



**SMILES FIDELIDADE S.A.**

Publicly Held Company

Corporate Taxpayer's ID (CNPJ/ME): 05.730.375/0001-20

Company Registry (NIRE): 35.300.493.095

**MATERIAL FACT**

**Barueri, March 19, 2021** – SMILES FIDELIDADE S.A. (B3: SMLS3) ("Company" or "Smiles"), pursuant to the provisions of Normative Instruction No. 358, of January 3<sup>rd</sup>, 2002, of the Brazilian Securities Commission (CVM), as amended, informs its shareholders and the market in general that the Company's Board of Directors unanimously approved a commercial transaction ("Transaction") between Smiles and Gol Linhas Aéreas S.A. ("GLA"), with Gol Linhas Aéreas Inteligentes S.A. ("GLAI") as an intervening party who will also be a joint debtor and main payer of all obligations undertaken by GLA.

The Transaction involves the acquisition, by the Company, of R\$300.000.000,00 (three hundred million Brazilian reais) in credits from GLA for the future acquisition of air tickets issued by GLA, pursuant to the conditions contractually agreed, and, in consideration to Smiles, the granting of certain benefits and commercial conditions, as well as the commitment of the maintenance of the Company's contractual structure during the 2021 year.

***Corporate Governance***

Previously to the decision of the Board of Directors regarding the Transaction, the Company's Independent Committee, composed only by independent members, pursuant Article 16, paragraphs 1<sup>st</sup> and 2<sup>nd</sup>, of the Company's Bylaws ("Committee"), has unanimously expressed its favorable opinion on the Transaction.

The performance of the Committee's activities was aimed to maximize Smiles' economic value as well as their shareholders', observing the commercial and operational interdependence among the Company, GLA and GLAI.

The Company emphasizes that the corporate governance procedure adopted has complied with the law and the Company's Bylaws, was adequate, necessary and sufficient to assure the independence and the effectiveness of the analysis, negotiation and recommendation of the Committee regarding the Transaction against possible conflicts of interest with GLA and GLAI, and has preserved the Company's and its shareholders' interests and secured a transaction on an arm's-length basis.



### ***Value Generation for Smiles***

The Transaction is a strategic investment to the Company and its value generation arises primarily from the maintenance of Smiles' business and its present and future cash flow generation as a consequence of the strengthening GLA, its main commercial and operational partner and a company with which it has an intense interdependence. The Transaction is justified, therefore, by the particularly sensitive context in which its financial situation is undermined due to the intense worsening of the Covid-19 pandemic in Brazil in recent weeks and the resumption of more restrictive measures to mobility.

Therefore, the ecosystem in which the Company runs is enhanced, the commercial and operational relation between the two companies is preserved and, consequently, all Smiles' advantages that arise from it are also preserved, making Smiles a more competitive and perennial company.

### ***Transaction Overview***

As the counterpart of the advance acquisition of air tickets, it was negotiated the *pro rata* extension of the commercial conditions established in the advanced air tickets purchase agreement concluded on July 6, 2020 ("15<sup>th</sup> Agreement"). Such conditions diversify Smiles' products with its partner and secure air tickets fees in prices and conditions more competitive than those stated in the operational agreement, the miles and air tickets purchase agreement and the back office service agreement concluded among the companies (jointly the "Operational Agreements").

It was understood that this extension is advantageous for Smiles because such commercial benefits represented an expressive return to the 15<sup>th</sup> Agreement and are directly related to a substantial share of the Company's operating margin for the period after the 15<sup>th</sup> Agreement was concluded.

As noted, the performance of the Company practicing these commercial benefits was superior to that projected in the preparation of the transaction. These commercial conditions are, therefore, proven to generate value for Smiles and it is advantageous for the Company that they be extended.

Such conditions essentially are:

- (i) The acquisition of tickets in the standard fee on the period between April 1<sup>st</sup>, 2021 and May 16, 2021 with an average discount of 11% regarding the current



price practiced between the parties as stated in the Operational Agreements;  
and

- (ii) The guarantee, until March 31, 2024, of a minimum access to tickets in the promotional fee that correspond to a considerable minimum fixed percentage of the total tickets redeemed by Smiles' clients.

In addition to that, the Committee negotiated in contra account to the Transaction, the commitment of GLA and GLAI that they will not propose any extraordinary readjustment in the calculation of the transfer price or change in the Operational Agreements at least during the year 2021. This commitment was considered important to ensure the maintenance of the current contractual structure of the Company for a minimum time during which the commercial benefits mentioned above will continue to be practiced.

The Transaction's credit balance, until it is not used in the acquisition of air tickets pursuant the new negotiated commercial conditions, will be remunerated according to an interest rate equivalent to 115% of the CDI (Interbank Deposit Certificate), which will have its incidence over the amount of the credit from the date it is transferred to GLA to its effective redemption.

For further information on the analysis of the Transaction made by the Committee, the Company suggests the reading of its Analysis and Recommendation Report attached to the minutes of the Company's Board of Directors' meeting held on March 18, 2021.

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