

# EARNINGS RELEASE

## 4Q18



- Financial volume of issued points R\$ 618.7 an increase of 2.2% vs. 4Q17
- 21.4 billion of points issued in 4Q18, with 24.8% of point accrued in non-air and non-financial partners.
- 22.2 million members, an increase of 14.5% vs. 4Q17
- 17.5 billion points redeemed, with 85.1% of the points redeemed in air line tickets.

Highlights (R\$ million)	4Q18	3Q18	Var %	4Q17	Var %	2018	2017	Var %
Points issued (billion)	21.4	21.6	-1.2%	23.3	-8.4%	90.0	92.0	-2.1%
Points redeemed (billion)	17.5	20.2	-13.4%	19.1	-8.2%	79.1	75.7	4.5%
Burn/earn ratio (%)	82.0%	93.6%	-11.6p.p.	81.8%	0.2p.p.	87.9%	82.3%	5.5p.p.
Breakage ratio (average LTM, %)	17.5%	17.1%	0.3p.p.	17.5%	0.0p.p.	17.5%	17.5%	0.0p.p.
Financial volume of issued points	618.7	625.3	-1.1%	605.4	2.2%	2,462.0	2,453.7	0.3%
<b>Net revenue</b>	<b>213.5</b>	<b>123.3</b>	<b>73.1%</b>	<b>177.4</b>	<b>20.4%</b>	<b>632.3</b>	<b>764.4</b>	<b>-17.3%</b>
Gross income	206.5	113.1	82.6%	170.7	21.0%	602.5	742.7	-18.9%
Gross margin %	96.7%	91.7%	5.0p.p.	96.2%	0.5p.p.	95.3%	97.2%	-1.9p.p.
<b>Financial Income</b>	<b>17.2</b>	<b>21.9</b>	<b>-21.6%</b>	<b>24.5</b>	<b>-29.8%</b>	<b>103.7</b>	<b>161.7</b>	<b>-35.9%</b>
<b>Net income</b>	<b>119.5</b>	<b>64.9</b>	<b>84.2%</b>	<b>94.5</b>	<b>26.5%</b>	<b>356.4</b>	<b>517.2</b>	<b>-31.1%</b>
Net margin %	56.0%	52.6%	3.4p.p.	53.2%	2.7p.p.	56.4%	67.7%	-11.3p.p.
Earnings per share	0.74	0.40	84.2%	0.58	26.5%	2.20	3.19	-31.1%

Last price 12/28/2018	R\$ 25.15
Market cap 12/28/2018 (R\$ billion)	R\$ 4.1
Average traded volume on 4Q18 (R\$ million)	R\$ 8.7
EPS (R\$)	R\$ 0.74
Total shares	162,246,573
Shares in treasury	225,750

CONFERENCE CALL IN ENGLISH  
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**March 12, 2019**  
 11:00 a.m. (Brasília time)  
 10:00 a.m. (US-EST)

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 +1 800 492-3904  
 +55 11 3193-1001  
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**Password:** Multiplus

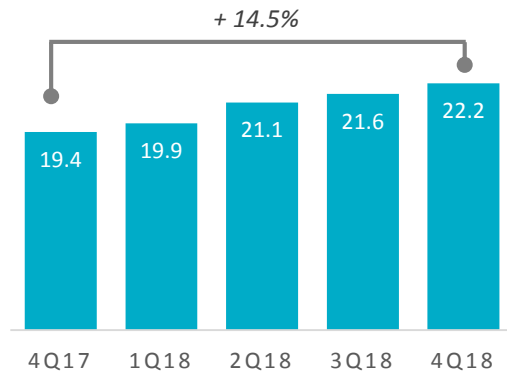
**Replay:** +55 (11) 3193-1012 or  
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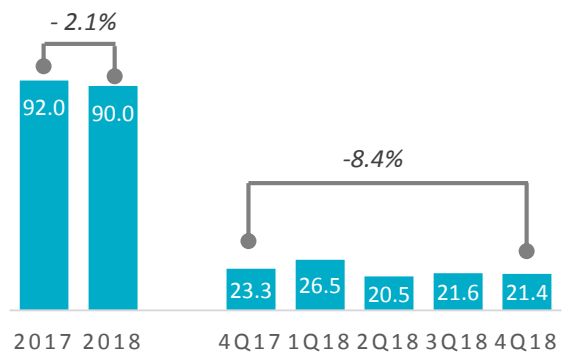
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**HIGHLIGHTS**

