

Interim Financial Information

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

June 30, 2019

and Report on Review of Interim Financial Information



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Relatório sobre a revisão de informações trimestrais- ITR

Aos
Acionistas, Conselheiros e Administradores
CVC Brasil Operadora e Agência de Viagens S.A.
Santo André - SP

Introdução

Revisamos as informações contábeis intermediárias, individuais e consolidadas, da CVC Brasil Operadora e Agência de Viagens S.A. (“Companhia”), contidas no Formulário de Informações Trimestrais – ITR referente ao trimestre findo em 30 de junho de 2019, que compreendem o balanço patrimonial em 30 de junho de 2019 e as respectivas demonstrações do resultado e do resultado abrangente para os períodos de três e seis meses findos naquela data e das mutações do patrimônio líquido e dos fluxos de caixa para o período de seis meses findo naquela data, incluindo as notas explicativas.

A administração da Companhia é responsável pela elaboração dessas informações contábeis intermediárias de acordo com o CPC 21(R1) e a IAS 34 – Interim Financial Reporting, emitida pelo International Accounting Standards Board – IASB, assim como pela apresentação dessas informações de forma condizente com as normas expedidas pela Comissão de Valores Mobiliários, aplicáveis à elaboração das Informações Trimestrais - ITR. Nossa responsabilidade é a de expressar uma conclusão sobre essas informações contábeis intermediárias com base em nossa revisão.

Alcance da revisão

Conduzimos nossa revisão de acordo com as normas brasileiras e internacionais de revisão de informações intermediárias (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade e ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectivamente). Uma revisão de informações intermediárias consiste na realização de indagações, principalmente às pessoas responsáveis pelos assuntos financeiros e contábeis e na aplicação de procedimentos analíticos e de outros procedimentos de revisão. O alcance de uma revisão é significativamente menor do que o de uma auditoria conduzida de acordo com as normas de auditoria e, conseqüentemente, não nos permitiu obter segurança de que tomamos conhecimento de todos os assuntos significativos que poderiam ser identificados em uma auditoria. Portanto, não expressamos uma opinião de auditoria.



Conclusão sobre as informações intermediárias individuais e consolidadas

Com base em nossa revisão, não temos conhecimento de nenhum fato que nos leve a acreditar que as informações contábeis intermediárias individuais e consolidadas incluídas nas informações trimestrais acima referidas não foram elaboradas, em todos os aspectos relevantes, de acordo com o CPC 21(R1) e a IAS 34, emitida pelo IASB aplicáveis à elaboração de Informações Trimestrais - ITR e apresentadas de forma condizente com as normas expedidas pela Comissão de Valores Mobiliários.

Outros Assuntos - Demonstrações do valor adicionado

As informações contábeis intermediárias individuais e consolidadas, relativas às demonstrações do valor adicionado (DVA) referentes ao período seis meses findo em 30 de junho de 2019, elaboradas sob a responsabilidade da administração da Companhia, apresentadas como informação suplementar para fins da IAS 34, foram submetidas a procedimentos de revisão executados em conjunto com a revisão das informações trimestrais - ITR da Companhia. Para a formação de nossa conclusão, avaliamos se essas demonstrações estão reconciliadas com as informações contábeis intermediárias e registros contábeis, conforme aplicável, e se a sua forma e conteúdo estão de acordo com os critérios definidos no Pronunciamento Técnico CPC 09 - Demonstração do Valor Adicionado. Com base em nossa revisão, não temos conhecimento de nenhum fato que nos leve a acreditar que essas demonstrações do valor adicionado não foram elaboradas, em todos os seus aspectos relevantes, de forma consistente com as informações contábeis intermediárias individuais e consolidadas tomadas em conjunto.

São Paulo, 7 de agosto de 2019

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

Balance sheet for the period ended June 30, 2019 and December 31, 2018
(Amounts in thousands of Brazilian reais - BRL, unless otherwise stated)

	Notes	Parent Company		Consolidated	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Assets					
Current assets					
Cash and cash equivalents	4	380,779	270,088	531,898	346,174
Derivative financial instruments	3.3	-	29,634	-	30,427
Trade receivables	5	2,592,858	2,352,458	3,313,821	3,015,132
Advances to suppliers	6	698,078	652,225	772,643	713,272
Prepaid expenses	7	301,778	321,434	340,483	352,237
Recoverable taxes		140,333	104,051	188,223	148,196
Trade receivables - related parties	19.a	441,727	243,306	-	-
Other receivables		48,857	20,853	61,621	27,684
Total current assets		4,604,410	3,994,049	5,208,689	4,633,122
Non-current assets					
Receivables from investee acquisition – related parties	19.a	-	-	9,973	9,973
Loans - related parties	19.a	-	221,631	-	-
Prepaid expenses	7	341	395	428	395
Deferred income tax and social contribution	16	140,338	161,461	293,724	292,909
Court Deposits		84,624	77,601	93,266	84,662
Other receivables		8,531	7,176	11,422	9,917
Investments	9	831,575	278,201	-	756
Property, plant and equipment		19,616	20,632	39,037	37,918
Intangible assets	10	461,011	449,001	1,393,440	1,099,547
Right-of-use asset	14	34,593	-	71,841	-
Total non-current assets		1,580,629	1,216,098	1,913,131	1,536,077
Total assets		6,185,039	5,210,147	7,121,820	6,169,199

The notes are an integral part of the Interim Financial Statements



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

Balance sheet for the period ended June 30, 2019 and December 31, 2018
(Amounts in thousands of Brazilian reais - BRL, unless otherwise stated)

	Notes	Parent Company		Consolidated	
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Liabilities and Equity					
Current assets					
Borrowings and financing	12	184,980	503,235	187,167	553,520
Debentures	13	16,225	56,980	16,225	56,980
Derivative financial instruments	3.3	18,756	10,706	19,840	10,951
Suppliers	11	431,630	423,749	659,997	618,283
Accounts payable - related parties	19.a	116,699	43,584	481	1,755
Accounts payable for investee acquisition – related parties	19.a	49,541	65,803	49,541	69,677
Prepaid package tour boarding agreements	20	2,018,844	1,744,729	2,260,644	1,924,829
Salaries and welfare charges		57,513	61,376	91,561	93,225
Current income tax and social contribution		138,252	102,161	154,519	126,287
Taxes and contributions payable		21,565	25,610	32,349	37,512
Dividends payable		-	3,839	-	3,839
Accounts Payables for the acquisition of subsidiary	17.1	4,062	4,163	4,062	4,163
Lease liabilities	14	9,426	-	16,590	-
Other accounts payable		66,541	107,807	123,864	158,825
Total current liabilities		3,134,034	3,153,742	3,616,840	3,659,846
Non-current assets					
Borrowings and financing	12	-	-	261	4,090
Debentures	13	1,505,726	798,910	1,505,726	798,910
Accounts payable for investee acquisition – related parties	19.a	102,499	64,334	149,237	121,645
Deferred income tax and social contribution	16.c	-	-	24,606	25,897
Provision for lawsuits and administrative proceedings and contingent liability	15	47,763	44,169	361,046	370,755
Accounts Payables for the acquisition of subsidiary	17.1	61,051	59,008	61,051	59,008
Lease liabilities	14	25,899	-	56,709	-
Other accounts payable		1,780	2,045	14,702	13,946
Total non-current liabilities		1,744,718	968,466	2,173,338	1,394,251
Equity					
Share capital	18	657,205	533,448	657,205	533,448
Capital reserves		8,496	(24,320)	8,496	(24,320)
Earnings reserves		656,173	656,173	656,173	656,173
Retained earnings		80,520	-	80,520	-
Other comprehensive income		(15,837)	302	(15,837)	302
Treasury shares		(80,270)	(77,664)	(80,270)	(77,664)
Equity		1,306,287	1,087,939	1,306,287	1,087,939
Non-controlling interests		-	-	25,355	27,163
Total equity		1,306,287	1,087,939	1,331,642	1,115,102
Total liabilities and equity		6,185,039	5,210,147	7,121,820	6,169,199

The notes are an integral part of the Interim Financial Statements



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

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

	Notes	Parent Company Three-month period ended June 30,		Consolidated Three-month period ended June 30,		Parent Company Six-month period ended June 30,		Consolidated Six-month period ended June 30,	
		2019	2018	2019	2018	2019	2018	2019	2018
Net sales revenue	21	272,820	178,499	387,452	316,378	698,918	Restated 495,551	953,109	Restated 772,348
Cost of services	22.1	-	-	-	-	(97,978)	(70,956)	(97,978)	(70,956)
Gross profit		272,820	178,499	387,452	316,378	600,940	424,595	855,131	701,392
Operating income (expenses)									
Selling expenses	22.2	(39,814)	(37,730)	(65,059)	(51,757)	(83,446)	(78,814)	(136,166)	(105,425)
Estimated impairment losses	22.2	(3,010)	(5,185)	(3,394)	(7,771)	(12,060)	(6,801)	(13,959)	(10,292)
General and administrative expenses	22.2	(96,285)	(75,763)	(199,995)	(164,912)	(189,328)	(144,234)	(379,879)	(322,988)
General and administrative expenses	22.2	(77,274)	(64,754)	(162,881)	(139,317)	(152,166)	(122,054)	(312,197)	(271,587)
Depreciation and amortization	22.2	(19,011)	(11,009)	(37,114)	(25,595)	(37,162)	(22,180)	(67,682)	(51,401)
Equity accounting	9	(45,877)	17,568	497	-	(37,529)	39,540	871	-
Other operating expenses	22.2	(41,404)	(10,955)	(91,872)	(12,835)	(59,376)	(18,741)	(113,908)	(21,637)
Profit before financial income		46,430	66,434	27,629	79,103	219,201	215,545	212,090	241,050
Financial income	23	(45,932)	(36,727)	(53,033)	(41,964)	(79,693)	(72,494)	(98,613)	(81,557)
Profit before income tax and social contribution		498	29,707	(25,404)	37,139	139,508	143,051	113,477	159,493
Income tax and social contribution	16.a	(16,416)	(4,972)	8,015	(12,318)	(58,988)	(36,797)	(34,796)	(52,628)
Current		(11,158)	(2,773)	(10,989)	(17,265)	(32,985)	(39,372)	(33,947)	(66,575)
Deferred		(5,258)	(2,199)	19,004	4,947	(26,003)	2,575	(849)	13,947
Net (Loss) profit from continuing operations:		(15,918)	24,735	(17,389)	24,821	80,520	106,254	78,681	106,865
Net profit or loss from discontinued operations (net of taxes)		-	-	-	-	-	-	-	(459)
Net (Loss) profit for the period		(15,918)	24,735	(17,389)	24,821	80,520	106,254	78,681	106,406
Attributable to controlling shareholders		-	-	(15,918)	24,735	-	-	80,520	106,254
Attributable to non-controlling shareholders		-	-	(1,471)	86	-	-	(1,839)	152
Earnings per share from continuing operations – basic (BRL)	24							0.55	0.74
Earnings per share from continuing operations – diluted (BRL)	24							0.54	0.72

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



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

	Parent Company		Consolidated		Parent Company		Consolidated	
	Three-month period ended June 30,		Three-month period ended June 30,		Six-month period ended June 30,		Six-month period ended June 30,	
	2019	2018	2019	2018	2019	2018	2019	2018
Net (Loss) profit for the period	(15,918)	24,735	(17,389)	24,821	80,520	106,254	78,681	106,406
Effect from cash flow hedge – effective portion of changes in fair value	(11,033)	22,259	(11,033)	22,259	(7,097)	22,538	(7,097)	22,538
Deferred income tax and social contribution	3,751	(7,568)	3,751	(7,568)	2,413	(7,663)	2,413	(7,663)
Foreign operations – exchange differences upon translation	(7,836)	-	(7,525)	-	(11,455)	-	(13,449)	-
Net comprehensive income to be reclassified to the profit or loss in subsequent periods	(15,118)	14,691	(14,807)	14,691	(16,139)	14,875	(18,133)	14,875
Total comprehensive income for the period	(31,036)	39,426	(32,196)	39,512	64,381	121,129	60,548	121,281
Attributable to controlling shareholders	-	-	(31,036)	39,426	-	-	64,381	121,129
Attributable to non-controlling shareholders	-	-	(1,160)	86	-	-	(3,833)	152

