

Individual and consolidated quarterly information

Smiles Fidelidade S.A.

September 30, 2020

with Independent Auditors' Review Report

Smiles Fidelidade S.A.

Individual and consolidated quarterly information form (ITR) September 30, 2020

Contents

Comments on performance.....	03
Audit Committee's Report.....	06
Declaration of the officers on the individual and consolidated quarterly information.....	07
Declaration of the officers on the independent auditors' review report.....	08
Independent auditors' review report on the quarterly information form (ITR).....	09
Statements of financial position.....	11
Statements of income.....	13
Statements of comprehensive income.....	15
Statements of changes in equity.....	16
Statements of cash flows.....	17
Statements of value added.....	18
Notes to the individual and consolidated quarterly information form - ITR.....	19

Message from the Management

Message from the Management

Few sectors of the economy were as badly affected by the greatest pandemic in a century than travel and tourism. The necessary isolation closed borders, postponed holiday plans and prevented the mobility that is the feature of the globalized economy. The seriousness of this scenario led Smiles to adapt quickly and to bolster its business strategy founded on digital interaction and providing clients with a service par excellence. Thanks to this, we ended the second quarter with a significant advance in our financial and operating results. This evolution was consolidated in this third quarter which we are now reporting to our stakeholders.

Our indicators show that the recovery is firmly established – an important indication for Smiles and for the Brazilian economy, which is on the move again. The number of miles redeemed in the period was four times greater than in the second quarter. Earned miles grew by more than 25%, in comparison with the previous three months. These and other results enabled Smiles to record in the third quarter of 2020 invoicing of R\$ 450 million and net income of R\$ 50 million. The partial resumption of economic activity only partly explains these good results. Today, Smiles has the most complete traveler services platform on the Brazilian market. Even in the face of the temporary restrictions imposed by Covid-19, we bent to our task so that our clients could have, and continue to have, access to the best airline partners. During this third quarter, Smiles closed agreements with Air Europe and Ethiopian Airlines. This has added more than 90 international destinations to our portfolio. American Airlines, the company with which Smiles announced a partnership in early 2020, has become – in a very short space of time – our main similar partner in spite of the pandemic.

As tradition dictates, in September we held the Clube Smiles Day, a proprietary date with special offers for the most loyal Smiles clients. The result exceeded our wildest expectations. The number of those joining was 15 times greater than in early April. In five days, more than 74,000 airline tickets were issued for GOL flights.

More offerings, more technology and excellent service are reflected in what is the most important indicator for a services company: customer satisfaction. Between July and September, our NPS was 30% up on the second quarter.

Besides working day after day to captivate clients, our team is absolutely committed to a robust financial strategy that perpetuates every aspect of the company while providing sustainability. Even during this most challenging of years, Smiles generated cash of R\$ 992 million between January and September. And cash, especially in times of crisis, is still king.

These results have encouraged us not only to increase the number of campaigns and actions, but also to launch the evolution of our brand positioning -- "Seeing the world starts here" – already present on the site, the app, the social networks and on all Smiles communications.

We know that the months ahead will present huge challenges. We will remain vigilant and increasingly dedicated to making Smiles the best option for our clients and a company which our employees, shareholders and investors can be proud of.

Financial performance

Net Revenue: On 3Q20, net revenue showed growth of 136.7% in comparison with 2Q20, reaching R\$ 133.9 million and R\$ 56.6 million, respectively. When compared to the same period of last year, there was a reduction of 52.1%. In accumulated terms for the first nine months of the year, the variance was negative by 54.7%, recording R\$ 361.8 million in 9M20.

Revenues from the redemption of miles showed a strong increase in 3Q20 over 2Q20, of 310.9%, while breakage revenues remained practically stable, with a negative variance of only 1.7%. The significant increase in revenues in the quarter reflects the rapid recovery of the operating scenario as described above and the slight reduction in revenues from expired miles, the decline in the breakage rate from 16.3% in 2Q20, to 15.5% in 3Q20.

	3Q20	2Q20	3Q20 vs. 2Q20 (%)	3Q19	3Q20 vs. 3Q19 (%)	9M20	9M19	9M20 vs. 9M19 (%)
Revenue from the redemption of miles	113,864	27,710	310.9%	223,026	(48.9%)	238,041	667,845	(64.4%)
Revenue from breakage and expired miles	35,807	36,432	(1.7%)	75,998	(52.9%)	156,244	188,373	(17.1%)
Other operating revenue	1,979	458	332.1%	5,881	(66.3%)	10,226	18,940	(46.0%)
Gross revenue	151,650	64,600	134.8%	304,905	(50.3%)	404,511	875,158	(53.8%)
Taxes levied	(17,788)	(8,042)	121.2%	(25,575)	(30.4%)	(42,760)	(77,298)	(44.7%)
Net revenue	133,862	56,558	136.7%	279,330	(52.1%)	361,751	797,860	(54.7%)

The evolution of net revenue between July and September clearly shows a recovery reflected in the volume of tickets issued. The balance of tickets issued but not yet availed at the end of 3Q20 was 520.6 thousand.

Other Revenues: Other Revenues amounted to R\$ 2.0 million in 3Q20 against R\$ 0.4 million in 2Q20, an increase proportional to the revenue from miles redeemed in the quarter, and a decline of 66.3% compared to the same period of 2019. This line item is primarily composed of cancellation fees and the management fee of the GOL loyalty program. When compared to the same period of the previous year, the decline was due to the exemption from cancellation fees charged, on account of the pandemic.

Operating Expenses: Operating Expenses in 3Q20 rose by 7.5% when compared with 2Q20, and declined by 6.2% in comparison with the same period in 2019, with a decline of 16.3% in the accumulated variation for the year.

The main nominal variations in expenses, notably sales and personnel expenses reflect directly in the comparative reductions of the periods analyzed, with the exception of the quarterly comparison with 2Q20 on account of the higher personnel expenses arising from the provision made in that quarter. The lower selling expenses are directly linked to the slowdown in economic activity arising from the COVID-19 pandemic, and the personnel expenses, to the restructuring of the company's headcount.

Operating Expenses (R\$ thou)	3Q20	2Q20	3Q20 vs. 2Q20 (%)	3Q19	3Q20 vs. 3Q19 (%)	9M20	9M19	9M20 vs. 9M19 (%)
Personnel	(3,745)	(3,652)	2.5%	(3,350)	11.8%	(10,956)	(12,481)	(12.2%)
Call center	(8,920)	(7,702)	15.8%	(9,140)	(2.4%)	(26,611)	(27,328)	(2.6%)
Sales and advertising	(12,604)	(7,830)	61.0%	(18,783)	(329%)	(40,144)	(54,825)	(26.8%)
Selling Expenses	(25,269)	(19,184)	31.7%	(31,273)	(19.2%)	(77,711)	(94,634)	(17.9%)
Personnel	(12,907)	(13,201)	(2.2%)	(16,497)	(21.8%)	(46,003)	(61,408)	(25.1%)
IT services	(6,709)	(1,877)	257.4%	(3,786)	77.2%	(13,872)	(13,934)	(0.4%)
Services provided	(12,193)	(7,279)	67.5%	(9,643)	26.4%	(30,773)	(29,290)	5.1%
Depreciation and amortization	(931)	(913)	2.0%	(725)	28.4%	(2,755)	(2,456)	12.2%
Other, net	114	11	936.4%	626	(81.9%)	(1,535)	(376)	308.2%
Administrative Expenses	(32,626)	(23,259)	40.3%	(30,022)	8.7%	(94,938)	(107,464)	(11.7%)
Other, net	425	307	38.4%	-	N.M.	4,228	915	362.1%
Total Operating Expenses	(57,470)	(42,136)	36.4%	(61,295)	(6.2%)	(168,421)	(201,183)	(16.3%)

In the quarter, total operating expenses accounted for 42.9% of net income, and in 9M20, 46.8%. The increase in relation to the same periods of 2019 is directly related to the drop in revenue, already explained in detail above, as there was a reduction of around 6.2% and 16.3%, respectively, in total expenses for the periods.

	3Q20	2Q20	3Q20 vs. 2Q20 (%)	3Q19	3Q20 vs. 3Q19 (%)	9M20	9M19	9M20 vs. 9M19 (%)
Net Revenue	133,862	56,558	136.7%	279,330	(52.1%)	361,751	797,860	(54.7%)
Total Operating Expenses	(57,470)	(53,481)	7.5%	(61,295)	(6.2%)	(168,421)	(201,183)	(16.3%)
Operating Expenses / Net Revenue (%)	42.9%	74.5%	(5.163) bps	21.9%	2.099 bps	46.6%	25.2%	2.134 bps

Financial Result: The Financial Result was R\$ 23.9 million in 3Q20, up by 12.0% in comparison with 2Q20. In the accumulated nine-month period, the decline was 42.8%, reaching R\$ 55.2 million.

In the quarter, the increase in relation to 2Q20 was due to the 39.3% higher discounts obtained as a result of the contractual terms on advance purchases of tickets. When compared to the equivalent period of 2019, the reduction arose from the lower average cash balance and the reduction in the average SELIC-linked remuneration rate on liquid funds in 2020.

Furthermore, the accumulated balance for the nine months of 2020 was affected in 1Q20 by losses arising from money market investments, with debt instruments having been marked to market in March/20 at the onset of the pandemic.