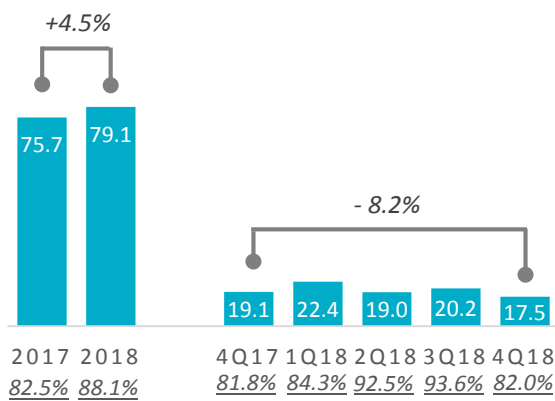
**MEMBERS (million)**



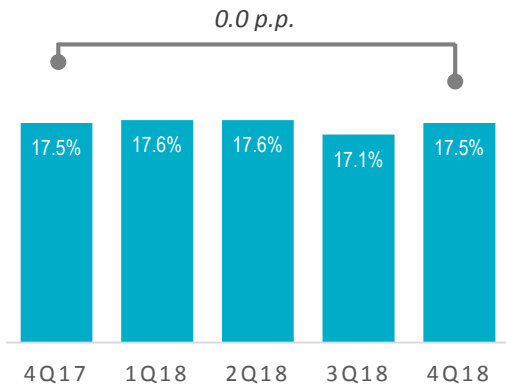
**POINTS ISSUED (billion)**



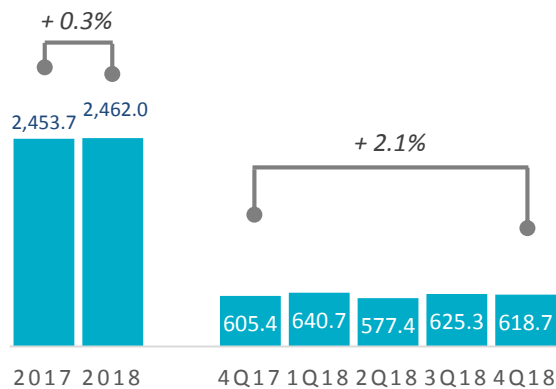
**POINTS REDEEMED (billion) & BURN/EARN (%)**



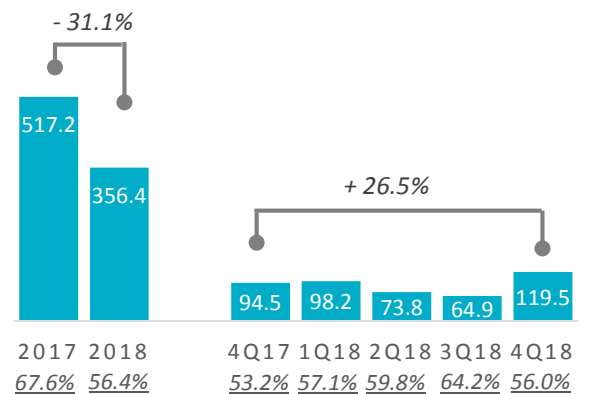
**BREAKAGE (%) – 12 months average**



**FINANCIAL VOLUME OF ISSUED POINTS (BRL million)**



**NET INCOME (BRL million) & NET MARGIN (%)**



## MESSAGE FROM THE MANAGEMENT

Multiplus ended the fourth quarter of 2018 with 22.2 million members, an increase of 14.5% compared to last year, which consolidates our position as the largest customer base in the segment. The number of points issued was 21.4 billion, with 24.8% of accruals being from non-aviation and non-financial sources. The number of points redeemed amounted to 17.5 billion, of which 85% were for airline tickets. The financial volume of points issued in the period amounted to R\$ 618.7 million, while net earnings came to R\$ 119.5 million, up 26.5% on 4Q17.

Highlights of 4Q18 include the launch of Resgate Fácil (easy recharge) and Recarga de Celular (cellphone recharge) stores, point exchange platforms, offering products and services such as cinema tickets, discounts on products and credits for prepaid cell phones and cell phones with “control” plans, with options starting from 200 points. This launch is an important step forward in terms of Multiplus’ strategy, as we have expanded our portfolio of products and experiences, aligning instant benefits such as cell phone recharging, as well as long-term and more aspirational benefits such as airline tickets, domestic appliances and electronic goods. As a result of the launch, we have also been able to increase the engagement of our members, offering low-ticket products, for instant use and with a high perceived value.

In the last quarter we also launched Multiplus Mais Prêmios (More Awards with Multiplus), an incentive platform that aims to offer a new and complete option for companies to engage their employees and suppliers. Through it, companies can use Multiplus points as awards in incentive campaigns for employees, suppliers and their various public audiences in a practical manner, 100% digitally.

During this period, we received some important market recognitions, such as the survey conducted by the newspaper Valor Econômico, in partnership with McKinsey Consultancy, on Digital Maturity, which ranked Multiplus in second place in the Payment Means category. While in the ranking on " Most Innovative Companies in Customer Service" carried out by the Consumidor Moderno (modern consumer) magazine and by DOM Strategy Partners, we were among those highlighted in the loyalty segment. And in the survey "Época Negócios 360", on the best companies in Brazil, conducted by the Dom Cabral Foundation, we were one of the five companies highlighted in the Services category.

In 2018, Multiplus recorded 79.1 billion points redeemed, an increase of 4.5% on 2017, which is evidence of our members' growing engagement with our network. In 2018, 90 billion points were issued, 2.1% less than in 2017, while the financial volume of points issued for the year amounted to R\$ 2,462 billion, up 0.3% compared to the previous year.

