

Interim Financial Information

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

June 30, 2018
with Independent Auditor's Report

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

Interim Financial Information -

June 30, 2018

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CVC Brasil Operadora e Agência de Viagens S.A.

Statements of financial position
June 30, 2018 - and December 31, 2017
(In thousands of reais)

| | Note | Company | | Consolidated | |
|---|------|------------------|----------------------|------------------|----------------------|
| | | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 4 | 107,691 | 271,919 | 191,990 | 332,020 |
| Derivatives designated for cash flow hedge | 3 | 39,029 | 1,217 | 46,067 | 1,389 |
| Trade accounts receivable | 5 | 1,919,372 | 1,856,957 | 2,713,139 | 2,375,651 |
| Advances to suppliers | 6 | 692,313 | 545,297 | 770,417 | 590,980 |
| Prepaid expenses | 7 | 296,372 | 287,345 | 336,983 | 310,489 |
| Recoverable taxes | | 6,515 | 3,694 | 18,982 | 8,228 |
| Accounts receivable - related parties | 19 | 165,544 | 170,495 | - | 4 |
| Other accounts receivable | | 21,287 | 10,905 | 25,622 | 13,040 |
| | | 3,248,123 | 3,147,829 | 4,103,200 | 3,631,801 |
| Assets of discontinued operations | 23 | - | - | - | 999 |
| | | 3,248,123 | 3,147,829 | 4,103,200 | 3,632,800 |
| Noncurrent assets | | | | | |
| Accounts receivable - acquisition of investee - related parties | 19 | 1,912 | 1,912 | 1,912 | 1,912 |
| Loans - Related Parties | 19 | 168,334 | - | - | - |
| Advance for future capital increase | 19 | 82,200 | - | - | - |
| Prepaid expenses | 7 | 421 | 247 | 421 | 247 |
| Deferred taxes | 15 | 58,957 | 61,781 | 94,624 | 85,756 |
| Judicial deposit | | 82,820 | 41,222 | 91,493 | 42,069 |
| Other accounts receivable | | 1,638 | 1,540 | 7,150 | 14,047 |
| Property and equipment | | 11,158 | 11,879 | 25,613 | 28,247 |
| Intangible assets | 9 | 134,105 | 124,457 | 965,740 | 973,290 |
| Investments | 8 | 839,490 | 771,632 | - | - |
| Total noncurrent assets | | 1,381,035 | 1,014,670 | 1,186,953 | 1,145,568 |
| Total assets | | 4,629,158 | 4,162,499 | 5,290,153 | 4,778,368 |

See accompanying notes.

| | Note | Company | | Consolidated | |
|--|------|------------------|----------------------|------------------|----------------------|
| | | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Loans and financing | 11 | 351,231 | 64,498 | 389,540 | 94,588 |
| Debentures | 12 | 154,352 | 154,163 | 154,352 | 154,163 |
| Derivative financial instruments | 3 | 696 | 14,050 | 696 | 14,050 |
| Trade accounts payable | 10 | 223,984 | 395,109 | 456,418 | 632,548 |
| Accounts payable - related parties | 19 | 18,583 | 12,553 | 1,596 | 2,653 |
| Accounts payable - acquisition of investee - related parties | 19 | 58,316 | 90,792 | 58,316 | 90,792 |
| Advanced of travel agreements | 20 | 1,775,362 | 1,466,372 | 2,056,252 | 1,700,823 |
| Salaries and social charges | | 30,473 | 43,020 | 68,560 | 77,902 |
| Taxes and contributions payable | | 6,980 | 21,534 | 31,674 | 44,269 |
| Dividends payable | | - | 12,237 | - | 12,237 |
| Accounts payable - acquisition of subsidiary | 16 | 4,119 | 4,073 | 4,119 | 4,073 |
| Other accounts payable | | 77,774 | 58,518 | 119,896 | 102,352 |
| Total current liabilities | | 2,701,870 | 2,336,919 | 3,341,419 | 2,930,450 |
| Liabilities from discontinued operations | 23 | | - | | 60 |
| | | 2,701,870 | 2,336,919 | 3,341,419 | 2,930,510 |
| Noncurrent liabilities | | | | | |
| Loans and financing | 11 | - | 13,712 | - | 13,712 |
| Debentures | 12 | 599,236 | 648,831 | 599,236 | 648,831 |
| Accounts payable for acquisition of investee - related parties | 19 | 298,554 | 280,176 | 298,554 | 280,176 |
| Provision for administrative and legal proceedings | 14 | 37,011 | 30,597 | 56,998 | 50,510 |
| Accounts payable for acquisition of subsidiary | 16 | 58,379 | 58,013 | 58,379 | 58,013 |
| Other accounts payable | | - | - | 873 | 1,931 |
| Total noncurrent liabilities | | 993,180 | 1,031,329 | 1,014,040 | 1,053,173 |
| Equity | | | | | |
| Capital | 17 | 533,087 | 486,370 | 533,087 | 486,370 |
| Capital reserve | 17 | (121,981) | (144,478) | (121,981) | (144,478) |
| Income reserve | 17 | 450,087 | 450,087 | 450,087 | 450,087 |
| Other comprehensive income | | 17,430 | 2,555 | 17,430 | 2,555 |
| Treasury shares | 17 | (50,769) | (283) | (50,769) | (283) |
| Accumulated profits | | 106,254 | - | 106,254 | - |
| Equity | | 934,108 | 794,251 | 934,108 | 794,251 |
| Noncontrolling interests | | - | - | 586 | 434 |
| Total equity | | 934,108 | 794,251 | 934,694 | 794,685 |
| Total liabilities and equity | | 4,629,158 | 4,162,499 | 5,290,153 | 4,778,368 |

See accompanying notes.

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of income -

Three and Six-month periods ended June 30, 2018 and 2017

(In thousands of reais, except per share data)

| | Note | Company Three-month period ended June, | | Consolidated Three-month period ended June, | | Company Six-month period ended June, | | Consolidated Six-month period ended June, | |
|---|------|--|----------|---|-----------|--|-----------|---|-----------|
| | | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net revenue | 21 | 178,498 | 157,182 | 316,378 | 234,292 | 424,595 | 365,375 | 701,392 | 532,590 |
| (Operating expenses) | | | | | | | | | |
| Selling expenses | 22 | (42,915) | (35,446) | (59,528) | (46,044) | (85,615) | (75,446) | (115,717) | (94,062) |
| General and administrative expenses | 22 | (75,763) | (65,482) | (164,912) | (116,396) | (144,234) | (117,545) | (322,988) | (220,077) |
| General and administrative expenses | | (64,754) | (56,152) | (139,317) | (100,264) | (122,054) | (98,956) | (271,587) | (188,089) |
| Depreciation and amortization | | (11,009) | (9,330) | (25,595) | (16,132) | (22,180) | (18,589) | (51,401) | (31,988) |
| Equity in income of associates | 8 | 17,568 | 6,764 | - | - | 39,540 | 20,575 | - | - |
| Other operating expenses | | (10,954) | (7,789) | (12,835) | (3,287) | (18,741) | (12,201) | (21,637) | (5,703) |
| Income before financial income (expenses), net | | 66,434 | 55,229 | 79,103 | 68,565 | 215,545 | 180,758 | 241,050 | 212,748 |
| Financial expenses, net | 18 | (36,727) | (36,791) | (41,964) | (34,149) | (72,494) | (75,127) | (81,557) | (72,418) |
| Income before income and social contribution taxes | | 29,707 | 18,438 | 37,139 | 34,416 | 143,051 | 105,631 | 159,493 | 140,330 |
| Income and social contribution taxes | 15 | (4,972) | (4,964) | (12,318) | (12,971) | (36,797) | (31,148) | (52,628) | (51,098) |
| Current | | (2,773) | (2,266) | (17,265) | (13,932) | (39,372) | (20,361) | (66,575) | (44,162) |
| Deferred | | (2,199) | (2,698) | 4,947 | 961 | 2,575 | (10,787) | 13,947 | (6,936) |
| Net income from continuing operation | | 24,735 | 13,474 | 24,821 | 21,445 | 106,254 | 74,483 | 106,865 | 89,232 |
| Loss after taxes from discontinued operations | 23 | - | - | - | (255) | - | - | (459) | (1,034) |
| Net income for the period | | 24,735 | 13,474 | 24,821 | 21,190 | 106,254 | 74,483 | 106,406 | 88,198 |
| Attributable to controlling interests | | - | - | 24,735 | 13,474 | - | - | 106,254 | 74,483 |
| Attributable to noncontrolling interests | | - | - | 86 | 7,716 | - | - | 152 | 13,715 |
| Earnings per share from continued operations basic (R\$) | 24 | | | | | | | 0,74 | 0,56 |
| Earnings per share from continued operations diluted (R\$) | 24 | | | | | | | 0,72 | 0,53 |

See accompanying notes.

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of comprehensive income -
Three and Six-month periods ended June 30, 2018 and 2017
(In thousands of reais, except per share data)

| | Company | | Consolidated | | Company | | Consolidado | |
|---|------------------------------------|---------|------------------------------------|---------|----------------------------------|---------|----------------------------------|---------|
| | Three-month period ended, June, | | Three-month period ended, June, | | Six-month period ended, June, | | Six-month period ended, June, | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net income for the period | 24,735 | 13,474 | 24,821 | 21,190 | 106,254 | 74,483 | 106,406 | 88,198 |
| Effect of cash flow hedge - effective portion of changes in fair value | 22,259 | 11,193 | 22,259 | 11,194 | 22,538 | 15,382 | 22,538 | 15,383 |
| Deferred income and social contribution taxes | (7,568) | (3,806) | (7,568) | (3,806) | (7,663) | (5,230) | (7,663) | (5,230) |
| Net comprehensive income to be reclassified to income in subsequent periods | 14,691 | 7,387 | 14,691 | 7,388 | 14,875 | 10,152 | 14,875 | 10,153 |
| Total comprehensive income attributable to: | 39,426 | 20,861 | 39,512 | 28,578 | 121,129 | 84,635 | 121,281 | 98,351 |
| Attributable to controlling interests | - | - | 39,426 | 20,861 | - | - | 121,129 | 84,635 |
| Attributable to noncontrolling interests | - | - | 86 | 7,717 | - | - | 152 | 13,716 |

See accompanying notes.

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of changes in shareholders' equity - Six-months periods ended June 30, 2018 and 2017 (In thousands of reais)

| | Capital reserve | | | | Profit reserve | | | | | | | Shareholders' equity | Non-controlling interests | Total shareholders' equity | |
|---|-----------------|---------------|-----------------------------|------------------|---------------------------------|---------------|-------------------------|-------------------|------------------------------|-----------------|-------------------|----------------------|---------------------------|----------------------------|----------------------------|
| | Notes | Capital stock | Share-based payment reserve | Goodwill reserve | Goodwill on capital transaction | Legal reserve | Working capital reserve | Expansion reserve | Reserve of retained earnings | Treasury shares | Retained earnings | | | | Other comprehensive income |
| Balances at December 31, 2016 | | 281,635 | 88,823 | - | - | 18,951 | 44,383 | 44,383 | 171,651 | (18,451) | - | (4,682) | 626,693 | 90,530 | 717,223 |
| Stock options granted | | - | 9,223 | - | - | - | - | - | - | - | - | - | 9,223 | - | 9,223 |
| Treasury shares acquired | | - | (3,185) | - | - | - | - | - | - | - | - | - | (3,185) | - | (3,185) |
| Exercised options | | - | - | - | - | - | - | - | - | 16,916 | - | - | 16,916 | - | 16,916 |
| Goodwill on capital transactions | | - | - | - | (187,604) | - | - | - | - | - | - | - | (187,604) | - | (187,604) |
| Acquisition of noncontrolling interest | | - | - | - | - | - | - | - | - | - | - | - | - | (104,245) | (104,245) |
| Cash flow hedge effect, net | | - | - | - | - | - | - | - | - | - | 10,152 | - | 10,152 | - | 10,152 |
| Net income for the period | | - | - | - | - | - | - | - | - | 74,483 | - | - | 74,483 | 13,715 | 88,198 |
| Balances at June 30, 2017 | | 281,635 | 94,861 | - | (187,604) | 18,951 | 44,383 | 44,383 | 171,651 | (1,535) | 74,483 | 5,470 | 546,678 | - | 546,678 |
| Balances at 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 issued shares | 17.a | 46,717 | - | - | - | - | - | - | - | - | - | - | 46,717 | - | 46,717 |
| Stock options/restricted shares granted | 17.b | - | 22,637 | - | - | - | - | - | - | - | - | - | 22,637 | - | 22,637 |
| Effect of treasury shares used in stock options | 17.a | - | (140) | - | - | - | - | - | - | 140 | - | - | - | - | - |
| Stock options exercised through alienated treasury shares | 17.e | - | - | - | - | - | - | - | - | (50,863) | - | - | (50,863) | - | (50,863) |
| Goodwill on capital transaction | 9.d | - | - | - | - | - | - | - | - | 237 | - | - | 237 | - | 237 |
| Cash flow hedge effect, net | 9.b | - | - | - | - | - | - | - | - | - | 14,875 | - | 14,875 | - | 14,875 |
| Net income for the period | 17.d | - | - | - | - | - | - | - | - | - | 106,254 | - | 106,254 | 152 | 106,406 |
| Balances at June 30, 2018 | | 533,087 | 127,491 | (61,868) | (187,604) | 30,146 | 84,264 | 84,264 | 251,413 | (50,769) | 106,254 | 17,430 | 934,108 | 586 | 934,694 |

See accompanying notes.

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of cash flows -

Six-month periods ended June 30, 2018 and 2017

(In thousands of reais)

| | Company | | Consolidated | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Six-month period ended | | Six-month period ended | |
| | 2018 | 2017 | 2018 | 2017 |
| Cash flows from operating activities | | | | |
| Net income from continuing operations | 106,254 | 74,483 | 106,865 | 89,232 |
| Net income from discontinued operations (net of taxes) | - | - | (459) | (1,034) |
| Net income for the period | 106,254 | 74,483 | 106,406 | 88,198 |
| Adjustments to reconcile net income for the period with cash generated in operating activities: | | | | |
| Deferred income tax and social contribution | 36,797 | 31,148 | 52,628 | 51,098 |
| Depreciation and amortization | 22,180 | 18,589 | 51,401 | 31,988 |
| Allowance for doubtful accounts | 6,801 | 3,659 | 10,292 | 5,631 |
| Share-based payment expenses | 22,874 | 9,223 | 22,874 | 9,223 |
| Interest and monetary and exchange variations | 41,340 | 35,542 | 35,385 | 35,426 |
| Equity in income of associates | (39,540) | (20,575) | - | - |
| Disposal of fixed and intangible assets | 17 | - | 1,338 | 41 |
| Other provisions | 15,408 | 10,295 | 18,139 | 12,019 |
| | 212,131 | 162,364 | 298,463 | 233,624 |
| Decrease/(increase) in assets | | | | |
| Trade accounts receivable | (80,558) | (22,273) | (359,123) | (101,155) |
| Interest received | 11,343 | 4,517 | 11,343 | 7,158 |
| Advance to suppliers | (147,016) | (162,985) | (179,438) | (155,800) |
| Prepaid expenses | (9,201) | (40) | (26,668) | 145 |
| Accounts receivable - related parties | (35,359) | (36,445) | 4 | 3,416 |
| Other accounts receivable | (52,078) | 1,056 | (55,128) | (45,431) |
| Taxes recoverable | (36,650) | 5,704 | (71,988) | 1,032 |
| Increase/(decrease) in liabilities | | | | |
| Suppliers | (171,126) | (179,398) | (176,130) | (166,385) |
| Accounts payable - related parties | 6,030 | 16,613 | (1,058) | (2,503) |
| Advance of travel agreements | 308,507 | 276,412 | 357,786 | 294,282 |
| Salaries and social charges | (12,547) | (9,994) | (9,341) | (14,543) |
| Taxes payable and contributions | 38,389 | (27,335) | 63,918 | (2,123) |
| Income tax and social contribution paid | (53,264) | (24,533) | (76,954) | (41,219) |
| Dividends received from subsidiaries | 13,462 | 18,535 | - | - |
| Judicial and administrative demands | (8,995) | (9,839) | (11,004) | (11,209) |
| Other accounts payable | 19,022 | (5,070) | 15,396 | 9,719 |
| Net cash used in operating activities | 2,090 | 7,290 | (221,834) | 9,008 |
| Cash flow from investing activities | | | | |
| Loans - Related Parties | (168,334) | - | - | - |
| Advance for future capital increase | (82,200) | - | - | - |
| Property and Equipment | - | - | (112) | (662) |
| Intangible assets | (31,125) | (18,450) | (44,817) | (30,058) |
| Payment of remaining obligation for acquisition of investments | (13,979) | (9,568) | (13,979) | (9,568) |
| Net cash used in investing activities | (295,638) | (28,018) | (58,908) | (40,288) |
| Cash flow from financing activities | | | | |
| Debentures | - | 199,174 | - | 199,174 |
| Settlement of debentures | (50,000) | - | (50,000) | - |
| Loans and financing | 265,000 | 199,933 | 300,000 | 249,900 |
| Settlement of loans and financing | (32,531) | (178,982) | (58,946) | (178,982) |
| Acquisition of noncontrolling interest | - | (102,147) | - | (102,147) |
| Payments of interest | (34,040) | (21,013) | (35,207) | (21,013) |
| Dividends paid | (12,237) | (22,224) | (12,237) | (40,032) |
| Settlement of derivative instruments | (13,655) | (28,325) | (13,765) | (28,325) |
| Capital increase exercise of shares | 46,717 | - | 46,717 | - |
| Acquisition of own shares | (50,863) | - | (50,863) | - |
| Exercise of options with disposal of shares in treasury | 237 | 13,731 | 237 | 13,731 |
| Net cash used in financing activities | 118,628 | 60,147 | 125,936 | 92,306 |
| Exchange variation of cash and cash equivalents | 10,692 | 14,584 | 14,776 | 15,383 |
| Increase (decrease) in cash and cash equivalents | (164,228) | 54,003 | (140,030) | 76,409 |
| Cash and cash equivalents at the beginning of the period | 271,919 | 34,460 | 332,020 | 55,530 |
| Cash and cash equivalents at the end of the period | 107,691 | 88,463 | 191,990 | 131,939 |

See accompanying notes.