Financial Result (R\$ thou)	3Q20	2Q20	3Q20 vs. 2Q20 (%)	3Q19	3Q20 vs. 3Q19 (%)	9M20	9M19	9M20 vs. 9M19 (%)
Financial revenues								
Discounts obtained	22,856	16,373	39.6%	17,371	31.6%	53,711	58,080	(7.5%)
Income from short-term investments	1,768	5,929	(70.2%)	13,839	(87.2%)	16,033	37,581	(57.3%)
(-) Taxes on financial income	(1,176)	(1,081)	8.8%	(1,567)	(25.0%)	(3,422)	(4,877)	(29.7%)
Other revenues	490	754	(35.0%)	1,731	(71.7%)	2,182	6,839	(68.1%)
Total financial income	23,938	21,975	8.9%	31,374	(23.7%)	68,504	97,623	(29.8%)
Financial expenses								
Interest	(498)	(233)	113.7%	(48)	937.5	(1,052)	(194)	442.3%
Taxes on financial operations	(3)	(5)	(40.0%)	-	-	(110)	(113)	(2.7%)
Loss on short-term investments	(209)	(514)	(59.3%)	(1)	20,800.0%	(9,352)	(107)	8,640.2%
Other expenses	(90)	(522)	(82.8%)	(761)	(88.2%)	(1,412)	(2,274)	(37.9%)
Total financial expenses	(800)	(1,274)	(37.2%)	(810)	(1.2)	(11,926)	(2,688)	343.7%
Exchange variation, net	761	642	19.0%	(1,103)	(169.0%)	(1,369)	(1,589)	(186.0%)
Total	23,899	21,343	12.0%	29,461	(18.9%)	55,209	96,524	(42.8%)

Net Income: The result for the quarter was a Net Income of R\$ 50.2 million, against a loss of R\$ 0.4 million in 2Q20 and R\$ 149.6 million in the same period of 2019. In the accumulated figure for the year, Net Income stood at R\$ 106.1 million, 76.3% lower than in the period from January to September 2019.

Balance of Advances to Suppliers: The composition and evolution of the balance of “advances to suppliers” in the quarter is shown in the table below:

Agreement	Tranche	Date	Balance 3Q20	Balance 2Q20	3Q20 vs. 2Q20	Rate (p.a.)
8th Agreement	Single Tranche	Apr-19	-	77.6	N.M	7.39%
9th Agreement	Single Tranche	Jun-19	-	90.4	N.M	7.39%
10th Agreement	Single Tranche	Aug-19	109.3	115.8	(5.6%)	7.39%
11th Agreement	Single Tranche	Sep-19	221.4	218.0	1.5%	6.21%
12th Agreement	Single Tranche	Dec-19	248.8	245.3	1.4%	5.66%
13th Agreement	Single Tranche	Mar-20	318.5	314.7	1.2%	4.79%
14th Agreement	Single Tranche	Mar-20	119.0	117.5	1.3%	4.79%
15th Agreement	Single Tranche	Jul-20	1,206.0	-	N.M	2.19%
Total			2,223.6	1,179.3	88.5%	
Weighted average rate			3.74%	5.86%	(212) bps	

Audit Committee's Report

Smiles Fidelidade S.A.'s Audit Committee, in compliance with its legal and statutory obligations, has reviewed the individual and consolidated quarterly information for the period ended September 30, 2020. Based on the procedures we have undertaken and the information and explanations we received during the period, and taking into account the independent auditors' review report issued by Grant Thornton Auditores Independentes on October 27, 2020, we consider that these documents are fit to be submitted for consideration by the Board of Directors.

Barueri, October 27, 2020.

Constantino de Oliveira Junior
Member of the Audit Committee

Leonardo Porciuncula Gomes Pereira
Member of the Audit Committee

Natan Szuster
Member of the Audit Committee

Declaration of the officers on the individual and consolidated quarterly information

In compliance with the provisions of CVM Instruction 480/09, the Executive Board declares that it has discussed, reviewed and approved the individual and consolidated quarterly information form - ITR for the period ended September 30, 2020.

Barueri, October 27, 2020.

André Fehlauer
Chief Executive Officer

Hugo Reis de Assumpção
Chief Financial and Investor Relations Officer

Murilo Cintra Grassi
Statutory Officer

Declaration of the officers on the independent auditors' review report

In compliance with the provisions of CVM Instruction 480/09, the Executive Board declares that it has discussed, reviewed and approved the opinion expressed in the independent auditors' report issued by Grant Thornton Auditores Independentes, on their review of the individual and consolidated quarterly information form - ITR for the period ended September 30, 2020.

Barueri, October 27, 2020.

André Fehlauer
Chief Executive Officer

Hugo Reis de Assumpção
Chief Financial and Investor Relations Officer

Murilo Cintra Grassi
Statutory Officer

Review report on the quarterly information

**Grant Thornton Auditores
Independentes**

Av. Eng. Luís Carlos Berrini, 105 - 12^º
andar Itaim Bibi, São Paulo (SP) Brazil

Phone: +55 11 3886-5100

To the Board of directors and shareholders of
Smiles Fidelidade S.A.
Barueri – SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Smiles Fidelidade S.A. (“the Company”), comprised in the Quarterly Information Form for the quarter ended September 30, 2020, comprising the balance sheets as of September 30, 2020 and the respective statements of income and of comprehensive income for the three and nine-month periods then ended, and of changes in shareholders’ equity and of cash flows for the period of nine months then ended, including the footnotes.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC TG 21 – Interim Financial Reporting and with the international standard IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), such as for the presentation of these information in accordance with the standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Review scope

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

Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information form referred to above have not been prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of interim financial information, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Emphasis of matter

We draw attention to the fact that a substantial volume of the Company's purchases of air tickets and sales of air miles is conducted with a related party, as described in Notes 9 and 23 to this interim financial information. Therefore, the individual and consolidated interim financial information, referred to above, should be read within this context. Our conclusion is not qualified regarding this matter.

Other matters

Statements of value added

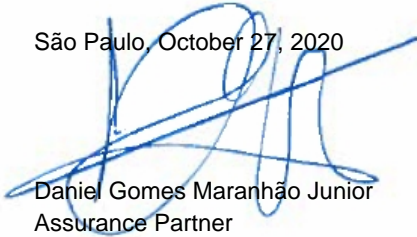
The quarterly information referred to above includes the individual and consolidated statements of value added for the period of nine months ended September 30, 2020, prepared under the responsibility of the Company's management and presented as supplementary information for the purposes of IAS 34.

These statements were submitted to the same review procedures in conjunction with the review of the Company's interim financial information in the order to conclude they are reconciliated to the interim financial information and to the accounting records, as applicable, and whether the structure and content are in accordance with the criteria established in NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that the accompanying statements of value added were not prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

Audit and review of figures corresponding to the comparative year and period

The audit of the individual and consolidated financial statements for the year ended December 31, 2019 and the review of the individual and consolidated interim financial information for the three and nine-month periods ended September 30, 2019 were conducted under the responsibility of other independent auditor, which issued an audit report and a review report thereon, without qualifications, on February 18, 2020 and October 29, 2019, respectively.

São Paulo, October 27, 2020



Daniel Gomes Maranhão Junior
Assurance Partner

Grant Thornton Auditores Independentes



Statements of financial position

As of September 30, 2020 and December 31, 2019
(In thousands of Brazilian reais - R\$)

Assets	Note	Parent Company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Current					
Cash and cash equivalents	6	101,085	275,033	111,670	287,846
Financial investments	7	394,059	886,069	394,972	886,069
Trade receivables	8	368,700	491,326	371,104	493,022
Advances to suppliers	9	1,109,529	971,601	1,109,594	971,788
Recoverable taxes and contributions	10	63,440	93,694	67,506	93,939
Other credits and amounts		22,641	30,965	26,410	30,784
Total current assets		2,059,454	2,748,688	2,081,256	2,763,448
Noncurrent					
Deferred taxes	11	-	-	-	2,905
Judicial deposits	12	25,641	16,565	25,943	16,565
Advances to suppliers	9	1,114,782	-	1,114,782	-
Recoverable taxes and contributions	10	48,343	48,660	48,343	48,660
Other credits and amounts		13,771	-	13,771	-
Investments	13	544	1,990	-	-
Property, plant and equipment	14	3,571	4,603	3,706	4,770
Intangible assets	15	54,268	48,235	54,268	48,235
Total noncurrent assets		1,260,920	120,053	1,260,813	121,135
Total assets		3,320,374	2,868,741	3,342,069	2,884,583

The accompanying notes are an integral part of the individual and consolidated financial statements.



