

Quarterly Information - ITR

Multiplan Empreendimentos Imobiliários S.A.

September 30, 2019

with Independent Auditor's Review Report on Quarterly Information
- ITR

Multiplan Empreendimentos Imobiliários S.A.

Quarterly Information - ITR

September 30, 2019

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A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim financial information prepared in Brazilian currency in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Independent auditor's review report on quarterly information - ITR

The
Shareholders, Board of Directors and Officers
Multiplan Empreendimentos Imobiliários S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the individual and consolidated interim financial information of Multiplan Empreendimentos Imobiliários S.A. ("Company") contained in the Quarterly Information Form - ITR for the quarter ended September 30, 2019, which comprise the balance sheet as of September 30, 2019 and the statements income and of comprehensive income for the three and nine-month periods then ended, and the statements of changes in equity and of cash flows for the nine-month period then ended, and notes to the quarterly information.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21(R1) - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM), relating to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for 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 standards on auditing 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 information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM), and that such information is not presented in conformity with the rules issued by CVM applicable to the preparation of Quarterly Information (ITR).

Emphasis of matter

As described in Note 2, the individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) was prepared in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting applicable to real estate development entities in Brazil registered with CVM. Accordingly, the determination of the accounting policy adopted by the Company for the recognition of revenue in contracts for the involving purchase and sale of unfinished real estate units on, as regards the aspects related to the transfer of control, is in line with CVM Circular Letter CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15). Our conclusion is not qualified in respect of this matter.

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the nine-month period ended September 30, 2019, prepared under the responsibility of the Company management and presented as supplementary information under IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Accounting Pronouncement CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements were not prepared, in all material respects, in accordance with the criteria set forth by this Accounting Pronouncement and consistently with the individual and consolidated interim financial information as a whole.

Rio de Janeiro, October 28, 2019.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6



Roberto Martorelli
Accountant CRC-1RJ106103/O-0

A free translation from Portuguese into English of quarterly information prepared in Brazilian currency in accordance with CPC 21 (R1) and IAS 34 - Interim Financial Reporting and with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR)

Multiplan Empreendimentos Imobiliários S.A.

Statements of balance sheet

September 30, 2019 and December 31, 2018

(In thousands of reais - R\$)

	Individual		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Assets				
Current assets				
Cash and cash equivalents (Note 3)	28,315	24,717	38,722	38,864
Short-term investments (Note 3)	743,302	516,739	939,711	816,905
Accounts receivable (Note 4)	169,840	195,281	248,241	284,310
Land and properties for sale (Note 6)	8,964	9,632	37,325	36,415
Accounts receivable from related parties (Note 5)	14,637	9,006	16,083	12,338
Taxes and social contributions to be offset (Note 16)	24,914	19,639	27,479	23,081
Deferred costs (Note 18)	24,017	21,736	41,007	38,924
Other	19,064	12,438	28,826	23,319
Total current assets	1,033,053	809,188	1,377,394	1,274,156
Noncurrent assets				
Accounts receivable (Note 4)	23,576	22,206	66,861	68,744
Land and properties for sale (Note 6)	19,506	19,386	420,602	406,768
Accounts receivable from related parties (Note 5)	9,425	11,849	9,955	13,004
Judicial deposits (Note 17.2)	29,940	30,677	32,903	33,407
Deferred income and social contribution taxes (Note 7)	-	-	22,259	21,613
Deferred costs (Note 18)	66,093	55,186	110,904	108,621
Other	2,099	6,534	6,756	12,105
Investments (Note 8)	3,184,327	3,232,175	149,665	139,250
Investment properties (Note 9)	3,869,686	3,440,642	6,807,897	6,361,367
Property and equipment (Note 10)	85,670	75,620	90,448	80,584
Intangible assets (Note 11)	358,313	354,871	359,015	355,639
Total noncurrent assets	7,648,635	7,249,146	8,077,265	7,601,102
Total assets	8,681,688	8,058,334	9,454,659	8,875,258

	Individual		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Liabilities and equity				
Current liabilities				
Loans and financing (Note 12)	116,908	149,288	171,621	190,591
Accounts payable (Note 13)	84,040	79,565	111,039	120,345
Property acquisition obligations (Note 15)	30,573	269	35,570	13,662
Taxes and contributions payable (Note 16)	7,231	9,999	25,546	28,944
Interest on shareholders' equity (Note 19.d)	165,535	129,551	165,535	129,551
Payables to related parties (Note 5)	79	-	126	-
Deferred revenues (Note 18)	14,689	14,438	18,744	18,758
Debentures (Note 14)	235,514	205,997	235,514	205,997
Other	4,500	4,793	6,249	6,085
Total current liabilities	659,069	593,900	769,944	713,933
Non-current liabilities				
Loans and financing (Note 12)	742,048	774,890	1,255,903	1,328,939
Accounts payable (Note 13)	40,489	-	40,679	-
Property acquisition obligations (Note 15)	-	-	5,987	9,044
Debentures (Note 14)	1,440,370	1,088,205	1,440,370	1,088,205
Provision for contingencies (Note 17.1)	5,734	4,604	12,498	12,010
Payables to related parties (Note 5)	-	-	2,148	-
Deferred income and social contribution taxes (Note 7)	206,549	197,463	218,158	208,639
Deferred revenue (Note 18)	37,104	26,615	54,740	37,225
Advance from customers	-	-	88,338	88,399
Phantom stock options (Note 20.b)	25,256	36,677	25,256	36,677
Total non-current liabilities	2,497,550	2,128,454	3,144,077	2,809,138
Equity (Note 19)				
Capital	2,988,062	2,988,062	2,988,062	2,988,062
Share issue costs	(43,548)	(43,548)	(43,548)	(43,548)
Capital reserves	1,011,545	999,983	1,011,545	999,983
Income reserves	1,613,708	1,613,708	1,613,708	1,613,708
Treasury shares	(93,643)	(132,229)	(93,643)	(132,229)
Effects on capital transaction	(89,996)	(89,996)	(89,996)	(89,996)
Net Income for the period	138,941	-	138,941	-
Total equity	5,525,069	5,335,980	5,525,069	5,335,980
Non-controlling interests	-	-	15,569	16,207
Total equity	-	-	5,540,638	5,352,187
Total liabilities and equity	8,681,688	8,058,334	9,454,659	8,875,258

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of income

Three and nine-month periods ended September 30, 2019 and 2018

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

	Individual			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Net operating revenue (Note 21)	242,451	709,195	223,461	661,879
Cost of services rendered and properties sold (Note 22)	(47,288)	(136,370)	(40,313)	(121,515)
Gross profit	195,163	572,825	183,148	540,364
Operating income (expenses):				
Administrative expenses - Headquarters (Note 22)	(40,121)	(119,347)	(36,475)	(104,795)
Administrative expenses - Properties (Note 22)	(2,976)	(8,423)	(2,771)	(8,542)
Projects for lease expenses (Note 22)	(172)	(577)	(510)	(910)
Projects for sale expenses (Note 22)	(431)	(1,109)	(331)	(991)
Share-based compensation expenses (Note 20)	(10,666)	(43,305)	(1,600)	28,532
Equity pickup (Note 8)	22,410	64,233	20,460	61,063
Depreciation and amortization	(4,658)	(12,315)	(5,249)	(12,532)
Other operating income (expenses), net	(2,689)	4,337	(996)	(187)
Operating income before finance income (costs)	155,860	456,319	155,676	502,002
Finance income (costs), net (Note 23)	(31,426)	(90,243)	(29,867)	(79,990)
Income before income and social contribution taxes	124,434	366,076	125,809	422,012
Income and social contribution taxes (Note 7)				
Current	1,334	(28,049)	(4,029)	(32,642)
Deferred	(3,978)	(9,086)	(5,198)	(28,464)
Total current and deferred income and social contribution taxes	(2,644)	(37,135)	(9,227)	(61,106)
Net income for the period	121,790	328,941	116,582	360,906
Basic earnings per share (Note 26)	-	0.5526	-	0.6054
Diluted earnings per share (Note 26)	-	0.5502	-	0.6031

Multiplan Empreendimentos Imobiliários S.A.

Statements of income (Continued)

Three and nine-month periods ended September 30, 2019 and 2018

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

	Consolidated			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Net operating revenue (Note 21)	323,043	944,738	298,959	887,229
Cost of services rendered and properties sold (Note 22)	(78,533)	(232,024)	(71,027)	(211,141)
Gross profit	244,510	712,714	227,932	676,088
Operating income (expenses):				
Administrative expenses - Headquarters (Note 22)	(40,043)	(120,390)	(36,907)	(106,047)
Administrative expenses - Properties (Note 22)	(6,749)	(19,869)	(5,771)	(18,990)
Projects for lease expenses (Note 22)	(2,409)	(10,138)	(3,089)	(7,579)
Projects for sale expenses (Note 22)	(2,267)	(4,743)	(1,556)	(4,688)
Share-based compensation expenses (Note 20)	(10,666)	(43,305)	(1,600)	28,532
Equity pickup (Note 8)	1,996	6,704	1,565	5,176
Depreciation and amortization	(4,842)	(12,858)	(5,271)	(13,030)
Other operating income (expenses), net	(3,003)	3,650	(1,957)	(834)
Operating income before finance income (costs)	176,527	511,765	173,346	558,628
Finance income (costs), net (Note 23)	(41,553)	(115,243)	(37,984)	(107,040)
Income before income and social contribution taxes	134,974	396,522	135,362	451,588
Income and social contribution taxes (Note 7)				
Current	(10,024)	(60,700)	(14,168)	(71,263)
Deferred	(3,969)	(8,873)	(5,335)	(21,805)
Total current and deferred income and social contribution taxes	(13,993)	(69,573)	(19,503)	(93,068)
Net income for the period	120,981	326,949	115,859	358,520
Income attributable to:				
Noncontrolling interest	(544)	(1,761)	(586)	(1,735)
Owners of the company	121,525	328,710	116,445	360,255
Basic earnings per share (Note 26)	-	0.5522	-	0.6043
Diluted earnings per share (Note 26)	-	0.5499	-	0.6021

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of comprehensive income

Three and nine-month periods ended September 30, 2019 and 2018

(In thousands of reais - R\$)

	Individual			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Net income for the period	121,790	328,941	116,582	360,906
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	121,790	328,941	116,582	360,906
	Consolidated			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Net income for the period	120,981	326,949	115,859	358,520
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	120,981	326,949	115,859	358,520
Total comprehensive income attributed to:				
Noncontrolling interests	(544)	(1,761)	(586)	(1,735)
Owners of the parent company	121,525	328,710	116,445	360,255

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity (Individual)

Three and nine-month periods ended September 30, 2019 and 2018

(In thousands of reais - R\$)

	Capital reserves					Income reserves					
	Capital	Share issue costs	Stock options granted	Special goodwill reserve upon merger	Goodwill reserve on issue of shares	Legal reserve	Expansion reserve	Treasury shares	Effects on capital transaction	Retained earnings	Total
Balances at December 31, 2017	2,988,062	(43,548)	100,451	186,548	707,391	140,656	1,259,576	(64,051)	(89,996)	-	5,185,089
Repurchase of shares to be held in treasury (Note 19.c)	-	-	-	-	-	-	-	(75,125)	-	-	(75,125)
Exercise of stock options	-	-	-	-	(874)	-	-	6,949	-	-	6,075
Stock options granted (Note 20.a)	-	-	2,955	-	-	-	-	-	-	-	2,955
Net income for the period	-	-	-	-	-	-	-	-	-	360,906	360,906
Interest shareholders' prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	(190,000)	(190,000)
Balances at September 30, 2018	2,988,062	(43,548)	103,406	186,548	706,517	140,656	1,259,576	(132,227)	(89,996)	170,906	5,289,900
Balances at December 31, 2018	2,988,062	(43,548)	106,918	186,548	706,517	164,330	1,449,378	(132,229)	(89,996)	-	5,335,980
Exercise of stock options	-	-	-	-	1,029	-	-	38,586	-	-	39,615
Stock options granted (Note 20.a)	-	-	10,533	-	-	-	-	-	-	-	10,533
Net income for the period	-	-	-	-	-	-	-	-	-	328,941	328,941
Interest shareholders' prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	(190,000)	(190,000)
Balances at September 30, 2019	2,988,062	(43,548)	117,451	186,548	707,546	164,330	1,449,378	(93,643)	(89,996)	138,941	5,525,069

