "tourism".

### 8.2.3 Avantrip.com SRL ("Avantrip")

#### 8.2.3.1 Acquisition

On September 4, 2018, as disclosed in a material event notice, the Company entered into, through its wholly-owned subsidiary in Argentina, CVC Turismo S.A.U. and BIBLOS AMERICA L.L.C. ("Bibam"), the Share Purchase Agreement and Other Covenants ("Biblos Agreement") for the acquisition of a shareholding interest of 60.06% on the share capital of Avantrip.com SRL ("Avantrip").

The transactions represent an important growth opportunity for the Company, by expanding and replicating its successful business model implemented and consolidated in Brazil. The transactions also strengthen the business of the companies acquired in Argentina, besides allowing operating and financial synergies.

The Company's management considers it as a good opportunity for growth and value generation aligned with the international growth strategy, despite the recent volatility of the Argentine economy, which fact was contemplated in the two transactions. Moreover, the tourist flow between Brazil and Argentina represents a major opportunity for synergy.

Under the Biblos Agreement, CVC Turismo S.A.U. acquired the controlling interest in Avantrip, in return for the payment of approximately US\$3,596 million (R\$14,655), of which US\$596 million (R\$2,457) were paid to the former controlling shareholders ("Bibam") and US\$3 million (R\$12,198) were paid upon contribution by the Company to the share capital of the acquired company (cash-in). The Biblos Agreement does not offer the possibility of payment of contingent share ("earn-out").

Acquisition price	14,655
Amount paid on acquisition date	(8,649)
Payments made in 2018	(6,006)
<b>Balance payable as of December 31, 2018</b>	<b><u>-</u></b>

### 8.2.3.2 Fair value of identified assets and liabilities

The fair value of Avantrip's identifiable assets acquired and liabilities assumed on the acquisition date is as follows:

Interest acquired	60.06%
Acquisition price	14,655
Amount paid on acquisition date	(8,649)
<b>Amount payable</b>	<b>6,006</b>
<i>Assets</i>	
Cash and cash equivalents	5,419
Accounts receivable	12,169
Advances to suppliers	1,006
Prepaid expenses	622
Recoverable taxes	2,071
Deferred taxes	6,843
Trade receivables - related parties	16,704
Property, plant and equipment	2,417
Intangible assets – Software	3,431
Intangible assets arising from allocation (PPA)	3,930
Other receivables	1,261
<b>Total identifiable assets</b>	<b>55,873</b>
<i>Liabilities</i>	
Suppliers	(7,187)
Borrowings and financing	(12,476)
Taxes and contribution payable	(1,584)
Salaries and welfare charges	(2,252)
Accounts payable - related parties	(2,093)
Provision for lawsuits	(971)
Deferred tax liabilities	(1,334)
Other accounts payable	(23,980)
<b>Total identifiable liabilities</b>	<b>(51,877)</b>
Non-controlling shareholder's interest	(563)
<b>Total net assets acquired (fair value)</b>	<b>3,433</b>
Goodwill arising from the transaction	11,222
<b>Total consideration</b>	<b>14,655</b>

The initial investment recorded in the Parent's interim financial statements as of September 30, 2018 is as follows:

	<u>09/30/2018</u>
Investment	846
Trademark	3,006
Surplus – software	925
Goodwill	11,222
Deferred tax liabilities	(1,334)
<b>Total</b>	<b>14,655</b>

### 8.2.3.3 Fair value of identified assets and liabilities

For purposes of consolidation, goodwill is recognized by application of business combination concept and the consideration paid is allocated to intangible assets identified by the Company. The consideration paid was allocated as follows:

	Amount allocated to intangible assets	Useful life
<i>Intangible assets</i>		
Surplus – <i>software</i>	925	5.5 years
Trademark	3,006	10 years
Unallocated goodwill	11,222	Undefined
Deferred tax liabilities	(1,334)	n.a.
<b>Total intangible assets</b>	<b>13,808</b>	

### 8.2.3.4 Cash-generating unit

Goodwill and allocations are associated with the cash-generating unit of subsidiary Biblos, which is part of the same segment of the Company, "tourism".

### 8.2.3.5 Call and put options

As prescribed in the Company's shareholders' agreement, the Company has call and put options as shown below:

Option details	Vesting period
Put option	Exercisable by the noncontrolling shareholder in 2024
Call option	Exercisable by the controlling shareholder in 2025

The strike price of the call option shall be determined by multiples, already set out in the shareholders' agreement, of the EBITDA for the fiscal year immediately prior to the option exercise, multiplied by the percentage stake acquired.

CPC 15 – Business Combination does not provide specific guidance on how these agreements must be accounted for in a business combination. To determine the appropriate accounting treatment, CPC 38 and CPC 39 must be taken into consideration.

Based on the foregoing, the Company recognized a financial liability and fair value effects related to the acquisition of non-controlling interests in the amount of R\$1,301. The recognition to the provision was a specific reserve in equity, as it considers that it refers to transactions among shareholders.

## 9. Investments

The activities in investments may be summarized as follows:

	Read Serviços Turísticos S.A. (a)	Reserva Fácil Tecnologia S.A. (a)	Submarino Viagens	Viatrix Viagens e Turismo (a)	Visual Turismo	Trend Viagens	CVC Turismo S.A.U	Esferatur	Total
Balance as of December 31, 2017	305,721	16,974	124,346	64,437	17,060	243,094	-	-	771,632
Goodwill	-	-	-	-	(3,372)	767	-	-	(2,605)
Reversal of allocated dividends (b)	26,924	-	-	-	-	-	-	-	26,924
Equity accounting in the period	36,299	(1,507)	15,387	3,821	3,061	2,019	(1,072)	-	58,008
Reflection effect of comprehensive income	-	-	-	(134)	145	2,928	-	-	2,939
Subsidiary Acquisition	-	-	-	-	-	-	(1,195)	-	(1,195)
Incorporation	(368,944)	(15,467)	-	(68,124)	-	-	-	-	(452,535)
<b>Balance as of September 30, 2018</b>	-	-	<b>139,733</b>	-	<b>16,894</b>	<b>248,808</b>	<b>(2,267)</b>	-	<b>403,168</b>
<i>Breakdown of investment</i>									
Goodwill	-	-	94,493	-	17,988	246,886	-	-	359,367
Investment	-	-	38,524	-	(27,328)	(77,248)	(2,267)	-	(68,319)
Intangible assets allocated from purchase price	-	-	6,716	-	26,234	79,170	-	-	112,120
<b>Balance as of September 31, 2018 (sic)</b>	-	-	<b>139,733</b>	-	<b>16,894</b>	<b>248,808</b>	<b>(2,267)</b>	-	<b>403,168</b>
Balance as of December 31, 2018	-	-	143,765	-	101,455	41,772	(8,791)	-	278,201
Goodwill	-	-	-	-	-	-	-	148,737	148,737
Equity accounting in the period	-	-	(27,642)	-	2,213	12,997	6,994	4,401	(1,037)
Reflection effect of comprehensive income	-	-	288	-	354	(1,148)	(43,767)	(33)	(44,306)
Acquisition of subsidiary	-	-	-	-	-	(1,274)	-	149,242	147,968
Capital increase in Subsidiary	-	-	-	-	-	182,287	114,144	-	296,431
Non-material contingencies	-	-	-	-	-	14,143	-	-	14,143
<b>Balance as of September 30, 2019</b>	-	-	<b>116,411</b>	-	<b>104,022</b>	<b>248,777</b>	<b>68,580</b>	<b>302,347</b>	<b>840,137</b>
<i>Breakdown of investment</i>									
Goodwill	-	-	94,493	-	17,988	258,770	-	148,737	519,988
Investment	-	-	15,748	-	63,133	106,429	68,580	12,718	266,608
Intangible assets allocated from purchase price	-	-	6,170	-	22,901	76,154	-	140,892	246,117
Contingent liability net of deferred tax asset	-	-	-	-	-	(192,576)	-	-	(192,576)
<b>Balance as of September 30, 2019</b>	-	-	<b>116,411</b>	-	<b>104,022</b>	<b>248,777</b>	<b>68,580</b>	<b>302,347</b>	<b>840,137</b>

(a) Companies incorporated by Parent Company in the 3rd quarter of 2018.

(b) Reversal of dividends related to fiscal year 2017. Parent company and subsidiary established on April 25, 2018, the distribution of less than the amount provided for in shareholders' agreement.