Statements of financial position

As of September 30, 2020 and December 31, 2019
(In thousands of Brazilian reais - R\$)

Liabilities	Note	Parent Company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Current					
Suppliers	16	106,230	107,648	115,358	116,766
Labor obligations		16,206	16,883	17,617	18,172
Dividends and interest on shareholders' equity	17	103,682	133,498	103,682	133,498
Taxes and contributions payable		25,387	9,032	25,451	9,241
Related companies	23,1	19,597	29,038	13,984	23,611
Advances from customers	18	13,962	9,411	15,662	11,706
Deferred revenues	19	1.226.257	996,962	1.248.026	1,003,768
Other liabilities		6,638	3,222	6,871	4,772
Total current liabilities		1.517.959	1,305,694	1.546.651	1,321,534
Noncurrent					
Provisions for tax, civil and labor contingencies	20	26,355	26,987	26,386	26,987
Deferred revenues	19	308,170	172,629	308,170	172,629
Provision for Investment Losses	13	7,031	-	-	-
Deferred taxes	11	146,891	156,133	146,891	156,135
Other liabilities		1,146	1,963	1,146	1,963
Total noncurrent liabilities		489,593	357,712	482,596	357,714
Equity					
Capital stock	21,1	254,610	254,610	254,610	254,610
Capital reserves		278,213	276,420	278,213	276,420
Profit reserves		674,243	472,743	674,243	472,743
Equity valuation adjustments		(378)	62	(378)	62
Additional dividend proposed		-	201,500	-	201,500
Retained earnings for the period		106,134	-	106,134	-
Total equity		1,312,822	1,205,335	1,312,822	1,205,335
Total liabilities and equity		3,320,374	2,868,741	3,342,069	2,884,583

The accompanying notes are an integral part of the individual and consolidated financial statements.



Statements of operations

Periods ended September 30, 2020 and 2019

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

	Note	Parent Company			
		Three-month period ended		Nine-month period ended	
		09/30/2020	09/30/2019	09/30/2020	09/30/2019
Gross profit					
Net Revenue	25	133,181	278,203	358,397	794,707
Operating costs	26	(20,695)	(19,158)	(72,633)	(57,036)
Total gross profit		112,486	259,045	285,764	737,671
Operating expenses					
Selling expenses		(24,319)	(30,809)	(75,099)	(93,667)
Administrative Expenses		(30,494)	(27,961)	(88,010)	(102,170)
Other revenue, net		548	1	4,217	915
Total operating expenses	26	(54,265)	(58,769)	(158,892)	(194,922)
Equity income result	13	(2,712)	170	(8,530)	(2,086)
Income before financial result, net and income taxes		55,509	200,446	118,341	540,663
Financial income (expenses)					
Financial income		23,897	31,374	68,404	97,623
Financial expenses		(374)	(806)	(10,990)	(2,649)
Exchange rate variation, net		85	(3,036)	(3,806)	(451)
Total financial income (expenses)	27	23,608	27,532	53,608	94,523
Income before income and social contribution taxes		79,117	227,978	171,949	635,186
Income and social contribution taxes					
Current		(42,746)	(48,914)	(75,057)	(122,378)
Deferred		13,861	(29,507)	9,242	(65,619)
Total income and social contribution taxes	11,3	(28,885)	(78,421)	(65,815)	(187,997)
Net income for the period		50,232	149,557	106,134	447,189
Basic earnings per share	24	0.405	1.205	0.855	3.603
Diluted earnings per share	24	0.405	1.205	0.855	3.603

The accompanying notes are an integral part of the individual and consolidated financial statements.



Statements of operations

Periods ended September 30, 2020 and 2019

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

	Note	Consolidated			
		Three-month period ended		Nine-month period ended	
		09/30/2020	09/30/2019	09/30/2020	09/30/2019
Gross profit					
Net Revenue	25	133,862	279,330	361,751	797,860
Operating costs	26	(21,120)	(19,381)	(73,173)	(57,672)
Total gross profit		112,742	259,949	288,578	740,188
Operating expenses					
Selling expenses		(25,269)	(31,273)	(77,711)	(94,634)
Administrative Expenses		(32,625)	(30,022)	(94,937)	(107,464)
Other revenue, net		425	-	4,228	915
Total operating expenses	26	(57,469)	(61,295)	(168,420)	(201,183)
Income before financial result, net and income taxes		55,273	198,654	120,158	539,005
Financial income (expenses)					
Financial income		23,938	31,374	68,504	97,623
Financial expenses		(800)	(810)	(11,926)	(2,688)
Exchange rate variation, net		761	(1,103)	(1,369)	1,589
Total financial income (expenses)	27	23,899	29,461	55,209	96,524
Income before income and social contribution taxes		79,172	228,115	175,367	(635,529)
Income and social contribution taxes					
Current		(42,802)	(49,051)	(75,254)	(122,721)
Deferred		13,862	(29,507)	6,021	(65,619)
Total income and social contribution taxes	11,3	(28,940)	(78,558)	(69,233)	(188,340)
Net income for the period		50,232	149,557	106,134	447,189
Basic earnings per share	24	0.405	1.205	0.855	3.603
Diluted earnings per share	24	0.405	1.205	0.855	3.603

The accompanying notes are an integral part of the individual and consolidated financial statements.



Statements of comprehensive income

Periods ended September 30, 2020 and 2019
(In thousands of Brazilian reais - R\$)

	Parent Company			
	Three-month period ended		Nine-month period ended	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Net income for the period	50,232	149,557	106,134	447,189
Other comprehensive income	145	(268)	(440)	(268)
Total comprehensive income (loss) for the period	50,377	149,289	105,694	446,921

The accompanying notes are an integral part of the individual and consolidated financial statements.



Statements of changes in equity
 Periods ended September 30, 2020 and 2019
 (In thousands of Brazilian reais - R\$)

	Parent Company									
	Capital stock	Capital reserve		Profit reserve			Other comprehensive income	Additional proposed dividends	Retained earnings	Total
		Capital reserve	Share-based payments	Legal reserve	Profit retention reserve					
Balances as of December 31, 2018	43,767	481,628	1,661	8,975	193,728	-	284,471	-	1,014,230	
Exchange variation on foreign investments	-	-	-	-	-	(268)	-	-	(268)	
Net income for the period	-	-	-	-	-	-	-	447,189	447,189	
Total comprehensive income (loss) for the period	-	-	-	-	-	(268)	-	447,189	446,921	
Adjustment of initial adoption of accounting standard – CPC 06 (R2) (IFRS 16), net of tax effects (*)	-	-	-	-	-	-	-	(541)	(541)	
Capital increase	210,000	(210,000)	-	-	-	-	-	-	-	
Capital increase for exercise of stock options	843	-	-	-	-	-	-	-	843	
Share-based compensation	-	-	2,357	-	-	-	-	-	2,357	
Additional dividends paid	-	-	-	-	-	-	(284,471)	-	(284,471)	
Interest on equity distributed	-	-	-	-	-	-	-	(17,407)	(17,407)	
Balances as of September 30, 2019	254,610	271,628	4,018	8,975	193,728	(268)	-	429,241	1,161,932	

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

	Note	Parent Company and Consolidated								
		Capital reserve			Profit reserves			Additional proposed dividends	Retained earnings	Total
		Capital stock	Share-based payments	Other capital reserves	Legal reserve	Profit retention reserve	Other comprehensive income			
Balances as of December 31, 2019		254,610	4,792	271,628	40,311	432,432	62	201,500	-	1,205,335
Exchange variation on foreign investments		-	-	-	-	-	(440)	-	-	(440)
Net income for the period		-	-	-	-	-	-	-	106,134	106,134
Total comprehensive income (loss) for the period		-	-	-	-	-	(440)	-	106,134	105,694
Profit retention reserve		-	-	-	-	201,500	-	(201,500)	-	-
Share-based compensation	22	-	1,793	-	-	-	-	-	-	1,793
Balances as of September 30, 2020		254,610	6,585	271,628	40,311	633,932	(378)	-	106,134	1,312,822

The accompanying notes are an integral part of the individual and consolidated financial statements.



Statement of cash flows

Periods ended September 30, 2020 and 2019

(In thousands of Brazilian reais - R\$)

	Parent Company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Net income for the period	106,134	447,189	106,134	447,189
Adjustments to reconcile net income to net cash provided by operating activities				
Share-based compensation	1,793	2,357	1,793	2,357
Deferred income and social contribution taxes	(9,242)	65,619	(6,021)	65,619
Provision for tax, civil and labor risks	12,076	13,915	12,107	13,915
Depreciation and amortization	21,612	17,751	21,653	18,363
Discounts in advance ticket purchases	(53,711)	(58,080)	(53,711)	(58,080)
Foreign exchange variations, net	3,948	3,728	3,239	3,414
Variation in short-term investments	(6,581)	-	(6,681)	-
Allowance for (reversal of) estimated losses from doubtful accounts	(1)	17	(1)	17
Provisions for labor proceedings	12,567	13,108	12,900	14,526
Write-off of property, plant and equipment and intangible assets	126	309	126	309
Equity pick-up	8,530	2,086	-	-
Other adjustments	421	(372)	(756)	(372)
Adjusted net income	97,672	507,627	90,782	507,257
Changes in operating assets and liabilities				
Trade receivables	121,842	(75,161)	121,303	(75,868)
Advances to suppliers	(1,198,999)	338,243	1,198,872	338,243
Recoverable taxes	30,571	102,943	26,774	102,368
Judicial deposits and blocked escrows	(9,076)	1,708	(9,378)	1,708
Other assets (liabilities)	(4,734)	(22,600)	(9,997)	(27,881)
Transactions with related companies	(9,441)	(6,274)	(9,227)	(12,599)
Suppliers	(2,938)	(4,450)	(2,014)	5,435
Labor obligations	(13,244)	(26,727)	(13,583)	(26,603)
Advances from customers	4,551	(153,194)	3,728	(150,558)
Deferred Revenue	364,836	69,780	380,477	74,794
Taxes	64,441	102,235	64,473	102,508
Tax, civil and labor lawsuits	(12,708)	(8,030)	(12,708)	(8,030)
Income tax and social contribution	(48,086)	(95,492)	(48,271)	(95,731)
Net cash generated in operating activities	(615,313)	730,608	(616,513)	735,043
Investing activities				
Acquisition of fixed and intangible assets	(26,458)	(21,593)	(26,467)	(22,501)
Short-term investments, net	497,678	(260,541)	497,777	(542,261)
Capital increase in investee	-	(5,588)	-	-
Net cash used in investing activities	471,220	(287,722)	471,310	(564,762)
Financing activities				
Capital increase for exercise of stock options	-	843	-	843
Dividends paid	-	(408,350)	-	(408,350)
Interest on equity paid, net of taxes	(29,816)	(31,924)	(29,816)	(31,924)
Net cash used in financing activities	(29,816)	(439,431)	(29,816)	(439,431)
Effect of exchange variation on cash and cash equivalents	39	(768)	(1,157)	(720)
Net increase (decrease) in cash and cash equivalents	(173,948)	2,687	(176,176)	(269,870)
Cash and cash equivalents at the beginning of the period	275,033	8,371	287,846	290,850
Cash and cash equivalents at the end of the period	101,085	11,058	111,670	20,980

The accompanying notes are an integral part of the individual and consolidated financial statements.