CVC Brasil Operadora e Agência de Viagens S.A.

Statements of value added -
Six-month period ended June 30, 2018 and 2017
(In thousands of reais)

| | Company | | Consolidated | |
|--|-------------------------------------|-----------|-------------------------------------|-----------|
| | Six-month periods ended June 30, | | Six-month periods ended June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| 1. Revenue | 444,375 | 384,055 | 741,070 | 563,104 |
| Gross sales revenue | 451,176 | 387,714 | 751,362 | 568,735 |
| Allowance for doubtful accounts | (6,801) | (3,659) | (10,292) | (5,631) |
| 2. Inputs acquired from third parties | (93,982) | (72,420) | (139,104) | (89,592) |
| Third-party services and other | (93,982) | (72,420) | (139,104) | (89,592) |
| Gross value added | 350,393 | 311,635 | 601,966 | 473,512 |
| 3. Depreciation and amortization | (22,180) | (18,589) | (51,401) | (31,988) |
| 4. Net value added produced by the Company | 328,213 | 293,046 | 550,565 | 441,524 |
| Equity in income of associates | 39,540 | 20,575 | - | - |
| 5. Value added received in transfer | 367,753 | 313,621 | 550,565 | 441,524 |
| Financial income | 25,372 | 20,004 | 32,474 | 26,426 |
| Total value added to be distributed | 393,125 | 333,623 | 583,039 | 467,950 |
| Total value added distributed | (393,125) | (333,623) | (583,039) | (467,950) |
| 6. Distribution of value added | | | | |
| Personnel | (85,711) | (66,949) | (186,574) | (128,547) |
| Direct compensation | (53,459) | (49,442) | (131,691) | (98,539) |
| Stock option | (22,874) | (9,223) | (22,874) | (9,223) |
| Benefits | (6,393) | (5,758) | (21,807) | (14,710) |
| Social security charges | (2,985) | (2,526) | (10,202) | (6,075) |
| Taxes, fees and contributions | (76,419) | (65,881) | (130,570) | (109,652) |
| Federal | (66,884) | (57,946) | (110,748) | (94,377) |
| Local | (9,535) | (7,935) | (19,822) | (15,275) |
| Interest and rent | (124,741) | (126,310) | (159,489) | (141,553) |
| Interest | (93,965) | (90,799) | (107,404) | (94,074) |
| Credit card fee | (25,528) | (25,658) | (36,668) | (29,453) |
| Other | (5,248) | (9,853) | (15,417) | (18,026) |
| 7. Equity remuneration | (106,254) | (74,483) | (106,406) | (88,198) |
| Retained earnings | (106,254) | (74,483) | (106,254) | (74,483) |
| Noncontrolling interest in retained earnings | - | - | (152) | (13,715) |

See accompanying notes.

CVC Brasil Operadora e Agência de Viagens S.A.

Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

1. General information

CVC Brasil Operadora e Agência de Viagens S,A, (“CVC” or the “Company”) is a publicly-held corporation headquartered in Santo André, São Paulo (SP) state, listed on B3 S,A, – Brazil, Stock Exchange and Counter, under ticket No, CVCB3, CVC and its subsidiaries, are primarily engaged in providing tourism services comprising intermediation, either separately or in an aggregate manner (tour packages), airline tickets, ground transportation, hotel reservations, cruise tickets, culture and professional exchange, among others.

As of June 30, 2018, CVC owned 19 stores, operated 1,216 exclusive CVC travel agencies and more 53 CVC “franchises” exclusive stores Experimento “franchises”, and had commercial relationships with approximately 6,909 travel agents nationwide, CVC also has agreements with local representatives to provide CVC-branded services in Argentina and Uruguay.

Tourism services sold through CVC are directly offered to customers by independent service providers, under the General Tourism Legislation (Law No, 11771/08).

The economic group is formed by the Company and the other companies below:

| Subsidiaries | | Main activity | Hosty-country | Participation | |
|--------------------------|----------|--|---------------|---------------|------|
| | | | | 2018 | 2017 |
| READ Serviços Turísticos | Direct | Airline consolidator | Brazil | 100% | 100% |
| Reserva Fácil | Direct | Airline consolidator | Brazil | 100% | 100% |
| Submarino Viagens Ltda. | Direct | Tourist services on line | Brazil | 100% | 100% |
| Viatrix Viagens | Direct | Cultural and professional intermediation | Brazil | 100% | 100% |
| Visual Turismo | Direct | Tourist services | Brazil | 100% | 100% |
| Trend Viagens (*) | Direct | Consolidated hotels | Brazil | 90% | 90% |
| Shop Hotel Ltda. (*) | Indirect | Tourist services | Brazil | 90% | 90% |
| TC Word Viagens (*) | Indirect | Tourist services | Brazil | 90% | 90% |
| Trend Travel LLC (*) | Indirect | Tourist services | EUA | 90% | 90% |
| VHC Hospitality LCC (*) | Indirect | Tourist services | EUA | 27% | 27% |

(*) Trend Group

The issue of these individual and consolidated financial interim financial information was authorized by the Board of Directors on August 8, 2018.

CVC Brasil Operadora e Agência de Viagens S.A.

Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

2. Summary of significant accounting policies

The Company's quarterly interim accounting information contained in the quarterly information form (ITR) for the three and six month periods ended June 30, 2018 comprises the individual and consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) , issued by the International Accounting Standards Board (IAS 34) and also in accordance with accounting practices adopted in Brazil - BRGAAP (CPC 21 (R1) - Intermediate Statement), identified as Parent Company and Consolidated.

The accounting practices adopted in Brazil include those included in Brazilian corporate law and the Pronouncements, Guidance and Interpretations issued by the Accounting Pronouncements Committee (CPC) and approved by the Brazilian Securities and Exchange Commission (CVM).

The interim financial information, in this case, quarterly information, is intended to provide an update based on the last complete annual financial statements. Therefore, they focus on new activities, events and circumstances and do not duplicate previously disclosed information, except when Management deems it relevant to maintain certain information.

The interim financial statements presented herein were prepared based on the accounting policies and calculation methods used to prepare the annual financial statements for the year ended December 31, 2017 (Notes 2 and 3), except for those mentioned in Note 2.2. - new pronouncements, interpretations and amendments adopted.

2.1. Declaration of conformity and basis of preparation

The individual and consolidated interim financial information has been prepared and is being presented in accordance with technical pronouncement CPC 21 (R1) - Interim Statement and International Accounting Standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and in a manner consistent with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of interim financial information.

The individual and consolidated interim financial information was prepared based on historical cost, except for certain financial instruments measured at their fair values.

2.2. New pronouncements, interpretations and changes adopted

The Company initially adopted CPC 47 / IFRS 15 Revenue from Customer Contracts (see A) and CPC 48 / IFRS 9 Financial Instruments (see B) as of January 1, 2018 and CPC 06/ IFRS 16 (see C) Leasing Operations a from January 1, 2019. A number of other new standards are effective at from January 1, 2018, however, without material effect on the Group's financial statements.

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A. CPC 47 / IFRS 15 Revenue from contract with customers

CPC 47 / IFRS 15 establishes a comprehensive framework for determining whether, when, and by how much revenue is recognized. Replaces CPC 30 / IAS 18 Revenues, CPC 17 / IAS 11 Construction Contracts and related interpretations.

The Group adopted CPC 47 / IFRS 15 using the cumulative effect method (without practical cases), with initial adoption effect of the recognized standard at the date of initial application (ie, January 1, 2018). As a result, the information presented for 2017 has not been restated and, as such, presented as previously reported in accordance with CPC 30 / IAS 18, CPC 17 / IAS 11 and related interpretations.

In accordance with CPC 47 / IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a specific point in time or over time - requires judgment.

(a) Return rights

Currently, according to the operational policy of its subsidiary READ and applicable regulations, for sales made (according to ANAC regulations), the customer has one year from the date of issue of the ticket to request the refund to the airline. For any amounts received (or receivable) that you do not expect to be entitled to, you should not recognize the revenue but recognize the amounts received (or receivable) as a refund obligation.

Prior to the adoption of IFRS 15, the amount of the customer liability was recognized at the time the airline confirmed the return and returned the READ. With the adoption of IFRS 15, its subsidiary READ began to recognize the liability for restitution based on the estimate of returns to the customer at the time of the intermediation of the provision of intermediation services by READ, the effect of which in its statements is not material.

(b) Loyalty program

The Company has a loyalty program, the generation of points awarded to the client is no longer conducted since December 2017. There was a revaluation of this loyalty program in March 2018 for the purposes of applying CPC 47 / IFRS 15 and there were no material impacts with in its initial adoption.

B. CPC 48 / IFRS 9 Financial instruments

i. Classification and measurement of financial assets and liabilities

CPC 48 / IFRS 9 largely retains the requirements in CPC 38 / IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the old categories of CPC 38 / IAS 39 for financial assets held to maturity, loans and receivables and available for sale.

The adoption of CPC 48 / IFRS 9 did not have a material effect on the Group's accounting policies related to financial liabilities and derivative financial instruments (for derivatives that

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are used as hedging instruments, see (iii) below). The impact of CPC 48 / IFRS 9 on the Classification and Measurement of Financial Assets is described below.

According to CPC 48 / IFRS 9, in the initial recognition, a financial asset is classified as measured: at amortized cost; FVOCI - debt instrument; FVOCI - equity instrument; or FVPL. The classification of financial assets according to CPC 48 / IFRS 9 is generally based on the business model in which a financial asset is managed and its characteristics of contractual cash flows. Embedded derivatives in which the prime contract is a financial asset within the scope of the standard are never separated. Instead, the hybrid financial instrument is rated for classification as a whole.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as measured at FVPL:

- is maintained within a business model whose purpose is to maintain financial assets to receive contractual cash flows; and
- their contractual terms generate, on specific dates, cash flows that are related to the payment of principal and interest on the outstanding principal amount.

A debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as measured at FVPL:

- is maintained within a business model whose objective is achieved both by the receipt of contractual cash flows and by the sale of financial assets; and
- their contractual terms generate, on specific dates, cash flows that are only payments of principal and interest on the outstanding principal amount.

All financial assets not classified as measured at amortized cost or FVOCI, as described above, are classified as FVPL. This includes all derivative financial assets. At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or as FVOCI as FVPL if that eliminates or significantly reduces an accounting mismatch that would otherwise arise (see CPC 48 / IFRS 9).

A financial asset (unless it is an accounts receivable from customers without a significant financing component that is initially measured at the transaction price) is initially measured at fair value, plus, for an item not measured at FVPL, transaction costs which are directly attributable to your acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

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| | |
|------------------------------------|---|
| Financial assets measured at FVPL | These assets are subsequently measured at fair value. Net income, including interest or dividend income, is recognized in income. See (iii) below for derivatives designated as hedging instruments. |
| Financial assets at amortized cost | These assets are measured subsequently to the amortized cost using the effective interest method. Amortized cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognized in income. Any gain or loss on derecognition is recognized in profit or loss. |
| FVOCI debt instruments | These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, exchange gains and losses and impairment are recognized in the income statement. Other net results are recognized in ONP. In the derecognition, the accumulated ORA result is reclassified to the result. |
| Equity instruments to FVOCI | These assets are subsequently measured at fair value. Dividends are recognized as a gain in profit or loss, unless the dividend represents a clear recovery of part of the cost of the investment. Other net income is recognized in ORA and is never reclassified to income. |

The effect of the adoption of CPC 48 / IFRS 9 on the book value of financial assets at January 1, 2018 refers only to the new impairment requirements, as described above.

ii. Impairment of financial assets

CPC 48 / IFRS 9 replaces the "incurred loss" model of CPC 38 / IAS 39 with an expected credit loss model. The new impairment model applies to financial assets measured at amortized cost, contractual assets and debt instruments measured by FVOCI, but does not apply to investments in equity instruments (shares). Pursuant to CPC 48 / IFRS 9, the credit losses are recognized earlier than in accordance with CPC 38 / IAS 39.

Financial assets at amortized cost consist mainly of accounts receivable.

In accordance with CPC 48 / IFRS 9, provisions for losses are measured on one of the following bases:

- Expected credit losses for 12 months: these are credit losses that result from potential delinquency events within 12 months after the balance sheet date; and

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- Expected long-term credit losses: these are credit losses that result from all possible delinquency events over the expected life of a financial instrument. The Group measures the provision for loss in an amount equal to the loss of credit expected for a lifetime, except for those described below, which are measured as expected credit loss for 12 months:

- debt securities with low credit risk at the date of presentation; and;

- other debt securities and bank balances for which credit risk (ie the default risk over the expected life of the financial instrument) has not increased significantly since the initial recognition.

In determining whether the credit risk of a financial asset has increased significantly since the initial recognition and in estimating the expected credit losses, the Group considers reasonable and bearable information that is relevant and available at no cost or undue expense. This includes quantitative and qualitative information and analysis, based on the Group's historical experience, credit assessment and forward-looking information.

The Group assumes that the credit risk in a financial asset increases significantly if it is more than 30 days late and the passenger has already boarded.

The maximum period considered in the estimate of expected credit loss is the maximum contractual period during which the Group is exposed to credit risk.

Measurement of expected credit losses

Expected credit losses are estimates weighted by the probability of credit losses. Credit losses are measured at present value based on all cash shortfalls (is the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive).

Expected credit losses are discounted by the effective interest rate of the financial asset.

Financial assets with credit recovery problems.

At each reporting date, the Group assesses whether the financial assets carried at amortized cost are recovering. A financial asset has "credit recovery problems" when one or more events with a detrimental impact on the estimated future cash flows of the financial asset occur.

Presentation of impairment

Provision for losses for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to accounts receivable from customers and other receivables, including contractual assets, are presented in the income statement in selling expenses or other operating expenses, respectively.

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iii. Hedge Accounting

In accordance with CPC 48 / IFRS 9, the Group opted to maintain the hedge accounting model of CPC 38 / IAS 39 because it did not operate with complex derivative instruments.

C. CPC 06 / IFRS 16 Leasing Operations

This standard issued in January 2016, aims to unify the accounting model of the lease, requiring lessees to recognize as lease or asset all leases, unless the lease has a term of twelve months or an intangible value. The standard is applicable in Brazil as of January 1, 2019. The Company is evaluating the impact of applying this standard.

The early adoption of standards, although encouraged by the IASB, is not permitted in Brazil by the Accounting Pronouncements Committee (CPC).

3. Financial risk management

3.1. Financial risk factors

The Company's activities expose it to various financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk, and price risk), credit risk, and liquidity risk. The risk management program of the Company is focused on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Board of Directors provides principles for risk management, as well as for specific areas of risk, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of cash surpluses.

a) Market risk

i) *Currency risk*

The Company's exposure to changes in exchange rates is mainly related to current accounts denominated in foreign currency, accounts payable, and loans and financings denominated in foreign currency.

Currency risk may significantly impact the Company's future revenue, since the sales of tour packages require future payments to international suppliers of tour packages. The foreign exchange rate can also affect the Company's financial income due to loans and financings denominated in foreign currency.

To manage currency risk, the Company uses foreign currency purchase agreements, NDF (non-deliverable forwards) derivative contracts, and exchange swaps. The Company also hedges currency risk by paying foreign suppliers in advance.