The results reported at the end of 2018 are a reflection of our strategy of building the best and most diverse partner network, so that our members are able to enjoy the best experience and have the possibility of accruing points as part of their day-to-day life, something evidenced by the growth in our client base and the engagement of our members. These data also demonstrate that we have been able to deliver the best value proposal in for redemptions of the most desired retail products, as well as the best airfares in Latin America, through LATAM. All this is in line with strategic planning and the sustainability of our business.

## OPERATIONAL RESULTS

Operating Data	4Q18	3Q18	Var %	4Q17	Var %	2018	2017	Var %
Participants (million)	22.2	21.6	2.6%	19.4	14.5%	22.2	19.4	14.5%
Points issued (billion)	21.4	21.6	-1.2%	23.3	-8.4%	90.0	92.0	-2.1%
LATAM Brazil	3.2	3.1	1.3%	3.6	-11.7%	12.9	15.0	-14.3%
Banking, Retail, Industrial and Services	18.2	18.5	-1.7%	19.7	-7.8%	77.1	77.0	0.2%
Points redeemed (billion)	17.5	20.2	-13.4%	19.1	-8.2%	79.1	75.7	4.5%
Air tickets	14.9	17.4	-14.3%	15.1	-1.6%	67.4	62.5	7.9%
Other products and services	2.6	2.8	-7.9%	3.9	-33.5%	11.7	13.3	-11.6%
Breakage rate (LTM, %)	17.5%	17.1%	0.3p.p.	17.5%	0.0p.p.	17.5%	17.1%	0.3p.p.
Burn/earn rate (%)	82.0%	93.6%	-11.6p.p.	81.8%	0.2p.p.	87.9%	82.3%	5.5p.p.

**POINTS ISSUED** totalled 21.4 billion in 4Q2018, a decrease of 8.4% when compared to the same period of last year and 1.2% versus 3Q2018.

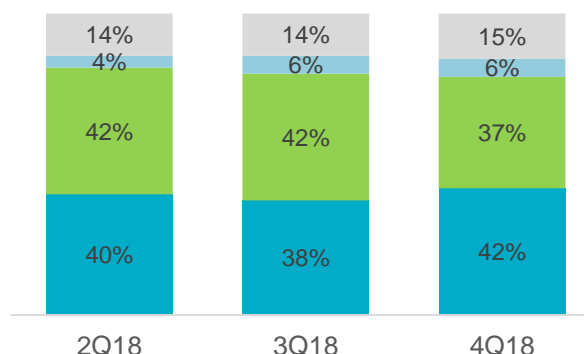
**Bank, Retail, Industry and Services:** The number of points issued came to a total of 18.2 billion in the fourth quarter. The Retail, Industry and Services segment represent 24.8% of the total points accrued in the fourth quarter of 2018. The objective is to guarantee diversification of accrual, with constant incentives for our members to take advantage of the experience with the network.

**LATAM Brazil and Oneworld:** The points accrued by Latam Brasil and Oneworld partner companies came to a total of 3.2 billion of points in 4Q18, an increase of 1.3% compared to the last quarter and a decrease of 11.7% versus the same period of last year due to the change in the accrual criteria for flights in which the volume of points is linked to the air fare ticket paid and accrual of points with lower average ticket price.

**POINTS REDEEMED** reached a total of 17.5 billion in 4Q18, a decrease of 8.2% when compared to the same period of last year and 13.4% compared to the last quarter, due to the increase of of domestic flights with a lower number of points required to be redeemed.

**Points redeemed** (% of total)

- Other products and services
- Tickets redeemed in other airlines
- International tickets redeemed at LATAM Brasil
- Domestic tickets redeemed at LATAM Brasil



**FINANCIAL RESULTS**

**FINANCIAL VOLUME OF POINTS ISSUED** totalled R\$ 618.7 million in the fourth quarter of 2018, an increase of 2.2% compared to the same period a year earlier and a decrease of 1.1% compared to 3Q18.

Financial volume (R\$ million)	4Q18	3Q18	Var %	4Q17	Var %	2018	2017	Var %
Financial volume of points issued	618.7	625.3	-1.1%	605.4	2.2%	2,462.0	2,453.7	0.3%
LATAM Brasil	50.5	51.5	-1.8%	57.3	-11.7%	197.6	233.6	-15.4%
Banking, Retail, Industrial and Services	568.1	573.8	-1.0%	548.1	3.6%	2,264.5	2,220.2	2.0%

4Q18 vs 4Q17: Variation of (+) 2.2%

4Q18 vs 3Q18: Variation of (-) 1.1%

**Banks, retail, industry and services:** an increase of 3.6%, due to an appreciation of 16.3% Dollar versus Real, partially offset by a 7.8% decrease in the volume of points issued.

**Banks, retail, industry and services:** a decrease 1.0%, due to a decrease of 1.7% of volume of points issued, partially offset by the higher average unit price.