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



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

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

Notes	Capital reserve				Earnings reserve				Other Comprehensive Income		Equity	Non-controlling shareholder's interest	Consolidated equity		
	Share capital	Share-based payment reserve	Reserve for acquisition of non-controlling shareholders	Reserve for profit or loss from transactions with shareholders	Legal reserve	Working capital reserve	Expansion reserve	Earnings retention reserve	Treasury shares	Retained earnings				Equity valuation adjustment	Cash flow hedge
Balances as of December 31, 2017	486,370	104,994	(61,868)	(187,604)	30,146	84,264	84,264	251,413	(283)	-	-	2,555	794,251	434	794,685
Capital increase upon issuance of shares	46,717	-	-	-	-	-	-	-	-	-	-	-	46,717	-	46,717
Share options granted	-	22,637	-	-	-	-	-	-	-	-	-	-	22,637	-	22,637
Effect of treasury shares on stock options	-	(140)	-	-	-	-	-	-	140	-	-	-	-	-	-
Share acquisition	-	-	-	-	-	-	-	-	(50,863)	-	-	-	(50,863)	-	(50,863)
Exercise of stock options through sale of treasury shares	-	-	-	-	-	-	-	-	237	-	-	-	237	-	237
Net profit or loss on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	14,875	14,875	-	14,875
Net profit for the period	-	-	-	-	-	-	-	-	-	106,254	-	-	106,254	152	106,406
Balances as of 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
Balances as of December 31, 2018	533,448	138,243	(35,810)	(126,753)	43,660	84,264	84,264	443,985	(77,664)	-	173	129	1,087,939	27,163	1,115,102
Capital increase upon issuance of shares	18.a 1,227	-	-	-	-	-	-	-	-	-	-	-	1,227	-	1,227
Share options granted	18.c -	(2,414)	-	-	-	-	-	-	-	-	-	-	(2,414)	-	(2,414)
Exercise of stock options through sale of treasury shares	-	2,606	-	-	-	-	-	-	(2,606)	-	-	-	-	-	-
Acquisition of minority shareholders - Trend	-	-	-	-	-	-	-	-	-	-	-	-	-	1,274	1,274
Acquisition of subsidiary - Camden	-	-	-	-	-	-	-	-	-	-	-	-	-	752	752
Acquisition of subsidiary - Esferatur	18.a 122,530	33,898	-	-	-	-	-	-	-	-	-	-	156,428	-	156,428
Goodwill on capital transactions	-	-	-	(1,274)	-	-	-	-	-	-	-	-	(1,274)	-	(1,274)
Net profit or loss on cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	(4,684)	(4,684)	-	(4,684)
Equity valuation adjustment	-	-	-	-	-	-	-	-	-	-	(11,455)	-	(11,455)	(1,994)	(13,449)
Net profit for the period	-	-	-	-	-	-	-	-	-	80,520	-	-	80,520	(1,840)	78,680
Balances as of June 30, 2019	657,205	172,333	(35,810)	(128,027)	43,660	84,264	84,264	443,985	(80,270)	80,520	(11,282)	(4,555)	1,306,287	25,355	1,331,642

The notes are an integral part of the Interim Financial Statements



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

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended June 30,	
	2019	2018	2019	2018
Cash flows from operating activities				
Net profit from continuing operations	80,520	106,254	78,681	106,865
Net profit or loss from discontinued operations (net of taxes)	-	-	-	(459)
Net profit for the period	80,520	106,254	78,681	106,406
Adjustments to reconcile profit or loss for the period to cash provided from the operating activities:				
Income tax and social contribution expenses	58,988	36,797	34,796	52,628
Depreciation and amortization	37,162	22,180	67,682	51,401
Estimated impairment loss	12,060	6,801	13,959	10,292
Share-based payment expenses	(2,414)	22,874	(2,414)	22,874
Interest, inflation adjustments and exchange rate	53,010	41,340	58,691	35,385
Equity accounting	37,529	(39,540)	(871)	-
Provision for lawsuits and administrative proceedings	18,027	15,408	21,666	18,139
Contingent Liability Reversal	-	-	(14,286)	-
Write-off of property, plant and equipment and intangible assets	1,191	17	3,811	1,338
	296,073	212,131	261,715	298,463
Decrease (increase) in assets				
Trade receivables	(264,009)	(80,558)	(285,426)	(356,824)
Interest received	11,549	11,343	12,437	9,044
Advances to suppliers	(45,853)	(147,016)	(59,367)	(179,438)
Recoverable taxes	(36,282)	(2,821)	(40,026)	(10,754)
Deferred tax	(4,878)	5,221	(4,824)	4,900
Prepaid expenses	19,711	(9,201)	11,735	(26,668)
Receivables - related parties	(198,420)	(35,359)	(1)	4
Other receivables	(36,384)	(52,078)	(38,947)	(55,128)
Increase (decrease) in liabilities				
Suppliers	7,881	(171,126)	7,941	(176,130)
Accounts Payable to related parties	73,998	6,030	(1,273)	(1,058)
Prepaid boarding agreements	274,115	308,223	335,879	355,590
Salaries and welfare charges	(3,863)	(12,547)	(7,776)	(9,341)
Taxes and contributions payable	30,688	(661)	26,794	14,814
Income tax and social contribution paid	(31,628)	(53,264)	(40,023)	(93,984)
Dividends received from subsidiaries	-	13,462	-	-
Lawsuits and administrative proceedings	(14,433)	(8,995)	(16,950)	(11,004)
Other accounts payable	(41,533)	19,022	(42,537)	15,396
Net cash (used in) provided by operating activities	36,732	1,806	119,351	(222,118)
Cash flows from investing activities				
Loans - related parties	-	(250,534)	-	-
Property, plant and equipment	(1,021)	-	(2,896)	(112)
Intangible assets	(45,599)	(31,125)	(69,173)	(44,817)
Acquisition of subsidiaries	(133,516)	(13,979)	(133,516)	(13,979)



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

Capital increase in subsidiary	(71,778)	-	-	-
Net cash provided by investing activities	<u>(251,914)</u>	<u>(295,638)</u>	<u>(205,585)</u>	<u>(58,908)</u>
Cash flows from financing activities				
Issue of debentures	708,701	-	708,701	-
Settlement of debentures	(56,043)	(50,000)	(56,043)	(50,000)
Raising of borrowings and financing	-	265,000	2,894	300,000
Settlement of borrowings and financing	(315,712)	(32,531)	(368,982)	(58,946)
Capital increase through exercise of shares	1,227	46,717	1,227	46,717
Interest paid	(39,331)	(34,040)	(43,465)	(35,207)
Contracting of derivative instruments	6,354	(1,521)	6,395	(1,883)
Settlement of derivative instruments	28,444	(12,134)	29,094	(11,882)
Dividends paid	(3,839)	(12,237)	(3,839)	(12,237)
Share buyback	-	(50,863)	-	(50,863)
Exercise of stock options through sale of treasury shares	-	237	-	237
Lease payments – IFRS 16	(1,313)	-	(2,343)	-
Net cash used in financing activities	<u>328,488</u>	<u>118,628</u>	<u>273,639</u>	<u>125,936</u>
Exchange rate changes on cash and cash equivalents	(2,615)	10,976	(1,681)	15,060
Increase (decrease) in cash and cash equivalents, net	<u>110,691</u>	<u>(164,228)</u>	<u>185,724</u>	<u>(140,030)</u>
Cash and cash equivalents at the beginning of the period	270,088	271,919	346,174	332,020
Cash and cash equivalents at the end of the period	380,779	107,691	531,898	191,990

The notes are an integral part of the Interim Financial Statements



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

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended June 30,	
	2019	2018	2019	2018
		Restated		Restated
1. Revenues	732,656	515,331	1,004,797	812,026
Gross sales revenue	744,716	522,132	1,018,756	822,318
Estimated impairment losses	(12,060)	(6,801)	(13,959)	(10,292)
2. Inputs acquired from third parties	(203,244)	(164,938)	(279,492)	(210,060)
Third parties' services and other	(105,266)	(93,982)	(181,514)	(139,104)
Cost of services	(97,978)	(70,956)	(97,978)	(70,956)
Gross value added	529,412	350,393	725,305	601,966
3. Depreciation and amortization	(37,162)	(22,180)	(67,682)	(51,401)
4. Net value added produced by the Company	492,250	328,213	657,623	550,565
Result from equity accounting method	(37,529)	39,540	871	-
5. Value added received in transfer	454,721	367,753	658,494	550,565
Financial income	25,204	25,372	24,491	32,474
Total distributed value added	<u>479,925</u>	<u>393,125</u>	<u>682,985</u>	<u>583,039</u>
Value added distributed	<u>(479,925)</u>	<u>(393,125)</u>	<u>(682,985)</u>	<u>(583,039)</u>
6. Distribution of value added				
Personnel	(94,583)	(85,711)	(195,270)	(186,574)
Direct compensation	(73,698)	(53,459)	(154,772)	(131,691)
Share-based payment plan	(2,921)	(22,874)	(3,200)	(22,874)
Benefits	(12,439)	(6,393)	(27,338)	(21,807)
Social Charges	(5,525)	(2,985)	(9,960)	(10,202)
Taxes, fees and contributions	(126,034)	(76,419)	(138,081)	(130,570)
Federal	(109,782)	(66,884)	(111,062)	(110,748)
Municipal	(16,252)	(9,535)	(27,019)	(19,822)
Interest and leases	(178,788)	(124,741)	(270,952)	(159,489)
Interest	(107,807)	(93,965)	(125,562)	(107,404)
Credit card fee	(32,323)	(25,528)	(45,864)	(36,668)
Other	(38,658)	(5,248)	(99,527)	(15,417)
7. Remuneration on equity	(80,520)	(106,254)	(78,681)	(106,406)
Net profit	(80,520)	(106,254)	(80,520)	(106,254)
non-controlling shareholders' interest in retained earnings			1,839	(152)

The notes are an integral part of the Interim Financial Statements



Notes to the Financial Statements
(Amounts in thousands of Brazilian reais - BRL , unless otherwise stated)

1. General information

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

As at June 30, 2019, CVC owned 16 own stores, 1,331 exclusive CVC travel agencies (“franchises”) and another 62 Experimento exclusive stores (“franchises”). Moreover, it also had approximately 7,420 travel agents registered throughout Brazil. CVC also operates in Florida through Trend Travel and VHC Hospitality brands, in Argentina through Avantrip, Biblos, Quiero Viajes and Ola brands, and has entered into agreements with local agents for the provision of services using the CVC brand in Argentina and Uruguay.

The tourism services intermediated by CVC are mainly provided directly to customers through independent service providers, according to the General Tourism Law (Law No. 11.771/08).

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

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

(i) Significant influence

(*) Trend Group – for further information, see note 8, item b.

(**) Interest acquired in the first half of 2019. For further information, see note 8, item a.

(***) Interest acquired in the second half of 2019. For further information, see note 8, item c.

This individual and consolidated interim financial information was authorized for issuance by the Board of Directors on August 7, 2019.

2. Summary of main accounting policies

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

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

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

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

2.1. Statement of compliance and basis of preparation

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

2.2. New pronouncements, interpretations and amendments adopted

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

Beginning January 1, 2019, the Group has adopted IFRS 16/CPC 06 (R2), which introduces a single model of accounting for leases in the balance sheet of lessees. Consequently, the Group has recognized right-of-use assets, which represent its underlying lease rights and finance lease liabilities, which represent its obligation to make disbursements related to such lease.

The Group applied IFRS 16/CPC 06(R2) using the modified retrospective approach, which cumulative effect from the first-time adoption is recognized in retained earnings on January 1, 2019. Accordingly, the comparative information presented in 2018 was not changed, that is, it is presented in accordance with accounting basis previously presented. The main information on the changes in the Company's operational context suggested by the standard are as follows:

(i) Leases where the Company is a lessee

The Group has recognized new assets and liabilities for its operating leases of the physical stores, administrative buildings and administrative equipment. The nature of the expenses related to the items previously classified as leases was changed as, after the new definition, the Group started to recognize the cost of depreciation of right-of-use assets and interest expense on lease liabilities. The Group previously recognized a straight-line operating lease expense during the lease term, and recognized assets and liabilities to the extent that there was a timing difference between effective lease payments and expenses recognized.

For recognition of right-of-use assets, the carrying amounts of the items classified in the previous definition of operating lease (CPC 06/IAS 17) were taken into consideration, considering that IFRS 16/CPC 06(R2) was applied since the inception of the agreements, discounted to present value based on the average rate of adjustment of the agreements during their extension period.

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

The effects arising from these disclosures in the financial statements are shown in note 14.

(ii) Leases where the Company is a lessor

Within the context of the adoption of IFRS 16/CPC 06(R2), there are no significant changes in the recognition and presentation of the corresponding balances. Additionally, the Group's operating context does not include activities where it is a lessor and that can impact the financial statements in the period.

(iii) Transition effects

Previously, the Group classified property and car lease agreements in light of the conditions set forth in CPC 06 (R2)/IAS 17. These agreements have variable terms (from one to ten years) with higher concentration of payment flows in the first five years.

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

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

- Properties with final lease term up to December 31, 2021 (three years) and the lessee is entitled to renewal: an additional renewal period was taken into consideration;
- Properties (physical stores) available for sale: are being derecognized in the projected sales month.