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3. Financial risk management (Continued)

3.1. Financial risk factors (Continued)

(ii) Cash flow risk or fair value associated with interest rate risk

The Company's exposure to interest rate risk is primarily related to the Company's cash equivalents and finance leases, which are adjusted based on the Interbank Deposit Certificate (CDI) and LIBOR rates, respectively, which can affect the Company's results and cash flows.

a) Market risk (Continued)

iii) *Sensitivity analysis*

In order to verify the sensitivity of the index in the current accounts in foreign currency, cash equivalents and loans and financing, as well as for transactions with interest rate risk, classified as cash equivalents, debentures and loans, to which the Group was presented on the base date of June 30, 2018, three different scenarios were defined.

Based on projections disclosed by financial institutions, the projection of the foreign currency, CDI and Libor was obtained for each of the transactions analyzed, which is defined as a probable scenario (scenario 1); from this, variations of 25% (scenario 2) and 50% (scenario 3) were calculated.

For each scenario, the following new account balance was presented considering the stress rate:

| Balances Consolidated as of | | | | | | | | | |
|--|------------------|--------|------------------|---------|------------|---------|------------|---------|------------|
| Operations | Risk | Rate | June 30, 2018 | Index 1 | Scenario 1 | Index 2 | Scenario 2 | Index 3 | Scenario 3 |
| Checking account in foreign currency - USD | Depreciation USD | 3,8552 | 61,091 | 3,7800 | 59,899 | 2,8350 | 44,924 | 1,8900 | 29,949 |
| Checking account in foreign currency - EUR | Depreciation EUR | 4,5009 | 13,764 | 4,5052 | 13,777 | 3,3789 | 10,333 | 2,2526 | 6,889 |
| Checking account in foreign currency - GBP | Depreciation GBP | 5,0866 | 1,585 | 5,1449 | 1,603 | 3,8587 | 1,202 | 2,5725 | 801 |
| Checking account in foreign currency – CAD | Depreciation CAD | 2,9337 | 5,015 | 2,9285 | 5,007 | 2,1964 | 3,755 | 1,4643 | 2,503 |
| Checking account in foreign currency – AUD | Depreciation AUD | 2,8521 | 1,915 | 2,8605 | 1,920 | 2,1454 | 1,440 | 1,4643 | 983 |
| Cash equivalents | Depreciation USD | 0,0649 | 88,411 | 0,0649 | 88,630 | 0,0483 | 88,469 | 0,0319 | 88,354 |
| Derivative Instruments - NDF USD (Note 4.4.) | USD | 3,6297 | 12,720 | 3,5831 | 11,072 | 3,6372 | 12,294 | 3,6448 | 11,863 |
| Derivative Instruments NDF EUR (Note 4.4.) | EUR | 4,3657 | 2,052 | 4,3147 | 2,922 | 4,32728 | 1,936 | 4,3799 | 1,820 |
| Derivative Instruments NDF GBP (Note 4.4.) | GBP | 4,7590 | 343 | 4,7110 | 455 | 4,7859 | 315 | 4,8125 | 287 |
| Derivative Instruments NDF CAD (Note 4.4.) | CAD | 2,7035 | 767 | 2,6524 | 921 | 2,7248 | 697 | 2,7458 | 627 |
| Derivative Instruments NDF AUD (Note 4.4.) | AUD | 2,6339 | 137 | 2,6006 | 163 | 2,6539 | 125 | 2,6738 | 112 |
| <i>Derivative Instruments Swap</i> | Increase in CDI | 6,39% | 357,990 | 6,40% | 358,000 | 7,99% | 358,711 | 9,58% | 359,417 |
| Debentures | Increase in CDI | 6,39% | 753,588 | 6,40% | 755,218 | 7,99% | 756,470 | 9,58% | 757,712 |

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3. Financial risk management (Continued)

| Operations | Risk | Rate | Balances Consolidated as of | | | | | | |
|---|------------------|--------|-----------------------------|---------|------------|---------|------------|---------|------------|
| | | | June 30, 2017 | Index 1 | Scenario 1 | Index 2 | Scenario 2 | Index 3 | Scenario 3 |
| Checking account in in foreign currency - USD | USD depreciation | 3,3076 | 48,290 | 3,3000 | 48,179 | 2,4750 | 36,134 | 1,6500 | 24,089 |
| Checking account in in foreign currency - EUR | EUR depreciation | 3,7736 | 29,129 | 3,7081 | 28,623 | 2,7811 | 21,467 | 1,8540 | 14,312 |
| Checking account in in foreign currency - GBP | GBP depreciation | 4,2976 | 1,319 | 4,2272 | 1,298 | 3,1704 | 973 | 2,1136 | 649 |
| Checking account in in foreign currency - CAD | CAD depreciation | 2,5472 | 697 | 2,4823 | 679 | 1,8617 | 509 | 1,2411 | 340 |
| Checking account in in foreign currency - AUD | AUD depreciation | 2,5386 | 603 | 2,4945 | 592 | 1,8709 | 444 | 1,2473 | 296 |
| Checking account in in foreign currency - GBT | GBT depreciation | 3,4497 | 246 | 3,4107 | 243 | 2,5580 | 182 | 1,7053 | 121 |
| Cash equivalents (Note 4) | Decline in CDI | 0,0912 | 46,002 | 0,0912 | 45,860 | 0,0677 | 45,844 | 0,0446 | 45,828 |
| Derivative Instruments NDF USD (Note 3.4) | USD | 3,2958 | 407 | 3,2833 | 552 | 3,3054 | 91 | 3,3152 | (232) |
| Derivative Instruments NDF EUR (Note 3.4) | EUR | 3,6398 | 1,698 | 3,6278 | 1,012 | 3,6486 | 1,593 | 3,6575 | 1,481 |
| Derivative Instruments NDF GBP (Note 3.4) | GBP | 4,0526 | 103 | 4,0324 | 89 | 4,0688 | 105 | 4,0851 | 98 |
| Derivative Instruments NDF CAD CAD (Note 3.4) | CAD | 2,4305 | 398 | 2,4152 | 238 | 2,4433 | 373 | 2,4562 | 327 |
| Derivative Instruments NDF AUD (Note 3.4) | AUD | 2,4322 | 80 | 2,4235 | 54 | 2,4390 | 77 | 2,4458 | 71 |
| Derivative Instruments Swap | Increase in CDI | 10,25% | 381,959 | 9,92% | 381,994 | 12,82% | 382,993 | 15,38% | 383,848 |
| Debentures | Increase in CDI | 10,14% | 200,724 | 9,92% | 201,458 | 12,67% | 201,841 | 15,21% | 202,186 |

b) Credit risk

The Company is primarily exposed to credit risk relating to cash and cash equivalents, trade accounts receivable. Credit risk is minimized through the following policies:

Cash and cash equivalents: The Company limits the amounts allocated to a single financial institution and analyzes the credit ratings of the financial institutions with which it transacts.

Trade accounts receivable and other accounts receivable: The Company minimizes its risk by diversifying its accounts receivable from customers by promoting credit card sales with financial institutions that received high ratings from credit risk agencies (rating BB- to AAA) according to Standard & Poor's, term receivables from financial institutions, which received high ratings from credit risk agencies (rating AA- to AA) according to Standard & Poor's, for a discount rate, in addition to the application of a cadastral and credit analysis for internal financing of its clients.

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June 30, 2018

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3. Financial risk management (Continued)

Trade accounts receivable and other accounts receivable: The Company minimizes its risk by diversifying its accounts receivable from customers by promoting credit card sales and sales of receivables with financial institutions for a fee discount, in addition to the application of a cadastral and credit analysis for internal financing of its clients. These institutions received ratings from credit rating agencies BB- to AAA and AA- to AA according to Standard & Poor's.

| | Consolidated | |
|---------------------------------------|------------------|----------------------|
| | June,30, 2018 | December,31, 2017 |
| Cash and cash equivalents | 191,990 | 332,020 |
| Accounts receivable | 2,713,139 | 2,375,651 |
| Accounts receivable - related parties | 1,912 | 1,916 |
| Other accounts receivable | 32,772 | 27,087 |
| | 2,939,813 | 2,736,674 |

c) Liquidity risk

The treasury department continuously monitors the Company's liquidity to ensure there is sufficient cash to meet operational needs.

Cash surpluses are invested in checking accounts bearing interest, time deposits, short-term deposits, and marketable securities, by choosing instruments with suitable maturity or liquidity based on cash flow forecasts.

The table below shows the Company's financial liabilities maturities from the balance sheet date through the maturity date.

| | Consolidated | | | |
|--|-----------------------|-------------------|-----------------|------------------|
| | Less than 3 months | 3 to 12 months | 1 to 5 years | Total |
| Trade accounts payable | 442,165 | 14,253 | - | 456,418 |
| Accounts payable - related parties | 1,979 | 57,933 | 298,554 | 358,466 |
| Loans and financing | 21,165 | 368,375 | - | 389,540 |
| Debentures | 862 | 153,490 | 599,236 | 753,588 |
| Accounts payable – acquisition of subsidiary | 1,309 | 2,810 | 58,379 | 62,498 |
| Other accounts payable | 105,444 | 14,453 | 872 | 120,769 |
| Balances at June 30, 2018 | 572,924 | 611,314 | 957,041 | 2,148,279 |

| | Consolidated | | | |
|--|-----------------------|-------------------|------------------|------------------|
| | Less than 3 months | 3 to 12 months | 1 to 5 years | Total |
| Trade accounts payable | 570,758 | 61,790 | - | 632,548 |
| Accounts payable - related parties | 2,653 | 90,792 | 280,176 | 373,621 |
| Loans and financing | 40,174 | 54,414 | 13,712 | 108,300 |
| Debentures | - | 154,163 | 648,831 | 802,994 |
| Accounts payable – acquisition of subsidiary | - | 4,073 | 58,013 | 62,086 |
| Other accounts payable | 100,072 | 2,280 | 1,931 | 104,283 |
| Balances at December 31, 2017 | 713,657 | 367,512 | 1,002,663 | 2,083,832 |

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3.2. Capital management

In order to maintain or adjust the capital structure, the Company may review its policy regarding the factoring of receivables, payment of dividends, return of capital to shareholders, or issuance of new units of shares to reduce, for example, the level of indebtedness.

Capital management is not performed at the Company level, but at the Consolidated level, as shown below:

| | Consolidated | |
|--|---------------|-------------------|
| | June 30, 2018 | December 31, 2017 |
| Loans and financing | 389,540 | 108,300 |
| Debentures | 753,588 | 802,994 |
| Derivative Instruments SWAP (Note 3.5) | (29,351) | 14,050 |
| Accounts payable – related party – acquisition of Duotur Group (Note 19) | 74,375 | 74,472 |
| Accounts payable – acquisition of subsidiary Submarino Viagens (Note 16) | 62,498 | 62,086 |
| Accounts payable – acquisition of related party Viatrix (Note 19) | 15,969 | 20,135 |
| Accounts payable - related party – acquisition of Trend Group (Note 16) | 254,137 | 258,621 |
| Accounts payable – related party – acquisition of Visual Turismo (Note 19) | 12,389 | 17,740 |
| (-) Cash and cash equivalents | (191,990) | (332,020) |
| (=) Net debt | 1,341,155 | 1,026,378 |
| (+) Equity | 934,694 | 794,685 |
| (=) Equity and net debt | 2,275,849 | 1,821,063 |

The following is the book value and fair value of the Company's financial instruments as presented in the interim financial statements:

| | Classification | Company | | | |
|--|---|------------------|------------------|------------------|------------------|
| | | Book Value | | Fair Value | |
| | | June,30 2018 | December,31 2017 | June,30 2018 | December,31 2017 |
| Financial assets | | | | | |
| Cash and cash equivalents | Mensured at fair value through profit or loss | 107,691 | 271,919 | 107,691 | 271,919 |
| Derivative financial instruments | Derivatives designated for fair value hedge | 39,029 | 1,217 | 39,029 | 1,217 |
| Trade accounts receivable | Amortized cost | 1,919,372 | 1,856,957 | 1,919,372 | 1,856,957 |
| Accounts receivable - related parties | Amortized cost | 167,456 | 172,407 | 167,456 | 172,407 |
| Total | | 2,233,548 | 2,302,500 | 2,233,548 | 2,302,500 |
| Financial liabilities | | | | | |
| Loans and financing | Mensured at fair value through profit or loss | 351,231 | 78,210 | 351,231 | 78,210 |
| Debentures | Mensured at fair value through profit or loss | 696 | 14,050 | 696 | 14,050 |
| Derivative financial instruments | Derivatives designated for fair value hedge | 753,588 | 802,994 | 763,788 | 815,886 |
| Trade accounts payable | Amortized cost | 223,984 | 395,109 | 223,984 | 395,109 |
| Accounts payable - related parties | Amortized cost | 18,583 | 12,553 | 18,583 | 12,553 |
| Accounts payable – acquisition of subsidiary – related parties | Amortized cost | 356,870 | 370,968 | 356,870 | 370,968 |
| Accounts payable – acquisition of subsidiary | Amortized cost | 62,498 | 62,086 | 62,498 | 62,086 |
| Total | | 1,767,450 | 1,735,970 | 1,777,650 | 1,748,862 |

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3. Financial risk management (Continued)

3.3. Fair Value (Continued)

| | | Consolidated | | | |
|--|---|------------------|----------------------|------------------|----------------------|
| | | Book Value | | Fair Value | |
| | Classification | June,30 2018 | December, 31 2017 | June,30 2018 | December, 31 2017 |
| Financial assets | | | | | |
| Cash and cash equivalents | Mensured at fair value through profit or loss | 191,990 | 332,020 | 191,990 | 332,020 |
| Derivative financial instruments | Derivatives designated for fair value hedge | 46,067 | 1,389 | 46,067 | 1,389 |
| Trade accounts receivable | Amortized cost | 2,713,139 | 2,375,651 | 2,713,139 | 2,375,651 |
| Accounts receivable - related parties | Amortized cost | 1,912 | 1,916 | 1,912 | 1,916 |
| Total | | 2,953,108 | 2,710,976 | 2,953,108 | 2,710,976 |
| Financial liabilities | | | | | |
| Loans and financing | Mensured at fair value through profit or loss | 389,540 | 108,300 | 389,540 | 108,300 |
| Derivative financial instruments | Derivatives designated for fair value hedge | 696 | 14,050 | 696 | 14,050 |
| Debentures | Custo amortizado | 753,588 | 802,994 | 763,788 | 815,886 |
| Trade accounts payable | Amortized cost | 456,418 | 632,548 | 456,418 | 632,548 |
| Accounts payable - related parties | Amortized cost | 1,596 | 2,653 | 1,596 | 2,653 |
| Accounts payable – acquisition of subsidiary – related parties | Amortized cost | 356,870 | 370,968 | 356,870 | 370,968 |
| Accounts payable – acquisition of subsidiary | Amortized cost | 62,498 | 62,086 | 62,498 | 62,086 |
| Total | | 2,021,206 | 1,993,599 | 2,031,406 | 2,006,491 |

The book value of cash and cash equivalents, trade accounts receivable, trade accounts payable and short-term accounts with related parties approximates their fair value, mainly due to the short-term maturities of these instruments.

For measuring and determining the fair value of financial assets and liabilities, the Company has adopted the following assumptions:

- The fair value of long-term receivables at fixed and variable rates is assessed by the Company based on certain parameters, such as interest rates, particular risk factors and counterparty risk. As of June 30, 2018 and December 31, 2017, the book value of these receivables approximated their fair value.
- The fair value of non-trading instruments, loans and financings and other indebtedness, as well as other noncurrent financial liabilities, is estimated through discounted future cash flow analyses assuming rates currently available for debts of similar maturities and characteristics.
- The Company follows CPC 40/IFRS 7 guidelines for financial instruments measured at fair value in the balance sheet, which requires disclosure of the fair value measurements at the following fair value measurement hierarchy level: The fair value of financial instruments traded in active markets (such as securities held for trading and available for sale) is based on quoted market prices at balance sheet date.

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- The quoted market price used to value the financial assets held by the Company corresponds to the current bid price. The fair value of financial instruments that are not traded in active markets (for example, over-the-counter derivatives) is determined using discounted cash flows based on market curves.

3.4. Hedge accounting

The Company applies hedge accounting on its derivative financial instruments used to hedge future cash flows arising from payments due in foreign currency to foreign suppliers and from payments due to domestic suppliers indexed in foreign currency. The Company does not use derivative financial instruments deemed to be exotic.