**LATAM Brasil:** a decrease of 11.7% as a consequence of the number of points issued 11.7% lower.

**LATAM Brasil:** a decrease of 1.8% as a consequence of the higher average unit price, due to the redemption mix.

## INCOME STATEMENT

Income Statement (R\$ thousand)	4Q18	3Q18	Var %	4Q17	Var %	2018	2017	Var %
<b>Revenue with rights to awards redemption</b>	<b>115,570</b>	<b>58,453</b>	<b>97.7%</b>	<b>81,139</b>	<b>42.4%</b>	<b>331,995</b>	<b>440,626</b>	<b>-24.7%</b>
Breakage	120,161	74,963	60.3%	114,951	4.5%	364,727	411,432	-11.4%
Taxes on sales	(22,204)	(10,081)	120.3%	(18,680)	18.9%	(64,459)	(87,657)	-26.5%
<b>Net Revenue</b>	<b>213,527</b>	<b>123,335</b>	<b>73.1%</b>	<b>177,410</b>	<b>20.4%</b>	<b>632,263</b>	<b>764,401</b>	<b>-17.3%</b>
<b>Operational costs</b>	<b>(7,016)</b>	<b>(10,250)</b>	<b>-31.5%</b>	<b>(6,692)</b>	<b>4.8%</b>	<b>(29,796)</b>	<b>(21,725)</b>	<b>37.2%</b>
<b>Gross Profit</b>	<b>206,511</b>	<b>113,085</b>	<b>82.6%</b>	<b>170,718</b>	<b>21.0%</b>	<b>602,467</b>	<b>742,676</b>	<b>-18.9%</b>
<b>Gross Margin %</b>	<b>96.7%</b>	<b>91.7%</b>	<b>5.0p.p.</b>	<b>96.2%</b>	<b>0.5p.p.</b>	<b>95.3%</b>	<b>97.2%</b>	<b>-1.9p.p.</b>
Shared services	(175)	(175)	0.0%	(117)	49.0%	(758)	(642)	18.0%
Personnel expenses	(21,989)	(18,949)	16.0%	(21,664)	1.5%	(84,298)	(77,994)	8.1%
Marketing	(3,923)	(4,026)	-2.6%	(6,889)	-43.1%	(19,538)	(20,209)	-3.3%
Amortization and Depreciation	(5,209)	(5,340)	-2.4%	(5,379)	-3.2%	(20,344)	(24,038)	-15.4%
Results on equity share	287	(340)	-184.5%	(1,612)	-117.8%	(1,717)	(3,049)	-43.7%
Other	(15,256)	(14,223)	7.3%	(21,763)	-29.9%	(56,332)	(34,051)	65.4%
<b>Operating Expenses</b>	<b>(46,264)</b>	<b>(43,053)</b>	<b>7.5%</b>	<b>(57,424)</b>	<b>-19.4%</b>	<b>(182,989)</b>	<b>(159,983)</b>	<b>14.4%</b>
<b>Total Costs and Operating Expenses</b>	<b>(53,281)</b>	<b>(53,303)</b>	<b>0.0%</b>	<b>(64,117)</b>	<b>-16.9%</b>	<b>(212,785)</b>	<b>(181,708)</b>	<b>17.1%</b>
<b>Operating Income</b>	<b>160,246</b>	<b>70,032</b>	<b>128.8%</b>	<b>113,293</b>	<b>41.4%</b>	<b>419,478</b>	<b>582,693</b>	<b>-28.0%</b>
<b>Operating Margin %</b>	<b>75.0%</b>	<b>56.8%</b>	<b>18.3p.p.</b>	<b>63.9%</b>	<b>11.2p.p.</b>	<b>66.3%</b>	<b>76.2%</b>	<b>-9.9p.p.</b>
Financial Income/Expenses	17,196	21,928	-21.6%	24,482	-29.8%	103,663	161,679	-35.9%
<b>Net income before tax and social contribution</b>	<b>177,442</b>	<b>91,960</b>	<b>93.0%</b>	<b>137,776</b>	<b>28.8%</b>	<b>523,141</b>	<b>744,372</b>	<b>-29.7%</b>
Income tax and social contribution	(57,907)	(27,053)	114.1%	(43,318)	33.7%	(166,743)	(227,174)	-26.6%
<b>Net Income</b>	<b>119,535</b>	<b>64,907</b>	<b>84.2%</b>	<b>94,458</b>	<b>26.5%</b>	<b>356,398</b>	<b>517,197</b>	<b>-31.1%</b>
<b>Net Margin %</b>	<b>56.0%</b>	<b>52.6%</b>	<b>3.4p.p.</b>	<b>53.2%</b>	<b>2.7p.p.</b>	<b>56.4%</b>	<b>67.7%</b>	<b>-11.3p.p.</b>

**NET REVENUES** totalled R\$ 213.5 million in the fourth quarter of 2018, an increase of 73.1% when compared to 3Q2018 and an increase of 20.4% compared to the same period a year earlier.

**Revenue with rights to awards redemption** totalled R\$ 115.6 million in the fourth quarter of 2018.

Income Statement (R\$ thousand)	4Q18	3Q18	Var %	4Q17	Var %	2018	2017	Var %
Revenue with rights to awards redemption	115,570	58,453	97.7%	81,139	42.4%	331,995	440,626	-24.7%
Recognition of reward redemption's right liability	525,477	557,396	-5.7%	510,388	3.0%	2,145,725	2,138,433	0.3%
LATAM Brazil	34,963	37,279	-6.2%	36,169	-3.3%	143,137	159,778	-10.4%
Banks, Retail, Industry and Services	490,514	520,117	-5.7%	474,219	3.4%	2,002,588	1,978,655	1.2%

4Q18 vs 4Q17: Variation of (+) 3.0%

**Recognition of reward redemption's rights liability:** an increase of 3.0%, due to (i) a higher average unit revenue partially offset by 8.2% decrease in the volume of points redeemed, and (ii) non-recurring event of R \$ 32.8 million referring to the write-off of the pre paid points purchase.