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity (Consolidated)

Three and nine-month periods ended September 30, 2019 and 2018

(In thousands of reais - R\$)

	Capital reserves					Income reserves			Treasury shares	Retained earnings	Total	Noncontrolling interest	Total
	Capital	Share issue costs	Stock options granted	Special goodwill reserve upon merger	Goodwill reserve on issue of shares	Legal reserve	Expansion reserve	Effects on capital transaction					
Balances at December 31, 2017	2,988,062	(43,548)	100,451	186,548	707,391	140,656	1,259,576	(89,996)	(64,051)	-	5,185,089	15,224	5,200,313
Equity pickup - subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	651	651	-	651
Capital increase by noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	3,293	3,293
Stock buyback to be held in treasury (Note 19.c)	-	-	-	-	-	-	-	-	(75,125)	-	(75,125)	-	(75,125)
Exercise of stock options	-	-	-	-	(874)	-	-	-	6,949	-	6,075	-	6,075
Stock options granted	-	-	2,955	-	-	-	-	-	-	-	2,955	-	2,955
Interest shareholders' prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	(190,000)	(190,000)	-	(190,000)
Net income for the period	-	-	-	-	-	-	-	-	-	360,255	360,255	(1,735)	358,520
Balances at September 30, 2018	2,988,062	(43,548)	103,406	186,548	706,517	140,656	1,259,576	(89,996)	(132,227)	170,906	5,289,900	16,782	5,306,682
Balances at December 31, 2018	2,988,062	(43,548)	106,918	186,548	706,517	164,330	1,449,378	(89,996)	(132,229)	-	5,335,980	16,207	5,352,187
Equity pickup - subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	231	231	-	231
Capital increase by noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	1,123	1,123
Exercise of stock options	-	-	-	-	1,029	-	-	-	38,586	-	39,615	-	39,615
Stock options granted	-	-	10,533	-	-	-	-	-	-	-	10,533	-	10,533
Interest shareholders' prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	(190,000)	(190,000)	-	(190,000)
Net income for the period	-	-	-	-	-	-	-	-	-	328,710	328,710	(1,761)	326,949
Balances at September 30, 2019	2,988,062	(43,548)	117,451	186,548	707,546	164,330	1,449,378	(89,996)	(93,643)	138,941	5,525,069	15,569	5,540,638

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows

Nine-month periods ended September 30, 2019 and 2018

(In thousands of reais - R\$)

	Individual		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Cash flows from operating activities				
Income before taxes	366,076	422,012	396,522	451,588
Adjustments to:				
Depreciation and amortization	94,669	85,668	163,303	152,621
Equity pickup	(64,233)	(61,063)	(6,704)	(5,176)
Stock option-based payments	43,305	(28,431)	43,305	(28,431)
Allocation of store buyback	2,416	4,930	2,654	5,277
Allocation of deferred revenues and costs	(23,933)	(5,812)	(39,364)	1,633
Interest accrual of debentures	71,317	55,442	71,317	55,442
Interest accrual of loans and financing	48,155	56,527	86,660	97,938
Interest accrual of property acquisition obligations	304	-	1,209	2,708
Interest accrual of related-party transactions	(792)	(685)	(901)	(737)
Allowance for doubtful accounts	7,610	(7,328)	12,357	(7,014)
Other	8,631	6,015	9,302	8,610
	553,525	527,275	739,660	734,459
Changes in operating assets and liabilities				
Land and properties held for sale	548	1,279	(18,960)	(25,415)
Accounts receivable	21,254	22,189	36,197	30,572
Judicial deposits	737	(4,800)	504	(4,502)
Deferred costs	(2,492)	(22,673)	18,148	(32,411)
Other assets	(2,191)	4,693	(158)	5,383
Accounts payable	(9,631)	11,833	(23,466)	1,209
Payables - related parties	79	-	2,274	-
Property acquisition obligations	-	-	(6)	(1,153)
Taxes and contributions payable	(10,736)	(4,481)	(12,109)	(61,825)
Deferred revenue	23,977	11,700	34,351	12,766
Other obligations	(46,941)	500	(46,484)	(517)
Income and social contribution taxes paid	(49,446)	(53,902)	(80,463)	(35,714)
Net cash from operating activities	478,683	493,613	649,488	622,852
Cash flows from investing activities				
Increase in investments	(132,072)	(192,057)	(12,060)	(10,493)
Dividends received	242,157	4,347	4,068	4,347
Receipt (payment) in related-party transactions	(6,008)	(23,667)	(7,197)	(2,773)
Additions to property and equipment	(8,487)	(60,263)	(8,486)	(59,966)
Additions to investment properties	(429,235)	(47,454)	(523,009)	(200,145)
Write-off of investment properties	70	252	76	295
Additions to intangible assets	(11,494)	(8,013)	(11,515)	(8,422)
Short-term investments	(226,563)	166,990	(122,806)	63,274
Net cash used in investing activities	(571,632)	(159,865)	(680,929)	(213,883)
Cash flows from financing activities				
Repayment of loans and financing	(73,762)	(147,694)	(100,275)	(195,064)
Payment of interest on loans and financing	(46,982)	(61,625)	(86,840)	(87,526)
Cash from stock options exercised	39,615	6,075	39,615	6,075
Stock buyback to be held in treasury	-	(75,125)	-	(75,125)
Payment of charges on debentures	(41,634)	(33,177)	(41,634)	(33,177)
Debentures raised	348,838	298,506	348,838	298,506
Dividends and interest on shareholders' equity	(129,528)	(316,252)	(129,528)	(316,252)
Non-controlling interest	-	-	1,123	3,293
Net cash from (used in) financing activities	96,547	(329,292)	31,299	(399,270)
Increase in cash and cash equivalents	3,598	4,456	(142)	9,699
Cash and cash equivalents at beginning of year	24,717	28,341	38,864	39,786
Cash and cash equivalents at end of period	28,315	32,797	38,722	49,485
Increase in cash and cash equivalents	3,598	4,456	(142)	9,699

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of value added

Nine-month periods ended September 30, 2019 and 2018

(In thousands of reais - R\$)

	Individual		Consolidated	
	09/30/2019	09/30/2018	09/30/2019	09/30/2018
Revenues:				
Revenue from sales and services	780,120	729,556	1,041,307	978,085
Other revenues	19,969	5,312	19,760	5,416
Allowance for doubtful accounts	(7,610)	7,328	(12,357)	7,014
	792,479	742,196	1,048,710	990,515
Bought-in inputs				
Cost of sales and services	(60,672)	(59,281)	(84,371)	(86,763)
Power, outsourced services and others	(37,518)	(32,667)	(52,886)	(41,296)
	(98,190)	(91,948)	(137,257)	(128,059)
Gross value added	694,289	650,248	911,453	862,456
Retentions				
Depreciation and amortization	(94,670)	(85,668)	(163,304)	(152,621)
Net value added produced by the Entity	599,619	564,580	748,149	709,835
Value added received in transfer				
Equity pickup	64,233	61,063	6,704	5,176
Finance income	42,777	42,353	59,681	61,874
	107,010	103,416	66,385	67,050
Total value added to be distributed	706,629	667,996	814,534	776,885
Distribution of value added				
Personnel				
Direct compensation	(105,353)	(25,597)	(106,245)	(27,061)
Benefits	(6,699)	(6,244)	(6,736)	(6,349)
Unemployment Compensation Fund (FGTS)	(2,996)	(3,070)	(3,022)	(3,104)
	(115,048)	(34,911)	(116,003)	(36,514)
Taxes, charges and contributions				
Federal	(119,907)	(141,176)	(167,981)	(186,667)
State	(52)	(70)	(114)	(199)
Local	(4,971)	(4,759)	(23,149)	(21,528)
	(124,930)	(146,005)	(191,244)	(208,394)
Debt remuneration				
Interest, monetary difference and foreign exchange difference	(133,212)	(119,869)	(174,698)	(165,905)
Lease expenses	(4,498)	(6,305)	(5,640)	(7,552)
	(137,710)	(126,174)	(180,338)	(173,457)
Equity remuneration				
Noncontrolling interests in retained profits	-	-	1,761	1,735
Interest on shareholders' equity	(190,000)	(190,000)	(190,000)	(190,000)
Retained profits	(138,941)	(170,906)	(138,710)	(170,255)
	(328,941)	(360,906)	(326,949)	(358,520)
Value added distributed	(706,629)	(667,996)	(814,534)	(776,885)

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information

September 30, 2019

(In thousands of reais, unless otherwise stated)

1. Company information

The issue of the individual and consolidated quarterly information of Multiplan Empreendimentos Imobiliários S.A. (the “Company”, “Multiplan” or “Multiplan Group” when referred to jointly with its subsidiaries) as of September 30, 2019 was authorized by management on October 28, 2019. The Company was organized as a “limited liability company” and subsequently was transformed into a “joint-stock corporation”, and its registered office is located in the city and state of Rio de Janeiro, at Avenida das Américas 4.200, Bloco 2, sala 501, Barra da Tijuca, CEP 22.640-102.

The Company is a joint-stock corporation and has shares traded on B3 (MULT3). In addition, the Company is part of the special listing segment of B3 named Level 2 of Corporate Governance. Multiplan makes up the portfolio of the Bovespa Index (IBOVESPA), among others.

The Company was organized on December 30, 2005 and is engaged in (a) the planning, construction, development and sale of real estate projects of any nature, either residential or commercial, including mainly urban shopping malls and areas developed based on these real estate projects; (b) the purchase and sale of real properties and the acquisition and disposal of real estate rights, and their operation, through any means, including through lease; (c) the provision of management and administrative services for its own shopping malls, or those of third parties; (d) the provision of technical advisory and support services concerning real estate matters; (e) civil construction, the execution of construction works and provision of engineering and similar services in the real estate market; (f) development, promotion, management, planning and intermediation of real estate projects; (g) import and export of goods and services related to its activities; and (h) generation of electric power for own consumption, being able, however, to sell the surplus of electric power generated; and (i) the acquisition of ownership interest and share control in other entities, as well as joint ventures with other entities, where it is authorized to enter into shareholders’ agreements in order to attain or supplement its business purpose.

The Company holds direct and indirect interest in several shopping malls as at September 30, 2019, which are detailed in the financial statements for the year ended December 31, 2018, disclosed on February 15, 2019. Additionally, on April 11, 2019, the Company executed a purchase and sale promise as a result of its partner’s exercise of preemptive rights in BH Shopping, corresponding to 20% of the venture, for R\$360 million. Of this amount, R\$330 million was paid on the date the business was formalized, and R\$30 million will be paid within 12 months. After the acquisition, the Company became holder of 100% interest in BH Shopping.

At September 30, 2019 and December 31, 2018, the Company is the legal representative and manager of all shopping malls it owns, except for Parque Shopping Maceió.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

2. Presentation of quarterly information and accounting policies

2.1. Statement of compliance with the IFRS and Brazil's Financial Accounting Standards Board ("CPC") standards

This quarterly information include the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM), as well as for the presentation of this information in conformity with the rules issued by CVM applicable to the preparation of Quarterly Information (ITR). Accordingly, the determination of the accounting policy adopted by the Company for recognition of revenue from contracts involving purchase and sale of unfinished real estate units, as regards the aspects relating to transfer of control, is in line with CVM Circular Letter CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15).