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

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

2.3. Restatement due to the adjustments from adopting IFRS 15

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

Considering that the conclusion on the impacts from the first-time adoption of IFRS 15 (CPC 47 – Revenue from Contracts with Customers) has only been reached in the last quarter of the year, the amounts for the 2018 quarters must be restated and presented as corresponding figures in the 2019 interim financial information. The Group’s Management has retrospectively made the adjustments in the statement of profit or loss, arising from the measurement of revenue and cost of services on the first-time adoption of the abovementioned pronouncements, as follows:

Six-month period ended June 30, 2018				
Parent Company	Note	Stated	Adjustments	Restated
Net revenue	22	424,595	70,956	495,551
Cost of services	23	-	(70,956)	(70,956)
Gross profit		424,595	-	424,595

Consolidated	Note	Stated	Adjustments	Restated
Net revenue	22	701,392	70,956	772,348
Cost of services	23	-	(70,956)	(70,956)
Gross profit		701,392	-	701,392

3. Financial risk management

3.1. Financial risk factors

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

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

a) Market risk

i) Foreign exchange risk

The Group’s exposure to the risk of fluctuation in exchange rates is applicable to checking accounts, accounts payable and borrowings and financing denominated in foreign currency.

The exchange rate risk can significantly impact the Group’s future revenue as

the advanced sales of package tours and cultural interchange include provisions for future payments to foreign land suppliers (hotels, receptive operators and teaching institutions), as well as the growing expansion of the Group's operations in Argentina. The foreign exchange effects can also affect the Group's financial income and costs due to borrowings and financing denominated in foreign currency.

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

ii) Risk of cash flow or fair value associated with the interest rate risk

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

iii) Sensitivity analysis

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

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

Considering the stress rates, the projected accounting balances would be:

Transactions	Risk	Rate	June 30, 2019	Scenario 1	Scenario 2	Scenario 3
Foreign currency-denominated checking account - USD	USD depreciation	3,896	108,020	(2,757)	(29,073)	(55,388)
Foreign currency-denominated checking account - EUR	EUR depreciation	4,374	22,617	(563)	(6,077)	(11,590)
Foreign currency-denominated checking account - GBP	GBP depreciation	5,076	5,479	(213)	(1,530)	(2,846)
Foreign currency-denominated checking account - CAD	CAD depreciation	2,915	9,377	(249)	(2,531)	(4,813)
Foreign currency-denominated checking account - AUD	AUD depreciation	2,767	287	(11)	(80)	(149)
Foreign currency-denominated checking account - CHF	CHF depreciation	3,910	97	(3)	(27)	(50)
Foreign currency-denominated checking account - ARS	ARS depreciation	0,090	9,886	(365)	(2,745)	(5,125)
Cash equivalents	CDI depreciation	6.1%	72,161	(80)	(180)	(320)
Non-deliverable forward (NDF) contract	USD	3,919	(4,285)	(3,307)	(18)	(39)
Non-deliverable forward (NDF) contract	EUR	4,420	(738)	(1,569)	(94)	(189)
Non-deliverable forward (NDF) contract	GBP	5,083	(180)	(16)	(7)	(14)
Non-deliverable forward (NDF) contract	CAD	2,730	(149)	(368)	(13)	(25)
Non-deliverable forward (NDF) contract	AUD	3,014	(61)	(33)	(5)	(11)
Derivatives - swap	CDI rate increase	6.4%	(199,407)	(193)	(1,660)	(3,314)
Debentures	CDI rate increase	6.4%	(1,521,950)	(816)	(4,743)	(8,216)

b) Credit risk

The Group is mainly exposed to the credit risk relating to cash and cash equivalents, trade receivables, other receivables and due from related parties.

The credit risk is minimized by the following policies:

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

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

	Consolidated	
	June 30, June 2019	December 31, 2018
Cash and cash equivalents	531,898	346,174
Trade receivables	3,313,821	3,015,132
Trade receivables - related parties	9,973	9,973
Other receivables	73,043	37,601
	3,928,735	3,408,880

c) Liquidity risk

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

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

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

	Consolidated			
	Less than 3 Months	3 to 12 months	1 to 5 Years	Total
Suppliers	486,523	173,474	-	659,997
Accounts payable from related parties	481	49,541	149,237	199,259
Borrowings and financing	101,415	85,752	261	187,428
Debentures	-	16,225	1,505,726	1,521,951
Accounts Payables for the acquisition of subsidiary	-	4,062	61,051	65,113
Other accounts payable	110,567	13,297	14,702	138,566
Balances as of June 30, 2019	698,986	342,351	1,730,977	2,772,314

	Consolidated			
	Less than 3 Months	3 to 12 months	1 to 5 Years	Total
Suppliers	617,910	373	-	618,283
Accounts payable from related parties	30,294	41,138	121,645	193,077
Borrowings and financing	22,465	531,055	4,090	557,610
Debentures	53,715	3,265	798,910	855,890
Accounts Payables for the acquisition of subsidiary	4,163	-	59,008	63,171
Other accounts payable	146,933	11,892	13,946	172,771
Balances as at December 31, 2018	875,480	587,723	997,599	2,460,802

3.2. Capital management

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

	Consolidated	
	June 30, June 2019	December 31, 2018
Borrowings and financing	187,428	557,610
Debentures	1,521,951	855,890
Derivative financial instruments - SWAP	14,427	(19,593)
Accounts payable - investee acquisition:		
Submarino Viagens	65,113	63,171
Accounts payable - related party acquisition:		
Duotur Group	49,560	74,357
Viatrix Viagens e Turismo	3,130	16,368
Trend Group	-	27,022
Visual Turismo	5,700	12,390
Bibam Group	1,301	1,301
Ola	45,437	59,884
Esferatur	93,650	-
(-) Cash and cash equivalents	(531,898)	(346,174)
(=) Net debt	1,455,799	1,302,226
(+) Equity	1,331,642	1,115,102
(=) Equity and net debt	2,787,441	2,417,328

3.3. Fair value hierarchy and classification

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

	Level	Classification	Parent Company			
			Carrying amount		Fair value	
			June 30, June 2019	31 December 31, 2018	June 30, June 2019	December 31, 2018
Financial assets						
Cash and cash equivalents	2	Amortized cost	380,779	270,088	380,779	270,088
Derivative financial instruments	2	Derivatives designated for cash flow hedge/ measured at fair value through profit or loss	-	29,634	-	29,634
Trade receivables	2	Amortized cost	2,592,858	2,352,458	2,592,858	2,352,458
Receivables - related parties	2	Amortized cost	441,727	243,306	441,727	243,306
			3,415,364	2,895,486	3,415,364	2,895,486

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

	Level	Classification	Parent Company			
			Carrying amount		Fair value	
			June 30, June 2019	31 December 31, 2018	June 30, June 2019	December 31, 2018
Financial liabilities						
Borrowings and financing	2	Amortized cost	184,980	503,235	184,980	503,235
Debentures	2	Amortized cost	1,521,951	855,890	1,552,086	866,512
Derivative financial instruments	2	Derivatives designated for fair value hedge/ measured at fair value through profit or loss	18,756	10,706	18,756	10,706
Suppliers	2	Amortized cost	431,630	423,749	431,630	423,749
Accounts payable - related parties	2	Amortized cost	116,699	43,584	116,699	43,584
Accounts payable for investee acquisition – Related parties	2	Amortized cost	152,040	130,137	152,040	130,137
Accounts payable for the acquisition of subsidiary	2	Amortized cost	65,113	63,171	65,113	63,171
Total			2,491,169	2,030,472	2,521,304	2,041,094

	Level	Classification	Consolidated			
			Carrying amount		Fair value	
			June 30, June 2019	31 December 31, 2018	June 30, June 2019	31 December 31, 2018
Financial assets						
Cash and cash equivalents	2	Amortized cost	531,898	346,174	531,898	346,174
Derivative financial instruments	2	Derivatives designated for cash flow hedge/ measured at fair value through profit or loss	-	30,427	-	30,427
Trade receivables	2	Amortized cost	3,313,821	3,015,132	3,313,821	3,015,132
Receivables - related parties	2	Amortized cost	9,973	9,973	9,973	9,973
			3,855,692	3,401,706	3,855,692	3,401,706
Financial liabilities						
Borrowings and financing	2	Amortized cost	187,428	557,610	187,428	557,610
Debentures	2	Amortized cost	1,521,951	855,890	1,552,086	866,512
Derivative financial instruments	2	Derivatives designated for cash flow hedge and fair value hedge	19,840	10,951	19,840	10,951
Suppliers	2	Amortized cost	659,997	618,283	659,997	618,283
Accounts payable - related parties	2	Amortized cost	481	1,755	481	1,755
Accounts payable for investee acquisition – Related parties	2	Amortized cost	198,778	191,322	198,778	191,322
Accounts payable for the acquisition of subsidiary	2	Amortized cost	65,113	63,171	65,113	63,171
Total			2,653,588	2,298,982	2,683,723	2,309,604

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

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

- Long-term receivables at fixed and floating rates are assessed by the Group based on parameters, such as: interest rate and individual customer or counterparty creditworthiness. As at June 30, 2019 and December 31, 2018, the carrying amount of these receivables approximates their fair values.
- The fair value of non-negotiable instruments, such as borrowings and financing and other financial debts, as well as non-current financial liabilities, is estimated based on discounted future cash flows using rates currently available for debts with similar and

remaining terms.

- The Group applies CPC 40/IFRS 7 for financial instruments measured in the balance sheet at fair value, which requires disclosure of fair value measurements. The fair value of financial instruments traded in active market (FVTOCI) is based on market prices, quoted on the balance sheet date, and the market price quoted used for financial assets held by the Group is the current competition price.
- The fair value of financial instruments that are not traded in active markets (e.g., over-the-counter derivatives) is determined using discounted cash flows based on benchmark yield curves (*curvas de mercado*).

3.4. Hedge accounting

The Group formally designated its transactions subject to hedge accounting for derivative financial instruments for cash flow hedge of future payments to be made in foreign currency to foreign suppliers and local suppliers indexed in foreign currency. The Group does not carry out transactions with unusual derivative financial instruments.

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

	June 30, 2019					
	Notional amount	Fair value (a)	Fair value (b)	Total	Profit or loss	Equity
Foreign exchange risk						
USD	14,853	14,980	33,926	48,906	1,006	(94)
EUR	47,342	47,760	(28,648)	19,112	704	230
Non-deliverable forward (NDF) contract	262,108	5,413	-	5,413	879	(4,046)
Total assets	324,303	68,153	5,278	73,431	2,589	(3,910)

	December 31, 2018					
	Notional amount	Fair value (a)	Fair value (b)	Total	Profit or loss	Equity
Foreign exchange risk						
USD	14,189	14,129	11,848	25,977	16,688	354
EUR	19,947	19,967	(6,574)	13,393	10,499	550
Non-deliverable forward (NDF) contract	236,420	(117)	-	(117)	25,358	(708)
Total assets	270,556	33,979	5,274	39,253	52,545	196

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

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

As of June 30, 2019, the consolidated effect of deferred taxes on the balance of cash flow hedge in other comprehensive income is BRL 2,413 and (BRL 67) as of December 31, 2018.

The table below shows the outstanding positions, consolidated by maturity date, of non-deliverable forward (NDF) contracts used to hedge the foreign exchange risk:

June 30, 2019

Derivative	Position	Contract	Contracting date	Maturity date	Notional amount	Fair value
Forward	Short	NDF	From 08/15/2018 to 06/28/2019	From 07/01/2019 to 06/25/2020	262,108	(5,413)

December 31, 2018

Derivative	Position	Contract	Contracting date	Maturity date	Notional amount	Fair value
Forward	Short	NDF	From 03/05/2018 to 12/25/2018	From 01/02/2019 to 11/28/2019	236,420	(117)

3.5. Foreign exchange risk

The table below shows the outstanding positions, consolidated by maturity date, of swap contracts used to hedge the foreign exchange risk as of June 30, 2019 and December 31, 2018.

June 30, 2019

Derivative	Position	Contract	Contracting date	Maturity date	Notional amount	Fair value
Swap (*)	LIBOR 3M X CDI	CITIBANK	07/06/2018	07/01/2019	(96,693)	(3,140)
Swap (*)	Fixed 1.26% p.a.	BRADESCO	09/04/2018	08/30/2019	(88,287)	(11,287)
Total					(184,980)	(14,427)

December 31, 2018

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

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

4. Cash and cash equivalents

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Cash equivalents	137,924	197,927	191,345	218,049
Cash and bank accounts:				
Cash and local currency-denominated checking account	153,723	26,042	178,306	54,472
Foreign currency-denominated checking account - USD	52,521	23,690	113,846	47,571
Foreign currency-denominated checking account - EUR	21,877	14,177	24,019	16,125
Foreign currency-denominated checking account - other currencies	14,734	8,252	24,382	9,957
	242,855	72,161	340,553	128,125
Cash and cash equivalents	380,779	270,088	531,898	346,174

Cash equivalents are represented by highly liquid short-term investments subject to low risk of change in value and relating to investments in fixed-income CDBs, yielding interest based on the interbank deposit certificate (CDI) rate which as at June 30, 2019 posted an annual average rate of 6.32% (6.40% as of December 31, 2018).