Below is information from direct subsidiaries as of September 30, 2019 and December 31, 2018:

Subsidiary	09/30/2019					
	Assets	Liabilities	Shareholders' equity (b)	Net revenue	Net income (loss) for the period (a)	% Interest
Submarino Viagens	379,714	363,967	21,918	106,805	(27,643)	100%
Visual Turismo	172,767	109,634	86,034	37,082	2,213	100%
Trend Viagens S.A. (Consolidated)	602,277	495,190	182,583	127,158	12,997	100%
CVC Turismo S.A.U (Consolidated)	322,993	237,251	68,581	88,919	6,994	100%
Esferatur (c)	51,688	38,969	153,610	39,037	4,401	100%
Subsidiary	12/31/2018					
	Assets	Liabilities	Shareholders' equity (b)	Net revenue	Net income (loss) for the period (a)	% Interest
Submarino Viagens	269,281	226,588	49,272	61,461	8,537	100%
Visual Turismo	173,419	115,354	83,467	24,328	(45)	100%
Trend Viagens S.A. (Consolidated)	428,311	524,747	(216,999)	81,097	1,515	90%
CVC Turismo S.A.U (Consolidated)	278,318	287,109	(8,791)	-	-	100%

(a) Includes amortization of intangible assets from purchase price allocation, net of tax effects.

(b) Includes the amounts of intangible assets from purchase price allocation, net of tax effects.

(c) Company acquired in the second quarter of 2019. The result presented refers to the six-month period ended September 30, 2019.

## 10. Intangible assets

The breakdown and activity of intangible assets for the periods ended September 30, 2019 and September 30, 2018 are as follows:

	Parent Company						Total intangible assets
	Software and website	Exclusivity agreement	Goodwill	Customers portfolio	Trademark	Non-competition Agreement	
<i>Cost</i>							
December 31, 2017	173,357	87,095	-	-	-	-	260,452
Additions	47,943	-	-	-	-	-	47,943
Transfers to property, plant and equipment	(854)	-	-	-	-	-	(854)
Write-offs	(17)	-	-	-	-	-	(17)
Incorporation	24,050	1,735	168,504	116,170	4,694	1,222	316,375
<b>September 30, 2018</b>	<b>244,479</b>	<b>88,830</b>	<b>168,504</b>	<b>116,170</b>	<b>4,694</b>	<b>1,222</b>	<b>623,899</b>
<i>Accumulated amortization</i>							
December 31, 2017	(92,936)	(43,059)	-	-	-	-	(135,995)
Amortization	(26,081)	(6,585)	-	(2,573)	(21)	(30)	(35,290)
<b>September 30, 2018</b>	<b>(119,017)</b>	<b>(49,644)</b>	<b>-</b>	<b>(2,573)</b>	<b>(21)</b>	<b>(30)</b>	<b>(171,285)</b>
<b>Balance as of September 30, 2018</b>	<b>125,462</b>	<b>39,186</b>	<b>168,504</b>	<b>113,597</b>	<b>4,673</b>	<b>1,192</b>	<b>452,614</b>
<i>Cost</i>							
December 31, 2018	272,657	89,197	168,504	116,170	4,694	1,222	652,444
Additions	64,798	750	-	-	-	-	65,548
Transfers to property, plant and equipment	(312)	-	-	-	-	-	(312)
Write-offs	(1,249)	-	-	-	-	-	(1,249)
<b>September 30, 2019</b>	<b>335,895</b>	<b>89,947</b>	<b>168,504</b>	<b>116,170</b>	<b>4,694</b>	<b>1,222</b>	<b>716,432</b>
<i>Accumulated amortization</i>							
December 31, 2018	(144,506)	(52,075)	-	(6,655)	(85)	(122)	(203,443)
Amortization	(30,464)	(6,785)	-	(12,246)	(192)	(275)	(49,962)
<b>September 30, 2019</b>	<b>(174,970)</b>	<b>(58,860)</b>	<b>-</b>	<b>(18,901)</b>	<b>(277)</b>	<b>(397)</b>	<b>(253,405)</b>
<b>Balance as of September 30, 2019</b>	<b>160,925</b>	<b>31,087</b>	<b>168,504</b>	<b>97,269</b>	<b>4,417</b>	<b>825</b>	<b>463,027</b>

Consolidated	Consolidated							Total intangible assets
	Software and website	Exclusivity agreement	Goodwill	Customers portfolio	Trademark	Non-competition Agreement	Other	
<i>Cost</i>								
December 31, 2017	247,710	87,395	531,245	262,620	27,192	10,843	2,760	1,169,765
Additions	69,527	965	-	-	-	-	877	71,369
Write-offs	(11,283)	-	(3,372)	-	-	-	-	(14,655)
Transfers to property, plant and equipment	(38)	-	-	-	-	(215)	(877)	(1,130)
Acquisition through business combination	9,370	-	12,623	-	5,006	-	-	26,999
Exchange rate changes on translation	(1,223)	-	-	-	-	-	-	(1,223)
<b>September 30, 2018</b>	<b>314,063</b>	<b>88,360</b>	<b>540,496</b>	<b>262,620</b>	<b>32,198</b>	<b>10,628</b>	<b>2,760</b>	<b>1,251,125</b>
<i>Accumulated amortization</i>								
December 31, 2017	(116,197)	(43,123)	-	(34,084)	(2,233)	(838)	-	(196,475)
Amortization	(29,810)	(6,522)	-	(26,784)	(1,814)	(1,796)	-	(66,726)
Write-offs	479	-	-	-	-	-	-	479
Exchange rate changes on translation	1,112	-	-	-	-	-	-	1,112
<b>September 30, 2018</b>	<b>(144,416)</b>	<b>(49,645)</b>	<b>-</b>	<b>(60,868)</b>	<b>(4,047)</b>	<b>(2,634)</b>	<b>-</b>	<b>(261,610)</b>
<b>Balance as of September 30, 2018</b>	<b>169,647</b>	<b>38,715</b>	<b>540,496</b>	<b>201,752</b>	<b>28,151</b>	<b>7,994</b>	<b>2,760</b>	<b>989,515</b>
<i>Cost</i>								
December 31, 2018	353,298	88,728	586,418	317,929	46,614	10,629	4,025	1,407,641
Business Combination	661	-	148,737	143,859	7	-	-	293,264
Additions	90,564	750	3,373	-	1,608	-	1,095	97,390
Write-offs	(3,842)	-	-	-	-	-	-	(3,842)
Transfers to property, plant and equipment	(1,640)	-	-	-	(211)	-	632	(1,219)
Exchange rate variation on translation	1,411	-	(14,342)	(153)	1,056	-	(7)	(12,035)
<b>September 30, 2019</b>	<b>440,452</b>	<b>89,478</b>	<b>724,186</b>	<b>461,635</b>	<b>49,074</b>	<b>10,629</b>	<b>5,745</b>	<b>1,781,199</b>

Accumulated amortization								
December 31, 2018	(178,329)	(52,075)	-	(69,805)	(4,622)	(3,263)	-	(308,094)
Business Combination	(448)	-	-	-	-	-	-	(448)
Amortization	(39,377)	(6,785)	-	(35,490)	(4,382)	(1,888)	(23)	(87,945)
Write-offs	26	-	-	-	-	-	-	26
Exchange rate variation on translation	(5,751)	-	-	-	320	-	4	(5,427)
<b>September 30, 2019</b>	<b>(223,879)</b>	<b>(58,860)</b>	<b>-</b>	<b>(105,295)</b>	<b>(8,684)</b>	<b>(5,151)</b>	<b>(19)</b>	<b>(401,888)</b>
<b>Balance as of September 30, 2019</b>	<b>216,573</b>	<b>30,618</b>	<b>724,186</b>	<b>356,340</b>	<b>40,390</b>	<b>5,478</b>	<b>5,726</b>	<b>1,379,311</b>

## 11. Suppliers

Related to operational transfers to air, land, sea and other suppliers, as well as tourism, corporate and cultural exchange services provided, which shipment has already been performed, as well as administrative service providers.