In addition, the Company considered the guidance provided for in Accounting Guidance OCPC 07, issued by Brazil's FASB (CPC) in November 2014, in preparing its financial statements. Consequently, any significant information that is inherent in the financial statements is evidenced, and it corresponds to that used by the Company in its management.

2.2. Basis of measurement

The individual and consolidated quarterly information has been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as disclosed in Note 25.

2.3. Basis of consolidation

The consolidated quarterly information includes the quarterly information of the Company and its subsidiaries as at September 30, 2019 and are in line with the financial statements as at December 31, 2018 disclosed on February 15, 2019.

The reconciliation between the net income for the quarters ended September 30, 2019 and 2018 between Individual and Consolidated is as follows:

	Net income for the period	
	09/30/2019	09/30/2018
Individual	328,941	360,906
Equity pickup for the period - County (a)	(231)	(651)
Consolidated	328,710	360,255

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

2. Presentation of quarterly information and accounting policies (Continued)

2.3. Basis of consolidation (Continued)

- (a) Subsidiary Renasce holds 100% in County's capital, which is primarily engaged in holding interest in subsidiary Embassy. In order to properly prepare Multiplan's individual and consolidated statement of financial position, the Company adjusted Renasce's equity and the investment calculation for consolidation purposes only. This adjustment refers to the Company's share in County's P&L not reflected on equity pickup of Renasce, calculated and recorded by the Company.

2.4. Significant accounting policies adopted in the quarterly information

The significant accounting policies adopted by the Company in this quarterly information are consistent with those adopted in the financial statements for the year ended December 31, 2018, disclosed on February 15, 2019.

It is important to emphasize that as of January 1, 2019, the Company has adopted new accounting pronouncements in accordance with the disclosures made in the same annual financial statements.

On January 1, 2019, the Company also adopted for the first time IFRS 16/CPC 06 (R2) - Leases, and IFRIC 23/ICPC 22 - Uncertainty over Income Tax Treatment. There were no impacts in relation to IFRIC 23. Impacts for IFRS 16 are described below:

IFRS 16/CPC 06 (R2) - Leases

CPC 06 (R2) - Leases issued by CPC is equivalent to the international standard IFRS 16 - Leases, issued in January 2016 to replace the previous version of that standard (CPC 06 (R1), equivalent to the international standard IAS 17), and is mandatory for annual periods beginning on or after January 1, 2019.

The new standard allows for two transition approaches: (i) full retrospective and (ii) modified retrospective with the cumulative effect of the initial application recognized as an adjustment to the opening balance of retained earnings at the date of initial application, whereby the lease liability is measured based on the remaining contractual payments discounted using the incremental borrowing rate at the date of initial application, and the right-of-use asset is equal to that liability, since there are no prepayments or provisions. The Company has adopted the modified retrospective approach and, therefore, will not be required to restate comparative balances prior to the year presented.

The table below shows, for comparison purposes, a brief description and the amounts corresponding to the impacts on the individual and consolidated statements of financial position at January 1, 2019:

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

2. Presentation of quarterly information and accounting policies (Continued)

2.4. Significant accounting policies adopted in the quarterly information (Continued)

IFRS 16/CPC 06 (R2) - Leases (Continued)

Individual				
Explanation for the adjustments		Statement of financial position at 01/01/2019 before adjustments	Adjustments - IFRS 16/ CPC 06 (R2)	Statement of financial position at 01/01/2019
Current assets		809,188	-	809,188
Investment property	(a)	3,440,642	48,576	3,489,218
Property and equipment	(b)	75,620	6,019	81,639
Noncurrent assets		7,249,146	54,595	7,303,741
Total assets		8,058,334	54,595	8,112,929
Accounts payable	(a),(b)	79,565	8,309	87,874
Current liabilities		593,900	8,309	602,209
Accounts payable	(a),(b)	-	46,286	46,286
Noncurrent liabilities		2,128,454	46,286	2,174,740
Equity		5,335,980	-	5,335,980
Total liabilities and equity		8,058,334	54,595	8,112,929

Consolidated				
Explanation for the adjustments		Statement of financial position at 01/01/2019 before adjustments	Adjustments - IFRS 16/ CPC 06 (R2)	Statement of financial position at 01/01/2019
Current assets		1,274,156	-	1,274,156
Investment property	(a)	6,361,367	48,820	6,410,187
Property and equipment	(b)	80,584	6,019	86,603
Noncurrent assets		7,601,102	54,839	7,655,941
Total assets		8,875,258	54,839	8,930,097
Accounts payable	(a),(b)	120,345	8,340	128,685
Current liabilities		713,933	8,340	722,273
Accounts payable	(a),(b)	-	46,499	46,499
Noncurrent liabilities		2,809,138	46,499	2,855,637
Equity		5,352,187	-	5,352,187
Total liabilities and equity		8,875,258	54,839	8,930,097

The Company performed an analysis of its lease contracts in order to identify any changes in the recognition of leases due to the adoption of the new standard, in relation to the accounting treatment under IAS 17/CPC 06 (R1), and identified the following impacts:

- (a) The amount recorded under "Investment property" is due to one single existing lease contract relating to Diamond Mall, whose impact was R\$48,820, of which R\$48,576 for the Company and R\$244 for subsidiary Renasce.
- (b) The amount recorded under "Property and equipment" is due to the inventory conducted by the Company of all current lease contracts, such as: lease of offices, IT equipment etc., and each contract was analyzed from the perspective of the standard in order to identify the existence of lease elements, resulting in an impact of R\$6,019.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

3. Cash and cash equivalents, and short-term investments

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Cash and cash equivalents				
Cash and banks	26,704	37,090	21,154	33,261
Short-term investments - Bank Deposit Certificates (CDB)	1,611	1,632	3,563	5,603
Total cash and cash equivalents	28,315	38,722	24,717	38,864

All short-term investments are made with first-tier financial institutions, at market price and terms.

The short-term investments presented as cash and cash equivalents can be redeemed at any time without penalty and without affecting earnings recognized or any risk of significant change in value. These investments bear interest at an average effective rate of 89.00% of the Interbank deposit certificate (CDI) at September 30, 2019 and 94.84% at December 31, 2018.

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Short-term investments with daily liquidity				
Investment fund DI - Fixed Income	743,302	939,711	516,739	816,905
Total short-term investments	743,302	939,711	516,739	816,905

The Fixed Income Investment Funds - DI are non-boutique funds classified by the Brazilian Financial and Capital Markets Association (ANBIMA) as short-term and low-risk funds, which bear interest at an average effective rate of 97.97% of the CDI at September 30, 2019 and 100.00% at December 31, 2018. The funds' portfolios are managed by Bradesco Asset Management, Santander Asset Management, Itaú Asset and BB DTVM. The Company does not interfere with or influence the management of the portfolios or the acquisition and sale of the securities included in the portfolios.

The Company's exposure to interest rate risks, credit, liquidity and market risks, and the sensitivity analysis of financial assets and liabilities are disclosed in Note 25.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

4. Accounts receivable

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Lease	114,451	151,266	159,446	204,359
Straight-line effect	47,374	67,126	20,000	36,437
Key money	25,377	37,883	17,633	23,698
Parking	9,269	16,957	13,657	23,403
Management fees (a)	8,876	8,876	9,839	9,839
Brokerage	985	985	577	577
Merchandising	802	802	1,047	1,047
Real Estate	16,224	70,371	18,306	83,028
Other	6,884	8,029	5,659	8,747
	230,242	362,295	246,164	391,135
Allowance for doubtful accounts (ADA)	(36,827)	(47,193)	(28,677)	(38,081)
	193,415	315,102	217,487	353,054
Noncurrent	(23,576)	(66,861)	22,206	68,744
Current	169,840	248,241	195,281	284,310

(a) Refer to the management fees receivable by the Company, charged from business or storeowners of the shopping malls that it administrates, corresponding to a percentage of the store rent, common charges of storeowners, financial management, and promotion fund.

The aging list of accounts receivable is as follows:

Individual	Balance falling due < 30 days		Balance overdue					Total
			30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	76,065	2,891	2,114	1,676	1,841	2,994	26,870	114,451
Straight-line effect	47,374	-	-	-	-	-	-	47,374
Key money (*)	23,944	405	117	93	88	173	557	25,377
Parking	9,269	-	-	-	-	-	-	9,269
Management fees	7,401	164	3	-	-	-	1,308	8,876
Brokerage	937	42	-	-	-	-	6	985
Merchandising	599	30	5	5	5	148	10	802
Real Estate	14,904	36	36	27	24	45	1,152	16,224
Other	4,339	1	1	84	-	13	2,446	6,884
Total at 09/30/2019	184,832	3,569	2,276	1,885	1,958	3,373	32,349	230,242
(-) ADA	(2,031)	(1,538)	(1,252)	(1,102)	(1,368)	(2,505)	(27,031)	(36,827)
Net balance at 09/30/2019	182,801	2,031	1,024	783	590	868	5,318	193,415

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Individual	Balance falling due	< 30 days	30 - 60 days	61 - 90 days	Balance overdue			Total
					91 - 120 days	121-180 days	>180 days	
Lease (*)	126,710	4,859	2,505	1,502	1,330	2,311	20,229	159,446
Straight-line effect	20,000	-	-	-	-	-	-	20,000
Key money (*)	15,939	217	176	121	124	220	836	17,633
Parking	13,657	-	-	-	-	-	-	13,657
Management fees	8,109	-	47	40	39	249	1,355	9,839
Brokerage	577	-	-	-	-	-	-	577
Merchandising	992	33	-	-	-	14	8	1,047
Real Estate	17,061	113	63	43	45	99	882	18,306
Other	4,195	68	23	93	29	217	1,034	5,659
Total at 12/31/2018	207,240	5,290	2,814	1,799	1,567	3,110	24,344	246,164
(-) ADA	(2,084)	(2,213)	(1,184)	(882)	(877)	(1,690)	(19,747)	(28,677)
Net balance at 12/31/2018	205,156	3,077	1,630	917	690	1,420	4,597	217,487

Consolidated	Balance falling due	< 30 days	30 - 60 days	61 - 90 days	Balance overdue			Total
					91 - 120 days	121-180 days	>180 days	
Lease (*)	102,477	3,652	2,773	2,203	2,570	4,060	33,531	151,266
Straight-line effect	67,126	-	-	-	-	-	-	67,126
Key money (*)	34,687	483	163	128	135	234	2,053	37,883
Parking	15,466	1,236	135	92	23	-	5	16,957
Management fees	7,401	164	3	-	-	-	1,308	8,876
Brokerage	937	42	-	-	-	-	6	985
Merchandising	599	30	5	5	5	148	10	802
Real Estate	62,493	659	213	139	135	457	6,275	70,371
Other	4,649	67	-	240	3	45	3,025	8,029
Total at 09/30/2019	295,835	6,333	3,292	2,807	2,871	4,944	46,213	362,295
(-) ADA	(2,493)	(1,914)	(1,645)	(1,446)	(1,885)	(3,409)	(34,401)	(47,193)
Net balance at 09/30/2019	293,342	4,419	1,647	1,361	986	1,535	11,812	315,102

Consolidated	Balance falling due	< 30 days	30 - 60 days	61 - 90 days	Balance overdue			Total
					91 - 120 days	121-180 days	>180 days	
Lease (*)	162,378	5,767	3,279	2,090	1,793	3,259	25,793	204,359
Straight-line effect	36,437	-	-	-	-	-	-	36,437
Key money (*)	20,201	260	216	146	233	303	2,339	23,698
Parking	21,284	1,942	-	4	3	-	170	23,403
Management fees	8,109	-	47	40	39	249	1,355	9,839
Brokerage	577	-	-	-	-	-	-	577
Merchandising	992	33	-	-	-	14	8	1,047
Real Estate	75,594	338	537	424	396	343	5,396	83,028
Other	5,286	170	62	171	205	313	2,540	8,747
Total at 12/31/2018	330,858	8,510	4,141	2,875	2,669	4,481	37,601	391,135
(-) ADA	(2,556)	(2,625)	(1,534)	(1,218)	(1,247)	(2,392)	(26,509)	(38,081)
Net balance at 12/31/2018	328,302	5,885	2,607	1,657	1,422	2,089	11,092	353,054

(*) The accounts receivable from lease and key money is net of a provision for tax loss amounting to R\$16,180 at September 30, 2019 (R\$15,588 at December 31, 2018) in individual and R\$30,884 at September 30, 2019 (R\$27,187 at December 31, 2018) in consolidated, recorded in the statement of income as "Mall expenses".