As of June 30, 2018 and December 31, 2017, the fair value of transactions involving hedges was measured through observable factors, such as prices quoted on active markets or discounted cash flow analyses based on market curves. Fair values are shown below:

| Consolidated | | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|---------------|---------------|---------------|
| June,30,2018 | | | | | | |
| | Notional value | Fair value (a) | Fair value (b) | Total | Income | Equity |
| Currency risk | | | | | | |
| USD | 30,409 | 35,275 | 20,471 | 55,746 | 5,894 | 8,296 |
| EUR | 27,242 | 29,945 | (18,795) | 10,068 | 4,392 | 4,963 |
| Derivative Instruments NDF | 276,935 | 16,020 | - | 16,020 | 9,586 | 11,016 |
| Total assets | 334,586 | 81,240 | 1,676 | 81,834 | 19,872 | 24,275 |

| Consolidated | | | | | | |
|----------------------------|-----------------------|-----------------------|-----------------------|---------------|---------------|---------------|
| December,31,2107 | | | | | | |
| | Notional value | Fair value (a) | Fair value (b) | Total | Income | Equity |
| Currency risk | | | | | | |
| USD | 23,464 | 24,503 | 18,340 | 42,843 | (46) | 1,320 |
| EUR | 23,644 | 24,918 | (14,510) | 10,408 | 4,191 | 1,585 |
| Derivative Instruments NDF | 182,375 | 1,389 | - | 1,389 | 2,359 | 966 |
| Total assets | 229,483 | 50,810 | 3,830 | 54,640 | 6,504 | 3,871 |

(a) Balances of derivative financial instruments for hedging operations associated with tour packages to be boarded.

(b) Balances of derivative financial instruments related to boarded tour packages whose suppliers have not yet been paid.

As of June 30, 2018, the effect of deferred taxes on the balance of cash flow hedges in other comprehensive income totaled R\$8,979 (R\$ 1,316 as of December 31, 2017).

The table below shows the outstanding positions, by maturity, of NDF contracts used to hedge currency risk:

CVC Brasil Operadora e Agência de Viagens S.A.

Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

3. Financial risk management (Continued)

June 30, 2018

| Derivative | Position | Contract | Date | Maturity | Notional value | Fair value |
|------------|---------------|----------|-----------------------------|-----------------------------|----------------|------------|
| Forward | Long position | NDF | From 08/14/2017 to 06/29/18 | From 06/25/2018 to 06/27/19 | 276,935 | 16,020 |

December, 31 2017

| Derivative | Position | Contract | Date | Maturity | Notional value | Fair value |
|------------|---------------|----------|-----------------------------|-----------------------------|----------------|------------|
| Forward | Long position | NDF | From 06/20/2017 to 12/27/17 | From 01/04/2018 to 11/29/18 | 182,375 | 1,389 |

3.5. Hedge accounting (hedge accounting) - fair value hedge

The table below shows the outstanding positions, by maturity, of swap contracts used to hedge currency risk as of June 30, 2018 and December 31, 2017:

June 30, 2018

| Derivativo | Posição | Contrato | Data da contratação | Data de vencimento | Valor de referência (notional) | Valor justo |
|--------------|-----------------|-----------|---------------------|--------------------|--------------------------------|---------------|
| Swap (*) | LIBOR 3M X CDI | CITIBANK | 02/26/2015 | 03/02/2019 | 54,621 | (696) |
| Swap (*) | LIBOR 3M X CDI | CITIBANK | 04/23/2018 | 04/23/2019 | 229,084 | 26,585 |
| Swap (*) | Pré 4,68% a.a. | SANTANDER | 06/20/2018 | 06/17/2019 | 67,525 | 2,407 |
| Swap (*) | Pré 4,393% a.a. | SANTANDER | 06/21/2018 | 06/18/2019 | 36,109 | 1,055 |
| Total | | | | | | 29,351 |

December 31, 2017,

| Derivative | Position | Contract | Date | Maturity | Notional value | Fair value |
|------------|----------------|----------|------------|------------|----------------|------------|
| Swap (*) | LIBOR 3M X CDI | CITIBANK | 02/26/2015 | 03/02/2019 | 78,210 | (14,050) |

(*) These swap transactions have the sole purpose of hedging currency risk related to loans in foreign currency described in Note 11. The swaps are being used to hedge exposure to changes in the fair value of loans guaranteed at the above-mentioned rates.

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

3.6. Fair value estimate

Financial assets and liabilities for which fair value is recorded or disclosed are categorized based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1: Quoted market prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable;

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The table below presents the Company's assets measured at fair value:

| | June 30, 2018 | | | |
|---|---------------|-----------|---------|---------------|
| | Consolidated | | | |
| | Level 1 | Level 2 | Level 3 | Total balance |
| Assets | | | | |
| Cash and cash equivalents | - | 191,990 | - | 191,990 |
| Derivative instruments - Swap | - | 46,067 | - | 46,067 |
| Accounts receivable from customers | - | 2,713,139 | - | 2,713,139 |
| Accounts receivable - related parties | - | 1,912 | - | 1,912 |
| | - | 2,953,108 | - | 2,953,108 |
| Liabilities | | | | |
| Loans and financing | - | 389,540 | - | 389,540 |
| Debentures | - | 763,788 | - | 763,788 |
| Derivative instruments - Swap | - | 696 | - | 696 |
| Trade accounts payable | - | 456,418 | - | 456,418 |
| Accounts payable - related parties | - | 1,596 | - | 1,596 |
| Accounts payable for invested acquisition - related parties | - | 356,870 | - | 356,870 |
| Accounts payable for acquisition of subsidiary | - | 62,498 | - | 62,498 |
| | - | 2,031,406 | - | 2,031,406 |

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

3.6. Fair value estimate (Continued)

| | December 31, 2017 | | | |
|---|-------------------|-----------|---------|---------------|
| | Consolidated | | | |
| | Level 1 | Level 2 | Level 3 | Total balance |
| Assets | | | | |
| Cash and cash equivalents | - | 332,020 | - | 332,020 |
| Derivative instruments - Swap | - | 1,389 | - | 1,389 |
| Accounts receivable from customers | - | 2,375,651 | - | 2,375,651 |
| Accounts receivable - related parties | - | 1,916 | - | 1,916 |
| | - | 2,710,976 | - | 2,710,976 |
| Liabilities | | | | |
| Loans and financing | - | 108,300 | - | 108,300 |
| Debentures | - | 815,886 | - | 815,886 |
| Derivative instruments - Swap | - | 14,050 | - | 14,050 |
| Trade accounts payable | - | 632,548 | - | 632,548 |
| Accounts payable - related parties | - | 2,653 | - | 2,653 |
| Accounts payable for invested acquisition - related parties | - | 370,968 | - | 370,968 |
| Accounts payable for acquisition of subsidiary | - | 62,086 | - | 62,086 |
| | - | 2,006,491 | - | 2,006,491 |

There were no transfers of assets or liabilities among the levels in 2018 and 2017.

4. Cash and cash equivalents

| | Company | | Consolidated | |
|---|----------------|-------------------|----------------|-------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Cash equivalents | 47,001 | 215,998 | 88,411 | 258,677 |
| Cash and bank accounts: | | | | |
| Cash and current account in local currency | 1,418 | 1,959 | 20,209 | 9,925 |
| Current account in foreign currency – USD | 49,046 | 42,843 | 61,091 | 48,043 |
| Current account in foreign currency – EUR | 9,906 | 10,408 | 13,764 | 11,174 |
| Current account in other foreign currencies | 320 | 711 | 8,515 | 4,201 |
| | 60,690 | 55,921 | 103,579 | 73,343 |
| Cash and cash equivalents | 107,691 | 271,919 | 191,990 | 332,020 |

Cash equivalents are represented by financial investments that have immediate liquidity and refer to investments in fixed income CDBs, remunerated at the Interbank Deposit Certificate (CDI) rate, which on June 30, 2018 had an annual average rate of 6, 49% and 9.12% as of December 31, 2017

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

5. Trade accounts receivable

| | Company | | Consolidated | |
|---|------------------|-------------------|------------------|-------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Resulting from sales through: | | | | |
| Credit cards (a) | 972,605 | 1,069,876 | 1,324,962 | 1,274,941 |
| Invoices (b) | 818,350 | 685,367 | 974,020 | 733,616 |
| Invoices - internal credit activities (c) | 105,416 | 79,537 | 359,073 | 320,079 |
| Other | 38,780 | 37,326 | 95,726 | 84,681 |
| | 1,935,151 | 1,872,106 | 2,753,781 | 2,413,317 |
| Allowance for doubtful accounts (d) | (15,779) | (15,149) | (40,642) | (37,666) |
| | 1,919,372 | 1,856,957 | 2,713,139 | 2,375,651 |

- (a) Credit card installment sales over a period of no more than one year. Such installments are not subject to interest payments.
- (b) Trade accounts receivable refer to the sale of receivables over time to financial institutions that structure and negotiate financial services to the Company's customers. The financial risks and benefits of these transactions are transferred to financial institutions after the transaction is complete.
- (c) Accounts receivable from invoices - internal credit activities refer to receivables originated from credit facilities offered directly to the customers.
- (d) The constitution and reversal of the allowance for doubtful accounts were recognized as "selling expenses" in the income statement. The Company annually evaluates the receivables in arrears and does not have an effective realization expectation, and effectively reduces the result and, consequently, reverses the accounting provision.

The aging of the balance of trade accounts receivable and other receivables is shown below

| | Company | | Consolidated | |
|--------------------------------|------------------|-------------------|------------------|-------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Not yet due | 1,912,792 | 1,820,898 | 2,668,491 | 2,317,357 |
| Overdue | | | | |
| Overdue for fewer than 30 days | 9,092 | 38,810 | 47,161 | 60,165 |
| Overdue for more than 30 days | 13,267 | 12,398 | 38,129 | 35,795 |
| Total | 1,935,151 | 1,872,106 | 2,753,781 | 2,413,317 |

Changes in allowance for doubtful accounts:

| | Company | Consolidated |
|-------------------------|----------|--------------|
| As of December 31, 2016 | (30,810) | (44,138) |
| Additions | (3,659) | (5,631) |
| Recognized losses | 17,861 | 19,667 |
| As of June 30, 2017 | (16,608) | (30,102) |
| As of December 31, 2017 | (15,149) | (37,666) |
| Additions | (6,801) | (10,292) |
| Recognized losses | 6,171 | 7,316 |
| As of June 30, 2018 | (15,779) | (40,642) |

As mentioned above in note (d), annually the Company and its subsidiaries assess the receivables which all chances of receive are exhausted and make the effective disposal, reversing with this the allowance.

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

6. Advances to suppliers

| | Company | | Consolidated | |
|---------------------------------|------------------|----------------------|------------------|----------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Airline companies (a) | 616,210 | 455,220 | 651,717 | 471,447 |
| Hotels in Brazil and abroad (b) | 46,504 | 71,690 | 52,936 | 86,429 |
| Educational institutions | 948 | 179 | 17,638 | 10,016 |
| Other | 28,651 | 18,208 | 48,127 | 23,088 |
| | 692,313 | 545,297 | 770,417 | 590,980 |

(a) Payments to airlines for air tickets already sold and not yet used, as well as advances to guarantee availability and better rates for future ticket purchases.

(b) Advanced payments to hotels related to transactions between the Company and its suppliers to secure the availability of rooms.

7. Prepaid expenses

| | Company | | Consolidated | |
|--------------------------------|------------------|----------------------|------------------|----------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Sales commissions (a) | 234,257 | 202,387 | 269,351 | 219,770 |
| Credit card management fee (b) | 20,004 | 16,889 | 24,389 | 21,141 |
| Advertising and promotion (c) | 31,999 | 20,245 | 32,165 | 20,705 |
| Sea cruises freight (d) | 5,520 | 42,174 | 5,520 | 42,174 |
| Other | 5,013 | 5,897 | 5,979 | 6,946 |
| | 296,793 | 287,592 | 337,404 | 310,736 |
| Current | 296,372 | 287,345 | 336,983 | 310,489 |
| Noncurrent | 421 | 247 | 421 | 247 |

(a) Commissions paid to travel agents as compensation for services provided by the agencies, which are expensed upon the actual boarding of passengers.

(b) Credit card management fees refer to the percentage of sales based on agreements entered into between the Company and credit card institutions as costs of transferring credit risk from credit card sales to such institutions, and will be appropriate to the result when the passengers are actually boarded.

(c) Includes advertising expenses and advertising not yet advertised.

(c) The percentage of credit card sales paid (based on agreements between the Company and credit card institutions) to transfer the credit risk of credit card sales to such institutions.

(d) Expenses for chartering a Pullmantur cruiseship for 2018/2019 cruise season, which will be carried out when passengers are actually boarded.

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

8. Investments

| | CVC Serviços (a) | Duotur Participações (b) | Refa Participações (c) | Read Serviços Turísticos S.A. | Reserva Fácil Tecnologia S.A. | Submarino Viagens (antiga B2W Viagens) (d) | Viatrix Viagens e Turismo (e) | Visual Turismo (f) | Trend Viagens (g) | Total |
|---|---------------------|--------------------------------|------------------------------|--|-------------------------------------|---|-------------------------------------|-----------------------|----------------------|----------------|
| Balance at December 31, 2016 | 49,488 | 218,238 | 14,609 | - | - | 56,288 | 50,679 | - | - | 389,302 |
| Adjustment of the acquisition price of Viatrix (8.b) | - | - | - | - | - | - | 9,568 | - | - | 9,568 |
| Acquisition of non-controlling shareholders (8.a) | - | - | - | 98,926 | 5,318 | - | - | - | - | 104,244 |
| Distributed Dividends | - | (12,482) | (1,419) | - | - | - | - | - | - | (13,901) |
| Equity pickup | 9,637 | 14,511 | (240) | - | - | (4,256) | 923 | - | - | 20,575 |
| Equity other comprehensive income | - | - | - | - | - | - | 527 | - | - | 527 |
| Balance at June 30, 2017 | 59,125 | 220,267 | 12,950 | 98,926 | 5,318 | 52,032 | 61,697 | - | - | 510,315 |
| Balance at 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 proposed dividends (*) | - | - | - | 26,924 | - | - | - | - | - | 26,924 |
| Equity pickup | - | - | - | 29,593 | (885) | 8,537 | 977 | (45) | 1,363 | 39,540 |
| Reflective effect on comprehensive income | - | - | - | - | - | - | (4,084) | (85) | - | (3,999) |
| Balance at June 30, 2018 | - | - | - | 362,238 | 16,089 | 132,883 | 69,498 | 13,558 | 245,224 | 839,490 |
| Composição do investimento | | | | | | | | | | |
| Goodwill | - | - | - | 116,832 | 7,514 | 94,493 | 44,159 | 17,988 | 246,886 | 527,872 |
| Investments | - | - | - | 124,775 | 1,781 | 31,538 | 8,278 | (31,499) | (83,491) | 51,382 |
| Intangible assets allocated to the purchase price net of tax effects | - | - | - | 120,631 | 6,794 | 6,852 | 17,061 | 27,069 | 81,829 | 260,236 |
| Balance at June 30, 2018 | - | - | - | 362,238 | 16,089 | 132,883 | 69,498 | 13,558 | 245,224 | 839,490 |

The investment balance is as follows:

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Notes to the interim financial statements (Continued)

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(*) Reversal of dividends for the year ended 2017 of Read Serviços Turísticos S.A, established between the parent company and subsidiary, which was approved on April 25, 2018, to distribute less than the amount provided for in the subsidiary's shareholders' agreement.

8. Investments (Continued)

Information on subsidiaries is as follows:

| Subsidiaries | | Main activity | Hosty-country | Participation | |
|--------------------------|----------|--|---------------|---------------|------|
| | | | | 2018 | 2017 |
| READ Serviços Turísticos | Direct | Airline consolidator | Brazil | 100% | 100% |
| Reserva Fácil | Direct | Airline consolidator | Brazil | 100% | 100% |
| Submarino Viagens Ltda. | Direct | Tourist services on line | Brazil | 100% | 100% |
| Viatrix Viagens | Direct | Cultural and professional intermediation | Brazil | 100% | 100% |
| Visual Turismo | Direct | Tourist services | Brazil | 100% | 100% |
| Trend Viagens (*) | Direct | Consolidated hotels | Brazil | 90% | 90% |
| Shop Hotel Ltda. (*) | Indirect | Tourist services | Brazil | 90% | 90% |
| TC Word Viagens (*) | Indirect | Tourist services | Brazil | 90% | 90% |
| Trend Travel LLC (*) | Indirect | Tourist services | EUA | 90% | 90% |
| VHC Hospitality LCC (*) | Indirect | Tourist services | EUA | 27% | 27% |

(*) Trend Group

a) CVC Serviços

The Extraordinary General Meeting ("AGE") held on April 28, 2017 approved the merger of the subsidiary CVC Serviços Agências de Viagens Ltda, ("CVC Serviços") by Submarino Viagens e Turismo Ltda ("Submarino Viagens"), also controlled by the Company, with the purpose of unifying activities and administration. This unification will result in obtaining administrative, economic and financial benefits.