5. Trade receivables

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

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Arising from sales through:				
Credit card companies (a)	1,317,681	1,178,931	1,837,464	1,572,880
Receivables (b)	713,759	777,899	843,950	968,575
Own financing (c)	511,664	374,725	559,082	415,999
Other	105,117	70,581	145,897	121,923
	2,648,281	2,402,136	3,386,393	3,079,377
Estimated impairment loss (d)	(55,423)	(49,678)	(72,572)	(64,245)
	2,592,858	2,352,458	3,313,821	3,015,132

- (a) Installment sales using credit cards are received in installments that do not exceed one year. These installments are not subject to explicit interest rates.
- (b) Receivables refer to the sale of installment receivables to financial institutions that structure and negotiate financial services to the Group's customers. The financial risks and benefits arising from these transactions are fully transferred to the financial institutions.
- (c) Financing receivables correspond to sales using internal financing offered to customers. Upon adoption of CPC 48 / IFRS 9, the credit risk was no longer part of the discount rate at present value, as it is already reflected in estimated losses of the falling due portfolio.
- (d) The recognition and reversal of the estimated impairment losses were recorded as estimated impairment losses in the statement of profit or loss. The Company periodically assesses past-due receivables that are not expected to be collected and recognizes the write-off in profit or loss, reversing the estimated loss.

The aging list of trade receivables is broken down as follows:

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
To be due	2,532,391	2,289,936	3,224,326	2,897,952
Past due:				
Past due for less than 30 days	66,427	76,377	95,740	108,550
Past due for more than 30 days	49,463	35,823	63,327	72,875
Total	2,648,281	2,402,136	3,386,393	3,079,377

Variations in estimated impairment losses:

	Parent Company	Consolidated
Balance as of December 31, 2017	(15,149)	(37,666)
Additions	(6,801)	(10,292)
Effective losses	6,171	7,316
Balance as of June 30, 2018	(15,779)	(40,642)
Balance as of December 31, 2018	(49,678)	(64,245)
Additions	(12,060)	(13,959)
Effective losses	6,315	6,450
Business combination	-	(1,251)
Exchange rate changes on translation	-	433
Balance as of June 30, 2019	(55,423)	(72,572)

6. Advances to suppliers

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Airlines Companies (a)	591,783	548,377	637,582	582,393
Hotels in Brazil and abroad (b)	92,258	72,453	99,463	85,633
Educational institutions (c)	1,610	3,981	1,610	4,427
Other (d)	12,427	27,414	33,988	40,819
Total	698,078	652,225	772,643	713,272

- a) Payments to airlines companies related to tickets already sold and not yet used, as well as advances to obtain better airfares for future purchases of tickets.
- b) Advances to hotels mainly derive from transactions carried out between the Group and its suppliers.
- c) Payments to educational institutions abroad refer to interchange.
- d) Includes prepayments of receptive operator services, tickets, travel insurance and other tourism services.

7. Prepaid expenses

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Sales commissions (a)	257,607	242,628	287,197	263,200
Credit card management fees (b)	14,851	25,471	19,186	30,846
Advertising and marketing (c)	5,766	11,361	6,101	11,403
Ship charter (d)	621	26,297	621	26,297
Other	23,274	16,072	27,806	20,886
	302,119	321,829	340,911	352,632
Current assets	301,778	321,434	340,483	352,237
Non-current assets	341	395	428	395

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

- b) Refer to the percentage of sales based on the agreements entered into among the Company and credit card companies as costs for the transfer of the credit risk of sales made under this category, and will be recognized in profit or loss upon the effective boarding of passengers.
- c) Includes expenses on advertising and marketing not yet aired.
- d) Amount of Pullmantur ship charter for the 2019/2020 season to be carried out up to March 2020.

8. Business combinations

8.1 Acquisitions occurred in 2019:

a) Camden Enterprises LLC.

a.1) *Acquisition*

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

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

Pursuant to the agreement, the total acquisition amount for the 56% shareholding interest is BRL 4,329. After the relevant transaction, the Group becomes the direct controlling shareholder of Camden Enterprises LLC. (56% interest) and of VHC Hospitality LLC. (69% interest).

a.2) *Fair value of identified assets and liabilities*

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

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



The transaction was completed through the direct parent company of Trend Travel LLC. ("Trend Viagens S.A."). The effects on the Parent company's financial statements as of June 30, 2019 are as follows:

	<u>06/30/2019</u>
Investment	956
Goodwill	3,373
Total	<u>4,329</u>

Below is a VHC Hospitality LLC income statement:

	<u>06/30/2019</u>
Net Revenue	2,432
Operational expenses	(1,366)
General and administrative	(1,482)
Marketing expense	(98)
Depreciation and amortization	(18)
Financial result	(79)
Profit for the period(*)	<u>871</u>

(*) Amount considered in the consolidated through equity accounting.

b) Trend Viagens S.A.

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

c) Esferatur Passagens e Turismo S.A.

c.1) *Acquisition*

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

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

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

(i) twenty percent (20%) of the Base Price will be paid to Sellers on the closing date, in cash, by electronic transfer of funds immediately available to Sellers' bank accounts;

(ii) Fifty per cent (50%) of the Base Price will be paid upon delivery of common, registered, book-entry shares with no par value issued by Buyer ("CVC Shares"), noting that the number of CVC Shares to be delivered



will be fixed by dividing 50% (fifty percent) of the Base Price by the simple average of the quotation of such shares in B3 of the 30 (thirty) trading sessions prior to the closing date (“Base Share Price”);

(iii) Thirty percent (30%) of the Base Price will be paid in five (5) equal annual installments, to be adjusted by the CDI from the closing date to the effective date of each installment, observing that each The installments will be paid on the dates of the corresponding closing anniversaries, from the 1st (first) anniversary until the 5th (fifth) anniversary of the closing date.

Future Variable Price: In addition to the Base Price, the buyer will pay Sellers a variable portion of the price, to be calculated based on the variation in the 2017 realized EBITDA, 2018 realized EBITDA, 2019 realized EBITDA and 2020 realized EBITDA (“Future Variable Price”). The Future Variable Price will be paid in three (3) installments in proportion to the Company's ownership interest sold by each Seller to Buyer on June 30, 2019, June 30, 2020 and June 30, 2021, as follows:

(iv) fifty percent (50%) in cash, by electronic transfer of immediately available funds, to Seller's bank accounts;

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

c.2) *Fair value of identified assets and liabilities*

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

Interest acquired	100.00%
Acquisition price	245,061
Earn Out	57,416
Adjustment to present value	(4,497)
Amount paid on acquisition date	(171,543)
Cash payment	(49,012)
Delivery of shares	(122,531)
Capital reserve	(33,898)
Amount payable	<u>92,539</u>
<u>Assets</u>	
Cash and cash equivalents	6,057
Trade receivables	44,492
Prepaid expenses	1,189
Other assets	148
Deferred taxes	3,012
Property, plant and equipment	1,756
Intangible assets	219
Intangible assets arising from PPA allocation	143,859
Other assets	66
Total identifiable assets	<u>200,798</u>
<u>Liabilities</u>	
Suppliers	(29,307)
Accounts payable	(4,720)
Taxes payable	(2,517)

Salaries and welfare charges	(5,450)
Other accounts payable	(913)
Provision for lawsuits and administrative proceedings	(65)
Provision for restructuring	(8,584)
Total identifiable liabilities	<u>(51,556)</u>
<u>Total net assets acquired (fair value)</u>	<u>149,242</u>
Goodwill arising from the transaction	153,235
Total consideration	<u>302,477</u>

Total net assets acquired (fair value):

	<u>06/30/2019</u>
Investment	5,383
Customer portfolio	143,859
Goodwill	153,235
Total	<u>302,477</u>

c.3) *Fair value of identified assets and liabilities*

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

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

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

8.2 Acquisitions occurred in 2018:

a) Ola S.A.

a.1) *Acquisition*

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

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



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

Acquisition price	74,456
Amount paid on acquisition date	(25,246)
Balance payable as of 12/31/2018	<u>49,210</u>
Current assets	3,875
Non-current assets	45,335

a.2) *Fair value of identified assets and liabilities*

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

Interest acquired	60%
Acquisition price	74,456
Amount paid on acquisition date	(25,246)
Amount payable	<u>49,210</u>

Assets

Cash and cash equivalents	19,524
Trade receivables	76,435
Recoverable taxes	2,465
Deferred taxes	55
Property, plant and equipment	650
Intangible assets – Software	863
Intangible assets arising from allocation (PPA)	42,287
Other receivables	4,187
Total identifiable assets	<u>146,466</u>

Liabilities

Suppliers	(59,786)
Prepaid boarding agreements of package tours	(13,942)
Taxes and contributions payable	(733)
Salaries and welfare charges	(872)

Provision for lawsuits	(1,205)
Deferred tax liabilities	(14,378)
Other accounts payable	(4,563)
Total identifiable liabilities	<u>(95,479)</u>
Non-controlling shareholder's interest	<u>(9,231)</u>
<i>Total net assets acquired (fair value)</i>	<u>41,756</u>
Goodwill arising from the transaction	<u>32,700</u>
Total consideration	<u>74,456</u>

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

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

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

a.3) *Fair value of identified assets and liabilities*

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

	Amount allocated to intangible assets	Useful life
<u>Intangible assets:</u>		
Trademark	8,823	10 years
Customer portfolio	33,464	10 years
Total allocated	<u>42,287</u>	
Unallocated goodwill	32,700	undefined
Deferred tax liabilities	(14,378)	
Total intangible assets	<u>60,609</u>	

a.4) *Cash-generating unit*

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

a.5) *Call and put stock options*

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

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

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

IFRS 3 / CPC 15 (R1) – Business Combination does not provide specific guidance on how these agreements must be accounted for in a business combination. To determine the appropriate accounting treatment, CPC 38 and CPC 39 must be taken into consideration.

Based on the foregoing, the Company recognized a financial liability and fair value effects in the amount of BRL 10,653 and a financial asset and fair value effects in the amount of BRL 9,886, relating to the call and put option for the acquisition of non-controlling shareholders interest. The contra entry to the provision was a specific reserve in equity, as it considers that it refers to transactions among shareholders.

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

b.1) *Acquisition*

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

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

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

Pursuant to the Biblos Agreement, CVC Turismo S.A.U. acquired the controlling interest in Biblos in consideration for the payment of an amount corresponding to approximately USD 1,780 million (BRL 7,349); of this amount, USD 280 million (BRL 1,157) were paid to the former controlling shareholders ("Bibam") and USD



1,500 million (BRL 6,192) were paid through contribution by the Company to the share capital of the acquiree (cash-in). The amount was fully paid on September 4, 2018.

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

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

b.2) *Fair value of identified assets and liabilities*

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

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

The initial investment recorded in the Parent Company's interim financial information as at September 30, 2018 is broken down as follows:

	<u>09/30/2018</u>
Investment	4,604



Goodwill	2,745
Total	<u><u>7,349</u></u>

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

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

c) Avantrip.com SRL ("Avantrip")

c.1) *Acquisition*

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

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

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

Pursuant to the Biblos Agreement, CVC Turismo S.A.U. acquired the controlling stake in Avantrip in consideration for the payment of an amount corresponding to approximately US\$3,596 million (BRL 14,655); of this amount, US\$596 million (BRL 2,457) were paid to the former controlling shareholders ("Bibam") and US\$3 million (BRL 12,198) were paid through contribution by the Company to the share capital of the acquiree (cash-in).

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

Acquisition price	14,655
Amount paid on acquisition date	(8,649)
Payments made in 2018	(6,006)
Balance payable as of 12/31/2018	<u><u>-</u></u>

c.2) *Fair value of identified assets and liabilities*

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

Interest acquired	60.06%
Acquisition price	14,655



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

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

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

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

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

c.3) *Fair value of identified assets and liabilities*

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

	Amount allocated to intangible assets	Useful life
<u>Intangible assets:</u>		
Appreciation – software	925	5.5 years
Trademark	3,006	10 years
Total allocated	3,931	
Unallocated goodwill	11,222	undefined
Deferred tax liabilities	(1,334)	
Total intangible assets	13,808	

c.4) *Cash-generating unit*

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

c.5) Call and put stock options

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

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

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

IFRS 3 / CPC 15 (R1) – Business Combination does not provide specific guidance on how these agreements must be accounted for in a business combination. To determine the appropriate accounting treatment, CPC 38 and CPC 39 must be taken into consideration.

Based on the foregoing, the Company recognized a financial liability and fair value effects relating to the acquisition of non-controlling shareholders interest in the amount of BRL 1,301. The contra entry to the provision was a specific reserve in equity, as it considers that it refers to transactions among shareholders.