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Lease and key money

The Company applies the simplified approach to estimate the expected credit loss using an expected loss matrix based on the history of losses, adjusted by the management's expectations on the aspects that may influence storeowner's default in the future.

The information on exposure to average credit risk of the Company's lease receivables and key money as at September 30, 2019 and December 31, 2018 is presented below, using a provision matrix:

Risk	09/30/2019	12/31/2018
Falling due	2.1%	1.5%
Overdue up to 30 days	46.2%	40.1%
Overdue up to 60 days	56.1%	48.8%
Overdue up to 90 days	62.3%	54.8%
Overdue up to 120 days	71.7%	63.8%
Overdue up to 180 days	78.6%	68.0%
Overdue for more than 180 days	90.9%	93.8%

Sale of property

The allowance for doubtful accounts is recorded to write down trade accounts receivable to their recoverable amount, based on an individual analysis of such receivables. As trade accounts receivable are guaranteed by the real estate units sold, when a customer becomes a defaulter, the total balance due on the unit is compared with the best estimate of the unit's market value, less costs to recover and sell. An allowance for doubtful accounts is set up when the total balance due is higher than the net value given in guarantee. At September 30, 2019 and December 31, 2018, the Company did not identify the need for an allowance for doubtful accounts on the real estate receivables.

Parking, management fee, brokerage and merchandising and others

The Company understands that the credit risk from accounts receivable for parking, administration fee, brokerage and merchandising is very low and has no history of default. Therefore, at September 30, 2019 and December 31, 2018, the Company did not identify the need for an allowance for doubtful accounts on the respective balances.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Parking lot, administration fee, sale and advertising and others (Continued)

For "Others", the Company identified the need for an allowance for doubtful accounts in the amount of R\$2,097 at September 30, 2019 and December 31, 2018.

Changes in allowance for doubtful accounts (ADA) are as follows:

	ADA	
	Individual	Consolidated
Balances at December 31, 2018	(28,677)	(38,081)
Additions	(25,509)	(34,589)
Write-offs	17,359	25,477
Balances at September 30, 2019	(36,827)	(47,193)

The Company has operating lease agreements with the lessees of shopping mall stores (lessees) with a standard term of 5 years. Exceptionally, there may be agreements with differentiated terms and conditions.

For the quarters ended September 30, 2019 and 2018, the Company earned R\$654,871 and R\$619,061, respectively, from minimum lease only in relation to agreements prevailing at the end of each year, which presented the following renewal schedule:

	Consolidated	
	September 30, 2019	September 30, 2018
In 2018	-	1.9%
In 2019	2.5%	18.9%
In 2020	12.5%	14.5%
In 2021	15.9%	16.1%
In 2022	17.0%	16.1%
After 2022	40.4%	22.1%
Undetermined*	11.8%	10.4%
Total	100.0%	100.0%

(*) Non-renewed agreements in which the parties may request termination through a prior legal notice (30 days).

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

5. Transactions with related parties

5.1. The main balances and transactions with related parties are as follows:

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Current assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	26,341	45,312	21,115	35,018
Shopping Mall Associations (b)	1,062	1,062	959	959
Parkshopping Canoas (i)	18	-	18	-
Park Jacarepaguá (i)	63	-	281	-
JundiaíShopping (i)	30	-	-	-
Danville (g)	1,712	-	-	-
Ribeirão Residencial (g)	2,175	-	-	-
Fulllab (h)	-	135	-	-
Shopping Mall Condominiums (c)	2,484	3,750	2,288	3,135
Subtotal	33,885	50,259	24,661	39,112
Allowance for doubtful accounts (a)	(19,248)	(34,176)	(15,655)	(26,774)
Total sundry loans and advances - current	14,637	16,083	9,006	12,338
Accounts receivable				
Multiplan Administradora de Shopping Centers Ltda. (e)	9,269	-	13,610	-
Total accounts receivable – non-current	9,269	-	13,610	-
Total current assets	23,906	16,083	22,616	12,338
Noncurrent assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	28	32	-	-
Shopping Mall Condominiums (c)	1,991	2,518	3,600	4,754
Shopping Mall Associations (b)	7,211	7,211	7,989	7,989
Loans - other (d)	194	194	260	261
Total sundry loans and advances – non-current	9,425	9,955	11,849	13,004
Current liabilities:				
Sundry loans and advances				
Fulllab (h)	-	95	-	-
Ribeirão Residencial (g)	3	-	-	-
MPH Empreendimento Imobiliário Ltda. (k)	77	31	-	-
Total sundry loans and advances – non-current	80	126	-	-
Non-current liabilities:				
Sundry loans and advances				
Fulllab (h)	-	2,148	-	-
Total sundry loans and advances – non-current	-	2,148	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

5.1. The main balances and transactions with related parties are as follows: (Continued)

	Individual	
	09/30/2019 (9 months)	09/30/2018 (9 months)
Statement of income:		
Service revenue		
Multiplan Administradora de Shopping Centers Ltda. (e)	87,248	81,028
Revenue from Hot Zone lease (f)	643	495
Shopping Mall expenses		
Multiplan Arrecadadora Ltda. (m)	774	774
Service agreement		
Peres - Advogados, Associados S/C (j)	1,446	873
Finance income (costs), net		
Interest on loans and sundry advances (l)	792	685
	Consolidated	
	09/30/2019 (9 months)	09/30/2018 (9 months)
Profit and loss statement:		
Revenue from Hot Zone lease (f)	901	757
Service agreement		
Peres - Advogados, Associados S/C (j)	1,446	873
Finance income (costs), net		
Interest on loans and sundry advances (l)	901	737

- (a) Prepayments of charges granted to condominiums of shopping malls owned by Multiplan Group, in light of the default of storeowners with the condominiums. At September 30, 2019, based on a study of expected credit losses for the balance, which identified a 26.4% (28.1% at December 31, 2018) historical percentage of return of all prepaid charges, the provision was adjusted to 73.6% (71.9% at December 2018) of the prepaid balance, with an average effect of R\$7,402 as provision at September 30, 2019 (reversal of R\$8,244 at December 31, 2018) recorded against income, as "Shopping Expenses".
- (b) These refer to advances granted to the Storeowners Association of the following Shopping Malls: BarraShopping Sul and ParkShopping Barigui. These advances bear interest based on the CDI fluctuation, and will be fully settled up to 2022.
- (c) These refer to loans made with the condominiums of Village Mall, Barra Shopping, ParkShopping Canoas, ParkShopping São Caetano and Morumbi Corporate Towers that bear interest based on the CDI fluctuation, and will be fully settled up to 2023.
- (d) This refers to loans granted to employees, which are being repaid in annual installments.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

5.1. The main balances and transactions with related parties are as follows: (Continued)

- (e) Refers to the portion of accounts receivable and income (loss) that the Company has with subsidiary Multiplan Administradora de Shopping Centers Ltda., which manages the shopping malls' parking lots and transfer from 93% to 97.5% of net income to the Company. It should be noted that whenever total expenses exceed the income generated, the Company is required to reimburse such difference to Multiplan Administradora de Shopping Centers Ltda. plus 3% of monthly gross revenue. These amounts are billed and received on a monthly basis.
- (f) This refers to amounts billed as Hot Zone store leases entered into with Divertplan Comércio e Indústria Ltda. (lessee), in which Multiplan Planejamento Participações e Administração S/A, a Company shareholder, holds 99% of the capital.
- (g) These are amounts recoverable from subsidiaries Ribeirão Residencial and Danville relating to construction cost. They refer to regularization of future capital contribution in subsidiary Ribeirão Residencial as well.
- (h) Receivables from and payables to Fullab refer to an advance of R\$135 remunerated based on the CDI variation, which will be fully settled by 2020, and a purchase of equity interest amounting to R\$2,243 annually restated by reference to the SELIC rate, which will be settled by 2043.
- (i) These are amounts recoverable from subsidiary Jundiá Shopping Center Ltda., ParkShopping Jacarepaguá Ltda. and ParkShopping Canoas Ltda., referring to the sharing of payroll expenses.
- (j) This refers to the addendum to the legal service agreement entered into by the Company and Peres - Advogados, Associados S/C, owned by a close family member of the Company's controlling shareholder, dated May 1, 2011. The agreement has an indefinite term and establishes a monthly compensation of R\$50, restated by reference to the Consumer Price Index (IPC) on an annual basis. Additionally, on February 22, 2019 and August 22, 2019, R\$203 and R\$320 were paid, respectively, referring to the exercise of Phantom stock options. A bonus of R\$400 was paid on April 18, 2019.
- (k) This refers to amounts to be transferred to subsidiary MPH Empreendimento Imobiliário Ltda. referring to settlement of a labor lawsuit.
- (l) This refers to the net finance income of interest on the various loans granted to related parties.
- (m) This refers to lease collection services, common and specific charges, revenue from promotion funds and other revenue deriving from the operation and sale of office spaces of the Company and/or its subsidiaries.

5.2. Key management personnel compensation

The members of the Board of Directors and the executive officers elected by the Board of Directors in accordance with the Company's Articles of Incorporation, whose duties involve decision making and control over the Company's activities, are considered as key management personnel by the Company.

The key management personnel compensation accounted for in the statement of income by category is as follows:

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

5.2. Key management personnel compensation (Continued)

	09/30/2019	09/30/2018
Short-term benefits	19,115	17,904
Stock option settled with equity instruments (Note 20.a)	-	322
Compensation based on variation of the share value (restricted) (Note 20.c)	3,364	365
Compensation based on variation of the share value (phantom) (*)	14,467	(13,864)
	36,946	4,727

(*) The amount refers to stock options of investment units based on the valuation of the Company's shares and cash settled, which can only be redeemable after specific grace periods. In accordance with the applicable accounting standards, these investment units, including those not yet exercisable, are marked to market on a quarterly basis based on the market price of the share, which may affect income to a greater or lesser extent, as a non-cash matching entry in liabilities. It should be noted that, regardless of the provision amount, the amount to be effectively paid to management members will depend, in addition to other factors, on the quotation of shares issued by the Company when the investment units are effectively redeemed by the management members after the applicable vesting period. See further details in Note 20.b.

At September 30, 2019, key management personnel comprised seven members of the Board of Directors, six executive officers and three members of the supervisory board.

The Company does not grant to its managing officers any benefits relating to employment contract termination other than those provided for in the applicable legislation.

6. Land and properties held for sale

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Land	19,506	420,602	19,386	406,768
Properties completed	8,964	37,325	9,632	36,415
	28,470	457,927	29,018	443,183
Current	8,964	37,325	9,632	36,415
Noncurrent	19,506	420,602	19,386	406,768
	28,470	457,927	29,018	443,183

The Company reclassifies part of its inventories from noncurrent assets to "Land", according to launches scheduled for projects, and to "Construction in progress" based on the completion schedule of its construction works. We stress that at September 30, 2019 and December 31, 2018, the Company had no construction in progress.