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Air	222,789	85,130	250,960	110,307
Hotel	212,360	242,048	333,103	366,791
Maritime	12,179	23,648	12,203	24,822
Educational institutions	2,528	3,253	2,528	3,253
Administrative service providers	18,639	5,332	27,266	19,838
Other operating suppliers	36,760	64,338	119,425	93,272
<b>Total</b>	<b>505,255</b>	<b>423,749</b>	<b>745,485</b>	<b>618,283</b>

## 12. Borrowings and financing

Bank	Currency	Company	Country	Maturity	Charges	Consolidated		
						09/30/2019		
						Current	Non-current	Total
Itaú (b)	R\$	Trend Viag.	Brazil	Oct/19	1.35% p.m.	138	-	138
Banco Galicia	ARS	Avantrip	Argentina	Aug/20	22.4% p.a.	1,159	-	1,159
<b>Total</b>						<b>1,297</b>	<b>-</b>	<b>1,297</b>

  

Bank	Currency	Company	Country	Maturity	Charges	Parent Company		
						12/31/2018		
						Current	Non-current	Total
Citibank	USD	CVC Brasil	Brazil	Mar/19	LIBOR of 3 months + 2.07% p.a.	18,182	-	18,182
Citibank	USD	CVC Brasil	Brazil	Apr/19	LIBOR of 3 months + 0.39% p.a.	229,218	-	229,218
Santander	USD	CVC Brasil	Brazil	Jun/19	4.68% p.a.	68,914	-	68,914
Citibank (d)	USD	CVC Brasil	Brazil	Jul/19	LIBOR of 3 months + 0.64% p.a.	97,711	-	97,711
Bradesco (e)	EUR	CVC Brasil	Brazil	Aug/19	1.26% p.a.	89,210	-	89,210
<b>Total</b>						<b>503,235</b>	<b>-</b>	<b>503,235</b>

  

Bank	Currency	Company	Country	Maturity	Charges	Consolidated		
						12/31/2018		
						Current	Non-current	Total
Citibank	USD	CVC Brasil	Brazil	Mar/19	LIBOR of 3 months + 2.07% p.a.	18,182	-	18,182
Citibank	USD	CVC Brasil	Brazil	Apr/19	LIBOR of 3 months + 0.39% p.a.	229,218	-	229,218
Santander	USD	CVC Brasil	Brazil	Jun/19	4.68% p.a.	68,914	-	68,914
Citibank (d)	USD	CVC Brasil	Brazil	Jul/19	LIBOR of 3 months + 0.64% p.a.	97,711	-	97,711
Bradesco (e)	EUR	CVC Brasil	Brazil	Aug/19	1.26% p.a.	89,210	-	89,210
Santander	USD	Trend Viag.	Brazil	Jun/19	4.39% p.a.	37,019	-	37,019
Itaú (a)	R\$	Trend Viag.	Brazil	Aug/19	1.30% p.m.	664	-	664
Itaú (b)	R\$	Trend Viag.	Brazil	Oct/19	1.35% p.m.	575	-	575
Itaucard (c)	R\$	Trend Viag.	Brazil	Dec/19	1.55% p.m.	141	-	141
Galicia	ARS	Avantrip	Argentina	Aug/20	22.4% p.a.	1,812	1,188	3,000
Ciudad	ARS	Avantrip	Argentina	Oct/19	27.0% p.a.	161	-	161



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Galicia	ARS	Avantrip	Argentina	Jun/20	37.5% p.a.	3,842	2,902	6,744
Supervielle	ARS	Avantrip	Argentina	Apr/19	39.4% p.a.	250	-	250
Bradesco	ARS	Avantrip	Argentina	Dec/19	5.50% p.a.	5,821	-	5,821
<b>Total</b>						<b>553,520</b>	<b>4,090</b>	<b>557,610</b>

(i) On September 12, 2016, Trend raised a loan with Banco Itaú in the amount of R\$2,000 subject to a fixed rate of 1.30% p.m. with monthly amortization and maturity in August 2019. The estimate, in 2017, was to settle such debt in 2018, which did not occur, and it was settled on the original maturity date.

(i) On November 9, 2016, Trend raised a new loan from Banco Itaú in the amount of R\$2,000 subject to a fixed rate of 1.35% p.m. with monthly amortization and maturity in October 2019. The estimate, in 2017, was to settle such debt in 2018, which did not occur, and it will be settled on the original maturity date.

(c) Trend acquired 4 vehicles through lease with Banco Itaú at an average rate of 1.55% p.m. and maturities through December 2019.

(d) On July 6, 2018, CVC borrowed from Citibank, with annual interest rates on the 3-month LIBOR loan plus 0.64% p.a., with quarterly interest payments and full amortization on July 1, 2019. This debt was fully hedged with swap at 106.5% of the CDI p.a. The funds were used for working capital.

(e) On September 4, 2018, CVC borrowed from Banco Bradesco, with a fixed annual interest rate of 1.26% p.a., with interest payments and total amortization as of August 30, 2019. This debt was fully hedged with swap at 106.9% of the CDI p.a. The funds were used for working capital.

There are no guarantees related to loans disclosed.

### 13. Debentures

				Parent Company and Consolidated		
				09/30/2019		
Issuance	Issuance Date	Remuneration	Remuneration p.a.	Current	Non-current	Total
2nd issuance	11/21/2017	11/21/2020	107.5% of CDI	13,798	599,918	613,716
3rd issuance	09/28/2018	03/13/2022	108.0% of CDI	247	199,601	199,848
4th issuance, series 1	04/18/2019	04/18/2023	108.5% of CDI	13,405	457,294	470,699
4th issuance, series 2	04/18/2019	04/22/2025	111.5% of CDI	7,516	249,234	256,750
<b>Total</b>				<b>34,966</b>	<b>1,506,047</b>	<b>1,541,013</b>

  

				Parent Company and Consolidated		
				12/31/2018		
Issuance	Issuance Date	Remuneration	Remuneration p.a.	Current	Non-current	Total
1st issuance	03/03/2017	03/03/2019	107.5% of CDI	50,165	-	50,165
2nd issuance	11/21/2017	11/21/2020	107.5% of CDI	3,757	599,508	603,265
3rd issuance	09/28/2018	03/14/2022	108.0% of CDI	3,058	199,402	202,460
<b>Total</b>				<b>56,980</b>	<b>798,910</b>	<b>855,890</b>

#### 1st Issuance

On March 3, 2017, the Group carried out the 1<sup>st</sup> issue of 200,000 simple, non-convertible, unsecured debentures, in one single series, with unit value of R\$1, for public distribution with restricted efforts, in the amount of R\$200,000, subject to the following terms and conditions:

The interest was calculated according to the formula contained in the Indenture and paid quarterly, with the first payment occurring on June 3, 2017.

Related transaction costs were allocated as a decrease of liabilities and recognized as financial costs, according to the contractual terms and conditions of this issue.

Without prejudice to the early settlement, pursuant to the Indenture, the unit par value of the debentures was amortized in three installments, as follows:

- (a) 25% of the Unit Par Value amortized on June 3, 2018,
- (b) 50% of the Unit Par Value amortized on December 3, 2018, and
- (c) 25% of the Unit Par Value amortized on March 3, 2019.

As of September 30, 2019, as per schedule, the debt was fully settled.

### **2nd issuance**

On November 21, 2017, the Group carried out the 2<sup>nd</sup> issuance of 600,000 simple, non-convertible, unsecured debentures, in one single series, with unit value of R\$1, for public distribution with restricted efforts, in the amount of R\$600,000, subject to the following terms and conditions:

Compensatory interest was calculated based on the formula set out in the Issue Indenture and paid on a semiannual basis.

Related transaction costs were allocated as a decrease of liabilities and recognized as financial costs, according to the contractual terms and conditions of this issue. There are no securities to this debenture.

Without prejudice to early settlement, pursuant to the Indenture, the unit par value of the debentures will be amortized within 3 years from the date of issuance, with maturity on November 21, 2020. The interest installments are due every six months, with dates between May 21, 2018 and November 21, 2020.

### **3<sup>rd</sup> issuance**

On September 28, 2018, the Group carried out the 3<sup>rd</sup> Issue of 200,000 Simple, non-convertible, unsecured Debentures, in one single series, with par value of R\$1, for Public Distribution with Restricted Efforts, in the amount of R\$200,000, subject to the following terms and conditions:

Compensatory interest was calculated based on the formula set out in the Issue Indenture and paid on a semiannual basis.

Related transaction costs were allocated as a decrease of liabilities and recognized as financial costs, according to the contractual terms and conditions of this issue. There are no securities to this debenture.

Without prejudice to early settlement, as set forth in the Indenture, the unit par value of debentures will be amortized in two installments, maturing on March 13, 2021 and March 13, 2022, respectively. The interest installments are due every six months, with dates between March 13, 2019 and March 13, 2022.

### **4<sup>th</sup> Issuance**

On April 18, 2019, the Group carried out the 4<sup>th</sup> Issuance of Simple, non-convertible, unsecured Debentures, in two series, the first comprised of 458,700 debentures and the second of 250,000 debentures, both with unit value of R\$1,000.00, subject to compensatory interest corresponding to 108.50% and 111.50%, respectively, of the accumulated variation of the average daily DI rates, over extra group, on a 252 business days basis, subject to the following terms and conditions:

Compensatory interest was calculated based on the formula set out in the Issue Indenture and paid on a semiannual basis.

Related transaction costs were allocated as a decrease of liabilities and recognized as financial costs. There are no securities to this debenture.

Without prejudice to early settlement, as set forth in the Indenture, the unit par value of the 1<sup>st</sup> series of the debentures will be amortized in one single installment, maturing on April 18, 2023. The interest installments are due every six months, with dates between October 18, 2019 and April 18, 2023.

The unit par value of the 2<sup>nd</sup> series of the debentures will be amortized in two installments, maturing on April 18, 2024 and April 22, 2025, respectively. The interest installments are due every six months, with dates between October 18, 2019 and April 22, 2025.

The Group carried out an analysis of the covenants linked to debenture agreements and concluded that it met all financial and non-financial obligations as of September 30, 2019.