9. Investments

The variations in investments can be summarized as follows:

	Read Serviços Turísticos S.A.(*)	Reserva Fácil Tecnologia S.A.(*)	Submarino Viagens (former B2W Viagens) (a)	Viatrix Viagens e Turismo(*)	Visual Turismo (b)	Trend Viagens (c)	CVC Turismo S.A.U (d)	Esferatur (e)	Total
Balance as of December 31, 2017	305,721	16,974	124,346	64,437	17,060	243,094	-	-	771,632
Goodwill	-	-	-	-	(3,372)	767	-	-	(2,605)
Reversal of allocated dividends (**) Equity accounting method for the period	26,924	-	-	-	-	-	-	-	26,924
Effect on comprehensive income	29,593	(885)	8,537	977	(45)	1,363	-	-	39,540
	-	-	-	4,084	(85)	-	-	-	3,999
Balance as of June 30, 2018	362,238	16,089	132,883	69,498	13,558	245,224	-	-	839,490
Breakdown of investments									
Goodwill	-	-	94,493	-	17,988	258,771	-	-	371,252
Investment	-	-	42,693	-	58,065	(86,792)	(8,791)	-	5,175
Intangible assets allocated from the acquisition price	-	-	6,579	-	25,402	76,512	-	-	108,493
Contingent liability net of deferred tax assets	-	-	-	-	-	(206,719)	-	-	(206,719)
Balance as of December 31, 2018	-	-	143,765	-	101,455	41,722	(8,791)	-	278,201
Goodwill	-	-	-	-	-	-	-	148,737	148,737
Equity accounting method for the period	-	-	(36,969)	-	1,128	726	(2,897)	483	(37,529)
Effect on comprehensive income	-	-	119	-	172	(2,095)	(9,825)	(33)	(11,662)
Acquisition of subsidiary	-	-	-	-	-	(1,274)	-	149,242	147,968
Capital increase in subsidiary	-	-	-	-	-	182,287	114,144	-	296,431
Contingencies not materialized	-	-	-	-	-	9,429	-	-	9,429
Balance as of June 30, 2019	-	-	106,915	-	102,755	230,845	92,631	298,429	831,575
Breakdown of investments									
Goodwill	-	-	94,493	-	17,988	258,770	-	148,737	519,988
Investment	-	-	6,115	-	61,033	90,259	92,631	8,147	258,185
Intangible assets allocated from the acquisition price	-	-	6,307	-	23,734	79,106	-	141,545	250,692
Contingent liability net of deferred tax assets	-	-	-	-	-	(197,290)	-	-	(197,290)
Balance as of June 30, 2019	-	-	106,915	-	102,755	230,845	92,631	298,429	831,575

(*) Companies merged into the Parent Company in the third quarter of 2018.

(**) Reversal of dividends for 2017. The Parent company and the subsidiaries established on April 25, 2018 the distribution of an amount lower than that set forth in the shareholders' agreement.

Below is the information on direct subsidiaries:

a) Submarino Viagens

	June 30, 2019	December 31, 2018
Assets	391,549	269,281
Liabilities	385,434	226,588
Equity (b)	12,422	49,272
Net Revenue	75,973	61,461
Net Loss (profit) for the period (a)	(36,969)	8,537
% Interest of CVC	100%	100%

(a) Includes the amortization amounts of intangible assets from the allocation of the acquisition price, net of taxes.



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(b) Includes the amounts of intangible assets from the allocation of the acquisition price, net of taxes.

b) Visual Turismo

	June 30, 2019	December 31, 2018
Assets	171,641	173,419
Liabilities	110,608	115,354
Equity (b)	84,768	83,467
Net Revenue	24,009	24,328
Net Profit for the period (a)	1,128	(45)
% Interest of CVC	100%	100%

(a) Includes the amortization amounts of intangible assets from the allocation of the acquisition price, net of taxes.

(b) Includes the amounts of intangible assets from the allocation of the acquisition price, net of taxes.

c) Trend Viagens S.A. (Consolidated)

	June 30, 2019	December 31, 2018
Assets	518,943	428,311
Liabilities	427,463	524,747
Equity (b)	169,365	(216,999)
Net Revenue	78,781	81,097
Net Profit (loss) for the period (a)	726	1,515
% Interest of CVC	100%	90%

(a) Includes the amortization amounts of intangible assets from the allocation of the acquisition price, net of taxes.

(b) Includes the amounts of intangible assets from the allocation of the acquisition price, net of taxes.

d) CVC Turismo S.A.U (Consolidated)

	June 30, 2019	December 31, 2018
Assets	328,091	278,318
Liabilities	211,325	287,109
Equity (b)	92,631	(8,791)
Net Revenue	56,529	-
Loss for the period (a)	(2,897)	-
% Interest of CVC	100%	100%

(a) Includes the amortization amounts of intangible assets from the allocation of the acquisition price, net of taxes.

(b) Includes the amounts of intangible assets from the allocation of the acquisition price, net of taxes.

e) Esferatur

	June 30, 2019
Assets	46,276
Liabilities	38,130
Equity (b)	149,692
Net Revenue	18,900
Net Profit for the three-month period ended June 30, 2019 (a)	483
% Interest of CVC	100%

- (a) Includes the amortization amounts of intangible assets from the allocation of the acquisition price, net of taxes.
(b) Includes the amounts of intangible assets from the allocation of the acquisition price, net of taxes.

10. Intangible assets

The breakdown of and variations in intangible assets for the periods ended June 30, 2019 and 2018 are as follows:

Parent Company	Software and website	Exclusivity contract	Goodwill	Customer portfolio	Trademark	Non-competition agreement	Total intangible assets	
Cost								
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	
December 31, 2018	272,657	89,197	168,504	116,170	4,694	1,222	652,444	
Additions	45,599	-	-	-	-	-	45,599	
Write-offs	(1,170)	-	-	-	-	-	(1,170)	
June 30, 2019	317,086	89,197	168,504	116,170	4,694	1,222	696,873	
Accumulated amortization								
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)	
December 31, 2018	(144,506)	(52,075)	-	(6,655)	(85)	(122)	(203,443)	
Amortization	(19,435)	(4,509)	-	(8,164)	(129)	(182)	(32,419)	
June 30, 2019	(163,941)	(56,584)	-	(14,819)	(214)	(304)	(235,862)	
Residual value								
December 31, 2018	128,151	37,122	168,504	109,515	4,609	1,100	449,001	
June 30, 2019	153,145	32,613	168,504	101,351	4,480	918	461,011	

Consolidated	Software and website	Exclusivity contract	Goodwill	Customer portfolio	Trademark	Non-competition agreement	Other	Total intangible assets
Cost								
December 31, 2017	247,710	87,395	539,759	262,620	27,192	10,843	2,760	1,178,279
Additions	44,817	-	-	-	-	-	-	44,817
Write-offs	(587)	-	(3,372)	-	-	-	-	(3,959)
Transfer to Property, plant and equipment	(873)	-	-	-	-	-	-	(873)
June 30, 2018	291,067	87,395	536,387	262,620	27,192	10,843	2,760	1,218,264
December 31, 2018	353,298	88,728	586,418	317,929	46,614	10,629	4,025	1,407,641
Business combination	661	-	148,736	143,859	7	-	-	293,263
Additions	62,960	-	3,373	-	1780	972	88	69,173
Write-offs	(3,875)	-	-	-	-	-	-	(3,875)
Transfer to Property, plant and equipment	(210)	-	-	-	-	-	-	(210)
Exchange rate changes on translation	(558)	-	(6,292)	72	(156)	2	-	(6,933)
June 30, 2019	412,275	88,728	732,235	461,860	48,244	11,603	4,113	1,759,058
Accumulated amortization								
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)
December 31, 2018	(178,329)	(52,075)	-	(69,805)	(4,622)	(3,263)	-	(308,094)
Business combination	(448)	-	-	-	-	-	-	(448)
Amortization	(25,168)	(4,510)	-	(24,169)	(2,819)	(1,258)	-	(57,924)
Write-offs	141	-	-	-	-	-	-	141
Exchange rate changes on translation	498	-	-	-	209	-	-	707
June 30, 2019	(203,306)	(56,585)	-	(93,974)	(7,232)	(4,521)	-	(365,618)
Residual value								
December 31, 2018	174,969	36,653	586,418	248,124	41,992	7,366	4,025	1,099,547
June 30, 2019	208,969	32,143	732,235	367,886	41,012	7,082	4,113	1,393,440

11. Trade payables

Refer to operational transfers to air, land and sea suppliers, among others and tourism, corporate and cultural interchange services provided, which boarding has already been made, in addition to administrative service providers.

	Parent Company		Consolidated	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Air	203,606	85,130	233,603	110,307
Hotel	176,284	242,048	284,075	366,791
Sea	4,424	23,648	4,968	24,822
Educational institutions	4,289	3,253	4,289	3,253
Administrative service providers	14,166	5,332	20,363	19,838
Other operating service providers	28,861	64,338	112,699	93,272
Total	431,630	423,749	659,997	618,283

12. Borrowings and financing

	Company	Country	Maturity	Charges	Parent Company		Total
					Current assets	Non-current assets	
					June 30, 2019		
Citibank USD (iv)	CVC Brasil	Brazil	July/19	3-month LIBOR+ 0.64% p.a.	96,693	-	96,693
Bradesco EUR (v)	CVC Brasil	Brazil	Aug/19	1.26% p.a.	88,287	-	88,287
Total					184,980	-	184,980

	Company	Country	Maturity	Charges	Consolidated		Total
					Current assets	Non-current assets	
					June 30, 2019		
Citibank USD (iv)	CVC Brasil	Brazil	July/19	3-month LIBOR+ 0.64% p.a.	96,693	-	96,693
Bradesco EUR (v)	CVC Brasil	Brazil	Aug/19	1.26% p.a.	88,287	-	88,287
Itaú BRL (i)	Trend Viagens	Brazil	Aug/19	1.30% p.m.	263	-	263
Itaú BRL (ii)	Trend Viagens	Brazil	Oct/19	1.35% p.m.	228	-	228
Itaucard BRL (iii)	Trend Viagens	Brazil	Dec/19	1.55% p.m.	46	-	46
Banco Galicia ARS	Avantrip	Argentina	Aug/20	22.4% p.a.	1,582	261	1,843
Banco Ciudad ARS	Avantrip	Argentina	Oct/19	27.0% p.a.	68	-	68
Total					187,167	261	187,428

	Company	Country	Maturity	Charges	Parent Company		Total
					Current assets	Non-current assets	
					December 31, 2018		
Citibank USD	CVC Brasil	Brazil	Mar/19	3-month LIBOR+ 2.07% p.a.	18,182	-	18,182
Citibank USD	CVC Brasil	Brazil	Apr/19	3-month LIBOR+ 0.39% p.a.	229,218	-	229,218
Santander USD	CVC Brasil	Brazil	June/19	4.68% p.a.	68,914	-	68,914
Citibank USD (iv)	CVC Brasil	Brazil	July/19	3-month LIBOR+ 0.64% p.a.	97,711	-	97,711
Bradesco EUR (v)	CVC Brasil	Brazil	Aug/19	1.26% p.a.	89,210	-	89,210
Total					503,235	-	503,235



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	Company	Country	Maturity	Charges	Consolidated		Total
					December 31, 2018		
					Current assets	Non-current assets	
Citibank USD	CVC Brasil	Brazil	Mar/19	3-month LIBOR+ 2.07% p.a.	18,182	-	18,182
Citibank USD	CVC Brasil	Brazil	Apr/19	3-month LIBOR+ 0.39% p.a.	229,218	-	229,218
Santander USD	CVC Brasil	Brazil	June/19	4.68% p.a.	68,914	-	68,914
Citibank USD (iv)	CVC Brasil	Brazil	July/19	3-month LIBOR+ 0.64% p.a.	97,711	-	97,711
Bradesco EUR (v)	CVC Brasil	Brazil	Aug/19	1.26% p.a.	89,210	-	89,210
Santander USD	Trend Viagens	Brazil	June/19	4.39% p.a.	37,019	-	37,019
Itaú BRL (i)	Trend Viagens	Brazil	Aug/19	1.30% p.m.	664	-	664
Itaú BRL (ii)	Trend Viagens	Brazil	Oct/19	1.35% p.m.	575	-	575
Itaucard BRL (iii)	Trend Viagens	Brazil	Dec/19	1.55% p.m.	141	-	141
Banco Galicia ARS	Avantrip	Argentina	Aug/20	22.4% p.a.	1,812	1,188	3,000
Banco Ciudad ARS	Avantrip	Argentina	Oct/19	27.0% p.a.	161	-	161
Banco Galicia ARS	Avantrip	Argentina	June/20	37.5% p.a.	3,842	2,902	6,744
Supervielle ARS	Avantrip	Argentina	Apr/19	39.4% p.a.	250	-	250
Bradesco ARS	Avantrip	Argentina	Dec/19	5.5% p.a.	5,821	-	5,821
Total					553,520	4,090	557,610

(i) On September 12, 2016, Trend raised a loan from Banco Itaú in the amount of BRL2,000 subject to a fixed rate of 1.30% p.m. with monthly amortization and maturity in August 2019. In 2017, the debt was expected to be settled during 2018, which has not occurred, and will be settled on the original maturity date.