4Q18 vs 3Q18: Variation of (-) 5.7%

**Recognition of reward redemption's rights liability:** a decrease of 5.7% due a decrease of 13,4% in the volume of points redeemed, partially offset by a non-recurring event of R \$ 32.8 million referring to the write-off of the pre paid early points purchase.

**Expenses with reward redemption's rights** totalled R\$ 409.9 million in the fourth quarter of 2018.

Income Statement (R\$ thousand)	4Q18	3Q18	Var %	4Q17	Var %	2018	2017	Var %
Revenue with rights to awards redemption	115,570	58,453	97.7%	81,139	42.4%	331,995	440,626	-24.7%
Expenses with reward redemption's right	(409,907)	(498,944)	-17.8%	(429,249)	-4.5%	(1,813,730)	(1,697,807)	6.8%
Air tickets	(358,831)	(441,940)	-18.8%	(350,908)	2.3%	(1,597,647)	(1,436,927)	11.2%
Other redemptions	(51,076)	(57,004)	-10.4%	(78,341)	-34.8%	(216,083)	(260,880)	-17.2%

4Q18 vs 4Q17: Variation of (-) 4.5%

**Airline tickets:** increase of 2.3% mainly due to: (i) increase of 2.2p.p. of the international redemptions; (ii) Dollar appreciation versus Real of 16.3%, partially offset by 1.6% decrease in the volume of points redeemed.

**Other redemptions:** a decrease of 34.8%, due to (i) a decrease of 33.5% in the volume of points redeemed, (ii) 2.0% lower lower average unit cost.

4Q18 vs 3Q18: Variation of (-) 17.8%

**Airline tickets:** a decrease of 18.8% mainly due to: (i) a decrease of 14.3% in the volume of points redeemed in airline tickets; (ii) 4.5% lower lower average unit cost.

**Other products and services:** a decrease of 10.4% (i) a decrease of 7.9% in the volume of points redeemed in airline tickets; (ii) 2.7% lower lower average unit cost.



**Breakage** totalled R\$ 120.2 million in the fourth quarter of 2018.

4Q18 vs 4Q17: Variation of (+) 4.5%

**Breakage:** an increase of 4.5%, mainly due to an increase of 2.2% on volume of points issued.

4Q18 vs 3Q18: Variation of (+) 60.3%

**Breakage:** an increase mainly due to : (i) non-recurring event on the product of extra point (bonus points) issued in 2016; (ii) mix of points accrued, with a higher breakage rate.

**OPERATIONAL COSTS** - related to outsourced IT services, call center, amortization of certain software used in the operation.

**GROSS PROFIT** - total of R\$ 206.5 million, an increase of 21.0% when compared to 4Q17, mainly due to an increase of 3.0% in recognition of reward redemption's right liability, an increase of 4.5% in breakage revenue and a decrease in expenses with reward redemption's rights of 4.5%. When compared to the previous quarter an increase of 82.6%.

**SHARED SERVICES** - refers to the remuneration paid to LATAM Brasil for the shared services of the ERP system.

**EQUITY INCOME RESULT** – refers to the result from the insurance broker “Multiplus Corretora” and “Comprei Pontuei”

**STAFF EXPENSES** - at the end of the period, Multiplus had 262 employees, less 5 when compared with the third quarter. Personnel expenses in the fourth quarter totalled R\$ 21.9 million an increase of 16.0% when compared to the previous quarter and an increase of 1.5% when compared to 4Q17.

**MARKETING EXPENSES** - totalled R\$ 3.9 million in the fourth quarter of 2018, 43.1% lower when compared to 4Q17 and 2.6% lower when compared to the previous quarter, due to the lower concentration of media investment in the period.

**OTHER EXPENSES** - referring to outsourced services, rent and others.

**FINANCIAL REVENUES/EXPENSES** - totalled R\$ 17.2 million in 4Q18, a decrease of 21.6% when compared to the previous quarter, due to the reduction in the average balance of ~6.7% and a decrease of 29.8% when compared to the same period of last year, mainly due to the reduction of the interest rate (4Q18 6.40% versus 4Q17 7.49 %a.a) and the reduction in the average balance of ~12.8%. This performance includes the return of the allocation of part of the Company's cash into structured / exchange funds.