The shareholders' equity of CVC Serviços was assessed on May 31, 2017, based on book value, according to the Accounting Valuation Report for the Purposes of Merger, issued by a specialized independent company. The date basis for the record of the merger for accounting purposes was June 30, 2017. Since these are companies controlled in their totality by the Company, there was no change or impact in the individual or consolidated financial statements.

b) Duotur Participações

The Extraordinary General Meeting ("AGE") held on September 6, 2017 approved the merger of the subsidiary Duotur Participações by the subsidiary READ Serviços Turísticos S,A, ("READ"), also controlled by the Company, with the purpose of unifying activities and administration. This unification will result in obtaining administrative, economic and financial benefits.

The shareholders' equity of Duotur Participações S,A, was assessed on June 30, 2017, based on book value, according to the Accounting Valuation Report for the Purposes of Merger, issued by a

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8. Investments (Continued)

specialized independent company. The date basis for the record of the merger for accounting purposes was August 31, 2017. Since these are companies controlled in their totality by the Company, there was no change or impact in the individual or consolidated financial statements.

b.1) *READ Serviços Turísticos (Formerly RA Viagens)*

Duotur Participações holds control and 51% of the equity interest in READ Serviços Turísticos (formerly RA Viagens), In the table bellow is presented data of direct investee of Duotur Participações:

| | <u>June, 30</u> <u>2018</u> |
|-------------------------------------|--------------------------------|
| Assets | 332,843 |
| Liabilities | 208,069 |
| Equity (b) | 245,407 |
| Net revenue | 98,925 |
| Net income for the period (a) | 29,593 |
| Interest CVC Brasil (%) (note 8,a,) | 100% |

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect.

(b) Included the amounts of intangibles allocated in the purchase price allocation, net of taxes effect.

As before the acquisition of non controlling interests by CVC Brasil, the company already held an indirect control, the acquisition of this minority interest consolidates within the same economic group.

c) Refa Participações

The Extraordinary General Meeting ("AGE") held on September 6, 2017 approved the merger of the subsidiary Refa Participações S,A, by the subsidiary Reserva Fácil Tecnologia S,A, ("Reserva Fácil"), also controlled by the Company, with the purpose of unifying activities and administration. This unification will result in obtaining administrative, economic and financial benefits.

The shareholders' equity of Refa Participações S,A, was assessed on June 30, 2017, based on book value, according to the Accounting Valuation Report for the Purposes of Merger, issued by a specialized independent company. The date basis for the record of the merger for accounting purposes was August 31, 2017. Since these are companies controlled in their totality by the Company, there was no change or impact in the individual or consolidated financial statements.

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Notes to the interim financial statements (Continued)

June 30, 2018

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c.1) Reserva Fácil

Refa Participações holds control and 51% of the equity interest in Reserva Fácil. In the table below is presented data of direct investee of Refa Participações:

| | <u>June, 30 2018</u> |
|------------------------------------|--------------------------|
| Assets | 3,798 |
| Liabilities | 2,018 |
| Equity (b) | 8,575 |
| Net revenue | - |
| Net income for the period (a) | (885) |
| Interest CVC Brasil (%) (Note 8,a) | 100% |

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect,

(b) Included the amounts of intangibles allocated in the purchase price allocation, net of taxes effect,

Before the acquisition of non controlling interests by CVC Brasil, it already held the indirect control, thus, the acquisition of this minority interest consolidates within in the same economic group.

d) Submarino Viagens

| | <u>June, 30 2018</u> |
|-------------------------------|--------------------------|
| Assets | 171,812 |
| Liabilities | 140,274 |
| Equity (capital deficiency) | 38,390 |
| Net revenue | 61,461 |
| Net losses for the period (a) | 8,537 |
| Interest (%) | 100% |

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect

(b) It includes intangible assets from purchase price allocation, net of tax effects.

e) Viatrix Viagens e Turismo

| | <u>June, 30 2018</u> |
|-------------------------------|--------------------------|
| Assets | 105,603 |
| Liabilities | 97,325 |
| Equity (capital deficiency) | 25,340 |
| Net revenue | 10,986 |
| Net losses for the period (a) | 977 |
| Interest (%) | 100% |

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect

(b) It includes intangible assets from purchase price allocation, net of tax effects.

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June 30, 2018

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f) Visual Turismo

| | <u>June, 30 2018</u> |
|-------------------------------|--------------------------|
| Assets | 169,951 |
| Liabilities | 201,450 |
| Equity (capital deficiency) | (4,430) |
| Net revenue | 24,328 |
| Net losses for the period (a) | (45) |
| Interest (%) | 100% |

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect

(b) It includes intangible assets from purchase price allocation, net of tax effects.

g) Trend Viagens (Consolidated)

| | <u>June, 30 2018</u> |
|-------------------------------|--------------------------|
| Assets | 367,921 |
| Liabilities | 460,689 |
| Equity (capital deficiency) | (1,847) |
| Net revenue | 81,097 |
| Net income for the period (a) | 1,515 |
| Interest (%) | 90% |

(a) Included the amounts of amortization of intangibles from purchase price allocation, net of taxes effect

(b) It includes intangible assets from purchase price allocation, net of tax effects.

9. Intangible assets

| <u>Company</u> | <u>Software and website</u> | <u>Exclusivity agreements</u> | <u>Total intangible assets</u> |
|---------------------------------|---------------------------------|-----------------------------------|------------------------------------|
| Cost | | | |
| December 31, 2016 | 157,106 | 86,894 | 244,000 |
| Additions | 18,450 | - | 18,450 |
| Transfers | (697) | - | (697) |
| June 30, 2017 | 174,859 | 86,894 | 261,753 |
| December 31, 2017 | 173,357 | 87,095 | 260,452 |
| Additions | 31,125 | - | 31,125 |
| Transfers | (853) | - | (853) |
| Write-offs | (17) | - | (17) |
| June 30, 2018 | 203,612 | 87,095 | 290,707 |
| Accumulated amortization | | | |
| December 31, 2016 | (71,985) | (34,126) | (106,111) |
| Amortization | (13,162) | (4,478) | (17,640) |
| June 30, 2017 | (85,147) | (38,604) | (123,751) |
| December 31, 2017 | (92,936) | (43,059) | (135,995) |
| Amortization | (16,232) | (4,375) | (20,607) |
| June 30, 2018 | (109,168) | (47,434) | (156,602) |
| Net book value | | | |
| June 30, 2017 | 89,712 | 48,290 | 138,002 |
| June 30, 2018 | 94,444 | 39,661 | 134,105 |

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9. Intangible assets (Continued)

| Consolidated | Software and website | Exclusivity agreements | Goodwill | Customer list | Brand | Non Compete Agreement | Other | Total intangible assets |
|--|----------------------|------------------------|----------------|-----------------|----------------|-----------------------|----------------|-------------------------|
| Cost | | | | | | | | |
| December 31, 2016 | 196,046 | 86,894 | 253,529 | 157,460 | 13,773 | 2,218 | 2,760 | 712,680 |
| Additions | 30,058 | - | - | - | - | - | - | 30,058 |
| Write-offs | (45) | - | - | - | - | (266) | - | (311) |
| Transfers to property, plant and equipment | (776) | - | - | - | - | - | - | (776) |
| Business combination | - | - | 9,469 | 468 | (394) | 25 | - | 9,568 |
| June 30, 2017 | 225,283 | 86,894 | 262,998 | 157,928 | 13,379 | 1,977 | 751,219 | 751,219 |
| December 31, 2017 | 247,710 | 87,395 | 531,245 | 262,620 | 27,192 | 10,843 | 2,760 | 1,169,765 |
| Additions | 44,817 | - | - | - | - | - | - | 44,817 |
| Write-offs | (587) | - | (3,372) | - | - | - | - | (3,959) |
| Transfers | (873) | - | - | - | - | - | - | (873) |
| June 30, 2018 | 291,067 | 87,395 | 527,873 | 262,620 | 27,192 | 10,843 | 2,760 | 1,209,750 |
| Accumulated amortization | | | | | | | | |
| December 31, 2016 | (88,166) | (34,126) | - | (15,755) | (895) | (200) | - | (139,142) |
| Amortization | (16,254) | (4,478) | - | (8,164) | (541) | (231) | - | (29,668) |
| Write-offs | - | - | - | - | - | 246 | - | 246 |
| June 30, 2017 | (104,420) | (38,604) | - | (23,919) | (1,436) | (185) | - | (168,564) |
| December 31, 2017 | (116,197) | (43,123) | - | (34,084) | (2,233) | (838) | - | (196,475) |
| Amortization | (23,482) | (4,453) | - | (17,846) | (1,157) | (1,167) | - | (48,105) |
| Write-offs | 570 | - | - | - | - | - | - | 570 |
| June 30, 2018 | (139,109) | (47,576) | - | (51,930) | (3,390) | (2,005) | - | (244,010) |
| Net book value | | | | | | | | |
| June 30, 2017 | 120,863 | 48,290 | 262,998 | 134,009 | 11,943 | 1,792 | 2,760 | 582,655 |
| June 30, 2018 | 151,958 | 39,819 | 527,873 | 210,690 | 23,802 | 8,838 | 2,760 | 965,740 |

The average life is available below:

| | <u>Anos</u> |
|-----------------------|---------------|
| Software and website | 3 a 5 years |
| Plusvalue on software | 5 years |
| Exclusivity agreement | 10 years |
| Customer portfolio | 5 a 10 years |
| Brand | 10 a 20 years |
| Non-compete agreement | 4 a 5 years |
| Goodwill | Undefined |

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10. Suppliers

The supplier amounts refer to administrative suppliers, and to onlendings to air, land, and sea suppliers, among other services provided in the intermediation of tourism packages, which have already been shipped.

| | Company | | Consolidated | |
|-----------------------------|----------------|-------------------|----------------|-------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Air | 86,709 | 150,830 | 231,627 | 261,904 |
| Hotel | 123,396 | 200,033 | 178,141 | 280,720 |
| Maritime | 6,118 | 37,423 | 6,118 | 37,423 |
| Educational Institutions | - | - | 2,040 | 1,590 |
| Administrative Suppliers | 6,623 | 4,804 | 8,163 | 12,253 |
| Other Operational Suppliers | 1,138 | 2,019 | 30,329 | 38,658 |
| | 223,984 | 395,109 | 456,418 | 632,548 |

11. Loans and financing

| | Maturity | Charges | Company | | Total |
|------------------|----------|-----------------------------|----------------|------------|----------------|
| | | | Current | Noncurrent | |
| | | | June 30, 2018 | | |
| Citibank USD (i) | March/19 | Libor 3 months + 2,07% p.a. | 54,622 | - | 54,622 |
| Citibank USD (x) | April/19 | Libor 3 months + 0,39% p.a. | 229,084 | - | 229,084 |
| Santander (xi) | June/19 | Pré 4,68% a.a. | 67,525 | - | 67,525 |
| Total | | | 351,231 | - | 351,231 |

| | Maturity | Charges | Company | | Total |
|------------------|----------|-----------------------------|-------------------|---------------|---------------|
| | | | Current | Noncurrent | |
| | | | December 31, 2017 | | |
| Citibank USD (i) | March/19 | Libor 3 months + 2,07% p.a. | 64,498 | 13,712 | 78,210 |
| Total | | | 64,498 | 13,712 | 78,210 |

| | Maturity | Charges | Consolidated | | Total |
|-----------------------|----------|----------------------------|----------------|------------|----------------|
| | | | Current | Noncurrent | |
| | | | June 30, 2018 | | |
| Citibank USD (i) | March/19 | Libor 3 meses + 2,07% a.a. | 54,622 | - | 54,622 |
| Citibank USD (x) | Apr/19 | Libor 3 meses + 0,39% a.a. | 229,084 | - | 229,084 |
| Santander (xi) | June,19 | Pré 4,68% a.a. | 67,525 | - | 67,525 |
| Santander (xii) | June,19 | Pré 4,393% a.a. | 36,109 | - | 39,109 |
| Itaú Unibanco (vi) | Aug/19 | 1,30% a.m | 1,044 | - | 1,044 |
| Itaú Unibanco (vii) | Oct/19 | 1,35% a.m | 903 | - | 903 |
| Daycoval Leasing (ix) | July/18 | 1,52% a.m | 24 | - | 24 |
| Itaucard (viii) | Dec/19 | 1,55% a.m. | 229 | - | 229 |
| Total | | | 389,540 | - | 389,540 |

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11. Loans and financing (Continued)

| | Maturity | Charges | Consolidated | | Total |
|---------------------------|----------|-----------------------------|--------------|------------|---------|
| | | | Current | Noncurrent | |
| Citibank USD (i) | Mar/19 | Libor 3 months + 2,07% p.a. | 64,498 | 13,712 | 78,210 |
| Banco do Brasil S.A.(ii) | Apr/20 | CDI +6,15% p.a. | 17,311 | - | 17,311 |
| Banco do Brasil S.A (iii) | Nov/18 | CDI + 5,25% p.a. | 4,245 | - | 4,245 |
| BNDES S.A | May/18 | TJLP | 86 | - | 86 |
| Banco Safra (v) | Feb/18 | 1,19% p.m. | 3,035 | - | 3,035 |
| Santander (iv) | Feb/18 | 1,90% p.m. | 1,895 | - | 1,895 |
| Itaú Unibanco (vi) | Aug/19 | 1,30% p.m. | 1,401 | - | 1,401 |
| Itaú Unibanco (vii) | Oct/19 | 1,35% p.m. | 1,620 | - | 1,620 |
| Itaucard (viii) | Dec/19 | 1,55% p.m. | 320 | - | 320 |
| Daycoval Leasing (ix) | Jul/18 | 1,52% p.m. | 177 | - | 177 |
| Total | | | 94,588 | 13,712 | 108,300 |

(i) Annual interest rate on loan is LIBOR 3 months plus 2,07%, with semi-annual payments of interest and amortization beginning March 2, 2016 and amortization beginning on March 2,2016. This debt is fully hedged by swap for 107,5 % of CDI p.a. Funds were used for working capital purposes.

(ii) On April 12, 2017, Visual took out a loan from Banco do Brasil for R\$ 21,000 at a cost of CDI plus 6,15% p.a., with monthly amortization of R\$ 600 plus interest, maturing in April 2020. The amount was recorded as current since settlement occurred in the first quarter of 2018.

(iii) On September 27, 2017, Visual took out a new loan from Banco do Brasil for R\$5,000 at a cost of CDI plus 5,25% p.a., with monthly amortization of R\$ 385 plus interest, maturing in November 2018, which settled in the first quarter of 2018.

(iv) On April 7, 2017, Visual took out a loan from Banco Santander for R\$ 8,000 at a preset rate of 1,90% a.m. to be settled in February 2018.

(v) In August 2017, Visual took out two new loans from Banco Safra, amounting to R\$ 3,000, at a preset rate of 1,19% a.m., settled on maturing in February 2018.

(vi) On September 12, 2016, Trend took out a loan from Banco Itaú for R\$ 2,000 at a preset rate of 1,30% p.m., with monthly amortization and maturing in August 2019, the amount was recorded as current assets since it has the expectation of settlement in the next twelve months.

(vii) On November 9, 2016, Trend took out a new loan from Banco Itaú for R\$2,000 at a preset rate of 1,35% p.m., with monthly amortization and maturing in October 2019, the amount was recorded as current assets since it has the expectation of settlement in the next twelve months.

(viii) Trend acquired 4 vehicles through leasing with Banco Itaú at an average rate of 1,55% p.m. and maturing by December 2019, the amount was recorded as current assets since it has the expectation of settlement in the next twelve months.

(ix) In August 2016, Trend entered into a lease agreement with Banco Daycoval for acquisition of hardware for R\$ 443, with monthly payments and maturing in July 2018.

(x) In April 2018, CVC took a loan from Citibank, with annual interest rates on the loan the LIBOR 3 months plus pre-tax rate of 0.39%, with quarterly interest payments and total amortization on April 23, 2019. This debt was fully hedged with swap to 107.5% of CDI per year. The funds were used for working capital.

(xi) In June 2018, CVC took a loan from Santander, with an annual interest rate on the loan. Prepaid rate of 4.68%, with payment of interest and amortization on June 17, 2019 (bullet). This debt was fully hedged with swap to 106% of CDI per year. The funds were used for working capital.

(xii) In June 2018, Trend Viagens took a loan from Santander, with an annual interest rate on the loan. Prepaid rate of 4.393%, with interest payments and amortization on June 18, 2019 (bullet). This debt was fully hedged with swap to 106% of CDI per year. The funds were used for working capital.

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Notes to the interim financial statements (Continued)
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12. Debentures (Continued)

2nd Issue

On November 21, 2017 the Company completed the 2nd Issue of 600,000 Simple Debentures, non-convertible into shares, in a single series, of unsecured type, of unit value of R\$ 1 for Public Distribution with Restricted Efforts with the following characteristics and conditions:

The remuneration interest will be calculated by the formula included in the Deed of Issue and paid semi-annually.