(ii) On November 9, 2016, Trend raised a new loan from Banco Itaú in the amount of BRL2,000 subject to a fixed rate of 1.35% p.m. with monthly amortization and maturity in October 2019. In 2017, the debt was expected to be settled during 2018, which has not occurred, and will be settled on the original maturity date.

(iii) Trend acquired 4 vehicles through a lease with Banco Itaú subject to an average rate of 1.55% p.m. and maturing up to December 2019.

(iv) On July 6, 2018, CVC raised a new loan from Citibank, subject to annual interest rates of 3-month LIBOR plus a fixed rate of 0.64% p.a., with quarterly payments of interest and full amortization on July 1, 2019. This debt was fully hedged by a swap for 106.5% of the CDI per year. The funds were used for working capital purposes.

(v) On September 4, 2018, CVC raised a loan from Banco Bradesco, subject to fixed annual interest rates of 1.26% p.a., with payments of interest and full amortization on August 30, 2019. This debt was fully hedged by a swap for 106.9% of the CDI per year. The funds were used for working capital purposes.

The Group conducted an analysis of the covenants linked to loan agreements and performed all financial and non-financial obligations as at June 30, 2019 and December 31, 2018. There are no collaterals linked to the loans disclosed.

13. Debentures

Issue	Issue Date	Maturities	Interest p.a.	Parent Company and Consolidated		
				June 30, 2019		
				Current assets	Non-current assets	Total
2nd issue	11/21/2017	11/21/2020	107.5% of CDI	3,757	599,782	603,539
3rd Issue	09/28/2018	03/13/2022	108.0% of CDI	3,708	199,535	203,243
4th issue	04/18/2019	04/18/2023	108.5% of CDI	5,612	457,217	462,829
4th issue	04/18/2019	04/22/2025	111.5% of CDI	3,148	249,192	252,340
Total				16,225	1,505,726	1,521,951



Issue	Issue Date	Maturities	Interest p.a.	Parent Company and Consolidated		
				December 31, 2018		
				Current assets	Non-current assets	Total
1st issue	03/03/2017	03/03/2019	107.5% of CDI	50,165	-	50,165
2nd issue	11/21/2017	11/21/2020	107.5% of CDI	3,757	599,508	603,265
3rd Issue	09/28/2018	03/13/2022	108.0% of CDI	3,058	199,402	202,460
Total				56,980	798,910	855,890

1st issue

On March 3, 2017, the Group carried out the 1st issue of 200,000 simple, non-convertible, unsecured debentures, in one single series, with unit value of BRL1, for public distribution with restricted efforts, in the amount of BRL200,000, subject to the following terms and conditions:

Compensatory interest was calculated based on the formula set out in the Issue Indenture and paid on a quarterly basis, the first payment being made on June 3, 2017.

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

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

- (a) 25% of the unit par value amortized on June 3, 2018,
- (a) 50% of the unit par value amortized on December 3, 2018, and
- (a) 25% of the unit par value amortized on March 3, 2019.

As of June 30, 2019, according to the schedule, the debt was fully settled.

2nd Issue

On November 21, 2017, the Group carried out the 2nd issue of 600,000 simple, non-convertible, unsecured debentures, in one single series, with unit value of BRL1, for public distribution with restricted efforts, in the amount of BRL600,000, subject to the following terms and conditions:

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

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

Without prejudice to early settlement, as set forth in the Issue Indenture, the unit par value of debentures will be amortized within three years counted from the issue date, thus maturing on November 21, 2020. The installments of the compensatory 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;



3rd Issue

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

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

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

Without prejudice to early settlement, as set forth in the Issue Indenture, the unit par value of debentures will be amortized in two installments, thus maturing on March 13, 2021 and March 13, 2022, respectively. The installments of the compensatory interest will be paid in seven installments as follows:

- (a) March 13, 2019;
- (b) September 13, 2019;
- (c) March 13, 2020;
- (d) September 13, 2020;
- (e) March 13, 2021;
- (f) September 13, 2021;
- (g) March 13, 2022;

4th Issue

On April 18, 2019, the Group carried out the 4th Issue of Simple, non-convertible, unsecured Debentures, in two series, the first comprised of 458,700 debentures and the second of 250,000 debentures, both with unit par value of BRL 1,000,00, subject to compensatory interest corresponding to 108.50% and 111.50%, respectively, of the accumulated variance of the average daily DI rates, over extra group, on a 252 business days basis, subject to the following terms and conditions:

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

Related transaction costs were allocated as a decrease of liabilities and recognized as financial costs. There are no collaterals linked.

Without prejudice to early settlement, as set forth in the Issue Indenture, the unit par value of the 1st series of the debentures will be amortized in one single installment, maturing on April 18, 2023. The installments of the compensatory interest will be paid in eight installments as follows:

- (a) October 18, 2019;
- (b) April 20, 2020;
- (c) October 19, 2020;
- (d) April 19, 2021;
- (e) October 18, 2021;
- (f) April 18, 2022;
- (g) October 18, 2022;
- (h) April 18, 2023;

The unit par value of the 2nd series of the debentures will be amortized in two installments, maturing on April 18, 2024 and April 22, 2025, respectively. The installments of the compensatory interest will be paid in twelve installments as follows:

- (i) October 18, 2019;
- (j) April 20, 2020;
- (k) October 19, 2020;
- (l) April 19, 2021;
- (m) October 18, 2021;
- (n) April 18, 2022;
- (o) October 18, 2022;
- (p) April 18, 2023;
- (q) October 18, 2023;
- (r) April 18, 2024;
- (s) October 18, 2024;
- (t) April 22, 2025;

The Group conducted an analysis of the covenants linked to debenture agreements and concluded that it performed all financial and non-financial obligations as at June 30, 2019.

14. Right-of-use assets and lease liabilities

In conformity with IFRS 16/CPC 06(R2), and as set out in note 2.2., as at June 30, 2019, the effects on the Group's financial statements are listed below:

	<u>Parent Company</u>	<u>Consolidated</u>
Right-of-use		
Opening balance	38,204	74,447
Business combination	-	5,759
Amortization	(2,728)	(6,344)
Transfers	(883)	(257)
Write-off	-	(1,764)
Total	34,593	71,841
Lease liabilities		
Opening balance	(38,205)	(74,447)
Business combination	-	(5,810)
Payment	1,313	2,343
Interest incurred	1,566	2,429
Write-off	-	2,186
Total	(35,324)	(73,299)
Current assets	(9,426)	(16,590)
Non-current assets	(25,899)	(56,709)

As at June 30, 2019, the flow of payments of the non-current assets balance is as follows:

<u>Parent Company</u>		<u>Consolidated</u>	
Year	Amount	Year	Amount
2020	7,325	2020	15,091
2021	6,094	2021	13,215
2022	4,612	2022	10,355
2023	3,693	2023	8,161
2024 and thereafter	4,175	2024 and thereafter	9,887
Total	25,899	Total	56,709

15. Provisions for lawsuits and administrative proceedings and contingent liability

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

	Parent Company				
	Labor and Social Security	Civil	Tax	Contingent liability (*)	Total
Balance as at December 31, 2017	3,516	23,869	3,212	-	30,597
Additions	606	14,803	-	-	15,409
Payments	69	(9,064)	-	-	(8,995)
Balance as at June 30, 2018	4,191	29,608	3,212	-	37,011
Balance as at December 31, 2018	7,293	27,320	9,556	-	44,169
Additions	400	17,518	109	-	18,027
Payments	(76)	(14,453)	96	-	(14,433)
Balance as at June 30, 2019	7,617	30,385	9,761	-	47,763
	Consolidated				
	Labor and Social Security	Civil	Tax	Contingent liability (*)	Total
Balance as at December 31, 2017	13,443	28,389	8,678	313,210	363,720
Additions	978	16,329	186	-	17,493
Payments	(109)	(10,896)	-	-	(11,005)
Balance as at June 30, 2018	14,312	33,822	8,864	313,210	370,208
Balance as at December 31, 2018	13,687	32,937	10,921	313,210	370,755
Business combination	-	65	-	-	65
Additions	1,643	19,905	118	-	21,666
Payments	(1,177)	(15,869)	96	-	(16,950)
Reclassification	(3)	(48)	-	-	(51)
Reversal of contingent liability	-	-	-	(14,286)	(14,286)
Exchange rate changes on translation	121	(245)	(29)	-	(153)
Balance as at June 30, 2019	14,271	36,745	11,106	298,924	361,046

(*) Contingent liability arising from business combination. The reversal of BRL14,286 refers to the statute of limitation of lawsuits in the period.

The Company's Management, as supported by the legal counsel, assesses the likelihood of loss on labor claims as possible, in the amount of BRL200 as at June 30, 2019 and December 31, 2018.

Federal assessment about goodwill

On January 7, 2015, the Company was assessed by the Federal Revenue Secretariat (SRF) for the requirement of Corporate Income Tax (Imposto de Renda de Pessoa Jurídica - "IRPJ") and Social Contribution on Net Income (Contribuição Social sobre o Lucro Líquido - "CSLL"), for the period 2010 to 2013, due to the disallowance of goodwill tax amortization expenses. The total amount of the principal of the tax assessment notice is R \$ 127,703 and, according to the opinion of its legal advisors and jurisprudential understanding, on June 30, 2019 the proceeding was terminated in favor of the Company and is in the legal process of filing.

16. Income tax and social contribution

a) Reconciliation of income tax and social contribution expenses

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended	
	2019	2018	2019	2018
Profit before income tax and social contribution on continuing operations	139,509	143,051	113,477	160,188
Loss before income tax and social contribution on discontinued operations	-	-	-	(695)
Profit before income tax and social contribution	139,509	143,051	113,477	159,493
Income tax at statutory rate – 34%	(47,433)	(48,637)	(38,582)	(54,228)
Stock options granted and recognized	(961)	(1,841)	(980)	(1,841)
Equity accounting	(12,760)	13,443	296	-
Other	2,166	238	4,470	3,441
Income tax and social contribution	(58,988)	(36,797)	(34,796)	(52,628)
Current	(32,985)	(39,372)	(33,947)	(66,575)
Deferred	(26,003)	2,575	(849)	13,947
Income tax and social contribution expense	(58,988)	(36,797)	(34,796)	(52,628)
Effective tax rate	42%	26%	31%	33%

b) Deferred income tax and social contribution assets

	Parent Company		Consolidated	
	June 30,	December 31,	June 30,	December 31,
	2019	2018	2019	2018
Provision for lawsuits and administrative proceedings	16,239	15,017	18,022	16,467
Accrued bonus and profit sharing	30,586	35,981	32,149	39,069
Accrued financial charges on factoring	10,611	11,852	10,611	11,852
Derivatives (accrual basis)	(344)	530	(344)	530
Amortization of assets allocated to acquisition price (PPA)	-	-	14,697	9,755
Estimated impairment loss	11,827	10,908	13,467	12,715
Deferred tax asset on contingent liability (PPA)	-	-	101,634	106,491
Amortization of goodwill and surplus of merged entities	53,735	66,737	53,735	66,737
Deferred income tax and social contribution on tax loss carryforwards	-	-	22,372	-
Other (*)	17,684	20,436	27,380	29,293
Deferred income tax assets	140,338	161,461	293,724	292,909

(*) Includes deferred tax assets of other provisions not individually significant.

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

c) Deferred income tax and social contribution liabilities

The amount of BRL24,606 (BRL25,897 as at December 31, 2018) reported in the consolidated financial statements refers to deferred income tax and social contribution arising from the surplus identified in the business combination in Argentina.

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

17. Accounts Payables and receivables – Acquisition of subsidiary

17.1. Accounts Payables for the acquisition of subsidiary

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

Transaction details	Amounts
Balance payable as at December 31, 2017	62,086
Amounts paid in 2018	(2,813)
Interest in 2018	3,898
Balance payable as at December 31, 2018	63,171
Interest for the period ended June 30, 2019	1,942
Balance payable as at June 30, 2019	65,113
Current assets	4,062
Non-current assets	61,051

The balance payable will be settled as follows:

	Consolidated	
	06/30/2019	12/31/2018
2019	4,062	4,162
2020	4,149	4,075
2021	3,835	3,721
2022	3,666	3,557
2023 onwards	49,401	47,656
Total	65,113	63,171

17.2. Receivables for the acquisition of subsidiary

Provision for lawsuits

According to contractual clauses entered into among the Parent Company and the former controlling shareholder of Submarino Viagens (B2W Viagens), any potential contingencies prior to the acquisition date are responsibility of the latter. Accordingly, in addition to the recognition of the related contingencies in said subsidiary, Management recognized the balance of receivables by the same amount (BRL1,479 as at June 30, 2019 and December 31, 2018) and is allocated to other receivables.