#### 14. Right-of-use assets and lease liabilities

In conformity with the adoption of CPC 06/IFRS 16, and as set out in note 2.2., as of September 30, 2019, the effects on the Group's interim financial statements are listed below:

	<b>Parent Company</b>	<b>Consolidated</b>
<b>Right of use</b>		
Opening balance	38,204	74,447
Business combination	-	5,759
Amortization	(5,341)	(10,729)
Write-off	(61)	(2,241)
<b>Total</b>	<b>32,802</b>	<b>67,236</b>
Current	-	-
Non-current	32,802	67,236
<b>Lease liabilities</b>		
Opening balance	38,204	74,447
Business combination	-	5,759
Payment	(6,614)	(12,980)
Interest incurred	2,283	4,585
Write-off	(61)	(2,228)
<b>Total</b>	<b>33,812</b>	<b>69,583</b>
Current	9,800	18,219
Non-current	24,012	51,364

As of September 30, 2019, the payment flow of non-current lease liabilities is as follows:

Year	Parent Company	Consolidated
2020	1,850	8,360
2021	7,020	13,510
2022	5,092	10,301
2023	4,100	8,269
2024 and after	5,950	10,924
<b>Total</b>	<b>24,012</b>	<b>51,364</b>

## 15. Provisions for lawsuits and administrative proceedings and contingent liability

As of September 30, 2019 and December 31, 2018, the Group is a party to ongoing labor, civil and tax lawsuits, and is discussing these issues at administrative and judicial levels, which, when applicable, are supported by court deposits. The provisions for probable losses on these lawsuits are estimated and adjusted by Management, based on its legal counsel's opinion.

	Parent Company			
	Labor and Social Security	Civil	Tax	Total
Balance as of December 31, 2017	3,516	23,869	3,212	<b>30,597</b>
Additions	746	21,024	-	<b>21,770</b>
Payments/Reversals	(66)	(15,509)	582	<b>(14,993)</b>
Incorporation	3,480	353	5,651	<b>9,484</b>
<b>Balance as of September 30, 2018</b>	<b>7,676</b>	<b>29,737</b>	<b>9,445</b>	<b>46,858</b>
Balance as of December 31, 2018	7,293	27,320	9,556	<b>44,169</b>
Additions	1,513	39,192	228	<b>40,933</b>
Payments/Reversals	(875)	(24,997)	98	<b>(25,774)</b>
<b>Balance as of September 30, 2019</b>	<b>7,931</b>	<b>41,515</b>	<b>9,882</b>	<b>59,328</b>

	Consolidated				
	Labor and Social Security	Civil	Tax	Contingent liability (a)	Total
Balance as of December 31, 2017	13,443	28,389	8,678	-	<b>50,510</b>
Additions	1,358	22,737	186	-	<b>24,281</b>
Payments/Reversals	(343)	(17,998)	582	-	<b>(17,759)</b>
Business combination	82	1,104	-	-	<b>1,186</b>
Exchange rate changes on translation	-	2	-	-	<b>2</b>
<b>Balance as of September 30, 2018</b>	<b>14,540</b>	<b>34,234</b>	<b>9,446</b>	-	<b>58,220</b>
Balance as of December 31, 2018	13,687	32,937	10,921	313,210	<b>370,755</b>
Business combination	-	65	-	-	<b>65</b>
Additions	2,229	48,109	236	-	<b>50,574</b>
Payments/Reversals	(1,349)	(25,897)	98	-	<b>(27,148)</b>
Reclassification	(28)	(287)	(610)	-	<b>(925)</b>
Reversal of contingent liability	-	-	-	(21,429)	<b>(21,429)</b>
Exchange rate changes on translation	286	(684)	(259)	-	<b>(657)</b>
<b>Balance as of September 30, 2019</b>	<b>14,825</b>	<b>54,243</b>	<b>10,386</b>	<b>291,781</b>	<b>371,235</b>

(a) Contingent liability arising from business combination. The reversal of R\$21,429 refers to the statute of limitation of lawsuits in the period.

The Company's Management, as supported by the legal counsel, assesses the likelihood of loss on labor claims as possible, in the amount of R\$200 as of September 30, 2019 and December 31, 2018.

On January 7, 2015, The Company was served a tax deficiency notice by the Brazilian Federal Revenue Office for collection of IRPJ (Corporate Income Tax) and CSLL (Social Contribution on Net Income) for the period from 2010 to 2013, due to the disallowance of goodwill tax amortization expenses. The total amount of principal of the tax assessment notice is R\$127,072 and, according to the opinion of its legal advisors and considering case law, the lawsuit was granted to the Company on June 30, 2019 and, on September 30, 2019, it was filed.

## 16. Income tax and social contribution

### 16.1 Reconciliation of income tax and social contribution expenses

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2019	2018	2019	2018
Profit before income tax and social contribution on continuing operations	243,582	261,718	191,921	284,325
Loss before income tax and social contribution on discontinued operations	-	-	-	(695)
<b>Income before income tax and social contribution</b>	<b>243,582</b>	<b>261,718</b>	<b>191,921</b>	<b>283,630</b>
<b>Income tax at the nominal rate - 34%</b>	<b>(82,818)</b>	<b>(88,984)</b>	<b>(65,253)</b>	<b>(96,434)</b>
Stock options granted and recognized	(3,377)	(2,994)	(3,444)	(2,994)
Equity accounting method	(353)	19,723	116	132
Constitution of deferred tax on tax loss and negative basis	-	-	18,180	-
Income tax credit – PAT	3,766	-	3,766	-
Others	(743)	(650)	7,361	3,967
<b>Income tax and social contribution</b>	<b>(83,525)</b>	<b>(72,905)</b>	<b>(39,274)</b>	<b>(95,329)</b>
Current	(47,861)	(70,471)	(50,577)	(112,581)
Deferred	(35,665)	(2,434)	11,303	17,252
<b>Income tax and social contribution expense</b>	<b>(83,525)</b>	<b>(72,905)</b>	<b>(39,274)</b>	<b>(95,329)</b>
<b>Effective tax rate</b>	<b>34%</b>	<b>28%</b>	<b>20%</b>	<b>34%</b>

### 16.2 Deferred income tax and social contribution assets

	Parent Company		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Provision for lawsuits and administrative proceedings	20,172	15,017	24,322	16,467
Provision for bonus and profit sharing	30,819	35,981	32,439	39,069
Provision for financial charges on discount of receivables	10,808	11,852	10,808	11,852
Derivative Instruments (accrual basis)	992	530	992	530
Amortization of assets allocated to acquisition price (PPA)	-	-	17,055	9,755
Estimated impairment loss	8,892	10,908	8,650	12,715
Deferred tax asset on contingent liability (PPA)	-	-	99,206	106,491
Amortization of goodwill and surplus of merged entities	47,192	66,737	47,192	66,737
Deferred income tax and social contribution on tax loss carryforwards	-	-	43,493	-
Other (a)	14,219	20,436	21,035	29,293
<b>Deferred income tax assets</b>	<b>133,094</b>	<b>161,461</b>	<b>305,192</b>	<b>292,909</b>

(a) Includes deferred tax assets of other provisions not individually relevant.

The recovery of deferred income tax and social contribution assets is based on projections of the Group's future taxable income for the next ten years.

### 16.3 Deferred income tax and social contribution liabilities

The amount of R\$23.368 (R\$25,897 as of December 31, 2018) presented in interim financial statements refers to deferred income tax and social contribution arising from surplus identified in the business combination in Argentina.

Based on projections of future profit or loss prepared and supported by internal assumptions and economic scenarios that may therefore be subject to changes, the deferred income tax liabilities will be settled within up to five years.

## 17. Accounts Payables and receivables – Acquisition of subsidiary

### 17.1 Accounts payable for acquisition of subsidiary

The balance of accounts payables refer to the acquisition of Submarino Viagens. The balance payable is adjusted at SELIC rate and discounted at the rate of 15% p.a. The variations in accounts payables are as follows:

	<b>Parent Company</b>
Balance payable as of December 31, 2017	62,086
Amounts paid in 2018	(2,813)
Interest in 2018	3,898
<b>Balance payable as of December 31, 2018</b>	<b>63,171</b>
Amounts paid in the nine-month period ended September 30, 2019	(1,858)
Interest of the nine-month period ended September 30, 2019	2,948
<b>Balance payable on September 30, 2019</b>	<b>64,261</b>
	<b>09/30/2019</b>
Current	3,060
Non-current	61,201
	<b>12/31/2018</b>
	4,163
	59,008

The balance payable will be settled as follows:

<b>Year</b>	<b>Parent Company</b>	
	<b>09/30/2019</b>	<b>12/31/2018</b>
2019	-	4,163
2020	3,958	4,075
2021	3,785	3,721
2022	3,618	3,557
2023 onwards	52,900	47,655
<b>Total</b>	<b>64,261</b>	<b>63,171</b>

### 17.2 Accounts receivable for the acquisition of subsidiary

According to contractual clauses entered into among the Parent Company and the former controlling shareholder of Submarino Viagens (B2W Viagens), any potential contingencies prior to the acquisition date are responsibility of the latter. Accordingly, in addition to the recognition of contingencies in said subsidiary, Management recognized the balance of receivables at the same amount (R\$1,479 as of September 30, 2019 and December 31, 2018) and they are allocated to accounts receivable.