Transaction costs associated, which amount was R\$ 1,637, was allocated as a reduction of liabilities and are recognized as financial expenses, according to the contractual terms of this issue.

Without prejudice to the anticipated liquidation, under the terms set forth in the Deed of Issue, the unit face value of the Debentures will be amortized in 3 installments as from the date of issue, thus maturing on November 21, 2020. The amounts of remuneration interest will be paid in six installments, as follows:

- (a) May 21, 2018;
- (b) November 21, 2018;
- (c) May 21, 2019;
- (d) November 21, 2019;
- (e) May 21, 2020;
- (f) November 21, 2020.

Covenants

Financial events for early maturity of automatic declaration:

- Early maturity of bank debts and local or international capital market operations of an individual or aggregate value equal to or greater than R\$ 20,000 or its equivalent in foreign currency; and
- Early maturity of any pecuniary obligation with any third party, local or international, with an individual or aggregate value equal to or greater than R\$ 40,000 or its equivalent in foreign currency.

Financial events of early maturity through the General Meeting of Debenture Holders:

- Protest of securities of individual or global value that exceeds R\$ 40,000, or its equivalent in foreign currency, unless in the legal period the Issuer has taken appropriate measures to prove to the Fiduciary Agent that: (a) the protest was made by mistake or bad (B) the protest is canceled, or, (c) the protest is suspended due to a judicial decision;

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Notes to the interim financial statements (Continued)

June 30, 2018

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12. Debentures (Continued)

- Default, by the Issuer, of any judicial decision and/or any arbitration decision, as soon as it becomes practicable against the Issuer, whose individual or aggregate value is equal to or greater than R\$ 40,000;
- Default, by the Issuer, provided that the respective curing periods established in any debt arising from loans, financing and capital market operations, local or international of individual or aggregate value equal to or greater than R\$ 40,000;
- Expropriation, confiscation or any other act of any governmental entity of any jurisdiction resulting in the loss, by the Issuer and/or any subsidiary, of the ownership and/or direct or indirect ownership of its assets in value, individual or aggregate, equal or more than R\$ 40,000.
- 1st Issue: Non-compliance by the Issuer for 2 consecutive quarters or for 4 consecutive quarters throughout the duration of the Issue, of the financial ratio resulting from the quotient of the Net Debt to EBITDA, which shall be equal to or less than 3,00 times, to be determined quarterly based on the consolidated quarterly financial information of the Issuer.
- 2nd Issue: Non-compliance by the Issuer for 2 consecutive quarters or for 2 alternate quarters throughout the duration of the Issue, of the financial ratio resulting from the quotient of the Net Debt to EBITDA, which shall be equal to or less than 3,00 times, to be determined quarterly based on the consolidated quarterly financial information of the Issuer, revised by the independent auditor or consolidated financial statements of the Issuer audited by the independent auditor.
- Assignment, sale, alienation and/or any form of transfer, by the Issuer and/or subsidiaries by any means, free of charge or onerous, of assets in value, individual or aggregate, equal to or greater than R\$ 40,000, except: (i) by assignment, sale, alienation and/or transfer of asset(s) to any subsidiary provided it is or becomes (prior to the event) guarantor of the transaction or (iii) if the proceeds obtained from said event are immediately and fully used to redeem all of the debentures, under the terms permitted in the Deed of Issue.

13. Commitments

The Company carries out leases of buildings and facilities in which its own stores, offices and administrative infrastructure are allocated. These leases have an average term of 5 years and have a renewal option.

Total minimum lease payments, according to non-cancellable operating leases, are as follows:

| | Company | | Consolidated | |
|---|------------------|----------------------|------------------|----------------------|
| | June 30, 2018 | December 31, 2017 | June 30, 2018 | December 31, 2017 |
| Less than one year | 3,283 | 3,283 | 12,524 | 13,581 |
| More than one year and less than five years | 5,050 | 5,871 | 29,482 | 33,501 |
| Over five years | - | - | 13,115 | 14,208 |
| | 8,333 | 9,154 | 55,121 | 61,290 |

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

13. Commitments (Continued)

The operating lease expenses for the six months period ended June 30, 2018 totaled R\$ 2,400 in the company and R\$ 8,342 in the consolidated (R\$ 2,434 in the parent company and R\$ 8,566 in the consolidated on June 30, 2017).

All agreements that include penalty clauses for breaches thereof provide for penalties of up to three months of rent, If the Group terminated these agreements, the total amount of fines would be approximately R\$ 511 in the company and R\$ 4,135 in the consolidated.

14. Provision for administrative and legal proceedings

As of June 30, 2018 and December 31, 2017, the Company was party to labor and civil proceedings at both the administrative and judicial levels. When applicable, such proceedings are supported by escrow deposits (included in other accounts receivable). Provisions for any losses arising from these proceedings are estimated and updated by management, based on the opinion of its legal advisors.

| | Company | | | Total |
|------------------------------------|---------------|---------------|--------------|---------------|
| | Labor | Civil | Tax | |
| Balance as of of December 31, 2016 | 3,633 | 24,500 | - | 28,133 |
| Additions | 165 | 10,131 | - | 10,296 |
| Reversals/payments | (505) | (9,333) | - | (9,838) |
| Balance at June 30, 2017 | 3,293 | 25,298 | - | 28,591 |
| Balance at December 31, 2017 | 3,516 | 23,869 | 3,212 | 30,597 |
| Additions | 606 | 14,803 | - | 15,409 |
| Reversals/payments | 69 | (9,064) | - | (8,995) |
| Balance at June 30, 2018 | 4,191 | 29,608 | 3,212 | 37,011 |
| | Consolidated | | | Total |
| | Labor | Civil | Tax | |
| Balance as of December 31, 2016 | 6,529 | 32,985 | - | 39,514 |
| Additions | 742 | 11,686 | - | 12,428 |
| Reversals/payments | (99) | (11,191) | - | (11,290) |
| Balance at June 30, 2017 | 7,172 | 33,480 | - | 40,652 |
| Balance at December 31, 2017 | 13,443 | 28,389 | 8,678 | 50,510 |
| Additions | 978 | 16,329 | 186 | 17,493 |
| Reversals/payments | (109) | (10,896) | - | (11,005) |
| Balance at June 30, 2018 | 14,312 | 33,822 | 8,864 | 56,998 |

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Notes to the interim financial statements (Continued)
June 30, 2018
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14. Provision for administrative and legal proceedings (Continued)

Federal tax notice - goodwill

On January 7, 2015, the Company was notified of a tax assessment by the Brazilian tax authorities seeking the payment of certain amounts in relation to the Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) for periods from 2010 to 2013 and corresponding amortization of goodwill, which the tax authorities assessed was non-deductible. The total principal amount of the tax assessment is R\$ 127,073. Based on the analysis of external legal counsels, the probability of a positive outcome for the Company is 70% (possible).

15. Income and social contribution taxes

a) Reconciliation of income tax expenses

| | Company | | Consolidated | |
|---|-------------------------|----------|-------------------------|----------|
| | Six-months period ended | | Six-months period ended | |
| | June 30, | June 30, | June 30, | June 30, |
| | 2018 | 2017 | 2018 | 2017 |
| Income before income and social contribution taxes from continued operations | 143,051 | 105.631 | 160,188 | 141.897 |
| Income before income and social contribution taxes from discontinued operations | - | - | (695) | (1.567) |
| Income before income and social contribution taxes | 143,051 | 105.631 | 159,493 | 140.330 |
| Income and social contribution taxes at statutory rate - 34% | (48,637) | (35.915) | (54,228) | (47.712) |
| Stock options granted and recognized shares | (1,841) | (1,761) | (1,841) | (1,761) |
| Equity pickup | 13,443 | 6,996 | - | - |
| Other | 238 | (468) | 3,441 | (1,625) |
| Income and social contribution taxes | (36,797) | (31,148) | (52,628) | (51,098) |
| Current | (39,372) | (20,361) | (66,575) | (44,162) |
| Deferred | 2,575 | (10,787) | 13,947 | (6,936) |
| Income tax and social contribution expense | (36,797) | (31,148) | (52,628) | (51,098) |
| Effective rate | 27% | 29% | 33% | 36% |

b) Composition of income and social contribution taxes

| | Company | | Consolidated | |
|--|----------|--------------|--------------|--------------|
| | June 30, | December 31, | June 30, | December 31, |
| | 2018 | 2017 | 2018 | 2017 |
| Provision for administrative and judicial disputes | 12,584 | 10,403 | 15,267 | 12,894 |
| Provision for bonuses and gain and profit sharing | 16,242 | 14,604 | 18,359 | 17,728 |
| Provision for financial expenses on discount of receivables | 11,773 | 9,880 | 11,773 | 9,880 |
| Financial derivative instruments (accrual basis) | 5,071 | 4,890 | 5,071 | 4,890 |
| Amortization of assets allocated in the purchase price (PPA) | - | - | 20,879 | 14,025 |
| PCLD | 5,365 | 5,151 | 13,818 | 12,806 |
| Other (*) | 7,922 | 16,853 | 9,457 | 13,533 |
| Deferred tax assets | 58,957 | 61,781 | 94,624 | 85,756 |

(*) Includes other provisions that are not individually significant and diluted.

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Notes to the interim financial statements (Continued)
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15. Income and social contribution taxes (Continued)

b) Composition of income and social contribution taxes (Continued)

Following is the schedule of realization of deferred tax assets based on projected future results prepared and relying on in-house assumptions and on future economic scenarios that may thus be changed at June 30, 2018, show that the deferred income tax asset will be offset in 2018 for the parent company, and for the consolidated will be offset in up to five years:

c) Changes in tax asset

| | Company | | Consolidated | |
|-----------------|------------------|------------------|------------------|------------------|
| | June 30, 2018 | June 30, 2017 | June 30, 2018 | June 30, 2017 |
| Opening balance | 61,781 | 53,634 | 85,756 | 68,594 |
| Additions | 16,689 | 988 | 29,961 | 6,476 |
| Compensation | (19,513) | (16,734) | (21,093) | (18,372) |
| Ending balance | 58,957 | 37,888 | 94,624 | 56,698 |

16. Accounts payable and receivable from subsidiary acquisition

16.1. Accounts payable due to acquisition of subsidiary

The balance of accounts payable refers to the acquisition of Submarino Viagens. The balance to be paid is being corrected by SELIC and the discount rate of 15% pa was used, The changes in accounts payable are as follows:

| Details of transactions | Amounts |
|---|---------|
| Remaining balance payable as of December 31, 2016 | 56,460 |
| Amounts paid in 2017 | - |
| Interest in 2017 | 5,626 |
| Balance payable at December 31, 2017 | 62,086 |
| Amounts paid in 2018 | (1,537) |
| Interest for the period ended in June 30, 2018 | 1,949 |
| Balance payable at June 30, 2018 | 62,498 |
| Current | 4,119 |
| Noncurrent | 58,379 |

Balance payable will be settled as follows:

| Consolidated | |
|--------------|--------|
| Year | Amount |
| 2019 | 4,119 |
| 2020 | 4,012 |
| 2021 onward | 54,367 |
| Total | 62,498 |

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

16.2. Accounts receivable from acquisition of subsidiary

Provision for legal claims

In addition, in accordance with the agreement between the Company and the former controlling shareholder of Submarino Viagens, any past contingencies (existing prior to the acquisition date) are not the responsibility of the Company, but rather the responsibility of the former controlling shareholder. However, as the Company will be responsible for the payment of the contingencies, the provisions for contingencies and claims existing prior to the acquisition date were recorded as a liability and, in line with the above mentioned, the Company has also booked an accounts receivable from the former controlling shareholder in the same amount of these contingencies. The balance of accounts receivable as of June 30, 2018 was R\$ 1,727. This balance was recorded at the subsidiary.

17. Shareholders' equity

a) Capital

On June 30, 2018, the subscribed and paid-up capital of R\$533,087 (R\$486,370 on December 31, 2017), represented by 146,472,872 (141,700,212 at December 31, 2017), common shares with no par value.

On January 18, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 4th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 2,722 through issuance of 170,000 (one hundred and seventy thousand) new registered common shares with no par value at the issue price of R\$ 16,01483818 per subscribed share, the price being fixed based on no Contract of the 4th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On February 15, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 3th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 23,944 through issuance of 2,522,307 (two million, five hundred twenty-two thousand, three hundred and seven) new registered common shares with no par value at the issue price of R\$ 9,49286046 per subscribed share, the price being fixed based on no Contract of the 3th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On February 16, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 4th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 191 through issuance of 12,000 (twelve thousand) new registered common shares with no par value at the issue price of R\$ 15,91260833 per subscribed share, the price being fixed based on no Contract of the 4th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

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Notes to the interim financial statements (Continued)

June 30, 2018

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17. Shareholders' equity (Continued)

On February 21, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 5th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 792 through issuance of 61,100 (sixty one thousand and one hundred) new registered common shares with no par value at the issue price of R\$ 12,95682946 per subscribed share, the price being fixed based on no Contract of the 5th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On February 23, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 4th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 95 through issuance of 10,000 (ten thousand) new registered common shares with no par value at the issue price of R\$ 9,49286000 per subscribed share, the price being fixed based on no Contract of the 4th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On February 28, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 3th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 11,972 through issuance of 1,261,153 (one million, two hundred and sixty-one thousand, one hundred and fifty-three) new registered common shares with no par value at the issue price of R\$ 9,49286046 per subscribed share, the price being fixed based on no Contract of the 3th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On March,1th 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 5th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 326 through issuance of 27,000 (one twenty seven thousand) new registered common shares with no par value at the issue price of R\$ 12,08682963 per subscribed share, the price being fixed based on no Contract of the 5th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On March,2th 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 6th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 4,065 through issuance of 500,000 (five hundred thousand) new registered common shares with no par value at the issue price of R\$ 8,12927338 per subscribed share, the price being fixed based on no Contract of the 6th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On March 22, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 5th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 1,556 through issuance of 120,000 (one hundred and twenty thousand) new registered common shares with no par value at the issue price of R\$ 12,95682950 per subscribed share, the price being fixed based on no Contract of the 5th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

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Notes to the interim financial statements (Continued)

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17. Shareholders' equity (Continued)

On May 21, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 4th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 295 through issuance of 31,050 (thirty one thousand and fifty) new registered common shares with no par value at the issue price of R\$ 9,49286023 per subscribed share, the price being fixed based on no Contract of the 5th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On May 22, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 2th Stock Option Plan's beneficiary of the Company. The capital increase of R\$ 66 through issuance of 2,000 (two thousand) new registered common shares with no par value at the issue price of R\$ 9,49286023 per subscribed share, the price being fixed based on no Contract of the 2th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On May 25, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 5th Stock Option Plan's beneficiary of the Company. The capital increase of R\$609 through issuance of 47,000 (forty seven thousand) new registered common shares with no par value at the issue price of R\$ 12,956830 per subscribed share, the price being fixed based on no Contract of the 5th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On June 11, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 4th Stock Option Plan's beneficiary of the Company. The capital increase of R\$47 through issuance of 5,000 (five thousand) new registered common shares with no par value at the issue price of R\$ 9,409241749 per subscribed share, the price being fixed based on no Contract of the 4th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

On June 19, 2018, the Board of Directors approved the Company's capital increase, due to the exercise of stock options by a 4th Stock Option Plan's beneficiary of the Company. The capital increase of R\$38 through issuance of 4,050 (four thousand and fifty) new registered common shares with no par value at the issue price of R\$ 9,409924198 per subscribed share, the price being fixed based on no Contract of the 4th Stock Option Plan of Purchase of Shares agreed between the beneficiary and the Company.

The aforesaid equity capital movements for 2018 amount to R\$ 46,717.

b) Stock option plan

The Company grants compensation through share-based payments to its main executives and managers. The fair value estimate of share-based payments depends on the valuation model selected for granting these equity securities, as well the use of several assumptions for inputs, which in turn depends on the granting terms and conditions.

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Notes to the interim financial statements (Continued)

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17. Shareholders' equity (Continued)

Expenses related to these transactions are recognized on the income statement (as general and administrative expenses) during the period in which the right is granted against the reserve for share-based payments, an equity account.

The strike price of options granted is the fair market value of shares on the grant date, adjusted by variation in the Extended Consumer Price Index (IPCA) from the grant date to the exercise date. The options granted are divided as follows:

Time Based Options (TBO) - provides the beneficiary with the right to buy shares at a predetermined price based on the employee's continuous length of service at the Company. The beneficiary's right to exercise the option is subject to a vesting period and exercisable upon completion of such period.

Performance Based Options (PBO) - Provides the beneficiaries with the right to buy shares subject to achieving rate of return of at least 25% per year on invested capital of the shareholders, in U.S. dollars. In the case of a qualified IPO and if the rate of return on invested capital is higher than 30% per annum, all PBOs will be converted into TBOs. Additionally, the beneficiaries must maintain the duration of continuous employment as defined by the Company's stock option plan prior to the exercise of the options granted and must observe a one-year lockup period after the vesting date. These terms and conditions are applicable only to the first stock option plan.