18. Equity

a) Share Capital

As at June 30, 2019, subscribed capital amounts to BRL657,205 (BRL533,448 as at December 31, 2018), represented by 148,609,579 (146,511,872 as at December 31, 2018) common shares without par value. The variations in share capital for the six-month period ended June 30, 2019 refer to: (a) issuance of 105,500 common shares without par value, paid up in the period, in the amount of BRL1,227 arising from the exercise of the stock option plans and (b) issuance of 1,992,207 common shares without par value, in the amount of BRL122,530, paid up upon the merger of the shares of Esferatur.

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

b) Call options

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

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

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

Additionally, beneficiaries must maintain the term of the continuing employment relationship, as defined in the Company's share-based payment plan prior to the exercise of the option granted and must meet the one-year lockup period after the acquisition date.

Stock options are exercisable within up to 10 years. After the grant date, stock options, which exercise rights have been vested, must be exercised within 90 days counted from the date of exit from the Company.

In 2014, the Company's Third and Fourth Stock Option Plans were amended to make such Plans economically attractive based on the variance of the market value of the Company's shares since its going public process. The strike price of both Plans was adjusted from BRL13.53 and BRL14.63 to BRL11.82 and the total number of Stock Options in the Plans was decreased by 10%. These changes were in line with the Company's strategic plan to keep key executives and make sure that they are appropriately encouraged to create value to the Company in long term.

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

On December 9, 2016, the meeting of the Board of Directors approved the Company's Sixth Stock Option Plan. The plan's main objective was to attract, motivate and retain the Company's key executives, who were designated to receive these stock options, so as to ensure that a significant portion of its equity was linked to the generation of value for the Company in long term. The maximum number of shares available for the exercise of the Stock Options under the Plan is limited to 1,500 shares, which represented 1.13% of the Company's diluted share capital. Additionally, the Company also approved the amendment to the Company's Fourth and Fifth Stock Option Plans. Such amendment established that the strike price (a) should not be adjusted for



inflation, and (b) should deduct from the strike price of the Stock Options the price per share possibly paid as dividends or interest on equity.

c) Incentive plan

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

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

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

Under the ILP CEO and ILP CFO, eligible executives will be entitled, subject to certain conditions described in the Plans, to receive the Company's restricted shares on non-onerous basis.

The maximum total number of restricted shares that can be delivered under the ILP CEO is 2,039,000 shares corresponding to the Company's total capital, representing 1.5% of the Company's current share capital, on fully diluted basis. The maximum total number of restricted shares that can be delivered under the ILP CFO is 274,000 shares corresponding to the Company's total share capital, representing 0.2% of the Company's current share capital, on fully diluted basis.



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



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The variations in the Stock Options Plan are as follows:

	(Amounts in thousands of stock options)										(Amounts in thousands of shares)			
	Plan 1		Plan 2		Plan 3	Plan 4	Plan 5	Plan 6	ILP CVC	ILP CEO	ILP CFO			
	Tranche 1.1	Tranche 1.2	Tranche 2.1 to 2.3	Tranche 2.4 and 2.5	Tranche 3.1	Tranche 4.1 to 4.3	Tranche 1	Tranche 1	Tranche 1	Tranche 2		TBO	TBO	
	PBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO	TBO	
December 31, 2017	-	500	-	68	-	3,783	672	1,123	500	301	-	-	833	112
Granted	-	-	-	-	-	-	-	-	-	-	245	-	-	-
Exercised	-	(500)	-	(2)	-	(3,783)	(252)	(255)	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	(94)	-	-	-	-	-	-
Forfeited	-	-	-	-	-	-	(4)	-	-	-	-	-	-	-
June 30, 2018	-	-	-	66	-	-	416	774	500	301	245	-	833	112
December 31, 2018	-	-	-	66	-	-	384	767	500	301	245	-	833	112
Exercised	-	-	-	-	-	-	(19)	(87)	-	(53)	-	-	-	-
Expired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June 30, 2019	-	-	-	66	-	-	366	680	500	248	245	-	833	112

The expense in the period ended June 30, 2019 was BRL2,414, net of related taxes (BRL22,637 in the period ended June 30, 2018).

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

Details	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5	Plan 6	ILP CVC	ILP CEO	ILP CFO
	Tranche 1.1	Tranche 1.2	Tranche 2.1	Tranche 3.1	Tranche 4.1	Tranche 4.2	Tranche 4.3	Tranche 1	Tranche 1				
Date of beginning (first grant)	05/03/2010	01/01/2010	11/10/2013	03/11/2013	11/10/2011	04/01/2013	10/31/2013	08/31/2014	12/09/2015	04/28/2017	05/16/2017	05/16/2017	
Number of stock options – PBO (in thousands)	-	-	-	-	-	-	-	-	-	-	-	-	-
Number of stock options – TBO (in thousands)	-	-	66	-	298	14	54	680	500	493	833	112	
Strike price - BRL	BRL4.99	BRL4.99	BRL22.46	BRL11.82	BRL11.82	BRL11.82	BRL11.82	BRL14.81	BRL12.87	N/A	N/A	N/A	
Expected volatility	32.83%	47.00%	44.35%	30.58%	30.58%	30.58%	30.58%	33.75%	38.33%	36.22%	36.22%	36.22%	
Estimated inflation (IPCA)	5.87%	5.87%	5.58%	-	-	-	-	-	-	-	-	-	
Estimate maturity period	5 years	4 years	5 years	4 years	5 years	5 years	5 years	4.4 years	5 years	3 years	3 years	3 years	
Option fair value	BRL2.56	BRL4.58	BRL14.44	BRL6.38	BRL5.07	BRL5.23	BRL5.54	BRL6.19	BRL 7.51	N/A	N/A	N/A	



Court deposits

Management has decided, on a preventive basis, on October 18, 2017, to bring a lawsuit against the Brazilian government about the possible taxation of the existing stock options plans as compensation, defending the business nature of the agreement. Accordingly, court deposits were made in this period totaling as at June 30, 2019 the amount of BRL52,348 (BRL61,118 as at December 31, 2018), to secure the risk, which is recorded in line item "Court Deposits" in non-current assets in the balance sheet.

d) Earnings reserve

Legal reserve: set up by allocating 5% of net income for the fiscal year, limited to 20% of the share capital.

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

e) Capital reserve

As of June 30, 2019, the Capital reserve is BRL8,496 (-BRL24,320 as of December 31, 2019). In the second quarter of 2019, a reserve of R \$ 33,898 was created as a result of the acquisition of Esferatur, see note 8.c.

f) Distribution of dividends and interest on equity

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

On December 5, 2018, the Board of Directors approved the prepayment of interest on equity in the amount of BRL60,352, relating to the profit for the year ended December 31, 2018, which was paid on December 19, 2018.

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

Dividends were fully paid on May 28, 2019.

g) Treasury shares

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



purchase, sale, issuance or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration is recognized in share capital reserves.

As at June 30, 2019, the Company held in treasury shares 1,594,537 (1,555,158 shares as at December 31, 2018), in the amount of BRL80,270 (BRL77,664 as at December 31, 2018).

19. Related parties transactions

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

a) a) Main balances or payments arising from related parties transactions

	June 30, 2019				
	Current assets	Current liabilities	Non-current liabilities	Profit or loss (6 months)	Payment
Parent Company					
<u>Acquisition of related parties</u>	-	49,541	102,499	(27,801)	120,632
Duotur Group (ii)	-	24,896	24,664	(16,818)	25,552
Viatrix Viagens (iii)	-	3,130	-	(119)	13,358
Visual Turismo(v)	-	5,700	-	-	177
Trend Group (iv)	-	-	-	(1,440)	32,533
Esferatur (vii)	-	15,815	77,835	(9,424)	49,012
<u>Intercompany transactions</u>	441,727	116,699	-	-	14,033
Submarino Viagens (vi)	274,508	103,319	-	-	763
Visual Turismo (vi)	33,964	738	-	-	-
Trend Group (vi)	132,003	12,161	-	-	-
CVC Turismo S.A.U (viii)	1,252	-	-	-	-
GJP Administradora de Hotéis (i)	-	481	-	-	13,270
Total	441,727	166,240	102,499	(27,801)	134,665
Consolidated					
June 30, 2019					
	Non-current liabilities	Current liabilities	Non-current liabilities	Profit or loss (6 months)	Payment
<u>Acquisition of related parties</u>	9,973	49,541	149,237	(27,801)	130,707
Duotur Group (ii)	-	24,896	24,664	(16,818)	25,552
Viatrix Viagens (iii)	-	3,130	-	(119)	13,358
Visual Turismo(v)	-	5,700	-	-	177
Trend Group (iv)	-	-	-	(1,440)	32,533
Bibam Group (ix)	87	-	1,301	-	-
Ola (x)	9,886	-	45,437	-	10,074
Esferatur (vii)	-	15,815	77,835	(9,424)	49,012
<u>Intercompany transactions</u>	-	481	-	-	13,270
GJP Administradora de Hotéis (i)	-	481	-	-	13,270
Total	9,973	50,022	149,237	(27,801)	143,976



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	December 31, 2018				Profit or loss (6 months)	Payment
	Current assets	Non-current liabilities	Current liabilities	Non-current liabilities		
Parent Company						
Acquisition of related parties	-	-	65,803	64,334	(2,817)	7,080
Duotur Group	-	-	25,029	49,328	(2,332)	2,429
Viatrix Viagens	-	-	10,929	5,439	(485)	4,651
Visual Turismo	-	-	2,823	9,567	-	-
Trend Group	-	-	27,022	-	-	-
Intercompany transactions	243,306	-	43,584	-	(3,015)	39,919
Submarino Viagens	132,728	-	33,367	-	-	13,146
Visual Turismo	27,053	-	-	-	1	1,761
Trend Group	83,525	-	8,462	-	(3,016)	7,500
GJP Administradora de Hotéis	-	-	1,755	-	-	17,512
Loans to subsidiaries	-	221,631	-	-	-	-
CVC Turismo S.A.U	-	46,698	-	-	-	-
Trend Group	-	174,933	-	-	-	-
Total	243,306	221,631	109,387	64,334	(5,832)	46,999

	December 31, 2018				Profit or loss (6 months)	Payment
	Non-current liabilities	Current liabilities	Non-current liabilities	Non-current liabilities		
Consolidated						
Acquisition of related parties	9,973	69,677	121,645	(2,817)	7,080	
Duotur Group	-	25,029	49,328	(2,332)	2,429	
Viatrix Viagens	-	10,929	5,439	(485)	4,651	
Visual Turismo	-	2,823	9,567	-	-	
Trend Group	-	27,022	-	-	-	
Bibam Group	87	-	1,301	-	-	
Ola	9,886	3,874	56,010	-	-	
Intercompany transactions	-	1,755	-	-	17,512	
GJP Administradora de Hotéis	-	1,755	-	-	17,512	
Total	9,973	71,432	121,645	(2,817)	24,592	

- (i) Refer to accounts payables related to the booking of hotel rooms. GJP Administradora de Hotéis is considered a related party as it is an indirect subsidiary of a holding that holds the Group's shares.
- (ii) Refers to accounts payables for the acquisition of capital of Duotur Group, which is being adjusted based on 100% of the CDI rate maturing through 2020. The Group considered this acquisition as a related parties transaction as the former officers are the current shareholders of the group.
- (iii) Refers to accounts payables for the acquisition of capital of Viatrix, which is being adjusted based on 100% of the CDI rate maturing through December 2019. The Company considered this acquisition as a related parties transaction as the former officers are the current shareholders of the group.
- (iv) Refers to accounts payables for the acquisition of capital of Trend Group, which is being adjusted based on 100% of the CDI rate maturing through 2022. The Company considered this acquisition as a related parties transaction as the former officers are the current shareholders of the group.



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- (v) Refers to accounts payables for the acquisition of capital of Visual, which is being adjusted based on 100% of the CDI rate maturing through 2022. The Company considered this acquisition as a related parties transaction as the current officers are former shareholders of Visual.
- (vi) Sale of airline tickets, hotel booking and other tourism services between the Parent Company and its subsidiaries.
- (vii) Refers to accounts payables for the acquisition of capital of Esferatur, which is being adjusted based on 100% of the CDI rate maturing through 2024. The Group considered this acquisition as a related parties transaction as the former officers are the current shareholders of the group.
- (viii) Refer to expenses on the Executive Board of Bibam Group and Ola to be reimbursed by CVC SAU.
- (ix) Amount related to the put option of Avantrip/Biblos.
- (x) Amount related to the put option of Ola.

b) Compensation of key management personnel

Key management personnel includes directors and officers:

	Six-month period ended	
	June 30,	
	2019	2018
Salaries and other short-term benefits	14,701	30,893
Share-based payments	2,921	22,637
	17,622	53,530

20. Prepaid package tour boarding agreements

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

21. Net revenue from intermediation

Revenue breakdown

The Group has one single operating segment, which is tourism intermediation. Operations are mainly based in Brazil and are growing in Latin America. In the fiscal year ended December 31, 2018, the Group completed its analysis on the effect from the adoption of the new accounting pronouncement CPC 47 / IFRS 15 – Revenue from Contracts with Customers, which became effective beginning January 1, 2018 (CPC 47 / IFRS 15). As a result of such analysis, the Group has identified characteristics in the charter agreement of one of the ships which cabins are sold by CVC, which characterize the Group as “Principal” in the operation, whereas up to December 31, 2017, the Group was characterized as “Agent”. Consequently, the Group started to record this operation at the gross sales amount of the cabins (sea cruise) and their respective costs in separate captions of the



statements of profit or loss, in Services Net Revenue and Cost of Services, Profit Before Financial Income and Net Profit for the Fiscal Year.