No impairment indicators for property and equipment were identified at September 30, 2019 and December 31, 2018.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

7. Income and social contribution taxes

Deferred income and social contribution taxes are broken down as follows:

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Assets:				
Provision for legal and administrative proceedings	5,734	6,081	4,604	4,744
Allowance for doubtful accounts	34,326	41,367	28,212	31,876
Provision for losses on advances of charges	19,248	19,248	15,655	15,655
Accrued annual bonus (a)	30,036	30,036	34,390	34,390
Phantom stock options	25,254	25,254	36,677	36,677
Deferred (b)	3,821	3,821	3,906	3,906
Income and social contribution tax loss	-	115,835	-	108,925
Deferred tax asset base	118,419	241,642	123,444	236,173
Deferred income tax asset (c)	30,041	60,589	24,932	53,106
Deferred social contribution tax asset (c)	11,840	22,840	10,149	20,295
Subtotal	41,881	83,429	35,081	73,401
Liabilities:				
Unamortized goodwill on future earnings (d)	(316,845)	(316,845)	(316,845)	(316,845)
Straight-line revenue (e)	(1,735)	(2,758)	(2,501)	(990)
Income (loss) from real estate projects (f)	-	(29,003)	-	(42,540)
Depreciation (g)	(355,082)	(403,870)	(310,783)	(351,536)
Interest capitalized	(57,017)	(95,431)	(53,825)	(92,706)
Deferred tax liabilities base	(730,679)	(847,907)	(683,954)	(804,617)
Deferred income tax liabilities (c)	(182,671)	(205,311)	(170,989)	(191,378)
Deferred social contribution tax liabilities (c)	(65,759)	(74,016)	(61,555)	(69,049)
Subtotal	(248,430)	(279,327)	(232,544)	(260,427)
Deferred income and social contribution taxes, net	(206,549)	(195,898)	(197,463)	(187,026)
Noncurrent assets	-	22,259	-	21,613
Noncurrent liabilities	(206,549)	(218,157)	(197,463)	(208,639)

(a) For the calculation of deferred income tax, only the share of employee profit sharing was considered.

(b) The Company recognized deferred income and social contribution taxes by fully derecognizing deferred assets.

(c) In consolidated, the bases of deferred assets and liabilities also comprises entities subject to the calculation of Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) under the taxable profit computed as percentage of gross revenue regime. For that reason, the effect of these tax rates includes the tax rates applied to such taxation regime, pursuant to the federal legislation, which may vary depending on the nature of the income.

(d) Goodwill on acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A. and Realejo Participações S.A. based on expected future earnings. Such companies were then merged and the respective goodwill reclassified to intangible assets. Pursuant to the new accounting standards, beginning January 1, 2009 such goodwill is no longer amortized and deferred income and social contribution tax liabilities were recognized on the difference between the tax base and the carrying amount of the related goodwill. For tax purposes, the amortization of goodwill ended November 2014.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

7. Income and social contribution taxes (Continued)

- (e) The Company formed income and social contribution taxes on deferred taxation of straight-line income during the term of the contract, regardless of the receipt term. As of 2015, after the enactment of Law No. 12973 of May 13, 2014, this income has been subject to taxation on an accrual basis. Thus, the deferred balance up to December 31, 2014 will be subjected to taxation upon its realization.
- (f) According to the tax criterion, the income (loss) on the sale of real estate units is determined based on the financial realization of income (cash basis) while for accounting purposes such income (loss) is accounted for on an accrual basis.
- (g) The Company recognized deferred income and social contribution tax liabilities on differences between the amounts calculated based on the accounting method and criteria provided for in Law No. 12973 of May 13, 2014.

Deferred income and social contribution tax assets will be realized based on management's expectation, as follows:

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
2019	14,101	15,015	14,151	14,798
2020	9,907	18,502	9,350	17,206
2021	9,989	18,420	9,432	17,124
2022 to 2023	4,362	20,099	1,431	16,182
2024 to 2025	3,522	11,393	717	8,091
	41,881	83,429	35,081	73,401

Reconciliation of income and social contribution tax expenses

The reconciliation between the tax expense as calculated by the combined nominal rates and the income and social contribution tax expense charged to income (loss) is presented below:

Description	Individual			
	September 30, 2019		September 30, 2018	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	366,077	366,077	422,012	422,012
Rate	25%	9%	25%	9%
Statutory rate	(91,519)	(32,947)	(105,503)	(37,981)
Permanent additions and exclusions				
Equity pickup	16,058	5,781	15,502	5,581
Interest on shareholders' equity approved	47,500	17,100	47,500	17,100
Interest on shareholders' equity received	(1,108)	(399)	(538)	(194)
Other	1,249	1,150	(2,289)	36
Total additions and exclusions	63,699	23,632	60,175	22,523
Current income and social contribution taxes on P&L	(21,248)	(6,801)	(24,662)	(7,980)
Deferred income and social contribution taxes on P&L	(6,572)	(2,514)	(20,902)	(7,562)
Total	(27,820)	(9,315)	(45,564)	(15,542)

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

7. Income and social contribution taxes (Continued)

Reconciliation of income tax and social contribution tax expenses (Continued)

Description	Consolidated			
	September 30, 2019		September 30, 2018	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	396,521	396,521	451,588	451,588
Rate	25%	9%	25%	9%
Statutory rate	(99,130)	(35,687)	(112,897)	(40,643)
Permanent additions and exclusions				
Equity pickup	1,676	603	1,294	466
Interest on equity approved	47,500	17,100	47,500	17,100
Interest on equity received	(1,108)	(399)	(538)	(194)
Current losses without tax credit	(9,822)	(3,536)	(8,601)	(3,096)
Income and social contribution taxes on companies operating under the taxable profit computed as a percentage of gross revenue regime	9,018	3,246	7,050	2,538
Other	711	256	(2,005)	(723)
Total additions and exclusions	47,975	17,270	44,700	16,091
Current income and social contribution taxes on income	(44,632)	(16,068)	(52,399)	(18,864)
Deferred income and social contribution taxes on income	(6,524)	(2,349)	(16,033)	(5,772)
Total	(51,156)	(18,417)	(68,432)	(24,636)

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

8. Investments

Significant information on investees:

Investees	September 30, 2019				September 30, 2018		December 31, 2018
	Number of units of interest/shares	Interest (%)	Capital	Net income (loss) for the period	Equity	Net income (loss) for the period	Equity
CAA-Corretagem e Consultoria Publicitária Ltda.	40,000	99.00	400	(14)	531	601	2,445
RENASCE - Rede Nacional de Shopping Centers Ltda.	1,641,500	99.99	16,415	(1,100)	4,899	(1,388)	4,217
CAA-Corretagem Imobiliária Ltda.	182,477	99.61	1,825	(4)	1	(2)	5
MPH Empreendimento Imobiliário Ltda. (*)	154,940,898	100.00 (*)	154,941	12,727	166,698	10,668	188,272
Multiplan Administr. Shopping Center Ltda.	20,000	99.00	20	8,004	14,889	7,546	32,385
Pátio Savassi Administração de Shopping Center Ltda.	7,370,800	100.00	91	(14)	165	(5)	180
Royal Green Península	-	98.00	51,582	(43)	2,522	(72)	2,536
Manati Empreendimentos e Participações S.A.	42,885,388	50.00	73,758	(1,210)	65,820	(798)	66,691
Delivery Center Holding S.A.	1,082,034	18.41	1,279	(9,151)	22,799	-	-
Parque Shopping Maceió S.A.	182,505,268	50.00	182,505	15,998	269,501	8,640	190,901
Danville SP Empreendimento Imobiliário Ltda.	51,793,073	99.99	51,793	(255)	47,686	(252)	46,761
Multiplan Holding S.A.	1,000	100.00	2,693	69	2,780	34	2,710
Embraplan Empresa Brasileira de Planejamento Ltda.	5,110,438	99.99	5,110	3	254	7	251
Multiplan Greenfield I Emp Imob Ltda.	35,943,556	99.99	35,944	2,215	44,718	2,418	63,002
Barrasul Empreendimento Imobiliário Ltda.	27,520,443	99.99	27,520	1,390	28,947	3,206	47,357
Ribeirão Residencial Emp. Imob. Ltda.	20,012,056	99.90	20,012	(352)	17,020	(335)	15,806
Morumbi Business Center Empreendimento Imobiliário Ltda.	125,852,380	99.90	125,852	7,021	144,383	5,880	155,612
Multiplan Greenfield II Empr. Imob. Ltda.	112,024,966	99.90	112,025	15,662	136,821	14,296	141,659
Multiplan Greenfield IV Empr. Imob. Ltda.	103,876,853	99.90	103,877	12,780	120,386	15,903	130,606
Multiplan Greenfield III Empr. Imob. Ltda.	271,805,648	99.90	271,806	(2,045)	251,221	(87)	253,266
ParkShopping Campo Grande Ltda.	330,952,797	99.90	330,953	8,086	367,814	7,327	373,428
Jundiaí Shopping Center Ltda.	258,875,987	99.90	258,876	19,840	318,194	14,396	329,854
ParkShopping Corporate Empr. Imob. Ltda.	54,243,251	99.90	54,243	187	40,398	(777)	39,211
Multiplan Arrecadadora Ltda.	1,000	99.90	1	596	4,981	575	4,385
ParkShopping Global Ltda.	32,793,787	87.00	32,794	(1,272)	23,823	(1,552)	22,078
ParkShopping Canoas Ltda.	323,373,413	94.67	323,373	(31,434)	231,194	(30,285)	243,682
Multishopping Shopping Center Ltda.	16,979	99.90	17	(1)	5	(2)	6
ParkShopping Jacarepagua Ltda.	277,560,731	99.90	277,561	(4,745)	270,543	(789)	196,888
Multiplan Greenfield XI Empr. Imob. Ltda.	90,103,755	99.90	90,104	2,972	94,261	1,035	86,760
Multiplan Greenfield XII Empr. Imob. Ltda.	7,112,881	99.90	7,306	(429)	5,785	(622)	6,021
Multiplan Greenfield XIII Empr. Imob. Ltda.	12,881	99.90	13	(1)	5	-	6
Multiplan Barra 1 Empr. Imob. Ltda.	463,135,848	99.90	463,136	9,501	472,663	8,708	494,162
Multiplan Morumbi 1 Empr. Imob. Ltda.	190,332,604	99.90	190,333	4,720	195,072	3,635	204,052
Multiplan Golden I Empr. Imob. Ltda.	18,882,301	99.90	18,882	(507)	17,988	(217)	16,528

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Investees	September 30, 2019				September 30, 2018		December 31, 2018	
	Number of units of interest/shares	Interest (%)	Capital	Net income (loss) for the period	Equity	Net income (loss) for the period	Equity	
Multiplan Golden II Empr. Imob. Ltda.	21,000	99.90	21	-	19	(1)	19	
Multiplan Golden III Empr. Imob. Ltda.	11,000	99.90	11	(1)	7	(1)	8	
Multiplan Golden IV Empr. Imob. Ltda.	41,000	99.90	41	1	39	-	39	
Multiplan Golden V Empr. Imob. Ltda.	8,194,957	99.90	8,195	(127)	7,881	(104)	7,302	
Multiplan Golden VI Empr. Imob. Ltda.	8,923,335	99.90	8,923	(138)	8,582	(113)	7,953	
Multiplan Golden VII Empr. Imob. Ltda.	8,924,335	99.90	8,924	(138)	8,583	(113)	7,952	
Multiplan Golden VIII Empr. Imob. Ltda.	7,973,663	99.90	7,974	(123)	7,667	(101)	7,103	
Multiplan Golden IX Empr. Imob. Ltda.	2,614,516	99.90	2,615	(39)	2,511	(34)	2,333	
Multiplan Golden X Empr. Imob. Ltda.	5,260,093	99.90	5,260	(82)	5,053	(67)	4,689	
Multiplan Golden XI Empr. Imob. Ltda.	5,437,389	99.90	5,437	(85)	5,224	(70)	4,848	
Multiplan Golden XII Empr. Imob. Ltda.	3,682,780	99.90	3,683	(58)	3,536	(48)	3,282	
Multiplan Golden XIII Empr. Imob. Ltda.	9,345,323	99.90	9,345	(145)	8,988	(119)	8,337	
Multiplan Golden XIV Empr. Imob. Ltda.	8,194,959	99.90	8,195	(127)	7,881	(104)	7,312	
Multiplan Golden XV Empr. Imob. Ltda.	7,961,647	99.90	7,962	(124)	7,657	(101)	7,104	
Multiplan Golden XVI Empr. Imob. Ltda.	9,350,323	99.90	9,350	(145)	8,992	(120)	8,343	
Multiplan Golden XVII Empr. Imob. Ltda.	10,692,938	99.90	10,693	(158)	10,294	(135)	9,555	
Multiplan Golden XVIII Empr. Imob. Ltda.	9,795,242	99.90	10,477	(161)	10,080	(132)	9,306	
MultiplanXVI Empr. Imob. Ltda.	1,000	99.90	1	(1)	1	-	1	
MultiplanXVII Empr. Imob. Ltda.	6,000	99.90	6	(2)	2	-	5	
MultiplanXVIII Empr. Imob. Ltda.	1,000	99.90	1	(1)	1	-	1	
MultiplanXIX Empr. Imob. Ltda.	1,000	99.90	1	(1)	1	-	1	
MultiplanXX Empr. Imob. Ltda.	1,000	99.90	1	(2)	-	-	1	