The options can be exercised within 10 years of the grant date. In the event of the termination of an employment agreement, all vested options should be exercised within 90 days from the date the beneficiary leaves the Company.

During the Extraordinary General Meeting on September 1, 2014, shareholders approved amendments to the Company's stock option Plans 3 and 4 in order to make them economically attractive in relation to the market value of the Company's shares. The exercise price of the stock options of both plans was adjusted from R\$ 13,53 and R\$ 14,63 to R\$11,82, and the total number of stock options was reduced by 10%. These changes are consistent with the Company's strategic plan to retain key management personnel and ensure that they are properly incentivized to create long-term value for the Company.

On October 9, 2015, the Special General Meeting of shareholders approved the Fifth Stock Option Plan. The Plan's main objective is to attract, motivate and retain the Company's key executives, who have been selected to receive such options in order to ensure that a relevant part of their compensation is tied to long-term value creation for the Company. The maximum number of shares that can be issued for the exercise of options under the Plan is 1,363 shares, which represents 0,95% of the diluted share capital of the Company.

On December 9, 2016, the Board of Directors' Meeting approved the Sixth Stock Option Plan. The Plan's main objective is to attract, motivate and retain the Company's key executives, who have been selected to receive such options in order to ensure that a

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17. Shareholders' equity (Continued)

relevant part of their compensation is tied to long-term value creation for the Company. The maximum number of shares that can be issued for the exercise of options under the Plan is 1,500 shares, which represents 1,13% of the diluted share capital of the Company. Additionally also was approved the amendment of Fourth and Fifth Stock Option Plans. This amendment predict that the exercise price (a) should not be restate monetarily, and (b) deduction of exercise price of the amount per share possibly to be paid as dividends or interest on equity.

At the Annual and Extraordinary General Meeting held on April 28, 2017, the Company's shareholders approved the Company's Long-Term Incentive and Share-Based Retention Plan ("ILP CVC") for current and future directors of the Company, of its subsidiaries and certain employees of the Company or its subsidiaries (managers with high potential).

Under the terms of the ILP CVC, to enjoy the right to receive restricted shares of the Company, the participant, at its sole discretion, shall use the percentage of its variable compensation (PPR) to acquire shares issued by the Company in the secondary market of B3. The participant used its variable compensation to acquire shares issued by the Company in the secondary market, the Board of Directors of the Company shall grant the Participant the right to receive a certain number of Restricted Shares, without any cost for the Participant, after the end of the Lock-Up Period, calculated according to the following conditions: (i) If the Participant uses up to 50% of the Participant's variable compensation(VC) net amount to purchase Own Shares, the Company shall transfer a number of Restricted Shares to the Participant, corresponding to the same number of own shares purchased, (ii) If the Participant uses more than 50% and up to 75% of the Participant's VC net amount to purchase own shares, the Company shall transfer a number of Restricted Shares to the Participant corresponding to 125% of the number of Own Shares purchased, (iii) If the Participant uses more than 75% of the Participant's VC net amount to purchase own shares, shall transfer a number of Restricted Shares to the Participant corresponding to 150% of the number of own shares purchased. The Participants shall be entitled to receive Restricted Shares and the Company shall be required to transfer such Restricted Shares only after the end of the Lock-Up Period, provided such Restricted Shares shall not be subject to any type of trading restriction, after the end of the Lock-Up Period. For purposes of the ILP CVC, the Lock-Up Period means the period of 3 years from the date of acquisition of the Own Shares by the Participant, duly demonstrated to the Company by the proof of acquisition of the shares in the secondary market, during which the participant will not be able to dispose of, transfer, rent, assign, pledge or pledge any such shares acquired in the secondary market, otherwise, at the end of such period, the Company will not transfer the restricted shares to the participant.

At the Extraordinary Shareholders' Meeting held on June 2, 2017, the Company's shareholders approved on the CEO-Incentive Plan Based on Shares ("ILP CEO") for the Company's Chief Executive Officer and the CFO-Incentive Plan Based on Shares ("ILP CFO ") for the Company's Financial and Investor Relations Executive Officer.

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17. Shareholders' equity (Continued)

Under the terms of the ILP CEO and ILP CFO, eligible executives will be entitled, subject to certain conditions described in the Plans, to receive restricted shares of the Company in a non-onerous manner.

The maximum total number of restricted shares that may be delivered under the ILP CEO is 2,039,000 shares representing the Company's total share capital, corresponding to 1,5% of the Company's current capital stock, on a fully diluted basis.

The maximum total number of restricted shares that may be delivered under the ILP CFO is 274,000 shares representing the Company's total capital stock, corresponding to 0,2% of the Company's current capital stock, on a fully diluted basis.

The number of restricted shares to be delivered to participants will be determined based on the conditions described in the ILP CEO and ILP CFO.

Both the ILP CEO and the ILP CFO will be used, for the liquidation of the restricted shares, shares currently held in treasury or that may be acquired by the Company for such purpose within the scope of a share repurchase program, in accordance with its bylaws and of CVM Instruction No, 567.

Changes in the stock option plans are detailed below:

| | (In thousand of options) | | | | | | | | | | | |
|-------------------|--------------------------|-------------|-------------------|-------------------|-------------|-------------------|-----------|-----------|----------|-----------|---------|-----|
| | 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 a 2.3 | Tranche 2.4 e 2.5 | Tranche 3.1 | Tranche 4.1 a 4.3 | Tranche 1 | Tranche 1 | Tranch 1 | Tranche 2 | | |
| | PBO | TBO | TBO | TBO | TBO | TBO | TBO | TBO | TBO | TBO | TBO | TBO |
| December,31, 2016 | 103 | 501 | - | 69 | - | 5,593 | 1,398 | 1,363 | 1,500 | - | - | - |
| Granted | - | - | - | - | - | - | - | - | - | 301 | - | 833 |
| Forfeited | (77) | - | - | - | - | - | (30) | - | (800) | - | - | - |
| Exercised | - | - | - | - | (905) | (340) | (103) | (200) | - | - | - | - |
| June, 30, 2017 | 26 | 501 | - | 69 | - | 4,688 | 1,028 | 1,260 | 500 | 301 | - | 833 |
| December,31, 2017 | - | 500 | - | 68 | - | 3,783 | 672 | 1,123 | 500 | 301 | - | 833 |
| Granted | - | - | - | - | - | - | - | - | - | - | 245 | - |
| Exercised | - | (500) | - | (2) | - | (3,783) | (252) | (255) | - | - | - | - |
| Forfeited | - | - | - | - | - | - | - | (94) | - | - | - | - |
| Canceled | - | - | - | - | - | - | (4) | - | - | - | - | - |
| June,30, 2018 | - | - | - | 66 | - | - | 416 | 774 | 500 | 301 | 245 | 833 |

b) Stock option plan (Continued)

The expense for the six months period ended June 30, 2018 was R\$22,637, net of social charges (R\$5,540 in the period ended June 30, 2017).

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

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17. Shareholders' equity (Continued)

| Detalhes | Plano 1 | | Plano 2 | Plano 3 | Plano 4 | | | Plano 5 | Plano 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 | Tranche 2 | | |
| Beginning date (first granting) | 03/05/2010 | 01/01/2010 | 10/11/2013 | 11/03/2013 | 10/11/2011 | 01/04/2013 | 31/10/2013 | 31/08/2014 | 09/12/2015 | 28/04/2017 | 05/30/2018 | 16/05/2017 | 16/05/2017 |
| Number of options - PBO (thousands) | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Number of options - TBO (thousands) | - | - | 66 | - | 303 | 13 | 100 | 774 | 500 | 301 | 245 | 833 | 112 |
| Exercise price - 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 | 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% | 36,22% |
| Expected inflation (IPCA) | 5,87% | 5,87% | 5,58% | - | - | - | - | - | - | - | - | - | - |
| Estimated exercise period | 5 anos | 4 anos | 5 anos | 4 anos | 5 anos | 5 anos | 5 anos | 4,4 anos | 5 anos | 3 anos | 3 anos | 3 anos | 3 anos |
| Fair value of stock option | 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 | N/A |

Judicial deposit

On October 18, 2017, Management decided to propose a legal action against the Federal Government regarding the possible taxation of the existing stock option plans as compensation, defending the commercial nature of the agreement. Accordingly, judicial deposits were made in this period, totaling R\$60,759 as of June 30, 2018 (R\$19,227 as of December 31, 2017) to guarantee discussion of the risk, and is presented under "Judicial Deposit" in non-current assets in the balance sheet.

c) Income reserve

Legal reserve: The legal reserve is recorded based on the allocation of 5% of annual net income, limited to 20% of capital stock.

Reserve for working capital: The account is set up based on the allocation of up to 25% of the remaining net income, after the allocation of net income to the legal reserve and distribution of dividends. The account is intended to maintain the Company's working capital and is limited to 30% of capital stock.

Expansion reserve: The expansion reserve is set up based on the allocation of up to 25% of the remaining net profit, after the allocation of net income to the legal reserve and distribution of dividends. The account is intended to expand the Company's business and is limited to 50% of capital stock.

Retained earnings reserve: Up to 50% of the net income remaining after the aforementioned allocations can be retained based on the capital budget approved by the General Shareholders' Meeting (GSM), pursuant to Article 196 of Brazilian Corporation Law.

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

17. Shareholders' equity (Continued)

d) Treasury shares

Treasury shares are repurchased shares recognized at cost in a separate account and deducted from shareholders' equity. No gain or loss is recognized on the income statement upon the purchase, sale, issuance or cancellation of the Company's own treasury shares. Any difference between the book value of the shares and the consideration is recognized in other capital reserves.

At June 30, 2018, the Company held 927,240 treasury shares (11,440 at December 31, 2017), in the amount of 50,769 (283 at December 31, 2017).

18. Financial expenses, net

| | <u>Company</u> | | <u>Consolidated</u> | |
|---|---------------------------------|-----------------|---------------------------------|-----------------|
| | <u>Six-months periods ended</u> | | <u>Six-months periods ended</u> | |
| | <u>June 30,</u> | | <u>June 30,</u> | |
| | <u>2018</u> | <u>2017</u> | <u>2018</u> | <u>2017</u> |
| Financial expenses | | | | |
| Tax on financial transactions (IOF) | (1,775) | (2,316) | (3,335) | (2,548) |
| Financial charges (a) | (84,730) | (78,354) | (89,900) | (80,743) |
| Interest on the acquisitions of investees | (7,810) | (10,875) | (13,180) | (10,875) |
| Other | (2,812) | (2,976) | (6,990) | (4,091) |
| Total financial expenses | <u>(97,127)</u> | <u>(94,521)</u> | <u>(113,405)</u> | <u>(98,257)</u> |
| Financial income | | | | |
| Short-term investment income | 615 | 1,202 | 1,547 | 1,596 |
| Interest income | 14,098 | 3,315 | 17,125 | 5,562 |
| Other | 10,659 | 16,440 | 13,802 | 20,338 |
| Total financial income | <u>25,372</u> | <u>20,957</u> | <u>32,474</u> | <u>27,496</u> |
| Exchange variation, net | <u>(739)</u> | <u>(1,563)</u> | <u>(626)</u> | <u>(1,657)</u> |
| Financial expenses, net | <u>(72,494)</u> | <u>(75,127)</u> | <u>(81,557)</u> | <u>(72,418)</u> |

a) Financial expenses primarily related to interest expense accrued under banks loans and financial services fees, including interest on credit card factoring and bank slips fees.

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June 30, 2018

(In thousands of reais, except when indicated otherwise)

19. Related party transactions

Transactions with related parties are carried out in the normal course of business, according to the specific prices agreed upon between the parties and consistent with market conditions for similar transactions between independent parties.

a) Principal balances and payments arising from transactions with related parties

| Company | June 30, 2018 | | | | | |
|---|----------------|-------------------|---------------------|------------------------|-------------------|---------------|
| | Current assets | Noncurrent assets | Current liabilities | Noncurrent liabilities | Result (6 months) | Payment |
| <u>Acquisition Related Parties</u> | - | - | 58,316 | 298,554 | (2,817) | 7,800 |
| Duotur Group (ii) | - | - | 25,047 | 49,328 | (2,332) | 2,429 |
| Viatrix Viagens (iii) | - | - | 10,596 | 5,373 | (485) | 4,651 |
| Visual (v) | - | - | 2,822 | 9,567 | - | - |
| Trend Group (iv) | - | - | 19,851 | 234,286 | - | - |
| <u>Intercompany operations</u> | 165,544 | - | 18,583 | - | (3,015) | 39,919 |
| READ Serviços Turísticos (vi) | 13,790 | - | - | - | - | - |
| Reserva Fácil (vi) | - | - | 497 | - | - | - |
| Submarino Viagens (vi) | 84,202 | - | 16,400 | - | - | 13,146 |
| Viatrix Viagens (vi) | 259 | - | - | - | - | - |
| Visual Turismo (vi) | 3,341 | - | - | - | 1 | 1,761 |
| Trend Group (vi) | 63,952 | - | 89 | - | (3,016) | 7,500 |
| GJP Administradora de Hotéis (i) | - | - | 1,597 | - | - | 17,512 |
| <u>Loans - Related Parties</u> | - | 168,334 | - | - | - | - |
| Trend Group (vii) | - | 168,334 | - | - | - | - |
| <u>Advance for future capital increase</u> | - | - | - | - | - | - |
| Visual Turismo (viii) | - | 82,200 | - | - | - | - |
| | - | 82,200 | - | - | - | - |
| Total | 165,544 | 250,534 | 76,899 | 298,554 | (5,832) | 46,999 |

| Consolidated | June 30, 2018 | | | | | |
|---|----------------|-------------------|---------------------|------------------------|-------------------|---------------|
| | Current assets | Noncurrent assets | Current liabilities | Noncurrent liabilities | Result (6 months) | Payment |
| <u>Acquisition Related Parties</u> | - | 1,912 | 58,316 | 298,554 | (2,817) | 7,080 |
| Duotur Group (ii) | - | - | 25,047 | 49,328 | (2,332) | 2,429 |
| Viatrix Viagens (iii) | - | - | 10,596 | 5,373 | (485) | 4,651 |
| Visual (v) | - | - | 2,822 | 9,567 | - | - |
| Trend Group (iv) | - | 1,912 | 19,851 | 234,286 | - | - |
| <u>Intercompany operations</u> | - | - | 1,596 | - | - | 17,512 |
| GJP Administradora de Hotéis (i) | - | - | 1,596 | - | - | 17,512 |
| Total | - | 1,912 | 59,912 | 298,554 | (2,817) | 24,592 |

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June 30, 2018

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19. Related party transactions (Continued)

| Company | December 31, 2017 | | | | | |
|---|-------------------|-------------------|---------------------|------------------------|-------------------|----------------|
| | Current assets | Noncurrent assets | Current liabilities | Noncurrent liabilities | Result (6 months) | Payment |
| Acquisition Related Parties | - | 1,912 | 90,792 | 280,176 | (7,676) | 111,715 |
| Duotur Group (ii) | - | - | 25,144 | 49,328 | (5,871) | 102,147 |
| Viatrix Viagens (iii) | - | - | 10,270 | 9,865 | (1,805) | 9,568 |
| Visual (v) | - | - | 10,043 | 7,697 | - | - |
| Trend Group (iv) | - | 1,912 | 45,335 | 213,286 | - | - |
| Intercompany operations | 170,495 | - | 12,553 | - | - | 60,440 |
| CVC Serviços Agência de Viagens Ltda (vi) | - | - | - | - | - | 48,002 |
| READ Serviços Turísticos (vi) | 67,013 | - | 293 | - | - | - |
| Submarino Viagens (vi) | 33,159 | - | 9,573 | - | - | - |
| Viatrix Viagens (vi) | 16 | - | 34 | - | - | - |
| Visual Turismo (vi) | 19,900 | - | - | - | - | - |
| Trend Group (vi) | 50,403 | - | - | - | - | - |
| GJP Administradora de Hotéis (i) | 4 | - | 2,653 | - | - | 12,438 |
| Total | 170,495 | 1,912 | 103,345 | 280,176 | (7,676) | 172,155 |

| Consolidated | 31 de dezembro de 2017 | | | | | |
|------------------------------------|------------------------|-------------------|---------------------|------------------------|-------------------|----------------|
| | Current assets | Noncurrent assets | Current liabilities | Noncurrent liabilities | Result (6 months) | Payment |
| Acquisition Related Parties | - | 1,912 | 90,792 | 280,176 | (7,676) | 111,715 |
| Duotur Group (ii) | - | - | 25,144 | 49,328 | (5,871) | 102,147 |
| Viatrix Viagens (iii) | - | - | 10,270 | 9,865 | (1,805) | 9,568 |
| Visual (v) | - | - | 10,043 | 7,697 | - | - |
| Trend Group (iv) | - | 1,912 | 45,335 | 213,286 | - | - |
| Intercompany operations | - | - | 2,653 | - | - | 12,438 |
| GJP Administradora de Hotéis (i) | - | - | 2,653 | - | - | 12,438 |
| Total | - | 1,912 | 93,445 | 280,176 | (7,676) | 124,153 |

a) Principal balances and payments arising from transactions with related parties (Continued)

(i) Refers to accounts payable related to reservation of hotel rooms, GJP Hotel Management is considered as a related party, since it is indirectly controlled by a holding company that holds shares in the Company.