## 18. Equity

### 18.1 Share capital

As of September 30, 2019, subscribed capital amounts to R\$661,957 (R\$533,448 as of December 31, 2018), represented by 149,080,579 (146,511,872 as of December 31, 2018) common shares without par value. The activities in share capital for the nine-month period ended September 30, 2019 refer to: (a) issuance of 576,500 common shares without par value, paid up in the period, in the amount of R\$5,979 arising from the exercise of the stock option plans and (b) issuance of 1,992,207 common shares without par value, in the amount of R\$122,530, paid up upon the merger of the shares of Esferatur.

The Company does not have a controlling group and its capital comprises only common shares.

### 18.2 Stock Options

The Group offers compensation in the form of share-based payments to its main executive officers and directors. The estimated fair value of share-based payments requires Management to determine the most appropriate pricing model to grant equity instruments and use several assumptions, which depends on the concession terms and conditions.

The expenses on these transactions are recognized in profit or loss (general and administrative expenses) during the period in which the right is vested as a corresponding entry to the share-based payment reserve, in equity.

The strike price of stock options granted is the fair market value of the shares upon granting, adjusted by the variance of the Extended National Consumer Price Index (IPCA) up to the fiscal year date.

Additionally, beneficiaries must maintain the term of the continuing employment relationship, as defined in the Company's share-based payment plan prior to the exercise of the option granted and must meet the one-year lockup period after the acquisition date. Stock options are exercisable within up to 10 years. After the grant date, stock options, which exercise rights have been vested, must be exercised within 90 days counted from the date of exit from the Company.

In 2014, the Company's Third and Fourth Stock Option Plans were amended to make such Plans economically attractive based on the variance of the market value of the Company's shares since its going public process. The strike price of both Plans was adjusted from R\$13.53 and R\$14.63 to R\$11.82 and the total number of Stock Options in the Plans was decreased by 10%. These changes were in line with the Company's strategic plan to keep key executives and make sure that they are appropriately encouraged to create value to the Company in the long term.

On October 9, 2015, the Company's Fifth Stock Option Plan was approved. The plan's main objective was to attract, motivate and retain the Company's key executives, who were designated to receive these stock options, so as to ensure that a significant portion of its equity was linked to the generation of value for the Company in the long term. The maximum number of shares available for the exercise of the Stock Options under the Plan is limited to 1,363 shares, which represented 0.95% of the Company's diluted share capital.

On December 9, 2016, the Meeting of the Board of Directors approved the Company's Sixth Stock Option Plan. The plan's main objective was to attract, motivate and retain the Company's key executives, who were designated to receive these stock options, so as to ensure that a significant portion of its equity was linked to the generation of value for the Company in the long term. The maximum number of shares available for the exercise of the Stock Options under the Plan is limited to 1,500 shares, which represented 1.13% of the Company's diluted share capital. Additionally, the

Company also approved the amendment to the Company's Fourth and Fifth Stock Option Plans. Such amendment established that the strike price (a) should not be adjusted for inflation, and (b) should deduct from the strike price of the Stock Options the price per share possibly paid as dividends or interest on equity.

### 18.3 Incentive plan

At the annual and extraordinary general meeting held on April 28, 2017, the Company's shareholders approved the "Long-term Incentive and Retention Plan Based on the Company's Shares – CVC" ("ILP CVC"), targeted at the Company's current and future officers, officers of subsidiaries and certain employees of the Company or subsidiaries (high-potential managers).

Under the ILP CVC terms, in order to be entitled to receiving the Company's restricted shares, the participant, on sole discretion, must use a percentage of his/her variable compensation (PPR) to acquire shares issued by the Company at the B3 secondary market. After the participant has used his/her variable compensation to acquire the Company's shares in the secondary market, the Company's Board of Directors will grant him/her the right to receive a specific number of restricted shares, with no cost, after lapse of the Lock-up Period, as follows: (a) if the participant has used up to 50% of the net amount of his/her variable compensation in the acquisition of shares in the secondary market, corresponding to the same number (100%) of shares acquired in the secondary market; (b) if the participant has used more than 50% and less than 75% of the net amount of his/her variable compensation in the acquisition of shares in the secondary market, the Company will transfer to the participant a specific number of restricted shares that will correspond to 125% of the number of shares acquired in the secondary market; and (c) if the participant has used more than 75% of the net amount of his/her variable compensation in the acquisition of shares in the secondary market, the Company will transfer to the participant a specific number of restricted shares that will correspond to 150% of the number of shares acquired in the secondary market. The participants will be entitled to receive the restricted shares and the Company will be required to transfer such restricted shares only after the lapse of the Lock-Up Period. For purposes of the ILP CVC, Lock-Up Period means the period of three years counted from the acquisition date of the Own Shares by the Participant, duly evidenced to the Company by the receipt of acquisition of shares in the secondary market, during which the participant cannot sell, transfer, lease, assign, pledge or collateralize these shares acquired in the secondary market, under penalty of the Company not being authorized to transfer the restricted shares to the participant at the end of such period.

At the Extraordinary General Meeting held on June 2, 2017, the Company's shareholders decided on and approved the CEO Share-based Incentive Plan ("ILP CEO") targeted at the Company's Chief Executive Officer and the CFO Share-based Incentive Plan ("ILP CFO") targeted at the Company's Chief Financial and Investor Relations Officer.

Under the ILP CEO and ILP CFO, eligible executives will be entitled, subject to certain conditions described in the Plans, to receive the Company's restricted shares on non-onerous basis. The maximum total number of restricted shares that can be delivered under the ILP CEO is 2,039,000 shares corresponding to the Company's total capital, representing 1.5% of the Company's current share capital, on fully diluted basis. The maximum total number of restricted shares that can be delivered under the ILP CFO is 274,000 shares corresponding to the Company's total share capital, representing 0.2% of the Company's current share capital, on fully diluted basis.

The number of restricted shares to be delivered to participants will be determined based on the conditions described in ILP CEO and ILP CFO. Both the ILP CEO and ILP CFO will use, for purposes of settlement of the restricted shares, shares currently held in treasury or to be acquired by the Company for such purpose within the scope of a share buyback program, as set forth in its bylaws and ICVM 567.



The variations in the Stock Options Plan are as follows:

	(Amounts in thousands of stock options)						(Amounts in thousands of shares)				
	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6	ILP CVC		ILP CEO	ILP CFO	
	Tranche 1.1	Tranche 2.1 to 2.3	Tranche 3.1	Tranche 4.1 to 4.3	Tranche 1	Tranche 1	Tranche 1	Tranche 2			
	TBO										
December 31, 2017	500	68	3,783	672	1,123	500	301	-	833	112	
Granted	-	-	-	-	-	-	-	245	-	-	
Exercised	(500)	(2)	(3,783)	(257)	(255)	-	-	-	-	-	
Expired	-	-	-	-	(94)	-	-	-	-	-	
Forfeited	-	-	-	(4)	-	-	-	-	-	-	
<b>September 30, 2018</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>411</b>	<b>774</b>	<b>500</b>	<b>301</b>	<b>245</b>	<b>833</b>	<b>112</b>	
December 31, 2018	-	66	-	384	767	500	301	245	833	112	
Exercised	-	(1)	-	(213)	(117)	(181)	(53)	-	-	-	
<b>September 30, 2019</b>	<b>-</b>	<b>65</b>	<b>-</b>	<b>171</b>	<b>650</b>	<b>319</b>	<b>248</b>	<b>245</b>	<b>833</b>	<b>112</b>	



Interim Financial Statements - CVC Brasil Operadora e Agência de Viagens S.A. and Subsidiaries on September 30, 2019

The expense in the period ended September 30, 2019 was R\$6,207, net of welfare charges (R\$22,637 in the period ended September 30, 2018).