(*) 50.00% direct and 50.00% indirect through subsidiary Morumbi Business Center Empreendimento Imobiliário Ltda.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Equity pickup	09/30/2019
<u>Investments</u>							
CAA Corretagem e Consultoria Publicitária Ltda.	2,421	-	-	(1,881)	-	(14)	526
CAA Corretagem Imobiliária Ltda.	4	-	-	-	-	(4)	-
RENASCE - Rede Nacional de Shopping Centers Ltda.	4,219	-	1,550	-	-	(868)	4,901
Delivery Center Holding S.A.	-	2,824	-	-	-	(621)	2,203
Royal Green Península	1,983	60	-	-	-	(42)	2,001
Multiplan Admin. Shopping Center Ltda.	32,061	-	-	(25,245)	-	7,924	14,740
MPH Empreendimento Imobiliário Ltda.	94,137	-	-	(17,150)	-	6,363	83,350
Manati Empreendimentos e Participações S.A.	33,346	-	-	-	-	(605)	32,741
Parque Shopping Maceió S.A.	95,607	-	-	(7,680)	-	7,999	95,926
Pátio Savassi Administração de Shopping Center Ltda.	179	-	-	-	-	(14)	165
Danville SP Empreendimento Imobiliário Ltda.	61,204	-	1,180	-	-	(255)	62,129
Multiplan Holding S.A.	2,711	-	-	-	-	69	2,780
Embraplan Empresa Brasileira de Planejamento Ltda.	252	-	-	-	-	3	255
Ribeirão Residencial Emp Im Ltda.	18,291	-	1,564	-	-	(352)	19,504
Morumbi Business Center Empreendimento Imobiliário Ltda.	155,457	-	-	(18,232)	-	7,014	144,239
Barrasul Empreendimento Imobiliário Ltda.	47,357	-	-	(19,800)	-	1,390	28,947
Multiplan Greenfield I Emp. Imobiliário Ltda.	63,003	-	-	(20,500)	-	2,215	44,718
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	141,517	-	-	(20,480)	-	15,647	136,684
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	253,013	-	-	-	-	(2,043)	250,970
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	130,476	-	-	(22,977)	-	12,767	120,266
ParkShopping Campo Grande Ltda.	373,054	-	-	(13,686)	-	8,078	367,446
Jundiaí Shopping Center Ltda.	329,524	-	-	(31,469)	-	19,820	317,875
ParkShopping Corporate Empreendimento Imobiliário Ltda.	39,172	-	999	-	-	187	40,358
Multiplan Arrecadadora Ltda.	4,381	-	-	-	-	595	4,976
ParkShopping Global Ltda.	19,208	-	2,625	-	-	(1,106)	20,727
ParkShopping Canoas Ltda.	230,693	-	17,936	-	-	(29,759)	218,871
Multishopping Shopping Center Ltda.	6	-	-	-	-	(1)	5
ParkShopping Jacarepagua Ltda.	196,691	-	78,322	-	-	(4,740)	270,273
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	86,673	-	4,525	-	-	2,969	94,167

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Equity pickup	09/30/2019
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	6,015	-	193	-	-	(428)	5,780
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	7	-	-	-	-	(1)	6
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	493,667	-	-	(30,969)	-	9,492	472,190
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	203,848	-	-	(13,686)	-	4,715	194,877
Multiplan Golden I Empreendimento Imobiliário Ltda.	16,512	-	1,964	-	-	(506)	17,970
Multiplan Golden II Empreendimento Imobiliário Ltda.	19	-	-	-	-	-	19
Multiplan Golden III Empreendimento Imobiliário Ltda.	7	-	-	-	-	(1)	6
Multiplan Golden IV Empreendimento Imobiliário Ltda.	38	-	-	-	-	1	39
Multiplan Golden V Empreendimento Imobiliário Ltda.	7,295	-	704	-	-	(127)	7,872
Multiplan Golden VI Empreendimento Imobiliário Ltda.	7,944	-	766	-	-	(138)	8,572
Multiplan Golden VII Empreendimento Imobiliário Ltda.	7,942	-	768	-	-	(138)	8,572
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	7,096	-	687	-	-	(123)	7,660
Multiplan Golden IX Empreendimento Imobiliário Ltda.	2,329	-	217	-	-	(39)	2,507
Multiplan Golden X Empreendimento Imobiliário Ltda.	4,684	-	446	-	-	(82)	5,048
Multiplan Golden XI Empreendimento Imobiliário Ltda.	4,843	-	460	-	-	(84)	5,219
Multiplan Golden XII Empreendimento Imobiliário Ltda.	3,277	-	312	-	-	(58)	3,531
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	8,331	-	795	-	-	(145)	8,981
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	7,305	-	694	-	-	(127)	7,872
Multiplan Golden XV Empreendimento Imobiliário Ltda.	7,096	-	675	-	-	(123)	7,648
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	8,335	-	793	-	-	(145)	8,983
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	9,544	-	897	-	-	(158)	10,283
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	9,298	-	934	-	-	(161)	10,071
Multiplan XVI Empreendimento Imobiliário Ltda.	1	-	-	-	-	(1)	-
Multiplan XVII Empreendimento Imobiliário Ltda.	5	-	-	-	-	(2)	3
Multiplan XVIII Empreendimento Imobiliário Ltda.	1	-	-	-	-	(1)	-
Multiplan XIX Empreendimento Imobiliário Ltda.	1	-	-	-	-	(1)	-
Multiplan XX Empreendimento Imobiliário Ltda.	1	-	-	-	-	(2)	(1)
Other	94	-	-	-	-	-	94
Subtotal - Investments	3,232,175	2,884	120,007	(243,755)	-	64,233	3,175,544

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Equity pickup	09/30/2019
Future capital contributions							
RENASCE - Rede Nacional de Shopping Centers Ltda.	-	1,550	(1,550)	-	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	1,180	(1,180)	-	-	-	-
Ribeirão Residencial Empreendimento Imobiliário	-	1,564	(1,564)	-	-	-	-
ParkShopping Global Ltda.	-	2,625	(2,625)	-	-	-	-
ParkShopping Canoas Ltda.	-	17,936	(17,936)	-	-	-	-
ParkShopping Jacarepagua Ltda.	-	78,322	(78,322)	-	-	-	-
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	-	4,525	(4,525)	-	-	-	-
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	-	193	(193)	-	-	-	-
ParkShopping Corporate Empreendimento Imobiliário Ltda.	-	999	(999)	-	-	-	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	1,964	(1,964)	-	-	-	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	704	(704)	-	-	-	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	766	(766)	-	-	-	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	768	(768)	-	-	-	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	687	(687)	-	-	-	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	217	(217)	-	-	-	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	446	(446)	-	-	-	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	460	(460)	-	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	312	(312)	-	-	-	-
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	795	(795)	-	-	-	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	694	(694)	-	-	-	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	676	(676)	-	-	-	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	793	(793)	-	-	-	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	897	(897)	-	-	-	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	934	(934)	-	-	-	-
Multiplan XVI Empreendimento Imobiliário Ltda.	-	1	-	-	-	-	1
Multiplan XVIII Empreendimento Imobiliário Ltda.	-	1	-	-	-	-	1
Multiplan XIX Empreendimento Imobiliário Ltda.	-	1	-	-	-	-	1
Multiplan XX Empreendimento Imobiliário Ltda.	-	1	-	-	-	-	1
Subtotal - Future capital contributions	-	120,011	(120,007)	-	-	-	4
Subtotal - Investments	3,232,175	122,895	-	(243,755)	-	64,233	3,175,548
Goodwill							
Finite useful life	-	675	-	-	(397)	-	278
Indefinite useful life	-	8,501	-	-	-	-	8,501
Total goodwill	-	9,176	-	-	(397)	-	8,779
Total net investments	3,232,175	132,071	-	(243,755)	(397)	64,233	3,184,327

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.2. Changes in investments - consolidated

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Equity pickup	09/30/2019
SCP - Royal Green Península (*)	1,983	60	-	-	-	(42)	2,001
Manati Empreendimentos e Participações S.A.	33,346	-	-	-	-	(605)	32,741
Parque Shopping Maceió S.A.	95,607	-	-	(7,680)	-	7,999	95,926
Multiplan Greenfield XII Empreendimento Imobiliário Ltda. (**)	162	-	-	-	-	(27)	135
Delivery Center Holding S.A. (***)	-	2,824	-	-	-	(621)	2,203
Other	153	-	-	-	-	-	153
Subtotal - Investments	131,251	2,884	-	(7,680)	-	6,704	133,159
Intangible assets - finite useful life	1,261	675	-	-	(669)	-	1,267
Goodwill - indefinite useful life	6,738	8,501	-	-	-	-	15,239
Subtotal - Goodwill	7,999	9,176	-	-	(669)	-	16,506
Total net investments	139,250	12,060	-	(7,680)	(669)	6,704	149,665

(*) Shareholder Multiplan Planejamento conducts the material activities and have the ability to affect the return of Royal Green operations; therefore, this investment is not consolidated, since the financial information of shareholder Multiplan Planejamento includes records of this silent partnership's (SCP) operations.

(**) On February 8, 2018, subsidiary Multiplan Greenfield XII Empreendimento Imobiliário Ltda. ("Greenfield XII") acquired 20% of the capital of Fullab Participações S.A. ("Fullab") for R\$7,000. Additionally, at June 30, 2018, Greenfield XII acquired another 6.46% interest in Fullab for R\$2,196, which will be settled within up to 100 quarters, the first installment maturing on October 15, 2018.