The intermediation revenue is broken down as follows:

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended June 30,	
	Restated		Restated	
	2019	2018	2019	2018
Domestic	364,690	261,702	499,362	430,125
International	248,615	155,240	383,950	286,523
Ship charter	112,950	83,500	112,950	83,500
Sea cruise	18,461	21,690	22,494	22,170
Gross services revenue	744,716	522,132	1,018,757	822,318
Taxes on sales	(45,798)	(26,581)	(65,647)	(49,970)
Net services revenue	698,918	495,551	953,109	772,348

22. Operating costs and expenses

22.1 Operating costs

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended June 30,	
	Restated		Restated	
	2019	2018	2019	2018
Ship hull cost	(49,777)	(45,744)	(49,777)	(45,744)
Port fees	(16,919)	(17,119)	(16,919)	(17,119)
Service fees	(10,601)	(6,965)	(10,601)	(6,965)
Other	(20,681)	(1,128)	(20,681)	(1,128)
	(97,978)	(70,956)	(97,978)	(70,956)



22.2 Operating expenses

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended June 30,	
	2019	2018	2019	2018
Personnel	(109,222)	(94,258)	(223,677)	(210,345)
Third-party services (a)	(95,195)	(79,872)	(154,762)	(124,990)
Credit card fee	(32,323)	(25,528)	(45,865)	(36,668)
Depreciation and amortization	(37,162)	(22,180)	(67,682)	(51,401)
Estimated impairment losses	(12,060)	(6,801)	(13,959)	(10,292)
Other (b)	(58,248)	(19,951)	(137,967)	(26,646)
Total	(344,210)	(248,590)	(643,912)	(460,342)
Selling expenses	(83,446)	(78,814)	(136,166)	(105,425)
Estimated impairment losses	(12,060)	(6,801)	(13,959)	(10,292)
General and administrative expenses	(189,328)	(144,234)	(379,879)	(322,988)
- General and administrative expenses	(152,166)	(122,054)	(312,197)	(271,587)
- Depreciation and amortization	(37,162)	(22,180)	(67,682)	(51,401)
Other operating expenses (b)	(59,376)	(18,741)	(113,908)	(21,637)
Total	(344,210)	(248,590)	(643,912)	(460,342)

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

(b) The Group recorded as other operating expenses the effective and future losses based on its best estimate in the amount of BRL92,107. This amount refers to losses incurred on the transactions with Avianca Brasil related to: reimbursement with passengers relating to cancelled sales, additional expenses on re-booking of tickets in other airlines, write-off of outstanding assets and civil contingencies of lawsuits for pain and suffering and property damages mentioned within the six-month period ended June 30, 2019. Moreover, a loss was estimated relating to cancellations of future boarding which will be subject to reimbursement, which amount is contemplated in the abovementioned loss.



23. Financial income

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended June 30,	
	2019	2018	2019	2018
Financial expenses				
Financial charges (a)	(54,660)	(43,229)	(63,578)	(47,504)
Financial services fee (b)	(37,916)	(41,501)	(42,562)	(42,396)
Interest on acquisitions	(6,126)	(7,810)	(6,126)	(13,180)
Tax on financial transactions (IOF)	(2,806)	(1,775)	(3,418)	(3,335)
Interest payable – IFRS 16	(1,222)	-	(2,608)	-
Other	(2,301)	(2,812)	(3,983)	(6,990)
Total financial expenses	(105,031)	(97,127)	(122,275)	(113,405)
Financial income				
Income from short-term investments	3,600	615	4,841	1,547
Interest receivable	11,549	14,098	12,437	17,125
Financial discounts obtained	10,055	10,659	7,213	13,802
Total financial income	25,204	25,372	24,491	32,474
Foreign exchange variation, net	134	(739)	(829)	(626)
Financial expenses, net	(79,693)	(72,494)	(98,613)	(81,557)

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

(b) Refers to negative goodwill on credit right assignment transactions with financial institutions.

24. Earnings per share

	Six-month period ended June 30,	
	2019	2018
Profit attributable to Company's shareholders	80,520	106,254
Weighted average number of outstanding common shares (amounts in thousands of shares)	146,114	144,263
Basic earnings per share (BRL)	0.55	0.74
Weighted average number of common shares (amounts in thousands of shares)	146,114	144,263
Dilution effect: Share-based payment (thousands of shares)	2,663	2,631
Weighted average number of common shares adjusted by the dilution effect (amounts in thousands of shares)	148,777	146,894
Diluted earnings per share (BRL)	0.54	0.72

25. Changes in liabilities from financing activities

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



Accounting and Intermediary Information of CVC Brasil Operadora e Agência de Viagens S.A. and Subsidiaries on June 30, 2019

Parent Company									
June 30, 2019									
	December 31, 2018	Settlements	Interest paid	Exchange rate changes and inflation adjustments	New borrowings	Non-cash effects	Business combinations	Transfers from/to current and non-current	June 30, 2019
Borrowings and financing - current	503,235	(315,712)	(9,330)	3,766	-	3,021	-	-	184,980
Debentures - current	56,980	(56,043)	(20,692)	34,095	-	-	-	1,885	16,225
Debentures - non-current	798,910	-	-	-	708,701	-	-	(1,885)	1,505,726
Accounts payables for the acquisition of subsidiaries - current	4,163	-	-	1,942	-	-	-	(2,043)	4,062
Accounts payables for the acquisition of subsidiaries - non-current	59,008	-	-	-	-	-	-	2,043	61,051
Accounts payables for investee acquisition – related parties - current	65,803	(250,456)	(1,929)	4,507	-	-	310,784	(79,168)	49,541
Accounts payables for investee acquisition – related parties - non-current	64,334	-	-	-	-	-	(41,003)	79,168	102,499
Derivative financial instruments, net	(18,928)	28,444	(5,814)	8,700	6,354	-	-	-	18,756
Lease liabilities	-	(1,313)	(1,566)	-	-	38,204	-	-	35,325
Total	1,533,505	(595,080)	(39,331)	53,010	715,055	41,225	269,781	-	1,978,165

Consolidated									
June 30, 2019									
	December 31, 2018	Settlements	Interest paid	Exchange rate changes and inflation adjustments	New borrowings	Non-cash effects	Business combinations	Transfers from/to current and non-current	June 30, 2019
Borrowings and financing - current	553,520	(364,305)	(11,785)	7,773	2,894	-	(930)	-	187,167
Borrowings and financing - non-current	4,090	(4,677)	-	(81)	-	-	929	-	261
Debentures - current	56,980	(56,043)	(20,692)	34,095	-	-	-	1,885	16,225
Debentures - non-current	798,910	-	-	-	708,701	-	-	(1,885)	1,505,726
Accounts payables for the acquisition of subsidiaries - current	4,163	-	-	1,942	-	-	-	(2,043)	4,062
Accounts payables for the acquisition of subsidiaries - non-current	59,008	-	-	-	-	-	-	2,043	61,051
Accounts payables for investee acquisition – related parties - current	69,677	(250,456)	(1,929)	4,507	-	-	306,910	(79,168)	49,541
Accounts payables for investee acquisition – related parties - non-current	121,645	(10,074)	-	-	-	-	(41,502)	79,168	149,237
Derivative financial instruments	(19,476)	29,094	(6,521)	10,348	6,395	-	-	-	19,840
Lease liabilities	-	(2,343)	(2,538)	107	-	78,073	-	-	73,299
Total	1,648,517	(658,804)	(43,465)	58,691	717,990	78,073	265,407	-	2,066,409

Parent Company									
June 30, 2018									
	As at December 31, 2017	Settlements	Interest paid	Exchange rate changes and inflation adjustments	New borrowings	Non-cash effect	Business combination	Transfers from/to current and non-current	As at June 30, 2018
Borrowings and financing - current	64,498	(32,531)	(1,400)	41,952	265,000	-	-	13,712	351,231
Borrowings and financing - non-current	13,712	-	-	-	-	-	-	(13,712)	-
Debentures - current	154,163	(50,000)	(27,068)	27,662	-	-	-	49,595	154,352
Debentures - non-current	648,831	-	-	-	-	-	-	(49,595)	599,236
Accounts payables for the acquisition of subsidiaries - current	4,073	-	(1,537)	1,949	-	-	-	(366)	4,119
Accounts payables for the acquisition of subsidiaries - non-current	58,013	-	-	-	-	-	-	366	58,379
Accounts payables for investee acquisition – related parties - current	90,792	(13,979)	(2,608)	5,861	-	(3,372)	-	(18,378)	58,316
Accounts payables for investee acquisition – related parties - non-current	81,971	-	-	-	-	-	198,205	18,378	298,554
Derivative financial instruments, net	12,833	(13,655)	(1,427)	(36,084)	-	-	-	-	(38,333)
Total	1,128,886	(110,165)	(34,040)	41,340	265,000	(3,372)	198,205	-	1,485,854



Accounting and Intermediary Information of CVC Brasil Operadora e Agência de Viagens S.A. and Subsidiaries on June 30, 2019

	Consolidated June 30, 2018								
	As at December 31, 2017	Settlements	Interest paid	Exchange rate changes and inflation adjustments	New borrowings	Non-cash effect	Business combination	Transfers from/to current and non- current	As at June 30, 2018
Borrowings and financing - current	94,588	(58,946)	(2,568)	42,754	300,000	-	-	13,712	389,540
Borrowings and financing - non-current	13,712	-	-	-	-	-	-	(13,712)	-
Debentures - current	154,163	(50,000)	(27,068)	27,662	-	-	-	49,732	154,352
Debentures - non-current	648,831	-	-	-	-	-	-	(49,732)	599,236
Accounts payables for the acquisition of subsidiaries - current	4,073	-	(1,537)	1,949	-	-	-	532	4,119
Accounts payables for the acquisition of subsidiaries - non-current	58,013	-	-	-	-	-	-	(532)	58,379
Accounts payables for investee acquisition – related parties - current	90,792	(13,979)	(2,608)	5,861	-	(3,372)	-	(3,419)	58,316
Accounts payables for investee acquisition – related parties - non-current	81,971	-	-	-	-	-	198,205	3,419	298,554
Derivative financial instruments	12,661	(13,765)	(1,426)	(42,841)	-	-	-	-	(45,371)
Total	1,158,804	(136,690)	(35,207)	35,385	300,000	(3,372)	198,205	-	1,517,125

26. Supplemental cash flow information

	Parent Company		Consolidated	
	Six-month period ended June 30,		Six-month period ended June 30,	
	2019	2018	2019	2018
Transactions not involving cash disbursement:				
Lease liabilities (i)		38,205	78,074	-
Debt decrease – acquisition of related parties / investment (ii)		194,833	(3,874)	194,833
Business combination (iii)	269,781	-	269,781	-
Other comprehensive income (iv)	-	-	(499)	-
Interest – related parties (v)	3,020	-	-	-
	311,006	194,833	343,482	194,833

(i) Amount relating to lease agreement balances - IFRS 16, see note 14.

(ii) Amount relating to payment for acquisition of Ola S.A. This amount was settled through capital increase of holding CVC Turismo S.A.U./ Amount relating to earn-out, Visual Turismo (June/2018).

(iii) Amount relating to acquisition of subsidiaries.

(iv) Amount relating variation of conversion of subsidiaries: Avantrip, Biblos, and Ola S.A.

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

27. Insurance

The Group's policy is to maintain insurance coverage against risks involving third parties, life, property damage and civil liability, in addition to a life insurance policy for its employees. These policies coverages are in line with the Company's risk management policy.



Expenses on insurance premiums are recorded as prepaid expenses and recognized in the statement of profit or loss, on a straight-line basis, during the term of the policies.

Type	Amount insured on June 30, 2019
Civil risk	84,838
Civil liability of directors and officers (D&O)	75,000
General/civil risks	555,956

28. Reportable segments

The Group and its subsidiaries have assessed the requirements described in CPC 22 (IFRS 8) – Operating Segments and believe that CVC Brasil Group has only one reportable segment, which is “tourism intermediation”, performed in national and foreign territory.

29. Subsequent event

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

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

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

Submarino Viagens will be granted an exclusivity period of 90 days to complete the acquisition, which is subject to legal and financial due diligence and approval by antitrust authorities in Brazil and Argentina.