The weighted average fair value of stock options granted, determined based on the valuation model "Customized Binomial Tree Model", is detailed below:

Details	Plan 1		Plan 2	Plan 3	Plan 4			Plan 5	Plan 6	ILP CVC	ILP CEO	ILP CFO
	Tranche 1.1	Tranche 1.2	Tranche 2.1	Tranche 3.1	Tranche 4.1	Tranche 4.2	Tranche 4.3	Tranche 1	Tranche 1	Tranche 1 and 2		
Date of beginning (first grant)	May 3, 2010	01/01/2010	11/10/2013	03/11/2013	11/10/2011	04/01/2013	10/31/2013	08/31/2014	12/09/2015	04/28/2017	05/16/2017	05/16/2017
Number of stock options – TBO (in thousands)	-	-	65	-	104	14	54	650	319	493	833	112
Value of exercise - R\$	R\$4.99	R\$4.99	R\$22.46	R\$11.82	R\$11.82	R\$11.82	R\$11.82	R\$14.81	R\$12.87	N/A	N/A	N/A
Expected volatility	32.83%	47.00%	44.35%	30.58%	30.58%	30.58%	30.58%	33.75%	38.33%	36.22%	36.22%	36.22%
Estimated inflation (IPCA)	5.87%	5.87%	5.58%	-	-	-	-	-	-	-	-	-
Estimate maturity period	5 years	4 years	5 years	4 years	5 years	5 years	5 years	4.4 years	5 years	3 years	3 years	3 years
Option fair value	R\$2.56	R\$4.58	R\$14.44	R\$6.38	R\$5.07	R\$5.23	R\$5.54	R\$6.19	R\$7.51	N/A	N/A	N/A



### 18.3.1 Court deposit

Management has decided, on a preventive basis, on October 18, 2017, to bring a lawsuit against the Brazilian Government about the possible taxation of the existing stock options plans as compensation, defending the business nature of the agreement. Accordingly, court deposits were made in this period totaling as of September 30, 2019 the amount of R\$52,348 (R\$61,118 as of December 31, 2018), as a guarantee to such risk, which is recorded in line item "Court Deposits" in non-current assets in the balance sheet.

### 18.4 Retained earnings

#### 18.4.1 Legal reserve

Is formed by allocating 5% of net income for the fiscal year up to 20% of the share capital.

#### 18.4.2 Retained earnings reserve

Part of or all the remaining net profit, after the allocations set forth in the Company's bylaws, can be retained based on the capital budget approved at the General Meeting, as set forth in Article 196 of the Brazilian Corporate Law.

### 18.5 Capital reserve

As of September 30, 2019, the Capital Reserve is R\$10,791 (debt balance of R\$24,320 as of December 31, 2018). In the second quarter of 2019, a reserve of R\$33,898 was created as a result of the acquisition of Esferatur, see note 8.1.3.

### 18.6 Distribution of dividends and interest on equity

The Bylaws established the payment of mandatory dividend in each fiscal year of no less than 25% of the adjusted net profit for each fiscal year.

On December 5, 2018, the Board of Directors approved the prepayment of interest on equity in the amount of R\$60,352, referring to the profit for the year ended December 31, 2018, which was paid on December 19, 2018.

	<u>12/31/2018</u>
<b>Net income for the fiscal year</b>	<b>270,277</b>
Legal reserve (5%)	(13,514)
<b>Calculation basis of dividends</b>	<b>256,763</b>
Minimum dividends	64,191
Interest on own capital, paid	(60,352)
<b>Dividends payable</b>	<b>3,839</b>
<b>Proposed additional dividend</b>	<b>-</b>

Dividends were fully paid on May 28, 2019.

### 18.7 Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale,



issuance or cancellation of the Company's own equity instruments. Any difference between the book value and the consideration is recognized in capital reserves.

As of September 30, 2019, the Company held 1,582,677 treasury shares (1,555,158 shares as of December 31, 2018), in the amount of R\$81,617 (R\$77,664 as of December 31, 2018).

## 19. Transactions with related parties

Related parties transactions are carried out in the normal course of activities, according to the specific prices agreed upon among the parties.

### 19.1 Main balances or payments arising from related parties transactions

	Parent Company					
	09/30/2019					
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income (9 months)	Payment
Duotur Group (b)	-	-	24,894	24,665	(2,444)	27,074
Viatrix Viagens (c)	-	-	3,177	-	(168)	13,358
Visual Turismo (e)	-	-	5,822	-	(220)	576
Trend Group (d)	-	-	1,826	-	(2,362)	32,499
Esferatur (g)	-	-	16,969	78,170	(2,430)	49,012
<b>Total related party acquisitions</b>	-	-	<b>52,688</b>	<b>102,835</b>	<b>(7,624)</b>	<b>122,519</b>
Submarino Viagens (f)	274,424	-	111,547	-	-	2,372
Visual Turismo (f)	44,728	-	806	-	-	-
Trend Group (f)	169,323	-	13,757	-	-	-
CVC Turismo S.A.U (h)	1,415	-	-	-	-	-
Esferatur (g)	743	-	251	-	-	-
GJP Administradora de Hotéis (a)	-	-	889	-	-	18,151
<b>Total intercompany operations</b>	<b>490,633</b>	-	<b>127,250</b>	-	-	<b>20,523</b>
CVC Turismo S.A.U	-	22,896	-	-	-	-
<b>Total AFAC</b>	-	<b>22,896</b>	-	-	-	-
<b>Total</b>	<b>490,633</b>	<b>22,896</b>	<b>179,938</b>	<b>102,835</b>	<b>(7,624)</b>	<b>143,042</b>

  

	Consolidated				
	09/30/2019				
	Non-current assets	Current liabilities	Non-current liabilities	Income (9 months)	Payment
Duotur Group (b)	-	24,894	24,665	(2,444)	27,074
Viatrix Viagens (c)	-	3,177	-	(168)	13,358
Visual Turismo (e)	-	5,822	-	(220)	576
Trend Group (d)	-	1,826	-	(2,362)	32,499
Grupo Bibam (i)	87	-	1,301	-	-
Ola (j)	9,886	-	49,290	-	10,074
Esferatur (g)	-	16,969	78,170	(2,430)	49,012
	<b>9,973</b>	<b>52,688</b>	<b>153,426</b>	<b>(7,624)</b>	<b>132,593</b>
GJP Administradora de Hotéis (a)	-	889	-	-	18,151
<b>Total intercompany operations</b>	-	<b>889</b>	-	-	<b>18,151</b>
<b>Total</b>	<b>9,973</b>	<b>53,577</b>	<b>153,426</b>	<b>(7,624)</b>	<b>150,744</b>



Interim Financial Statements - CVC Brasil Operadora e Agência de Viagens S.A. and Subsidiaries on September 30, 2019

	Parent Company					
	12/31/2018					
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Income (9 months)	Payment
Duotur Group (b)	-	-	25,029	49,328	(3,506)	2,429
Viatrix Viagens (c)	-	-	10,929	5,439	(696)	4,651
Visual Turismo (e)	-	-	2,823	9,567	(28)	-
Trend Group (d)	-	-	27,022	-	(4,570)	-
<b>Total acquisitions of related parties</b>	-	-	<b>65,803</b>	<b>64,334</b>	<b>(8,800)</b>	<b>7,080</b>
Submarino Viagens (f)	132,728	-	33,367	-	(2,941)	13,146
Visual Turismo (f)	27,053	-	-	-	-	1,761
Trend Group (f)	83,525	-	8,462	-	-	7,500
GJP Administradora de Hotéis (a)	-	-	1,755	-	-	17,512
<b>Total intercompany operations</b>	<b>243,306</b>	-	<b>43,584</b>	-	<b>(2,941)</b>	<b>39,919</b>
CVC Turismo S.A.U. (h)	-	46,698	-	-	-	-
Trend Group (d)	-	174,933	-	-	-	-
<b>Total loans to subsidiaries</b>	-	<b>221,631</b>	-	-	-	-
<b>Total</b>	<b>243,306</b>	<b>221,631</b>	<b>109,387</b>	<b>64,334</b>	<b>(11,741)</b>	<b>46,999</b>

	Consolidated				
	12/31/2018				
	Non-current assets	Current liabilities	Non-current liabilities	Income (9 months)	Payment
Duotur Group (b)	-	25,029	49,328	(3,506)	2,429
Viatrix Viagens (c)	-	10,929	5,439	(696)	4,651
Visual Turismo (e)	-	2,823	9,567	(28)	-
Trend Group (d)	-	27,022	-	(4,570)	-
Grupo Bibam (i)	87	-	1,301	-	-
Ola (j)	9,886	3,874	56,010	-	-
<b>Total from acquisition of related parties</b>	<b>9,973</b>	<b>69,677</b>	<b>121,645</b>	<b>(8,800)</b>	<b>7,080</b>
GJP Administradora de Hotéis (a)	-	1,755	-	-	17,512
<b>Total intercompany operations</b>	-	<b>1,755</b>	-	-	<b>17,512</b>
<b>Total</b>	<b>9,973</b>	<b>71,432</b>	<b>121,645</b>	<b>(8,800)</b>	<b>24,592</b>

(a) Refer to accounts payable related to the booking of hotel rooms. GJP Administradora de Hotéis is considered a related party as it is an indirect subsidiary of a holding that holds the Group's shares.

(b) Refers to accounts payable for the capital acquisition of Duotur Group, which is being adjusted based on 100% of CDI rate with maturities up to 2020. The Group considered this acquisition as a related parties transaction as the former officers are the current shareholders of the Group.