Statement of value added

Periods ended September 30, 2020 and 2019

(In thousands of Brazilian reais - R\$)

	Parent Company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Revenues				
Mileage redemption and breakage	390,844	852,839	394,285	856,148
Other operating revenues	10,247	18,936	10,226	18,939
(Additions to) and reversals of estimated losses from doubtful accounts	1	(17)	1	(17)
Inputs acquired from third parties				
Materials, energy, outsourced services and others	(115,723)	(109,483)	(118,823)	(111,430)
Sales and advertising	(43,530)	(54,456)	(46,060)	(55,421)
Gross value added	241,839	707,819	239,629	708,219
Retentions				
Depreciation and amortization	(21,612)	(17,751)	(21,653)	(18,363)
Net value added produced by the Company	220,227	690,068	217,976	689,856
Value added received by transfer				
Equity income result	(8,530)	(2,086)	-	-
Financial income	68,404	114,858	68,504	117,721
Total value added to distribute	280,101	802,840	286,480	807,577
Distribution of value added				
Direct compensation	40,486	55,766	42,859	58,383
Benefits	6,808	5,048	7,040	5,130
Revenues from government entities	1,647	2,633	1,647	2,633
Personnel	48,941	63,447	51,546	66,146
Federal	109,828	276,370	113,939	277,127
Municipal	348	302	372	355
Taxes, charges and contributions	110,176	276,672	114,311	277,482
Interest	14,686	15,345	13,127	16,207
Rent	164	187	1,304	553
Other	-	-	58	-
Remuneration of third-party capital	14,850	15,532	14,489	16,760
Interest on equity	-	17,408	-	17,408
Retained profit	106,134	429,781	106,134	429,781
Remuneration of own capital	106,134	447,189	106,134	447,189
Total value added distributed	280,101	802,840	286,480	807,577

The accompanying notes are an integral part of the individual and consolidated financial statements.



1. General information

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

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

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

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

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

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

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

In the normal course of business, between 85% and 90% of the miles are exchanged for products offered by GLA (airline tickets, upgrades, baggage handling, etc.), therefore, Smiles is highly dependent on this related party for the continuity of its business. GLA's financial statements for the year ended December 31, 2019, issued on June 29, 2020, include an emphasis of matter paragraph about uncertainties regarding the continuity of its business as a result of the economic effects arising from the crisis triggered by the COVID-19 pandemic.

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

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

This crisis has greatly increased uncertainties in the macroeconomic scenario and caused the Brazilian economy to record a 5.8% drop by July, according to the Getulio Vargas Foundation's economic activity indicator. Gross domestic product is expected to drop 5.03% in 2020, according to the Focus Report issued by the Central Bank of Brazil on October 13, 2020, mainly due to weak external demand and an abrupt decline in economic activity as a result of measures to contain the virus.



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

In order to face this highly disruptive scenario, the Company created a special committee, which is composed of its entire management team, with the purpose of not only monitoring this issue and establishing financial and operational strategies, but also defining the Company's role in society, using all the resources at its disposal.

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

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

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

In the social sphere, as a contribution to and in recognition of those who are fighting COVID-19 on the front lines, the Company, in partnership with GLA, began awarding miles to healthcare workers who travel across Brazil to provide medical assistance to patients. For every GOL segment that is traveled free of charge, the traveler receives 1,000 miles. Until September 30, 2020, 309,800 miles were awarded, which did not have any material financial impacts on the quarterly information.

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

It is important to note that, on September 30, 2020, the Company's liquidity position was sufficient to safely: (i) invest in projects, initiatives and opportunities that contribute to an effective execution and improve the business lines and ecosystem in which the Company operates; (ii) defend the Company's market position; (iii) create value for the Company and its shareholders; (iv) invest in opportunities to contract airline tickets and other services related to passenger transportation; and (v) implement new commercial projects, among other purposes.



Unfortunately, like all other business organizations, the Company is unable to foresee the duration of the pandemic and the extent of the impacts caused by it on future business, results and cash generation. That being said, the Company's priority will continue to be people's health and well-being. We will closely follow WHO guidelines, as we have done up to now, as part of our commitment to do everything within our reach to withstand this period of turmoil in the best possible way.

1.1.1. Impacts of the crisis caused by COVID-19 on the individual and consolidated quarterly information

In the process of preparing this quarterly information, the following aspects were considered in the evaluation of the impacts caused by the economic crisis triggered by the COVID-19 pandemic, and the adjustments recorded are presented in detail below:

	Parent Company and Consolidated			
	Three months	Three months	Three months	Nine Months
Statements of operations	09/30/2020	06/30/2020	03/31/2020	09/30/2020
Provision for cancellations (a)	-	-	(22,271)	(22,271)
Loss on short-term investments (b)	(209)	(514)	(8,629)	(9,352)

	Parent Company and Consolidated	
	Current	Noncurrent
Statement of financial position - reclassifications	09/30/2020	
Advances to suppliers (c)	(451,284)	451,284
Recoverable taxes and contributions (c)	(18,564)	18,564

	Parent Company and Consolidated	
	Dividends Additional dividends proposed	Profit retention reserve
Statement of changes in equity - reclassifications	09/30/2020	
Additional dividends proposed (d)	(201,500)	201,500

- (a) Being at the center of one of the industries that were most affected by the crisis as a result of the pandemic, Smiles Fidelidade's operations and results were predictably impacted. The main impact was the decline in the volume of accrued miles exchanged by the members of the Smiles program, mainly for airline tickets, hotel rooms and car rentals. The Company also recorded higher-than-usual cancellations of exchanges carried out in previous months. As a result, a provision for cancellations in the amount of R\$22,271 was recorded in the first quarter. This provision has been monitored, and it was considered sufficient to cover the Company's estimated losses and maintained as at September 30, 2020. Management assessed that the receipt of accounts receivable balances will not be impacted due to the COVID-19 pandemic.



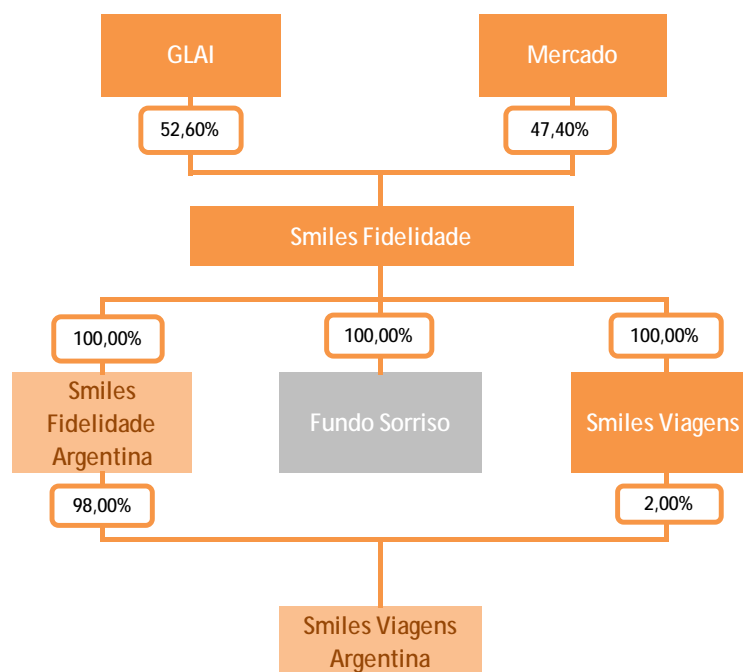
- (b) Although Management has adhered to the Company's investment policy, the abrupt changes in macroeconomic indices, including the SELIC rate cuts carried out by the Federal Government, caused the Company to record unusual losses in its financial investments in sovereign fixed income funds pegged to the SELIC rate, as well as in private fixed income funds with immediate liquidity and high-quality credit. It is worth mentioning that this was mainly due to the mark-to-market adjustment, given that the remuneration of these bonds is pegged to the SELIC rate. Therefore, the expected outcome is the recovery of results, either by carrying the more discounted assets or by closing the spreads as a result of the reduced offer of Treasury bonds pegged to the SELIC rate in the primary market.
- (c) Expected realization of assets (recoverable taxes and advances to suppliers) and liabilities (deferred revenues) was reassessed considering the most recent information available and reflected in the Company's business plans, and, consequently, the Company made said reclassifications, since it expects a reduction in revenues to be earned over the next twelve months.
- (d) As a result of the COVID-19 pandemic and in order to strengthen the cash position, the proposed allocation of the profit/loss for the year ended December 31, 2019 was changed by the Company's Management: the distribution was cancelled and the amounts were retained under the profit retention reserve. The new proposal for the allocation of the profit/loss was submitted and approved by the Annual Shareholders' Meeting held on July 31, 2020.