(***) On July 12, 2019, the Company completed the operation through which it now holds 18.41% of the capital of Delivery Center Holding S.A. ("DC"), corresponding to 203,341 registered common shares with no par value, which were subscribed and paid in through assignment of exclusive rights to the operation of delivery centers in the 18 shopping malls currently managed by the Company, in addition to contribution of R\$12,000. Of the total amount paid, R\$675 was allocated as intangible assets with definite useful life and will be amortized within one year, while R\$8,501 was allocated as goodwill, which will not be amortized and will be annually tested for impairment. The percentage of interest originally provided for in the investment agreement signed on April 1, 2019 (18.79%) changed due to increase in the capital of the DC on May 24, 2019, resulting in shareholding interest of 18.41%.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries

The main information relating to the financial statements of the Company's subsidiaries is as follows:

	September 30, 2019				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda. (a)	536	-	5	-	(14)
RENASCE - Rede Nacional de Shopping Centers Ltda.	742	6,193	1,779	257	(1,100)
CAA Corretagem Imobiliária Ltda. (a)	1	-	-	-	(4)
MPH Empreendimento Imobiliário Ltda.	22,717	146,929	1,776	1,171	12,727
Multiplan Administr. Shopping Center Ltda.	43,493	116	28,558	163	8,004
Pátio Savassi Administração de Shopping Center Ltda.	10	156	1	-	(14)
Danville SP Empreendimento Imobiliário Ltda. (c)	137	49,261	1,712	-	(255)
Multiplan Holding S.A.	214	2,566	-	-	69
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	255	-	1	-	3
Multiplan Greenfield I Empr. Imob. Ltda.	29,235	21,157	1,073	4,601	2,215
Barrasul Empreendimento Imobiliário Ltda.	15,479	16,550	566	2,516	1,390
Ribeirão Residencial Emp. Imob. Ltda. (c)	93	19,105	2,178	-	(352)
Morumbi Business Center Empr. Imob. Ltda. (d)	1,679	142,974	270	-	7,021
Multiplan Greenfield II Empr. Imob. Ltda.	35,501	229,775	20,214	108,240	15,662
Multiplan Greenfield IV Empr. Imob. Ltda.	19,289	232,292	19,928	111,268	12,780
Multiplan Greenfield III Empr. Imob. Ltda. (c)	17,814	233,539	133	-	(2,045)
ParkShopping Campo Grande Ltda.	28,677	359,718	10,228	10,354	8,086
Jundiaí Shopping Center Ltda.	30,961	290,257	2,539	485	19,840
ParkShopping Corporate Empr. Imob. Ltda.	3,319	38,732	417	1,236	187
Multiplan Arrecadadora Ltda.	174,461	10,512	179,992	-	596
ParkShopping Global Ltda.	1,382	22,832	390	-	(1,272)
ParkShopping Canoas Ltda.	19,707	532,519	22,098	298,934	(31,434)
Multishopping Shopping Center Ltda.	5	-	-	-	(1)
Parkshopping Jacarepaguá Ltda.	3,910	283,459	10,021	6,805	(4,745)
Multiplan Greenfield XI Empr. Imob. Ltda.	5,195	89,694	425	203	2,972
Multiplan Greenfield XII Empr. Imob. Ltda.	231	7,863	161	2,148	(429)
Multiplan Greenfield XIII Empr. Imob. Ltda.	5	-	-	-	(1)
Multiplan Barra 1 Empr. Imob. Ltda.	51,639	426,358	3,189	2,146	9,501
Multiplan Morumbi 1 Empr. Imob. Ltda.	29,271	168,706	1,229	1,675	4,720
Multiplan Golden I Empr. Imob. Ltda.	265	31,537	911	12,904	(507)
Multiplan Golden II Empr. Imob. Ltda.	19	-	-	-	-
Multiplan Golden III Empr. Imob. Ltda.	7	-	-	-	(1)
Multiplan Golden IV Empr. Imob. Ltda.	40	-	1	-	1
Multiplan Golden V Empr. Imob. Ltda.	126	14,404	405	6,244	(127)
Multiplan Golden VI Empr. Imob. Ltda.	136	15,687	441	6,801	(138)
Multiplan Golden VII Empr. Imob. Ltda.	137	15,687	441	6,801	(138)
Multiplan Golden VIII Empr. Imob. Ltda.	123	14,013	394	6,075	(123)
Multiplan Golden IX Empr. Imob. Ltda.	88	4,502	127	1,953	(39)
Multiplan Golden X Empr. Imob. Ltda.	78	9,244	260	4,009	(82)
Multiplan Golden XI Empr. Imob. Ltda.	85	9,549	268	4,141	(85)
Multiplan Golden XII Empr. Imob. Ltda.	59	6,460	182	2,801	(58)
Multiplan Golden XIII Empr. Imob. Ltda.	138	16,444	462	7,131	(145)
Multiplan Golden XIV Empr. Imob. Ltda.	131	14,399	405	6,244	(127)
Multiplan Golden XV Empr. Imob. Ltda.	117	14,008	394	6,075	(124)
Multiplan Golden XVI Empr. Imob. Ltda.	142	16,444	462	7,131	(145)
Multiplan Golden XVII Empr. Imob. Ltda.	229	18,657	527	8,065	(158)
Multiplan Golden XVIII Empr. Imob. Ltda.	156	18,396	520	7,952	(161)
Multiplan XVI Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XVII Empreendimento Imob. Ltda.	2	-	-	-	(2)
Multiplan XVIII Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XIX Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XX Empreendimento Imob. Ltda.	-	-	-	-	(2)
Balances at September 30, 2019	538,039	3,550,694	315,083	646,529	61,943

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries (Continued)

	December 31, 2018				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda. (a)	2,535	-	90	-	1,068
RENASCE - Rede Nacional de Shopping Centers Ltda.	727	6,159	2,600	69	459
CAA Corretagem Imobiliária Ltda. (a)	5	-	-	-	-
MPH Empreendimento Imobiliário Ltda.	41,260	149,853	2,015	827	26,993
Multiplan Administr. Shopping Center Ltda.	73,154	79	40,817	32	290,983
Pátio Savassi Administração de Shopping Center Ltda.	24	156	-	-	-
Danville SP Empreendimento Imobiliário Ltda. (c)	403	46,693	335	-	-
Multiplan Holding S.A.	166	2,544	-	-	-
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	257	-	6	-	-
Multiplan Greenfield I Emp. Imob. Ltda.	45,532	23,834	1,520	4,843	292
Barrasul Empreendimento Imobiliário Ltda.	32,157	19,795	1,065	3,529	(1,276)
Ribeirão Residencial Emp Imob. Ltda. (c)	430	15,698	323	-	-
Morumbi Business Center Empr. Imob. Ltda. (d)	1,967	153,936	290	-	1,050
Multiplan Greenfield II Empr. Imob. Ltda.	44,943	236,952	18,849	121,387	45,933
Multiplan Greenfield IV Empr. Imob. Ltda.	35,398	239,885	19,894	124,782	50,280
Multiplan Greenfield III Empr. Imob. Ltda. (c)	20,287	233,037	58	-	-
ParkShopping Campo Grande Ltda.	23,737	368,879	9,446	9,742	40,183
Jundiaí Shopping Center Ltda.	34,924	298,918	3,396	592	40,762
ParkShopping Corporate Empr. Imob. Ltda.	1,833	39,157	717	1,063	1,825
Multiplan Arrecadadora Ltda.	240,328	9,079	245,022	-	943
ParkShopping Global Ltda.	310	21,771	3	-	-
ParkShopping Canoas Ltda.	20,655	549,151	12,328	313,797	18,000
Multishopping Shopping Center Ltda	6	-	-	-	-
Parkshopping Jacarepaguá Ltda	1,261	209,273	13,646	-	-
Multiplan Greenfield XI Empr. Imob. Ltda.	3,011	88,475	4,590	137	8,580
Multiplan Greenfield XII Empr. Imob. Ltda.	101	8,161	2,241	-	-
Multiplan Greenfield XIII Empr. Imob. Ltda.	6	-	-	-	-
Multiplan Barra 1 Empr. Imob. Ltda.	64,075	435,527	3,318	2,123	37,683
Multiplan Morumbi 1 Empr. Imob. Ltda.	31,219	174,421	1,269	318	16,871
Multiplan Golden I Empr. Imob. Ltda.	739	29,976	857	13,330	-
Multiplan Golden II Empr. Imob. Ltda.	19	-	-	-	-
Multiplan Golden III Empr. Imob. Ltda.	8	-	-	-	-
Multiplan Golden IV Empr. Imob. Ltda.	39	-	-	-	-
Multiplan Golden V Empr. Imob. Ltda.	324	13,843	415	6,451	-
Multiplan Golden VI Empr. Imob. Ltda.	353	15,077	452	7,026	-
Multiplan Golden VII Empr. Imob. Ltda.	352	15,077	452	7,026	-
Multiplan Golden VIII Empr. Imob. Ltda.	315	13,467	403	6,275	-
Multiplan Golden IX Empr. Imob. Ltda.	151	4,329	130	2,017	-
Multiplan Golden X Empr. Imob. Ltda.	209	8,887	266	4,141	-
Multiplan Golden XI Empr. Imob. Ltda.	220	9,180	275	4,278	-
Multiplan Golden XII Empr. Imob. Ltda.	151	6,211	186	2,894	-
Multiplan Golden XIII Empr. Imob. Ltda.	368	15,809	474	7,367	-
Multiplan Golden XIV Empr. Imob. Ltda.	334	13,843	415	6,451	-
Multiplan Golden XV Empr. Imob. Ltda.	316	13,467	403	6,275	-
Multiplan Golden XVI Empr. Imob. Ltda.	374	15,809	474	7,367	-
Multiplan Golden XVII Empr. Imob. Ltda.	542	17,879	536	8,331	-
Multiplan Golden XVIII Empr. Imob. Ltda.	420	17,628	528	8,214	-
Multiplan XVI Empreendimento Imob. Ltda.	1	-	-	-	-
Multiplan XVII Empreendimento Imob. Ltda.	5	-	-	-	-
Multiplan XVIII Empreendimento Imob. Ltda.	1	-	-	-	-
Multiplan XIX Empreendimento Imob. Ltda.	1	-	-	-	-
Multiplan XX Empreendimento Imob. Ltda.	1	-	-	-	-
Balances at December 31, 2018	725,954	3,541,915	390,104	680,684	580,629

(a) In 2007, these companies' operations were transferred to the Company.

(b) Dormant company since 2003.

(c) Companies with buildings under construction.

(d) Income for the year of subsidiary Morumbi Business Center Empr. Imob. Ltda. basically arises from equity pickup due to the 50% interest held in subsidiary MPH Empreendimentos Imobiliários Ltda.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint ventures

In compliance with CPC 19 (R2), the information on joint ventures Manati Empreendimentos e Participações S.A. and Parque Shopping Maceió S.A., whose shareholders' agreements provide for shared control, was not proportionally consolidated.

The main information relating to the financial statements of the Company's joint ventures is as follows:

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A.	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Assets				
Current assets				
Cash and cash equivalents	232	200	15,586	20,738
Short-term investments	74	4	-	-
Accounts receivable	3,830	4,556	6,501	8,163
Accounts receivable from related parties	63	-	150	-
Taxes and contributions recoverable	222	113	1,501	1,657
Deferred costs	2,070	2,224	-	-
Sundry advances	-	-	428	428
Other	-	2	1,158	1,035
	6,491	7,099	25,324	32,021
Noncurrent assets				
Judicial deposits	48	-	55	-
Accounts receivable	110	22	-	21
Deferred income and social contribution taxes	5,316	4,701	-	-
Deferred costs	3,682	4,853	-	-
Other	-	-	-	298
Investment properties	48,475	49,473	244,102	244,694
Intangible assets	1,698	1,746	31	-
	59,329	60,795	244,188	245,013
Total assets	65,820	67,894	269,512	277,034

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint ventures (Continued)

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A.	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Liabilities				
Current liabilities				
Accounts payable	225	842	11,961	1,014
Loans and financing	-	-	676	11,312
Taxes and contributions payable	70	158	1,442	527
Dividends payable	-	-	1,785	4,760
Deferred revenue and costs	15	36	-	-
Other	-	127	311	535
	310	1,163	16,175	18,148
Noncurrent liabilities				
Loans and financing	-	-	43,124	52,220
Deferred income and social contribution taxes	-	-	17,006	14,526
Deferred revenues and costs	29	40	1,355	927
	29	40	61,485	67,673
Equity:				
Capital	73,758	73,758	182,505	182,505
Reserve for new investments	-	-	8,708	8,708
Prepaid interest on shareholders' equity	-	-	(15,360)	-
Accumulated losses	(7,067)	(5,723)	-	-
Income (loss) for the period and year	(1,210)	(1,344)	15,999	-
	65,481	66,691	191,852	191,213
Total liabilities and equity	65,820	67,894	269,512	277,034

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint ventures (Continued)

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A.	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Statement of income				
Net revenue	4,602	3,569	29,869	28,313
Cost of services	(6,672)	(5,076)	(6,350)	(7,170)
Gross profit (loss)	(2,070)	(1,507)	23,519	21,143
Administrative expenses - headquarters	(38)	(54)	-	-
Administrative expenses - properties	(211)	(378)	(154)	(118)
Parking	-	-	(930)	(855)
Other operating income	297	5	124	(2)
Income before finance income (costs)	(2,022)	(1,934)	22,559	20,168
Finance income (costs)	196	63	(3,104)	(4,066)
Income before income and social contribution taxes	(1,826)	(1,871)	19,455	16,102
Income and social contribution taxes				
Current	1	-	(978)	(1,009)
Deferred	615	636	(2,479)	(2,668)
Net (loss) income for the period	(1,210)	(1,235)	15,998	12,425

The financial information referring to the joint ventures was based on the trial balances presented by the Companies on the closing date for the period.