(c) Refers to accounts payable for capital acquisition of Viatrix, which is being adjusted based on 100% of CDI rate with maturity in Dec/2019. The Company considered this acquisition as a related parties transaction as the former officers are the current shareholders of the Group.

(d) Refers to accounts payable for capital acquisition of Trend Group, which is being adjusted based on 100% of CDI rate with maturity up to 2022. The Company considered this acquisition as a related parties transaction as the former officers are the current shareholders of the Group.

(e) Refers to accounts payable for the capital acquisition of Visual, which is being adjusted based on 100% of the CDI rate with maturity up to 2022. The Company considered this acquisition as a related parties transaction as the current officers are former shareholders of Visual.

(f) Sale of airline tickets, hotel booking and other tourism services between the Parent Company and its subsidiaries.

(g) Refers to accounts payable for capital acquisition of Esferatur, which is being adjusted based on 100% of the CDI rate with maturity up to 2024. The Group considered this acquisition as a related parties transaction as the former officers are the current shareholders of the Group.

(h) Refers to expenses with the Executive Board of Bibam and Ola Group to be reimbursed by CVC SAU.

(i) Amount related to the put option of Avantrip/Biblos companies.

(j) Amount related to Ola's put option.



## 19.2 Key management personnel compensation

Key management personnel includes directors and officers:

	Nine-month period ended September 30,	
	2019	2018
Salaries and other short-term benefits	44,684	50,887
Share-based payments	10,213	34,999
<b>Total</b>	<b>54,897</b>	<b>85,886</b>

## 20. Prepaid package tour boarding agreements

The corresponding entry to trade receivables related to package tours is the line item of prepaid boarding agreements, in current liabilities, until passengers are boarded. On the customer boarding date, the amount related to the transfer to suppliers (airlines companies, hotels, receptive operators, car rental companies, agent commissions, etc.) is reclassified to the respective line item of operating suppliers, and to the intermediation revenue, when the Group recognizes the tourism intermediation service.

## 21. Net revenue from intermediation

The Group has one single operating segment, which is tourism intermediation. Operations are mainly based in Brazil and are growing in Latin America.

In the fiscal year ended December 31, 2018, the Group completed its analysis on the effect from the adoption of the new accounting pronouncement CPC 47/IFRS 15 – Revenue from Contracts with Customers, which became effective beginning January 1, 2018. As a result of such analysis, the Group has identified characteristics in the charter agreement of one of the ships which cabins are sold by CVC, which characterize the Group as "Principal" in the operation, whereas up to December 31, 2017, the Group was characterized as "Agent". Consequently, the Group started to record this operation at the gross sales amount of the cabins (sea cruise) and their respective costs in separate captions of the statements of profit or loss, in Services Net Revenue and Cost of Services, Profit Before Financial Income and Net Profit for the Fiscal Year.

The intermediation revenue is broken down as follows:

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2019	2018	2019	2018
		Restated		Restated
Domestic	536,234	448,205	737,808	692,841
International	401,150	268,303	587,975	469,177
Ship charter	112,950	83,500	112,950	83,500
Sea cruise	21,326	22,250	63,010	24,047
<b>Gross revenue from services</b>	<b>1,071,660</b>	<b>822,258</b>	<b>1,501,743</b>	<b>1,269,565</b>
Taxes on sales	(67,931)	(45,062)	(99,012)	(82,346)
<b>Net revenues from services</b>	<b>1,003,729</b>	<b>777,196</b>	<b>1,402,731</b>	<b>1,187,219</b>



## 22. Operating costs and expenses

### 22.1 Operating costs

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2019	2018	2019	2018
		Restated		Restated
Ship hull cost	(49,777)	(45,744)	(49,777)	(45,744)
Port fees	(16,919)	(17,119)	(16,919)	(17,119)
Service fees	(10,601)	(6,965)	(10,601)	(6,965)
Others	(20,681)	(1,128)	(20,681)	(1,128)
<b>Total</b>	<b>(97,978)</b>	<b>(70,956)</b>	<b>(97,978)</b>	<b>(70,956)</b>

### 22.2 Operating expenses

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2019	2018	2019	2018
Personnel	(163,438)	(155,066)	(351,609)	(318,243)
Third-party services (a)	(132,640)	(122,107)	(219,759)	(192,576)
Credit card rate	(50,572)	(42,989)	(71,047)	(60,496)
Depreciation and amortization	(57,048)	(37,849)	(103,381)	(79,095)
Estimated impairment losses	(12,439)	(13,396)	(14,901)	(18,859)
Other (b)	(113,141)	(26,038)	(199,417)	(41,884)
<b>Total</b>	<b>(529,278)</b>	<b>(397,445)</b>	<b>(960,114)</b>	<b>(711,153)</b>
Sales expenses	(129,032)	(121,147)	(203,813)	(168,132)
Estimated impairment losses	(12,439)	(13,396)	(14,901)	(18,859)
<b>General and administrative expenses</b>	<b>(285,044)</b>	<b>(238,870)</b>	<b>(571,818)</b>	<b>(489,840)</b>
General and administrative expenses	(227,996)	(201,021)	(468,437)	(410,745)
Depreciation and amortization	(57,048)	(37,849)	(103,381)	(79,095)
Other operating expenses (b)	(102,763)	(24,032)	(169,582)	(34,322)
<b>Total</b>	<b>(529,278)</b>	<b>(397,445)</b>	<b>(960,114)</b>	<b>(711,153)</b>

(a) Includes expenses on promotions, marketing, professional services and other.

(b) The Group recorded as other operating expenses, effective losses and to be incurred in the total amount of R\$137,400. This amount refers to losses incurred on the transactions with Avianca Brasil related to: reimbursement for passengers relating to cancelled sales, additional expenses on re-booking of tickets in other airlines, write-off of outstanding assets and civil contingencies of lawsuits for pain and suffering and property damages mentioned within the nine-month period ended September 30, 2019. Moreover, a loss was estimated relating to cancellations of future boarding which will be subject to reimbursement, which amount is contemplated in the abovementioned loss.

## 23. Financial income

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2019	2018	2019	2018
Financial expenses				
Financial charges (a)	(81,029)	(66,520)	(96,306)	(72,539)
Financial services fee (b)	(58,821)	(60,757)	(64,819)	(63,781)
Interest on acquisitions	(10,229)	(11,741)	(10,228)	(13,842)
Tax on financial transactions (IOF)	(4,015)	(2,813)	(5,005)	(4,684)
Interest payable – IFRS 16	(1,850)	-	(4,545)	-
Others	(12,040)	(4,989)	(13,962)	(10,968)
<b>Total financial income</b>	<b>(167,984)</b>	<b>(146,820)</b>	<b>(194,865)</b>	<b>(165,814)</b>
Financial revenues				
Earnings from financial investments	6,965	841	21,849	1,929
Outstanding interest	15,298	22,700	16,901	20,160
Financial deductions obtained	6,936	19,308	3,997	24,123
<b>Total finance income</b>	<b>29,199</b>	<b>42,849</b>	<b>42,747</b>	<b>46,212</b>
Foreign exchange variation, net	6,931	(1,114)	(941)	(1,785)
<b>Financial expenses, net</b>	<b>(131,854)</b>	<b>(105,085)</b>	<b>(153,059)</b>	<b>(121,387)</b>

(a) Refer to interest on credit card prepayments, loans, debentures and banking fees.

(b) Refers to negative goodwill on transactions for assignment of receivables with financial institutions.

## 24. Earnings per share

	Nine-month period ended September 30,	
	2019	2018
Profit attributable to the shareholders of the Company	160,057	188,813
Weighted average number of outstanding common shares (amounts in thousands of shares)	146,407	145,219
<b>Basic earnings per share (R\$)</b>	<b>1,09</b>	<b>1,30</b>
Weighted average number of common shares (amounts in thousands of shares)	146,407	145,219
Dilution effect: Share-based payment (thousands of shares)	2,653	2,511
<b>Weighted average number of common shares adjusted by the dilution effect (amounts in thousands of shares)</b>	<b>149,060</b>	<b>147,731</b>
<b>Diluted earnings per share (R\$)</b>	<b>1.07</b>	<b>1.28</b>

## 25. Changes in liabilities from financing activities

The variations in changes in liabilities from financing activities for the nine-month periods ended September 30, 2019 and 2018 are shown below.