1.2. Compliance program

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

2. Corporate Structure

As at September 30, 2020, the Company's ownership structure was as follows:



Entity	Date of constitution	Location	Main activity	Type	% equity interest	
					09/30/2020	12/31/2019
Subsidiaries						
Fundo Sorriso (a)	07/14/2014	Brazil	Investment Fund	Direct control	100.0%	100.0%
Smiles Viagens	08/10/2017	Brazil	Travel agency	Direct control	100.0%	100.0%
Smiles Fidelidade Argentina (b)	11/07/2018	Argentina	Smiles loyalty program	Direct control	100.0%	100.0%
Smiles Viagens Argentina (b)	11/20/2018	Argentina	Travel agency	Indirect control	100.0%	100.0%

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

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

2.1. Corporate reorganization plan

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

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



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

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

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

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

The Company continually reviews its judgments, estimates and assumptions.

When preparing this individual and consolidated quarterly information form, Management used disclosure criteria, taking into consideration regulatory aspects and the relevance of the transactions to understand the changes in the Company’s economic and financial position and its performance since the end of the fiscal year ended December 31, 2019, as well as the restatement of relevant information included in the annual financial statements disclosed on February 18, 2020.

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

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

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

This individual and consolidated quarterly information form (ITR) was assessed and authorized for issue at the Board of Directors’ meeting of October 27, 2020.



5. Summary of significant accounting practices

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

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

There were no new standards or interpretations adopted in the nine-month period ended September 30, 2020.

5.2. New accounting standards and pronouncements not yet adopted

According to Management, there are no other standards and interpretations issued and not yet adopted that may have a significant impact on the result or equity disclosed by the Company.

6. Cash and cash equivalents

	Weighted average rate (p.a.)	Parent Company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Local currency	-	1,548	273,612	1,562	275,181
Foreign currency	-	2,137	984	11,696	12,228
Cash and bank deposits		3,685	274,596	13,258	287,409
Private bonds	101.2% of CDI	97,400	437	98,412	437
Cash equivalents		97,400	437	98,412	437
Total		101,085	275,033	111,670	287,846

7. Financial investments

	Weighted average rate (p.a.)	Parent Company		Consolidated	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Local currency					
Investment funds	71.4% of CDI	383,401	859,744	384,314	859,744
Government bonds	(29.7)% of CDI	10,658	26,325	10,658	26,325
Total		394,059	886,069	394,972	886,069



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

8. Trade receivables

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Local currency				
Credit card administrators	220,491	334,500	220,491	334,807
Non-airline partners	143,321	113,533	143,793	114,132
Airline partner companies (*)	3,647	34,986	3,647	34,986
Total local currency	367,459	483,019	367,931	483,925
Foreign currency				
Credit card administrators	-	-	1,932	790
Non-airline partners	1,254	8,321	1,254	8,321
Total foreign currency	1,254	8,321	3,186	9,111
Total	368,713	491,340	371,117	493,036
Estimated losses from doubtful accounts	(13)	(14)	(13)	(14)
Total trade receivables	368,700	491,326	371,104	493,022

(*) Of the total, R\$3,117 (R\$32,271 as of December 31, 2019) refers to miles sold to GLA and R\$530 (R\$1,415 as of December 31, 2019) refers to the letter of indemnity agreement. There are no outstanding amounts related to the collection of Smiles program management fees from GLA, pursuant to the operating agreement (R\$1,300 as of December 31, 2019). For further information, see Note 23.1.

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
To be due				
Up to 30 days	206,509	235,098	208,913	233,762
31 to 60 days	75,024	98,656	75,024	100,016
from 61 to 90 days	22,731	37,653	22,731	39,237
from 91 to 180 days	37,851	68,992	37,851	69,036
from 181 to 360 days	26,475	50,755	26,475	50,799
Over 360 days	110	169	110	169
Total to be due	368,700	491,323	371,104	493,019
Overdue				
From 31 to 60 days	-	2	-	2
From 61 to 90 days	-	1	-	1
Total overdue	-	3	-	3
Total	368,700	491,326	371,104	493,022

	Parent Company and Consolidated	
	09/30/2020	12/31/2019
Balance of estimated losses from doubtful accounts at the beginning of the period	(14)	(9)
(Additions) reversals	1	(5)
Balance of estimated losses from doubtful accounts at the end of the period	(13)	(14)



9. Advances to suppliers

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Advance ticket purchases	2,223,563	970,899	2,223,563	970,899
Other advances	748	702	813	889
Total	2,224,311	971,601	2,224,376	971,788
Current	1,109,529	971,601	1,109,594	971,788
Noncurrent	1,114,782	-	1,114,782	-

The Company had advance ticket purchase agreements with GLA. Pursuant to the agreement entered into between the Company and the above-mentioned related party, on the outstanding balance, the Company received a weighted average remuneration of 3.74% p.a. as of September 30, 2020 (6.71% p.a. as of December 31, 2019), with a counter entry recorded in financial income under "Discounts obtained".

During the nine-month period ended September 30, 2020, the Company recorded the following advance payments and/or uses of outstanding advances to suppliers with GLA:

	Parent Company and Consolidated
Advance ticket purchases	
Balance at the beginning of the period	970,899
Disbursement related to an agreement entered into on 03/03/2020	310,055
Disbursement related to an agreement entered into on 03/10/2020	115,908
Disbursement related to an agreement entered into on 07/06/2020	1,200,000
Discounts obtained	53,711
Airline tickets acquired	(427,010)
Balance at the end of the period	2,223,563

10. Recoverable taxes and contributions

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Prepaid income and social contribution taxes	74,626	80,012	74,626	80,012
Social Integration Program Tax on Revenue (PIS) and Social Security Financing Tax on Revenue (COFINS)	37,108	62,333	37,108	62,333
Value added tax – IVA	-	-	2,250	84
Other	49	9	1,865	170
Total	111,783	142,354	115,849	142,599
Current	63,440	93,694	67,506	93,939
Noncurrent	48,343	48,660	48,343	48,660



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

11. Deferred taxes

11.1. Breakdown of deferred taxes

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Income tax losses ^(*)	-	-	-	2,905
Temporary differences				
Provision for accounts payable and other provisions	41,634	39,800	41,631	39,800
Breakage provision	(188,799)	(196,206)	(188,799)	(196,206)
Right of use	274	273	274	273
Other	-	-	-	(2)
Total deferred income and social contribution tax liabilities	(146,891)	(156,133)	(146,894)	(153,230)
Deferred tax assets	-	-	-	2,905
Deferred tax liabilities	(146,891)	(156,133)	(146,894)	(156,135)

^(*) In the light of the current economic scenario in Argentina, the Company has decided to write off the deferred tax assets of its Argentine subsidiary.

11.2. Changes in deferred taxes

	Parent Company		
	12/31/2019	Result	09/30/2020
Temporary differences			
Provision for accounts payable and other provisions	39,800	1,834	41,634
Breakage provision	(196,206)	7,407	(188,799)
Right of use	273	1	274
Total deferred income and social contribution tax liabilities	(156,133)	9,242	(146,891)

	Consolidated			
	12/31/2019	Result	Exchange variation (*)	09/30/2020
Income tax losses	2,905	(3,217)	312	-
Temporary differences				
Provision for accounts payable and other provisions	39,800	1,835	(4)	41,631
Breakage provision	(196,206)	7,407	-	(188,799)
Right of use	273	1	-	274
Other	(2)	(5)	7	-
Total deferred income and social contribution tax liabilities	(153,230)	6,021	315	(146,894)
Total deferred tax assets	2,905	(3,217)	312	-
Total deferred tax liabilities	(156,135)	9,238	3	(146,894)

(*) Exchange variation recognized in other comprehensive income.