(ii) Refers to the accounts payable for the acquisition of the Duotur Group's capital, a 100% correction for the CDI rate due until 2020, The Company considers this acquisition as related parties, since the current directors of Duotur are former shareholders.

(iii) Refers to the accounts payable for the acquisition of the capital of Viatrix, a 100% correction for the CDI rate maturing in December, 2018, The Company considers this acquisition as related parties, considering that the current directors of Viatrix are former shareholders.

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19. Related party transactions (Continued)

(iv) Refers to the accounts payable for the acquisition of the capital of the Trend Group, a 100% restatement of the CDI rate maturing until 2022. The amount receivable refers to the option value of the remaining 10% of Trend. The Company considers this acquisition as related parties, since the current directors of the Trend Group are former shareholders.

(v) Refers to the accounts payable for the acquisition of the capital of Visual, 100% correction for the CDI rate maturing up to 2022. The Company considers this acquisition as related parties, considering that the current directors of Visual are former shareholders.

(vi) Anticipation for payment of general expenses, sale of air tickets, hotel reservations and other tourist services between the Company and its subsidiaries, with various maturities and without interest rate remuneration.

(vii) Mutual maturity until November 2020 and interest rate of 114,7% of CDI.

(viii) Amount anticipated to the controlled subsidiary Visual with future objectives of capital increase.

b) Compensation of key management personnel

Key management personnel includes directors and officers.

| | <u>Six-months periods ended June 30,</u> | |
|-------------------------------------|--|-------------|
| | <u>2018</u> | <u>2017</u> |
| Wages and other short-term benefits | 30,893 | 24,899 |
| Share-based payments | 22,637 | 9,223 |
| | 53,530 | 34,122 |

20. Advanced sales of travel packages

The intermediate tourist packages are counted as contracts to be shipped in advance in the current liabilities, until the moment of the embarkation of the passengers. The nature of accounting for these amounts refers to transfers to air and land suppliers, commissions of tourism agents, as well as services provided for the intermediation of tourism packages. On June 30, 2018, the balance of contracts to embark on prepaid tourist packages is R\$ 1,775,362 in the parent company and R\$ 2,056,252 in the consolidated (R\$ 1,466,372 in the parent company and R\$ 1,700,823 in the consolidated on December 31, 2017).

21. Revenue

Segregation of Revenue

The Company has a single operating segment in the "Tourism Intermediation" activity. The operations are headquartered substantially in Brazil.

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Notes to the interim financial statements (Continued)
 June 30, 2018
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21. Revenue (Continued)

| | Company | | Consolidated | |
|---|--------------------------------------|----------|--------------------------------------|----------|
| | Six-months periods ended June 30, | | Six-months periods ended June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Domestic | 261,702 | 236,107 | 430,125 | 343,962 |
| International | 155,240 | 127,627 | 286,523 | 200,774 |
| Cruise | 34,234 | 23,980 | 34,714 | 23,999 |
| Gross revenue from tourism intermediation | 451,176 | 387,714 | 751,362 | 568,735 |
| Taxes on sale | (26,581) | (22,339) | (49,970) | (36,145) |
| Net Revenue from tourism intermediation | 424,595 | 365,375 | 701,392 | 532,590 |

22. Operating expenses

| | Company | | Consolidated | |
|-------------------------------------|--------------------------------------|-----------|--------------------------------------|-----------|
| | Six-months periods ended June 30, | | Six-months periods ended June 30, | |
| | 2018 | 2017 | 2018 | 2017 |
| Personnel | (94,258) | (74,952) | (210,345) | (144,526) |
| Third-party services (a) | (79,872) | (69,157) | (124,990) | (93,123) |
| Credit card fees | (25,528) | (25,658) | (36,668) | (29,453) |
| Depreciation and amortization | (22,180) | (18,589) | (51,401) | (31,988) |
| Allowance for doubtful accounts | (6,801) | (3,659) | (10,292) | (5,631) |
| Other | (1,210) | (976) | (5,009) | (9,418) |
| Total | (229,849) | (192,991) | (438,705) | (314,139) |
| Sales expenses | (85,615) | (75,446) | (115,717) | (94,062) |
| General and administrative expenses | (144,234) | (117,545) | (322,988) | (220,077) |
| Depreciation and amortization | (122,054) | (98,956) | (271,587) | (188,089) |
| General and Administrative Expenses | (22,180) | (18,589) | (51,401) | (31,988) |
| Total | (229,849) | (192,991) | (438,705) | (314,139) |

(a) Includes marketing, advertising, professional services expenses and others.

23. Held for sale operation

In October 2016, the Company's management took a decision to acquire for, R\$ 12,000,22 commercial points of some franchisee stores of CVC, acting predominantly in the state of Rio de Janeiro. Such stores were operated by franchisees linked with the ex-master franchisee of the state of Rio de Janeiro, which had broken its agreement by the Company on August 7, 2016.

CVC Brasil Operadora e Agência de Viagens S.A.

Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

23. Held for sale operation (Continued)

During the first quarter of 2017, the Company sold 18 stores. Two remaining stores were sold to new franchisees during the first quarter of 2018, one store had its business closed and one store was converted into its own store.

Net income for the period of these net assets held for sale is presented as follows:

| | Consolidated | Consolidated |
|---|---------------------|---------------------|
| | 06/30/2018 | 12/31/2017 |
| Assets | | |
| Cash | - | 1 |
| Intangible assets | - | 998 |
| Assets classified as held for sale | - | 999 |
| Liabilities | | |
| Other accounts payable | - | (60) |
| Liabilities directly associated with assets classified as held for sale | - | (60) |
| Net liabilities directly associated with assets held for sale | - | 939 |

| | Consolidated | Consolidated |
|---|---------------------|---------------------|
| | 06/30/2018 | 12/31/2017 |
| Revenue | 700 | 10,925 |
| Expenses | (1,397) | (12,105) |
| Loss from discontinued operations before income taxes | (697) | (1,180) |
| Income taxes | 238 | 401 |
| Net loss from discontinued operations | (459) | (779) |

The cash flows for the held for sale transaction are presented below:

| | Consolidated | Consolidated |
|-------------------------------|---------------------|---------------------|
| | 06/30/2018 | 12/31/2017 |
| Operational activities | (459) | (1.180) |
| Investment activities | (241) | (1.655) |
| Results from sale of assets | 700 | 475 |
| Net cash generated | - | - |

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Notes to the interim financial statements (Continued)
June 30, 2018
(In thousands of reais, except when indicated otherwise)

24. Earnings per share

| | Six-months periods ended, June 30, | |
|--|---------------------------------------|---------|
| | 2018 | 2017 |
| Profit attributable to Company's shareholders | 106,254 | 74,483 |
| Weighted average number of common shares outstanding during the year (thousands) | 144,263 | 133,678 |
| Earnings per share- basic (R\$) | 0,74 | 0,56 |
| Weighted average number of common shares for basic earnings per share (in thousands of shares) | 144,263 | 133,678 |
| Dilution effect: Share-based payment (thousands of shares) | 2,631 | 6,003 |
| Weighted average number of common shares adjusted by dilution effect (in thousands of shares) | 146,895 | 139,681 |
| Earnings per share - diluted (R\$) | 0,72 | 0,53 |

25. Changes in liabilities from financing activities

The changes in the liabilities of financing activities for the years ended June 30, 2018 and December 31, 2017 are shown below.

| Company June 30,2018 | | | | | | | | |
|--|--------------------------|------------------|------------------|--|----------------|-----------------|---|------------------------|
| | At January 1, 2018 | Cash flow | Interest paid | Interest+ foreign exchange and monetary differences | New raises | No cash flow | Current and non- current transfers | At June 30, 2018 |
| Current loans and financing | 64,498 | (32,531) | (1,400) | 41,952 | 265,000 | - | 13,712 | 351,231 |
| Nocurrent loans and financing | 13,712 | - | - | - | - | - | (13,712) | - |
| Current debentures | 154,163 | (50,000) | (27,068) | 27,662 | - | - | 49,595 | 154,352 |
| Nocurrent debentures | 648,831 | - | - | - | - | - | (49,595) | 599,236 |
| Accounts payable for acquisition of subsidiaries - current | 4,073 | - | (1,537) | 1,949 | - | - | (366) | 4,119 |
| Accounts payable for acquisition of subsidiaries - nocurrent | 58,013 | - | - | - | - | - | 366 | 58,379 |
| Accounts payable for acquisition of investees – related parties -current | 90,792 | (13,979) | (2,608) | 5,861 | - | (3,372) | (18,378) | 58,316 |
| Accounts payable for acquisition of investees – related parties -nocurrent | 280,176 | - | - | - | - | - | 18,378 | 298,554 |
| Derivative financial instruments, net | 12,833 | (13,655) | (1,427) | (36,084) | - | - | - | (38,333) |
| Total | 1,327,091 | (110,165) | (34,040) | 41.340 | 265,000 | (3,372) | - | 1,485,854 |

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Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

25. Changes in liabilities from financing activities (Continued)

Consolidated
June 30, 2018

| | At January 1, 2018 | Cash flow | Interest paid | Interest+ foreign exchange and monetary differences | New raises | No cash flow | Current and non- current transfers | At June 30, 2018 |
|---|--------------------------|------------------|------------------|--|----------------|--------------------|---|------------------------|
| Current loans and financing | 94,588 | (58,946) | (2,568) | 42,754 | 300,000 | - | 13,712 | 389,540 |
| Nocurrent loans and financing | 13,712 | - | - | - | - | - | (13,712) | - |
| Current debentures | 154,163 | (50,000) | (27,068) | 27,662 | - | - | 49,595 | 154,3532 |
| Nocurrent debentures | 648,831 | - | - | - | - | - | (49,595) | 599,236 |
| Accounts payable for acquisition of subsidiaries - current | 4,073 | - | (1,537) | 1,949 | - | - | (366) | 4,119 |
| Accounts payable for acquisition of subsidiaries - nocurrent | 58,013 | - | - | - | - | - | 366 | 58,379 |
| Accounts payable for acquisition of investees – related parties - current | 90,792 | (13,979) | (2,608) | 5,861 | - | (3,372) | (18,378) | 58,316 |
| Accounts payable for acquisition of investees – related parties - nocurrent | 280,176 | - | - | - | - | - | 18,378 | 298,554 |
| Derivative financial instruments, net | 12,661 | (13,765) | (1,426) | (42,841) | - | - | - | (45,371) |
| Total | 1,357,009 | (136,690) | (35,207) | 35,385 | 300,000 | (3,372) | - | 1,517,125 |

CVC Brasil Operadora e Agência de Viagens S.A.

Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

25. Changes in liabilities from financing activities (Continued)

| | Company June 30, 2017 | | | | | | | |
|--|--------------------------|------------------|------------------|--|----------------|-----------------|---|------------------------|
| | At January 1, 2017 | Cash flow | Interest paid | Interest+ foreign exchange and monetary differences | New raises | No cash flow | Current and non- current transfers | At June 30, 2017 |
| Current loans and financing | 216,121 | (178,982) | (1,933) | 24 | 199,933 | - | 30,176 | 265,339 |
| Nocurrent loans and financing | 76,912 | - | - | - | - | - | (30,176) | 46,736 |
| Current debentures | - | - | (5,426) | 6,976 | 199,174 | - | (149,687) | 51,037 |
| Nocurrent debentures | - | - | - | - | - | - | 149,687 | 149,687 |
| Accounts payable for acquisition of subsidiaries – current | 3,529 | - | - | 3,199 | - | - | (2,999) | 3,729 |
| Accounts payable for acquisition of subsidiaries – nocurrent | 52,931 | - | - | - | - | - | 2,999 | 55,930 |
| Accounts payable for acquisition of investees – related parties –current | 36,140 | - | (6,384) | 7,675 | - | 189,714 | (127,886) | 99,259 |
| Accounts payable for acquisition of investees – related parties -nocurrent | 93,797 | - | - | - | - | - | 127,886 | 221,683 |
| Derivative financial instruments, net | 35,274 | (28,325) | (7,270) | 17,688 | - | - | - | 17,347 |
| Total | 514,704 | (207,307) | (21,013) | 35,542 | 399,107 | 189,714 | - | 910,747 |

CVC Brasil Operadora e Agência de Viagens S.A.

Notes to the interim financial statements (Continued)

June 30, 2018

(In thousands of reais, except when indicated otherwise)

25. Changes in liabilities from financing activities (Continued)

| Consolidated June 30, 2017 | | | | | | | | |
|--|--------------------------|------------------|------------------|--|----------------|-----------------|---|------------------------|
| | At January 1, 2017 | Cash flow | Interest paid | Interest+ foreign exchange and monetary differences | New raises | No cash flow | Current and non- current transfers | At June 30, 2017 |
| Current loans and financing | 216,121 | (178,982) | (1,933) | 624 | 249,900 | - | 30,176 | 315,906 |
| Nocurrent loans and financing | 76,912 | - | - | - | - | - | (30,176) | 46,736 |
| Current debentures | - | - | (5,426) | 6,976 | 199,174 | - | (149,687) | 51,037 |
| Nocurrent debentures | - | - | - | - | - | - | 149,687 | 149,687 |
| Accounts payable for acquisition of subsidiaries – current | 3,529 | - | - | 3,199 | - | - | (2,999) | 3,729 |
| Accounts payable for acquisition of subsidiaries – nocurrent | 52,931 | - | - | - | - | - | 2,999 | 55,930 |
| Accounts payable for acquisition of investees – related parties –current | 36,140 | - | (6,384) | 7,675 | - | 189,714 | (127,886) | 99,259 |
| Accounts payable for acquisition of investees – related parties -nocurrent | 93,797 | - | - | - | - | - | 127,886 | 221,683 |
| Derivative financial instruments, net | 35,174 | (28,325) | (7,270) | 16,952 | - | - | - | 16,631 |
| Total | 514,709 | (207,307) | (21,013) | 35,426 | 449,074 | 189,714 | - | 960,598 |

Interest paid is disclosed in financing activities in cash flows.

26. Additional information on cash flows

| | Company | | Consolidated | |
|--|------------------|------------------|------------------|------------------|
| | June 30, 2018 | June 30, 2017 | June 30, 2018 | June 30, 2017 |
| Transactions that do not involve cash outlay: | | | | |
| Increase in debt - acquisition of related parts / investment (i) | - | 189,714 | - | 189,714 |
| Debt reduction - acquisition of related parties / investment (ii) | (3,372) | - | (3,372) | - |
| | (3,372) | 189,714 | (3,372) | 189,714 |

(i) Amount referring to the acquisition of the remaining stake of the Duotur Group, acquisition of investment with future disbursement. This amount was settled through the delivery of shares of the Company to the former controlling shareholders of the acquired companies;

(ii) Value for earn-out, Visual Tourism.

CVC Brasil Operadora e Agência de Viagens S.A.

Notes to the interim financial statements (Continued)
June 30, 2018
(In thousands of reais, except when indicated otherwise)

27. Insurance

On June 30, 2018, the Company and its subsidiaries present the following insurance policies:

| Type | Insured amounts as of June 30, 2018 |
|---|--|
| Risk - civil liability | 83,932 |
| Risk - civil liability administrators and directors | 75,000 |
| Risks - general/civil | 58,495 |

28. Reporting segments

The Company and its subsidiaries have evaluated the requirements described in CPC 22 (IFRS 8) - Segments and understand that the CVC Brasil Group has only one reportable segment that is the "tourism intermediation", and carried out integrally in the national territory.

29. Subsequent events

On July 30, 2018, the Company's shareholders approved the corporate restructuring involving READ Serviços Turísticos SA by CVC Brasil Operadora and Agência de Viagens S.A, executed by the respective administrations on July 12, 2018. The corporate restructuring took place through incorporation of READ Serviços Turísticos S.A, a direct subsidiary, by CVC Brasil Operadora and Agência de Viagens S.A.

On July 30, 2018, the Company's shareholders approved the corporate restructuring involving Reserva Fácil Tecnologia SA by CVC Brasil Operadora and Agência de Viagens S.A, executed by the respective administrations on July 12, 2018. The corporate restructuring took place through incorporation of Reserva Fácil Tecnologia S.A, a direct subsidiary, by CVC Brasil Operadora and Agência de Viagens S.A.

The corporate restructuring will not affect the shareholders' rights of the companies involved.