Interim Financial Statements - CVC Brasil Operadora e Agência de Viagens S.A. and Subsidiaries on September 30, 2019

	Parent Company								
	12/31/2018	Settlements	Interest paid	Exchange rate variation and inflation adjustments	New borrowings	Non-cash effects	Business combinations	Transfers - current and non-current	09/30/2019
Borrowings and financing – Current	503,235	(503,645)	(11,404)	8,794	-	3,020	-	-	-
Debtentures - current	56,980	(62,891)	(20,692)	60,006	-	-	-	1,563	34,966
Debtentures - non-current	798,910	-	-	-	708,700	-	-	(1,563)	1,506,047
Accounts payable for the acquisition of subsidiaries - current	4,163	-	-	2,948	-	-	-	(4,051)	3,060
Accounts payable for the acquisition of subsidiaries - non-current	59,008	(1,858)	-	-	-	-	-	4,051	61,201
Accounts payable for investee acquisition – related parties - current	65,803	(243,024)	(2,026)	7,091	-	-	263,024	(38,180)	52,688
Accounts payable for investee acquisition – related parties - non-current	64,334	-	-	-	-	-	321	38,180	102,835
Derivative financial instruments, net	(18,928)	24,790	(11,624)	(8,462)	(2,134)	7,575	-	-	(8,783)
Lease liabilities	-	(6,615)	-	2,283	-	38,144	-	-	33,812
<b>Total</b>	<b>1,533,505</b>	<b>(793,243)</b>	<b>(45,746)</b>	<b>72,660</b>	<b>706,566</b>	<b>48,739</b>	<b>263,345</b>	<b>-</b>	<b>1,785,826</b>

	Consolidated								
	12/31/2018	Settlements	Interest paid	Exchange rate variation and inflation adjustments	New borrowings	Non-cash effects	Business combinations	Transfers - current and non-current	09/30/2019
Borrowings and financing – Current	553,520	(550,664)	(13,647)	13,919	2,234	(4,065)	-	-	1,297
Borrowings and financing - non-current	4,090	(3,586)	-	-	-	(504)	-	-	-
Debtentures - current	56,980	(62,891)	(20,692)	60,006	-	-	-	1,563	34,966
Debtentures - non-current	798,910	-	-	-	708,700	-	-	(1,563)	1,506,047
Accounts payable for the acquisition of subsidiaries - current	4,163	-	-	2,948	-	-	-	(4,051)	3,060
Accounts payable for the acquisition of subsidiaries - non-current	59,008	(1,858)	-	-	-	-	-	4,051	61,201
Accounts payable for investee acquisition – related parties - current	69,677	(243,024)	(2,026)	7,091	-	(3,874)	263,024	(38,180)	52,688
Accounts payable for investee acquisition – related parties - non-current	121,645	(10,074)	-	-	-	3,354	321	38,180	153,426
Derivative financial instruments, net	(19,476)	25,188	(12,329)	(8,640)	(1,799)	7,248	-	-	(9,808)
Lease liabilities	-	(12,981)	-	4,584	-	77,980	-	-	69,583
<b>Total</b>	<b>1,648,517</b>	<b>(859,890)</b>	<b>(48,694)</b>	<b>79,908</b>	<b>709,135</b>	<b>80,139</b>	<b>263,345</b>	<b>-</b>	<b>1,872,460</b>

	Parent Company								
	12/31/2017	Settlements	Interest paid	Exchange rate variation and inflation adjustments	New borrowings	Non-cash effects	Business combinations	Transfers - current and non-current	09/30/2018
Borrowings and financing – Current	64,498	(53,252)	(2,046)	64,287	457,695	-	-	13,712	544,894
Borrowings and financing - non-current	13,712	-	-	-	-	-	-	(13,712)	-
Debtentures - current	154,163	(50,000)	(29,668)	40,780	199,069	-	-	(149,610)	164,734
Debtentures - non-current	648,831	-	-	-	-	-	-	149,610	798,441
Accounts payable for the acquisition of subsidiaries - current	4,073	-	(2,813)	2,941	-	-	-	(101)	4,100
Accounts payable for the acquisition of subsidiaries - non-current	58,013	-	-	-	-	-	-	101	58,114
Accounts payable for investee acquisition – related parties - current	90,792	(13,979)	(3,818)	8,800	-	(3,373)	-	(18,421)	60,001
Accounts payable for investee acquisition – related parties - non-current	81,971	-	-	-	-	-	198,205	18,421	298,597
Derivative financial instruments, net	12,833	(16,730)	(1,997)	(42,111)	(1,385)	-	(1,365)	-	(50,755)
<b>Total</b>	<b>1,128,886</b>	<b>(133,961)</b>	<b>(40,342)</b>	<b>74,697</b>	<b>655,379</b>	<b>(3,373)</b>	<b>196,840</b>	<b>-</b>	<b>1,878,126</b>

	Consolidated								
	12/31/2017	Settlements	Interest paid	Exchange rate variation and inflation adjustments	New borrowings	Non-cash effects	Business combinations	Transfers - current and non-current	09/30/2018
Borrowings and financing – Current	94,588	(81,021)	(3,757)	66,895	492,695	-	6,740	13,712	589,852
Borrowings and financing - non-current	13,712	-	-	-	-	-	5,790	(13,712)	5,790
Debtentures - current	154,163	(50,000)	(29,668)	40,780	199,069	-	-	(149,610)	164,734
Debtentures - non-current	648,831	-	-	-	-	-	-	149,610	798,441
Accounts payable for the acquisition of subsidiaries - current	4,073	-	(2,813)	2,941	-	-	-	(101)	4,100
Accounts payable for the acquisition of subsidiaries - non-current	58,013	-	-	-	-	-	-	101	58,114
Accounts payable for investee acquisition – related parties - current	90,792	(13,979)	(3,818)	8,800	-	(3,373)	-	(18,421)	60,001
Accounts payable for investee acquisition – related parties - non-current	280,176	-	-	-	-	-	199,506	18,421	498,103
Derivative financial instruments, net	12,833	(15,118)	(1,997)	(49,592)	(1,463)	-	-	-	(55,337)
<b>Total</b>	<b>1,357,181</b>	<b>(160,118)</b>	<b>(42,053)</b>	<b>69,824</b>	<b>690,301</b>	<b>(3,373)</b>	<b>212,036</b>	<b>-</b>	<b>2,123,798</b>

## 26. Supplementary Cash Flow Information

	Parent Company		Consolidated	
	Nine-month period ended September 30,		Nine-month period ended September 30,	
	2019	2018	2019	2018
Transactions not involving cash disbursement:				
Lease liabilities (a)	38,144	-	77,980	-
Debt reduction - related parties' acquisition/investment (b)	-	194,832	(3,874)	196,133
Business combination (c)	263,345	(1,365)	263,345	12,530
Other comprehensive income (d)	7,575	-	6,360	-
Interest - related parties (e)	3,020	-	-	-
<b>Total</b>	<b>312,084</b>	<b>193,467</b>	<b>343,811</b>	<b>208,663</b>

(a) Amount related to lease agreement balances - IFRS 16, see note 14.

(b) Amount related to payment for the acquisition of Ola S.A. Such amount was settled through the capital increase of the holding CVC Turismo S.A.U. / Amount related to earn-out, Visual Turismo (Jun/2018).

(c) Amount related to acquisitions of subsidiaries.

(d) Amount related to the translation variation of subsidiaries: Avantrip, Byblos and Ola S.A.

(e) Amount related to interest on debentures with related parties (Trend Group).

## 27. Insurance

The Group's policy is to maintain insurance coverage against risks involving, among others, fire, property damage and civil liability, as well as a life insurance policy for its employees.

Expenses with insurance premiums are recorded as prepaid expenses and are recognized in statement of profit or loss on a straight-line basis over the policy period.

Type	09/30/2019
Civil risk	51,139
Civil liability of directors and officers (D&O)	96,615
General/civil risks	673,622
<b>Total</b>	<b>821,376</b>

## 28. Reportable segments

The Group and its subsidiaries have evaluated the requirements described in CPC 22/IFRS 8 - Operating Segments and understand that they have only one reportable segment, namely "tourism intermediation", carried out in national and international territory.

## 29. Subsequent event

### 29.1 Almundo group acquisition

On August 1, 2019, as disclosed in a Material Event Notice, CVC, through its subsidiary SV Viagens Ltda. (Submarino Viagens), has entered into a binding proposal for acquisition of Almundo group, in line with its international growth and tourism platform digitalization strategy.

Almundo operates in the tourism sector in the leisure segment, under an omnichannel model, through stores, call center and online sales (website, mobile and app), and the majority of the booking is made using digital platforms. Its brand is present in four (4) Latin American countries: Argentina, Colombia, Mexico and Brazil; Argentina is the most significant market.



The acquisition corresponds to a 100% stake in the share capital of Santa Fe Investment BV, a company established in the Netherlands. As a consideration for the acquisition, the Company will pay US\$77 million in cash out of the net debt balance.

The General Superintendence of the Administrative Council for Economic Defense (CADE) approved the operation, without restrictions, according to an order published in the Federal Official Gazette on October 15, 2019.

## **29.2 Fund-raising**

The Company obtained a loan of R\$308,316 (US\$ 77,000), beginning on November 1, 2019 at the interest rate of 110% of CDI with Citibank, maturing on June 1, 2020, with payment of interest on maturity.