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

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

	Parent Company			
	Three-month period ended		Nine-month period ended	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Income before income and social contribution taxes	79,117	227,978	171,949	635,186
Combined nominal tax rate	34%	34%	34%	34%
Income and social contribution tax credits at the combined tax rate	(26,900)	(77,513)	(58,463)	(215,963)
Adjustments to calculate the effective tax rate				
Non-deductible expenses	(1,115)	(1,008)	(4,166)	(3,266)
Equity pick-up	(922)	58	(2,900)	(709)
Tax benefit of interest on equity	-	-	-	5,919
Incentive reserve	46	36	129	2,041
Reversal of provision for loss on investment	-	-	-	5,162
Extemporary tax credits	-	-	-	18,801
Other	6	6	(415)	18
Income and social contribution taxes	(28,885)	(78,421)	(65,815)	(187,997)
Current income and social contribution taxes	(42,746)	(48,914)	(75,057)	(122,378)
Deferred income and social contribution taxes	13,861	(29,507)	9,242	(65,619)
Effective tax rate	36.5%	34.4%	38.3%	29.6%

	Consolidated			
	Three-month period ended		Nine-month period ended	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Income before income and social contribution taxes	79,172	228,115	175,367	635,529
Combined nominal tax rate	34%	34%	34%	34%
Income and social contribution tax credits at the combined tax rate	(26,918)	(77,559)	(59,625)	(216,080)
Adjustments to calculate the effective tax rate				
Non-deductible expenses	(1,114)	(1,008)	(4,166)	(3,266)
Difference of tax rate on the result of subsidiaries	(783)	(78)	(4,813)	(1,042)
Tax benefit of interest on equity	-	-	-	5,919
Incentive reserve	46	36	129	2,041
Reversal of provision for loss on investment	-	-	-	5,162
Extemporary tax credits	-	-	-	18,801
Other	(171)	51	(758)	125
Income and social contribution taxes	(28,940)	(78,558)	(69,233)	(188,340)
Current income and social contribution taxes	(42,802)	(49,051)	(75,254)	(122,721)
Deferred income and social contribution taxes	13,862	(29,507)	6,021	(65,619)
Effective tax rate	36.6%	34.4%	39.5%	29.6%



12. Deposits

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Judicial deposits	25,641	16,565	25,641	16,565
Escrow deposits	-	-	302	-
Total	25,641	16,565	25,943	16,565

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

	Parent Company and Consolidated	
	09/30/2020	12/31/2019
Tax	8,736	8,557
Labor	14,723	5,931
Civil	2,182	2,077
Total	25,641	16,565

13. Investments

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

	Smiles Viagens	Smiles Fidelidade Argentina
Information as of September 30, 2020		
Total number of shares	40,000	-
Capital stock	40	7,529
Exchange variation on foreign investments	(1)	116
Profit Reserves	1,288	-
Accumulated losses	(783)	(14,676)
Total equity (deficit)	544	(7,031)
Net income (loss) for the period	(783)	(7,748)

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

The investment changes are as follows:

	Smiles Viagens	Smiles Fidelidade Argentina	Total
Balances as of December 31, 2019	(1,328)	662	1,990
Currency translation adjustments	(1)	54	53
Equity income result	(783)	(7,747)	(8,530)
Balance as of September 30, 2020	544	(7,031)	(6,487)

14. Property, plant and equipment

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

	Weighted average rate (p.a.)	Parent Company			
		12/31/2019	Additions	Write-off	09/30/2020
Property, plant and equipment in use					
Cost					
Vehicles	-	533	-	(233)	300
Machinery and equipment	-	70	-	-	70
Furniture and fixtures	-	397	-	-	397
Computers and peripherals	-	1,598	26	-	1,624
Communication equipment	-	6	-	-	6
Leasehold improvements	-	1,968	-	-	1,968
Third-party leasehold – right of use	-	3,151	281	-	3,432
Works in progress	-	381	-	-	381
		8,104	307	(233)	8,178
Depreciation					
Vehicles	20.00%	(189)	(74)	107	(156)
Machinery and equipment	10.00%	(30)	(5)	-	(35)
Furniture and fixtures	10.00%	(147)	(30)	-	(177)
Computers and peripherals	20.00%	(814)	(229)	-	(1,043)
Communication equipment	10.00%	(2)	-	-	(2)
Leasehold improvements	22.64%	(1,464)	(146)	-	(1,610)
Third-party leasehold – right of use	31.52%	(855)	(729)	-	(1,584)
		(3,501)	(1,213)	107	(4,607)
Total property, plant and equipment		4,603	(906)	(126)	3,571



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

	Consolidated				
	Weighted average rate (p.a.)	12/31/2019	Additions	Write-off	09/30/2020
Property, plant and equipment in use					
Cost					
Vehicles	-	533	-	(233)	300
Machinery and equipment	-	89	-	-	89
Furniture and fixtures	-	399	-	-	399
Computers and peripherals	-	1,783	35	-	1,818
Communication equipment	-	6	-	-	6
Leasehold improvements	-	1,968	-	-	1,968
Third-party leasehold – right of use	-	3,151	281	-	3,432
Works in progress	-	381	-	-	381
		8,310	316	(233)	8,393
Depreciation					
Vehicles	20.00%	(190)	(74)	107	(157)
Machinery and equipment	10.00%	(34)	(7)	-	(41)
Furniture and fixtures	10.00%	(147)	(30)	-	(177)
Computers and peripherals	20.00%	(847)	(268)	-	(1,115)
Communication equipment	10.00%	(2)	-	-	(2)
Leasehold improvements	22.64%	(1,465)	(146)	-	(1,611)
Third-party leasehold – right of use	31.52%	(855)	(729)	-	(1,584)
		(3,540)	(1,254)	107	(4,687)
Total property, plant and equipment		4,770	(938)	(126)	3,706

15. Intangible assets

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

	Parent Company				
	Weighted average rate (p.a.)	12/31/2019	Additions	Write-off	09/30/2020
Cost					
License of use	-	88,058	26,432	(36,351)	78,139
Other	-	10,000	-	-	10,000
Total		98,058	26,432	(36,351)	88,139
Amortization					
License of use	38.07%	(45,657)	(18,899)	36,351	(28,205)
Other	20.00%	(4,166)	(1,500)	-	(5,666)
Total		(49,823)	(20,399)	36,351	(33,871)
Total intangible assets		48,235	6,033	-	54,268



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

	Weighted average rate (p.a.)	Consolidated			
		12/31/2019	Additions	Write-off	09/30/2020
Cost					
License of use	-	88,842	26,432	(37,135)	78,139
Other	-	10,000	-	-	10,000
Total		98,842	26,432	(37,135)	88,139
Amortization					
License of use	38.07%	(46,441)	(18,899)	37,135	(28,205)
Other	20.00%	(4,166)	(1,500)	-	(5,666)
Total		(50,607)	(20,399)	(37,135)	(33,871)
Total intangible assets		48,235	6,033	-	54,268

16. Suppliers

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Local currency ^(*)	84,550	17,369	85,638	17,236
Foreign currency	21,680	90,279	29,720	99,530
Total	106,230	107,648	115,358	116,766

(*) As of September 30, 2020, the amounts of R\$9,013 in the parent company and R\$9,062 in the consolidated (R\$6,222 in the parent company and R\$6,283 in the consolidated as of December 31, 2019) correspond to administrative services, pursuant to Note 23.1.

17. Dividends and interest on equity

	Parent Company and Consolidated	
	09/30/2020	12/31/2019
Dividends payable ^(*)	103,682	103,682
Interest on equity payable	-	29,816
Total	103,682	133,498

(*) As of September 30, 2020, the amount of R\$54,544 in the parent company and in the consolidated (R\$69,548 as of December 31, 2019) corresponds to related parties with GLAI, pursuant to Note 23.1.

18. Advances from customers

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Multiple partners	10,945	334	10,945	334
Banks	3,017	9,077	4,717	11,372
Total	13,962	9,411	15,662	11,706

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



19. Deferred revenues

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Mileage program	2,088,609	1,744,902	2,136,618	1,751,708
Other	1,111	1,764	1,111	1,764
Breakage	(555,293)	(577,075)	(581,533)	(577,075)
Total	1,534,427	1,169,591	1,556,196	1,176,397
Current	1,226,257	996,962	1,248,026	1,003,768
Noncurrent	308,170	172,629	308,170	172,629

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

Breakage reflects revenue recognized on the date the member is entitled to the miles and represents an estimate of miles issued that will not be redeemed, i.e. miles that are expected to expire without being used, pursuant to CPC 47, equivalent to IFRS 15.

20. Provisions for tax, civil and labor contingencies

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

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

Details regarding relevant lawsuits were presented in the financial statements for the year ended December 31, 2019.

The Company’s Management believes that the provision for tax, labor and civil risks, recorded in accordance with CPC 25 – “*Provisões, Passivos Contingentes e Ativos Contingentes*” (“Provisions, Contingent Liabilities and Contingent Assets”), is sufficient to cover any losses on administrative and legal proceedings.

Changes in provisions for tax, labor and civil risks in the period ended September 30, 2020, are as follows:

	Parent Company			09/30/2020
	12/31/2019	Additions	Payments and reversals	
Tax	566	-	-	566
Labor	24,449	10,159	(10,936)	23,672
Civil	1,972	1,917	(1,772)	2,117
Total	26,987	12,076	(12,708)	26,355



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

	Consolidated			09/30/2020
	12/31/2019	Additions	Payments and reversals	
Tax	566	-	-	566
Labor	24,449	10,159	(10,936)	23,672
Civil	1,972	1,948	(1,772)	2,148
Total	26,987	12,107	(12,708)	26,386

The Company has lawsuits whose likelihood of loss is assessed by Management and its legal counsels as possible and, therefore, no provision was recorded.

The position of possible contingencies is presented below:

	Parent Company and Consolidated	
	09/30/2020	12/31/2019
Tax	138,849	136,252
Labor	9,724	21,883
Civil	1,510	1,157
Total	150,083	159,292

21. Equity

21.1. Capital stock

As of September 30, 2020 and December 31, 2019, the subscribed and paid-up capital stock totaled R\$255,717, corresponding to 124,158,953 book-entry, registered common shares with no par value, reduced by the cost of issued shares in the amount of R\$1,107.