*Given that a substantial part of the points already billed will be the object of redemption for international air tickets or other redemptions with a cost referenced in US dollars, the company allocates part of its cash to structured / FX funds as a protection instrument. The limits and structure of this protection were approved by the Committee for Auditing, Financing and Related Parties on October 13, 2015.*

#### Breakdown by type of return in 4th quarter 2018 (R\$ million)

Index	Gross financial income		Average balance 4Q18
	4Q18	3Q18	
CDI*	16.4	18.6	1,156.5
USD	0.0	1.3	145.6
Other financial income/expenses**	0.8	2.0	-
Monetary restatement (SELIC)	0.0	-	-
<b>Total</b>	<b>17.2</b>	<b>21.9</b>	<b>1,302.1</b>

\* Prepaid expenses

\*\* FX rate effect payables, receivables and taxes

**NET INCOME** - R\$ 119.5 million, an increase 84.2% when compared to the previous quarter, due to a growth of 97.7% in the revenue with rights to awards redemption and a growth of 26.5%, when compared to the same period a year earlier mainly due to a higher revenue with rights to awards redemption and a lower operating expenses.

**NET MARGIN** - was 56.0%, variation of + 3.4 p.p. when compared to the previous quarter, and + 2.7p.p. when compared to the same quarter last year, mainly due a to a higher revenue with rights to awards redemption.

## CORPORATE GOVERNANCE AND CAPITAL MARKETS

Since Multiplus became listed on the Novo Mercado, as part of the B3 index, Multiplus has been improving its corporate governance practices based on the principles of transparency, equity, accountability and corporate responsibility, proposed by the Brazilian Corporate Governance Institute (IBGC). The Company also has a dividend policy of distributing a minimum of 25% of net earnings. However, with the aim of maximising the return to shareholders, last year the Company distributed 100% of its earnings in the form of dividends and interest-on-equity.

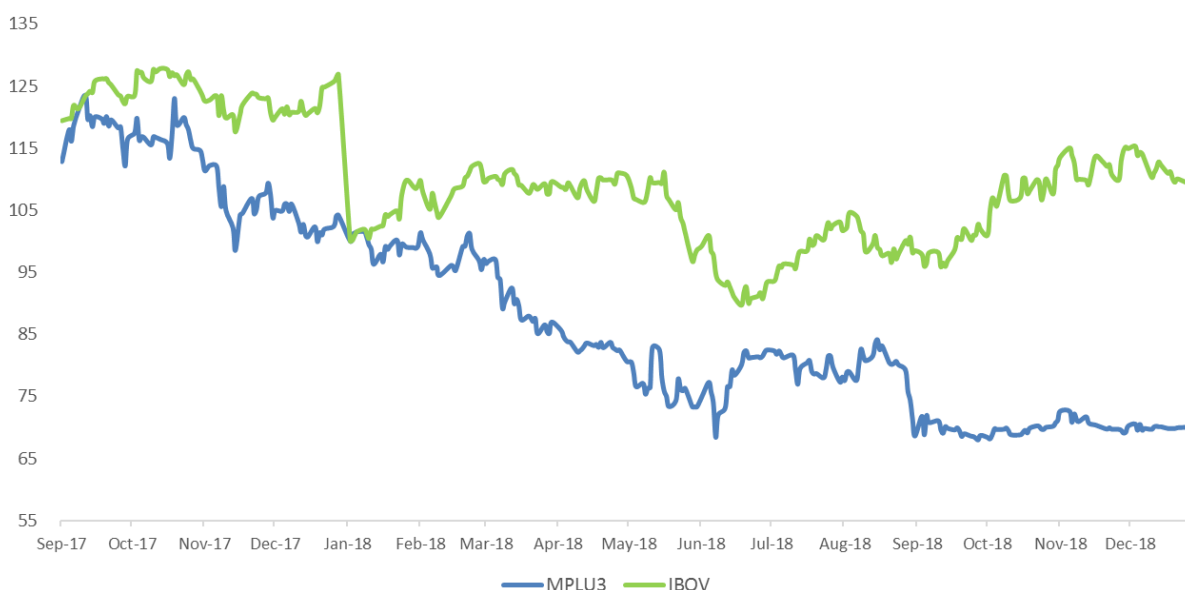
Multiplus' Board of Directors consists of seven members, with two (30%) of them being independent. In addition, there are two advisory committees to the Board, which assist it in the Company's strategic decisions, these being the Committee for Ethics and Staff Management, and the Committee for Finance, Auditing, Governance and Related Parties.

As at December 28, 2018, Multiplus had a market value equivalent to R\$ 4.1 billion taking a closing share price of R\$ 25.15.

The ownership breakdown of the Company is divided in 72.74% of the shares belonging to the controlling shareholder TAM S.A. and 27.26% being traded on Novo Mercado, with the ticker MPLU3.

## STOCK PERFORMANCE YTD

MPLU3 vs. IBOV (base 100)



## CASH FLOW

Cash Flow (R\$ thousand)	4Q18	3Q18	Var %	4Q17	Var %
<b>Net Income</b>	<b>119,535</b>	<b>64,907</b>	<b>84.2%</b>	<b>94,458</b>	<b>26.5%</b>
Depreciation/Amortization	6,315	6,445	-2.0%	5,982	5.6%
Accounts Receivable	80,915	(49,102)	-264.8%	29,561	173.7%
Accounts Payable	(175,795)	182,633	-196.3%	(62,484)	181.3%
Taxes	12,616	13,450	-6.2%	(4,666)	-370.4%
Deferred Taxes	-	-	-	-	-
Related Parties	-	-	-	-	-
Prepaid Expenses*	2,959	(2,073)	-242.7%	(212)	-1498.4%
Reward redemption's right and Breakage liabilities	1,985	(8,060)	-124.6%	(20,015)	-109.9%
Derivative Instruments	-	-	-	-	-
Advance Payments from Clients	(232,259)	(137,483)	68.9%	(7,814)	2872.3%
Other assets and liabilities	13,176	(784)	-1781.0%	2,866	359.7%
Equity Share on Results from Investments	(287)	340	-184.5%	1,612	-117.8%
<b>Operating Cash Flow</b>	<b>(170,841)</b>	<b>70,273</b>	<b>-343.1%</b>	<b>39,289</b>	<b>-534.8%</b>
Investments	(23,759)	(1,759)	1250.5%	(23,664)	0.4%
Stakes in companies	(280)	(126)	121.4%	(1,780)	-84.3%
<b>Cash Flow from Investing Activities</b>	<b>(24,039)</b>	<b>(1,886)</b>	<b>1174.8%</b>	<b>(25,444)</b>	<b>-5.5%</b>
Net proceeds from public offer	-	-	-	-	-
Capital	-	0	-100.0%	-	-
Shares in treasury	-	(0)	-100.0%	-	-
Capital Reserve	294	319	-8.1%	412	-28.7%
Carrying value adjustments/hedge	-	-	-	-	-
Dividends and Interest on Equity	(61,658)	-	-	(154,237)	-60.0%
<b>Cash Flow from Financing Activities</b>	<b>(61,365)</b>	<b>320</b>	<b>-12.2%</b>	<b>(153,825)</b>	<b>-60.1%</b>
<b>Increase (Decrease) in Cash</b>	<b>(256,244)</b>	<b>(1,527)</b>	<b>16677.3%</b>	<b>(139,980)</b>	<b>83.1%</b>
<b>Increase (Decrease) in Cash adjusted**</b>	<b>34,714</b>	<b>208,262</b>	<b>-83.3%</b>	<b>22,282</b>	<b>55.8%</b>
Cash at beginning of period***	1,362,008	1,363,536	-0.1%	1,463,135	-6.9%
Cash at end of period***	1,105,764	1,362,008	-18.8%	1,323,155	-16.4%

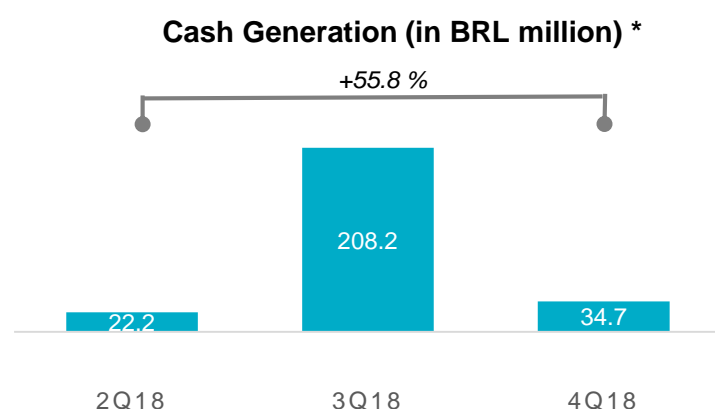
\*Includes advanced tickets purchase

\*\*Cash and cash equivalents, investments and long term investments

\*\*\*The value excludes effects of advanced payments from clientes, advances to suppliers, payments of dividends and interest on capital

NOTE: the Cash Flow lines Deferred Taxes, Derivative Instruments and Hedge reflect mainly hedge positions accounting.

**CASH GENERATION\*** to shareholders in the fourth quarter of 2018: excluding the effects of dividends, interest-on-equity and the variation in advances to suppliers, capital and advances to clients, was R\$ 34.7 million, mainly due to some invoices issued and received in early of 2019.



\*Note: The value excludes effects of advanced payments from clients, advances to suppliers, payments of dividends and interest on capital