The authorized capital stock as of September 30, 2020, and December 31, 2019, amounted to 139,999,999 common shares.

The Company's shareholding structure is as follows:

	09/30/2020	12/31/2019
Gol Linhas Aéreas Inteligentes S.A.	52.60%	52.61%
Others (Market)	47.40%	47.39%
Total	100.00%	100.00%

21.2. Dividends and interest on equity

In December 2019, the Company approved the distribution of interest on equity in the amount of R\$50,962, of which R\$17,407 was paid in advance on April 15, 2019, and R\$33,554 was paid on January 17, 2020.

According to note 17 the balance of R\$103,682, referring to the mandatory minimum dividend for the year 2019 is still outstanding in the period ended on September 30, 2020.

As mentioned in Note 1.1.1, as a result of the COVID-19 pandemic and in order to strengthen the Company's cash position, the proposed allocation of the profit/loss for the year ended December 31, 2019 was changed: the distribution of R\$201,500 was cancelled and the amounts were retained under the profit retention reserve. The new proposal for the allocation of the profit/loss was approved by the Annual Shareholders' Meeting held on July 31, 2020.



22. Share-based payments

The plans granted and their conditions, pricing models and valuation assumptions adopted have been disclosed in detail in the financial statements for the year ended December 31, 2019, and did not change during the nine-month period ended September 30, 2020.

There were no changes to options outstanding in the nine-month period ended September 30, 2020.

During the period ended September 30, 2020, the Company recorded R\$1,793 in equity related to share-based payments with a counter entry in the statement of income under "Personnel Expenses" (R\$2,357 in the nine-month period ended September 30, 2019).

Additionally, management and employees are granted an additional bonus paid through cash, based on the Company's shares, as a way to enhance these executives' productivity and commitment to the results.

As of September 30, 2020, the obligation balance was R\$1,881 (R\$6,079 as of December 31, 2019) recognized under "Salaries", in the amount equivalent to 119,784 Company shares. In the period, the Company recognized the same amount under "Personnel" (R\$3,425 in the period ended September 30, 2019).



23. Transactions with related parties

23.1. Related-party balances and transactions

Counterparty	Parent Company		Consolidated		
	09/30/2020	12/31/2019	09/30/2020	12/31/2019	
Assets					
Trade receivables					
Miles sold	GLA	2,956	32,271	2,956	32,271
Management fees	GLA	161	1,300	161	1,300
Letter of indemnity agreement	GLA	530	1,415	530	1,415
Total		3,647	34,986	3,647	34,986
Dividends receivable					
Dividends receivable	Smiles Viagens	267	267	-	-
Advances to suppliers					
Advance ticket purchases	GLA	2,223,563	970,899	2,223,563	970,899
Total assets		2,227,477	1,006,152	2,227,210	1,005,885
Liabilities					
Suppliers					
Administrative services	GLA	9,013	6,222	9,062	6,283
Total		9,013	6,222	9,062	6,283
Dividends and interest on equity					
Dividends and interest on equity payable	GLAI	54,544	69,548	54,544	69,548
Total		54,544	69,548	54,544	69,548
Obligations to related companies					
Local currency:					
On-lending	Smiles Viagens	596	1,867	-	-
On-lending	GLA	14,608	34,458	14,608	34,529
Foreign currency:					
On-lending	GLA	(624)	(10,918)	(624)	(10,918)
On-lending	Smiles Argentina	5,017	3,631	-	-
Total		19,597	29,038	13,984	23,611
Total liabilities		83,154	104,808	77,590	99,442



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

	Counterparty	Parent Company			
		Three-month period ended		Nine-month period ended	
		09/30/2020	09/30/2019	09/30/2020	09/30/2019
Revenues					
Other operating revenues					
Management fees	GLA	309	1,836	2,853	6,104
Total revenues		309	1,836	2,853	6,104
Expenses					
Selling expenses					
Administrative services	GLA	(6,521)	(5,752)	(19,631)	(17,856)
Administrative expenses					
Administrative services	GLA	(2,572)	(2,457)	(6,676)	(7,079)
Letter of indemnity agreement	GLA	-	1,818	-	3,886
Total expenses		(9,093)	(6,391)	(26,307)	(21,049)
Financial income (expenses)					
Financial income					
Discounts obtained	GLA	22,856	17,371	53,711	58,080
Total financial income (expenses)		22,856	17,371	53,711	58,080

	Counterparty	Consolidated			
		Three-month period ended		Nine-month period ended	
		09/30/2020	09/30/2019	09/30/2020	09/30/2019
Revenues					
Other operating revenues					
Management fees	GLA	309	1,836	2,853	6,104
Total revenues		309	1,836	2,853	6,104
Expenses					
Selling expenses					
Administrative services	GLA	(6,521)	(5,752)	(19,631)	(17,856)
Administrative expenses					
Administrative services	GLA	(2,746)	(2,550)	(6,907)	(7,359)
Letter of indemnity agreement	GLA	-	1,818	-	3,886
Total expenses		(9,267)	(6,484)	(26,538)	(21,329)
Financial income (expenses)					
Financial income					
Discounts obtained	GLA	22,856	17,371	53,711	58,080
Total financial income (expenses)		22,856	17,371	53,711	58,080



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

23.2. Remuneration of key management personnel

	Parent Company and Consolidated			
	Three-month period ended		Nine-month period ended ⁽²⁾	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Salaries, bonus and benefits ⁽¹⁾	2,828	4,895	9,585	21,868
Payroll charges	340	355	975	4,107
Share-based compensation	796	773	2,816	2,357
Total	3,964	6,023	13,376	28,332

(1) Includes compensation of the Board of Directors, the Audit Committee and the Fiscal Council.

(2) In the first half of 2019, the Company made severance payments. In the first quarter of 2020, one of the Company's executive officers resigned and was replaced in mid-June 2020.

	Parent Company and Consolidated	
	09/30/2020	09/30/2019
Number of members		
Board of Directors	5	7
Statutory officers	3	2
Non-statutory officers	3	3
Fiscal Council	3	3
Total	14	15

24. Earnings (loss) per share

	Parent Company and Consolidated			
	Three-month period ended		Nine-month period ended	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Numerator				
Net income for the period	50,232	149,557	106,134	447,189
Denominator				
Weighted average number of outstanding shares (in thousands)	124,159	124,159	124,159	124,128
Adjusted weighted average number of outstanding shares and diluted presumed conversions (in thousands)	124,159	124,159	124,159	124,128
Basic earnings per share	0.405	1,205	0.855	3,603
Diluted earnings per share	0.405	1,205	0.855	3,603

For the periods of nine months ended September 30, 2020 and 2019, the stock option plans had a market price lower than the out of money prices; therefore, they did not have a dilutive effect and were not considered in the total amount of outstanding shares.



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

25. Revenue

	Parent Company				Consolidated			
	Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Revenue from the redemption of miles (a)	113,492	221,861	236,073	664,559	113,864	223,026	238,041	667,845
Revenue from breakage and expired miles	35,466	75,978	154,771	188,353	35,807	75,998	156,244	188,373
Others (b)	2,002	5,884	10,247	18,936	1,979	5,881	10,226	18,940
Gross revenue	150,960	303,723	401,091	871,848	151,650	304,905	404,511	875,158
Related tax	(17,779)	(25,520)	(42,694)	(77,141)	(17,788)	(25,575)	(42,760)	(77,298)
Net revenue	133,181	278,203	358,397	794,707	133,862	279,330	361,751	797,860

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

(b) Of the total amount, R\$309 and R\$2,853 refer to Smiles Program management fees charged from GLA for the three- and nine-month periods ended September 30, 2020, respectively (R\$1,836 and R\$6,104 for the three- and nine-month periods ended September 30, 2019, respectively), as described in Note 23.1.



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

26. Operating costs and selling and administrative expenses

	Parent Company				Consolidated			
	Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Operating costs								
IT services	(14,657)	(12,236)	(52,316)	(39,777)	(15,080)	(12,261)	(52,853)	(39,821)
Depreciation and amortization	(5,839)	(6,255)	(18,898)	(15,319)	(5,839)	(6,451)	(18,898)	(15,907)
Others operating costs, net	(199)	(667)	(1,419)	(1,940)	(201)	(669)	(1,422)	(1,944)
Total operating costs	(20,695)	(19,158)	(72,633)	(57,036)	(21,120)	(19,381)	(73,173)	(57,672)
Selling expenses								
Personnel	(3,660)	(3,391)	(10,871)	(12,478)	(3,745)	(3,350)	(10,956)	(12,481)
Call center	(8,915)	(9,140)	(26,594)	(27,328)	(8,920)	(9,140)	(26,611)	(27,328)
Sales and advertising	(11,744)	(18,278)	(37,634)	(53,861)	(12,604)	(18,783)	(40,144)	(54,825)
Total selling expenses ^(a)	(24,319)	(30,809)	(75,099)	(93,667)	(25,269)	(31,273)	(77,711)	(94,634)
Administrative expenses								
Personnel	(11,940)	(15,249)	(42,868)	(58,405)	(12,907)	(16,497)	(46,003)	(61,408)
IT services	(6,578)	(3,666)	(12,909)	(13,745)	(6,709)	(3,786)	(13,872)	(13,934)
Services provided	(11,592)	(9,169)	(29,243)	(27,742)	(12,193)	(9,643)	(30,773)	(29,290)
Depreciation and amortization	(917)	(717)	(2,714)	(2,432)	(931)	(725)	(2,755)	(2,456)
Others operating costs, net	533	840	(277)	154	115	629	(1,534)	(376)
Total administrative expenses ^(b)	(30,494)	(27,961)	(88,011)	(102,170)	(32,625)	(30,022)	(94,937)	(107,464)
Others operating expenses, net								
Others operating costs, net	548	1	4,217	915	425	-	4,228	915
Total other, net	548	1	4,217	915	425	-	4,228	915
Total	(74,960)	(77,927)	(231,526)	(251,958)	(78,589)	(80,676)	(241,593)	(258,855)

(a) Parent Company and Consolidated: Of total selling expenses, R\$6,521 and R\$19,631 for the three- and nine-month periods ended September 30, 2020, respectively (R\$5,752 and R\$17,856 for the three- and nine-month periods ended September 30, 2019, respectively), refer to shared services between the Company and GLA (for more information, see note 23.1).