## BALANCE SHEET

Balance Sheet (R\$ thousand)	4Q18	VA	3Q18	VA	4Q17	VA
<b>Assets</b>	<b>1,624,605</b>	<b>100.0%</b>	<b>1,959,355</b>	<b>100.0%</b>	<b>1,721,500</b>	<b>100.0%</b>
<b>Current assets</b>	<b>1,440,200</b>	<b>88.6%</b>	<b>1,792,953</b>	<b>91.5%</b>	<b>1,617,884</b>	<b>94.0%</b>
Cash and cash equivalents	63,285	3.9%	1,343	0.1%	969	0.1%
Financial investments	1,042,478	64.2%	1,360,665	69.4%	1,322,185	76.8%
Accounts receivable	263,838	16.2%	364,312	18.6%	216,280	12.6%
Deferred income tax and social contribution	28,205	1.7%	40,279	2.1%	50,188	2.9%
Related Parties	38,879	2.4%	19,320	1.0%	21,429	1.2%
Advances to suppliers	1,960	0.1%	4,919	0.3%	1,967	0.1%
Other receivables	1,554	0.1%	2,115	0.1%	4,867	0.3%
<b>Non-current assets</b>	<b>184,406</b>	<b>11.4%</b>	<b>166,402</b>	<b>8.5%</b>	<b>103,616</b>	<b>6.0%</b>
Deferred income tax	-	0.0%	-	0.0%	-	0.0%
Other accounts receivable	349	0.0%	356	0.0%	316	0.0%
Investments	1,377	0.1%	810	0.0%	1,142	0.1%
Property, plant and equipment	4,515	0.3%	5,096	0.3%	7,907	0.5%
Intangible assets	178,165	11.0%	160,140	8.2%	94,251	5.5%
<b>Liabilities and shareholders' equity</b>	<b>1,624,605</b>	<b>100.0%</b>	<b>1,959,355</b>	<b>100.0%</b>	<b>1,721,500</b>	<b>100.0%</b>
<b>Current liabilities</b>	<b>1,354,355</b>	<b>83.4%</b>	<b>1,758,429</b>	<b>89.7%</b>	<b>1,468,074</b>	<b>85.3%</b>
Suppliers	194,610	12.0%	370,406	18.9%	238,692	13.9%
Salaries and payroll taxes	20,002	1.2%	18,549	0.9%	22,107	1.3%
Tax, charges and contributions	1,206	0.1%	664	0.0%	312	0.0%
Income and social contribution tax	-	0.0%	-	0.0%	-	0.0%
Rewards redemption rights	1,009,615	62.1%	999,120	51.0%	1,028,077	59.7%
Breakage liabilities	121,428	7.5%	129,938	6.6%	151,820	8.8%
Advances from customers	7,494	0.5%	239,753		27,066	
Other liabilities	-	0.0%	-	0.0%	-	0.0%
<b>Non-current liabilities</b>	<b>19,971</b>	<b>1.2%</b>	<b>8,817</b>	<b>0.4%</b>	<b>13,669</b>	<b>0.8%</b>
Deferred income tax and social contribution	18,870	1.2%	7,749	0.4%	12,450	0.7%
Related parties	-	0.0%	-	0.0%	-	0.0%
Contingencies	1,101	0.1%	1,068	0.1%	1,219	0.1%
Derivative financial instruments	-	0.0%	-	0.0%	-	0.0%
Deferred revenue	-	0.0%	-	0.0%	-	0.0%
<b>Equity</b>	<b>250,279</b>	<b>15.4%</b>	<b>192,109</b>	<b>9.8%</b>	<b>239,757</b>	<b>13.9%</b>
Share capital	107,300	6.6%	107,300	5.5%	107,300	6.2%
Capital reserve	(7,447)	-0.5%	(7,447)	-0.4%	(4,096)	-0.2%
Shares in treasury	(2,413)	-0.1%	(2,706)	-0.1%	(656)	0.0%
Earnings reserve	152,840	9.4%	94,963	4.8%	137,209	8.0%

## GLOSSARY

**Air tickets redemption:** air ticket issued by an airline as a result of redemption by a member of loyalty programs or loyalty coalition networks.

**Bonus point:** a point free of charge; that might be issued as a stimulus to engage prospective/current members.

**Breakage provision:** amount related to the percentage (=Breakage ratio) of points issued that will not be redeemed based on company estimates.

**Breakage rate:** Average of the last 12 Monthly Breakages.

**Breakage revenue:** amount related to recognition of Breakage provision as Breakage revenue based on redemption curve.

**Financial volume of points issued:** amount related to Multiplus points issued during the period, recognized as deferred revenue.

**Member:** person registered as a member of loyalty programs or loyalty coalition networks.

**Monthly breakage:** points expired and not redeemed as a percentage of points issued 2 years before (Ex: points expired and not redeemed in Jan 2010 as a percentage of points issued in Jan 2008).

**Point expiration date:** The date after which a point is no longer valid. According to Multiplus expiry policy, points expire 2 years after the issuance date.

**Revenue from point's sale:** amount related to recognition of gross billings as revenue when points are redeemed.

### About Multiplus

Multiplus (B3: MPLU3) is the leading loyalty network and the pioneer in the industry, consisting of 295 partners and more than 22.2 million members. By connecting different companies and loyalty programs, Multiplus allows its members to accrue points in one single account, by exercising their day-to-day activities, such as: transferring points from credit cards, travelling with LATAM and other airlines' companies affiliated at Oneworld Alliance, filling up their cars, purchasing electronic goods and domestic appliances, sporting articles, toys, including other purchases from affiliated companies of Multiplus' group, such as the Platform Comprei Pontuei and Multiplus' Insurance Broker. At these Multiplus' companies, members are informed of the points accrued at the time of purchase and when hiring and renewing their insurance policies.

Members of Multiplus can chose from more than 550,000 products and services that can be exchanged with redeemed points, including new products and some of the most desirable items from the main brands and retailers. Points can also be exchanged for airline tickets to fly with the best carriers: there are more than 1000 destinations available, in 150 countries in which LATAM and the other companies of the Oneworld Alliance operate.

Multiplus' strategic partners include major companies such as LATAM Airlines, LATAM Travel, Pontofrio.com, Ipiranga, Netshoes, Dafiti, Accor, Booking.com, Hoteis.com, Vivo, Magazine Luiza, B2W, Centauro, among others.

For more information about Multiplus please access [pontosmultiplus.com.br](http://pontosmultiplus.com.br).