(b) Parent Company: Of total administrative expenses, R\$2,572 and R\$6,676 for the three- and nine-month periods ended September 30, 2020, respectively (R\$2,457 and R\$7,079 for the three- and nine-month periods ended September 30, 2019, respectively), refer to shared services between the Company and GLA (for more information, see note 23.1).

Consolidated: Of total administrative expenses, R\$2,746 and R\$6,907 for the three- and nine-month periods ended September 30, 2020, respectively (R\$2,550 and R\$7,359 for the three- and nine-month periods ended September 30, 2019, respectively), refer to shared services between the Company and GLA (for more information, see note 23.1).



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

27. Financial income (expenses)

	Parent Company				Consolidated			
	Three-month period ended		Nine-month period ended		Three-month period ended		Nine-month period ended	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Financial income								
Discounts obtained (a)	22,856	17,371	53,711	58,080	22,856	17,371	53,711	58,080
Incomfrom short-term investments	1,728	13,840	15,933	37,581	1,768	13,839	16,033	37,581
(-) Taxes on financial income	(1,176)	(1,567)	(3,422)	(4,877)	(1,176)	(1,567)	(3,422)	(4,877)
Others revenues	489	1,730	2,182	6,839	490	1,731	2,182	6,839
Total financial income	23,897	31,374	68,404	97,623	23,938	31,374	68,504	97,623
Financial expenses								
Interest	(73)	(45)	(175)	(154)	(498)	(48)	(1,052)	(194)
Taxes on financial operations	(3)	-	(110)	(113)	(3)	-	(110)	(113)
Loss on short-term investments	(209)	(1)	(9,352)	(107)	(209)	(1)	(9,352)	(107)
Others expenses	(89)	(760)	(1,353)	(2,275)	(90)	(761)	(1,412)	(2,274)
Total financial expenses	(374)	(806)	(10,990)	(2,649)	(800)	(810)	(11,926)	(2,688)
Exchange variation, net	85	(3,036)	(3,806)	(451)	761	(1,103)	(1,369)	1,589
Total	23,608	27,532	53,608	94,523	23,899	29,461	55,209	96,524

(a) These amounts refer to advance ticket purchases pursuant to the agreement entered into with GLA.



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

28. Financial instruments

In the normal course of its business, the Company is exposed to credit, liquidity and market risks, which are actively managed by the Finance and Audit Committee ("CAF"), pursuant to this Committee's regulations. The details regarding the way the Company manages risks have been widely presented in the financial statements for the year ended December 31, 2019.

28.1. Breakdown of financial instruments by category

The Company's financial instruments recorded in the statement of financial position as of September 30, 2020, and December 31, 2019, are shown below:

	Fair value level	Parent Company			
		Measured at fair value through profit or loss		Amortized cost (*)	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Assets					
Cash	Level 1	3,685	274,596	-	-
Cash equivalents	Level 2	97,400	437	-	-
Financial investments	Level 2	394,059	886,069	-	-
Trade receivables	-	-	-	368,700	491,326
Other credits and amounts	-	-	-	36,412	30,965
Liabilities					
Suppliers	-	-	-	(106,230)	(107,648)
Related companies	-	-	-	(19,597)	(29,038)
Others liabilities	-	-	-	(7,784)	(5,185)

	Fair value level	Consolidated			
		Measured at fair value through profit or loss		Amortized cost (*)	
		09/30/2020	12/31/2019	09/30/2020	12/31/2019
Assets					
Cash and bank deposits	Level 1	13,258	287,409	-	-
Cash equivalents	Level 2	98,412	437	-	-
Financial investments	Level 2	394,972	886,069	-	-
Trade receivables	-	-	-	371,104	493,022
Other credits and amounts	-	-	-	40,181	30,784
Liabilities					
Suppliers	-	-	-	(115,358)	(116,766)
Related companies	-	-	-	(13,984)	(23,611)
Others liabilities	-	-	-	(8,017)	(6,735)

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



28.2. Interest rate risk

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

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

The sensitivity analysis of the Company's assets and liabilities to fluctuations in interest rates is presented in Note 28.7.

28.3. Foreign currency risk

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

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

Assets and liabilities denominated in foreign currency as of September 30, 2020, and December 31, 2019, are presented below:

	Parent Company		Consolidated	
	09/30/2020	12/31/2019	09/30/2020	12/31/2019
Cash and cash equivalents	2,137	984	11,696	12,228
Trade receivables	1,254	8,321	3,186	9,111
Recoverable taxes	-	-	4,066	426
Other credits and amounts	-	-	64	84
Related parties	(4,393)	7,287	624	10,918
Foreign currency suppliers	(21,680)	(90,279)	(29,720)	(99,530)
Others liabilities	-	-	(415)	(17)
Total foreign currency exposure R\$	(22,682)	(73,687)	(10,499)	(66,780)
Total foreign currency exposure converted into	(4,021)	(18,281)	(1,861)	(16,568)
Exchange rate (R\$/US\$)	5,6407	4,0307	5,6407	4,0307



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

As of September 30, 2020, the Company adopted the closing exchange rate of R\$5.6407/US\$1.00 as likely scenario. The table below shows the sensitivity analysis and the effect on profit or loss of exchange rate fluctuations in the exposed amount at the end of the period:

		Parent Company	Consolidated
	Rate		Liabilities, net
Amounts exposed to the risk of appreciation of the U.S. dollar	5,6407	(22,682)	(10,499)
Possible adverse scenario (+25%)	7,0509	(5,671)	(2,625)
Remote adverse scenario (+50%)	8,4611	(11,341)	(5,250)
Possible favorable scenario (-25%)	4,2305	5,671	2,625
Remote favorable scenario (-50%)	2,8204	11,341	5,250

28.4. Credit risk

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

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

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

The balance of advances to suppliers is monitored on a quarterly basis and presented to the Finance and Audit Committee. Until the end of the reported period, advances to related parties included in the balance as of September 30, 2020, received a unanimous favorable opinion from said Committee.

28.5. Liquidity risk

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

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

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

The schedule of disbursements for payment of suppliers and obligations to related companies is of up to six months.



28.6. Capital management

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

As of September 30, 2020, the Company did not have financial leverage as it did not have relevant debt instruments.

28.7. Sensitivity analysis

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

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

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

Based on the Company's analysis, the financial instruments exposed to the risk of change in interest rate are short-term investments in CDBs and investment funds, classified as cash equivalents and short-term investments. The Company assessed its non-derivative financial instruments, considering the impact of fluctuations in interest rates on the exposed amounts as of September 30, 2020.

The exposed amounts and interest rate fluctuation scenarios, and their respective effect on the Company's result, are as follows:

	Parent Company		
	Cash equivalents	Financial investments	Advance ticket purchases
Amounts exposed to risk of variation in the CDI rate (1.90% a.a.)	97,400	394,059	2,223,563
Possible adverse scenario (-25%)	(463)	(1,872)	(10,562)
Remote adverse scenario (-50%)	(925)	(3,744)	(21,124)
Possible favorable scenario (+25%)	463	1,872	10,562
Remote favorable scenario (+50%)	925	3,744	21,124



Notes to the individual and consolidated quarterly information form - ITR

Periods ended September 30, 2020

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

	Consolidated		
	Cash equivalents	Financial investments	Advance ticket purchases
Amounts exposed to risk of variation in the CDI rate (1.90% a.a.)	98,412	394,972	2,223,563
Possible adverse scenario (-25%)	(467)	(1,876)	(10,562)
Remote adverse scenario (-50%)	(935)	(3,752)	(21,124)
Possible favorable scenario (+25%)	467	1,876	10,562
Remote favorable scenario (+50%)	935	3,752	21,124

29. Non-cash transactions

	Parent Company		Consolidated	
	09/30/2020	09/30/2019	09/30/2020	09/30/2019
Increase in property, plant and equipment through leases	281	558	281	558
Exchange variation on foreign investments	53	-	-	-
Withholding income tax on interest on equity	3,738	-	3,738	-

30. Insurance

As of September 30, 2020, the main insurance coverage, by nature, in relation to maximum indemnifiable amounts, was as follows:

Type	09/30/2020
Rent insurance (Rio Negro - Alphaville complex)	1,318
D&O liability insurance	100,000
Fire insurance (Property insurance Rio Negro - Alphaville complex)	12,747

The insurance coverage was considered sufficient by the Company's Management.