At September 30, 2019, the Company has no commitments assumed with its joint ventures. Additionally, these joint ventures have no contingent liabilities, comprehensive income and other disclosures required by CPC 45 - Disclosure of Interests in Other Entities (IFRS 12) other than those mentioned above.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

9. Investment properties

Changes in investment properties are as follows:

	Weighted average depreciation rate (%)	Individual									
		December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	January 1, 2019	Additions	Write-offs	Capitalized interest	Allocation	Depreciation	Transfers	September 30, 2019
(a)											
Cost											
Land		672,093	-	672,093	10,218	-	998	-	-	-	683,309
Buildings and improvements	2.25	2,975,950	-	2,975,950	329,758	-	-	-	-	20,412	3,326,120
(-) Accumulated depreciation		(622,795)	-	(622,795)	-	-	-	-	(47,100)	-	(669,895)
Net value		2,353,155	-	2,353,155	329,758	-	-	-	(47,100)	20,412	2,656,225
Facilities	15.88	432,070	-	432,070	25,419	(70)	-	-	-	1,656	459,075
(-) Accumulated depreciation		(277,567)	-	(277,567)	-	-	-	-	(26,919)	-	(304,486)
Net value		154,503	-	154,503	25,419	(70)	-	-	(26,919)	1,656	154,589
Machinery, equipment, furniture and fixtures	10	47,063	-	47,063	1,037	-	-	-	-	113	48,213
(-) Accumulated depreciation		(28,534)	-	(28,534)	-	-	-	-	(3,080)	-	(31,614)
Net value		18,529	-	18,529	1,037	-	-	-	(3,080)	113	16,599
Lease	12.6	-	48,576	48,576	-	-	-	-	-	-	48,576
(-) Accumulated depreciation		-	-	-	-	-	-	-	(4,602)	-	(4,602)
Net value		-	48,576	48,576	-	-	-	-	(4,602)	-	43,974
Other	10	9,859	-	9,859	493	-	-	-	-	-	10,352
(-) Accumulated depreciation		(4,839)	-	(4,839)	-	-	-	-	(654)	-	(5,493)
Net value		5,020	-	5,020	493	-	-	-	(654)	-	4,859
Construction in progress		194,698	-	194,698	87,755	-	2,702	-	-	(22,181)	262,974
Stores buyback		42,644	-	42,644	6,929	-	-	(2,416)	-	-	47,157
		3,440,642	48,576	3,489,218	461,609	(70)	3,700	(2,416)	(82,355)	-	3,869,686

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

Consolidated										
	Weighted average depreciation rate (%)	December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	January 1, 2019	Additions	Write-offs	Capitalized interest	Allocation	Depreciation	September 30, 2019
					(a)					
Cost										
Land		1,416,181	-	1,416,181	18,293	-	1,033	-	-	1,469,614
Buildings and improvements	2.23	4,877,434	-	4,877,434	331,666	-	-	-	-	5,248,764
(-) Accumulated depreciation		(774,466)	-	(774,466)	-	-	-	-	(76,817)	(851,283)
Net amount		4,102,968	-	4,102,968	331,666	-	-	-	(76,817)	4,397,481
Facilities	15.04	850,586	-	850,586	26,169	(76)	-	-	-	881,144
(-) Accumulated depreciation		(454,143)	-	(454,143)	-	-	-	-	(61,598)	(515,741)
Net value		396,443	-	396,443	26,169	(76)	-	-	(61,598)	366,224
Machinery, equipment, furniture and fixtures	10	76,613	-	76,613	1,515	-	-	-	-	78,280
(-) Accumulated depreciation		(39,601)	-	(39,601)	-	-	-	-	(5,533)	(45,134)
Net value		37,012	-	37,012	1,515	-	-	-	(5,533)	33,146
Lease	12.6	-	48,820	48,820	-	-	-	-	-	48,820
(-) Accumulated depreciation		-	-	-	-	-	-	-	(4,626)	(4,626)
Net value		-	48,820	48,820	-	-	-	-	(4,626)	44,194
Other	10	18,199	-	18,199	2,808	-	-	-	-	21,007
(-) Accumulated depreciation		(7,595)	-	(7,595)	-	-	-	-	(1,872)	(9,467)
Net value		10,604	-	10,604	2,808	-	-	-	(1,872)	11,540
Construction in progress		348,374	-	348,374	159,644	-	2,702	-	-	431,511
Stores buyback		49,785	-	49,785	7,056	-	-	(2,654)	-	54,187
		6,361,367	48,820	6,410,187	547,151	(76)	3,735	(2,654)	(150,446)	6,807,897

(a) On April 11, 2019, the Company acquired 20% of the ideal fraction of BH Shopping for the amount of R\$360 million, which was allocated as follows: Land - R\$9,492; Buildings - R\$322,656; Facilities - R\$23,803; Machinery, equipment, furniture and fixture - R\$880; Construction in progress - R\$2,341; Other - R\$828. In addition, construction works were performed in ParkJacarepagua - R\$63,926; Barrashopping Façade - R\$13,023; Barrashopping Kids Area - R\$4,436; Barrashopping Food court - R\$9,180; BHShopping Revitalization - R\$37,379; and ParkShopping Barigui Expansion - R\$4,150.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

Multiplan measured its investment properties internally at fair value based on the Discounted Cash Flow (DCF) method. The Company calculated the present value by using a discount rate following the Capital Asset Pricing Model (CAPM). Risk and return assumptions were considered based on studies published by Mr. Damodaran (New York University professor) relating to the stock market performance of the Company (beta), in addition to market prospects (Central Bank of Brazil - BACEN) and data on the risk premium of the domestic market (country risk).

In 2019, the Company updated its methodology to calculate the discount rate by aligning the country risk rate with market practices, and now uses the original unlevered beta before adjustments.

Based on these assumptions, the Company used a nominal, unlevered weighted average discount rate of 11.76% as of September 30, 2019, resulting from a statutory discount rate of 11.47% calculated in accordance with the CAPM model and, based on internal analyses, a spread from 0 to 150 base points was added to this rate, resulting in an additional weighted average spread of 29 base points in the valuation of each shopping mall, office towers and project.

Cost of equity	September 2019	December 2018	September 2018
Risk Free Rate	3.38%	3.38%	3.39%
Market risk premium	6.11%	6.11%	6.26%
Beta	0.78	0.87	0.87
Country risk	247 b.p.	300 b.p.	297 b.p.
Additional spread	29 b.p.	31 b.p.	33 b.p.
Cost of equity - US\$	10.38%	12.01%	12.15%

Inflation assumptions	September 2019	December 2018	September 2018
Inflation (BR) - (i)	3.68%	3.92%	4.04%
Inflation (USA)	2.40%	2.40%	2.40%
Cost of equity - R\$	11.76%	13.68%	13.95%

(i) Inflation (BR) of September 2018 refers to the weighted average of estimates for the period between October 2018 and September 2022. Inflation (BR) of September 2019 refers to the weighted average of estimates for the period between October 2019 and September 2023.

The investment properties valuation reflects the market participant concept. Thus, the Company does not consider, in the discounted cash flows calculation, taxes, income and expenses relating to administration and sales services.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

The future cash flow of the model was estimated based on the individual cash flows of shopping malls, expansions and office buildings, including the Net Operating Income (NOI), recurring Key money (based only on mix changes, except for future projects), Income from Transfer Charges, investments in revitalization, and construction in progress. Perpetuity was calculated considering a real growth rate of 2.0% for shopping malls and of 0.0% for office buildings.

The Company classified its investment properties in accordance with their statuses. The table below describes the amount identified for each category of property and presents the amount of assets in the Company's share:

	Individual		
	September 2019	December 2018	September 2018
Valuation of investment properties			
Shopping malls and office towers in operation	16,543,042	12,332,424	11,922,591
Projects in progress (not disclosed) (i)	152,820	148,176	146,548
	16,695,862	12,480,600	12,069,139
	Consolidated		
	September 2019	December 2018	September 2018
Valuation of investment properties			
Shopping malls and office towers in operation	21,924,918	16,404,973	16,032,840
Projects in progress (disclosed) (i)	277,284	208,101	181,224
Projects in progress (not disclosed) (i)	176,170	170,034	168,218
Total	22,378,372	16,783,108	16,382,282

(i) Projects in progress were valued at cost.

The interest of 37.5% held in Santa Úrsula Shopping Mall and 50.0% in the Parque Shopping Maceió project through joint ventures were not considered in the consolidated valuation.

No impairment indicators for investment properties were identified at September 30, 2019.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

10. Property and equipment

	Taxas anuais de depreciação (%)	Individual					
		December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	January 1, 2019	Additions	Write-offs	September 30, 2019
Cost							
Land	-	2,015	-	2,015	-	-	2,015
Buildings and improvements	4	5,145	-	5,145	-	-	5,145
(-) Accumulated depreciation		(1,960)	-	(1,960)	-	-	(2,116)
Net value		3,185	-	3,185	-	-	3,029
Facilities	10	3,908	-	3,908	14	-	3,922
(-) Accumulated depreciation		(2,776)	-	(2,776)	-	-	(269)
Net value		1,132	-	1,132	14	-	877
Machinery, equipment, furniture and fixtures	10	11,156	-	11,156	1,722	-	12,878
(-) Accumulated depreciation		(7,391)	-	(7,391)	-	-	(8,143)
Net value		3,765	-	3,765	1,722	-	4,735
Vehicles (a)	3,3 to 20	78,574	-	78,574	55	(18,631)	59,998
(-) Accumulated depreciation		(20,721)	-	(20,721)	-	18,631	(3,606)
Net value		57,853	-	57,853	55	-	56,392
Lease	1.6 to 7.4	-	6,019	6,019	-	-	6,019
(-) Accumulated depreciation		-	-	-	-	-	(1,246)
Net value		-	6,019	6,019	-	-	4,773
Other	10	9,788	-	9,788	5,977	-	15,765
(-) Accumulated depreciation		(2,118)	-	(2,118)	-	-	(517)
Net value		7,670	-	7,670	5,977	-	13,130
Construction in progress		-	-	-	719	-	719
		75,620	6,019	81,639	8,487	-	85,670

(a) The Company sold an aircraft for R\$14 million and this amount was recorded under "Other operating income" in the statement of income for the period. It should be noted that the recorded cost of the aircraft was R\$18,631 and was fully depreciated.

(b) The additions of R\$5,99 refers to the construction work performed at the Headquarters.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

10. Property and equipment (Continued)

Consolidated								
	Annual depreciation rates (%)	December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	January 1, 2019	Additions	Write-offs	Depreciation	September 30, 2019
Cost								
Land	-	4,442	-	4,442	-	-	-	4,442
Buildings and improvements	4	11,344	-	11,344	-	-	-	11,344
(-) Accumulated depreciation		(5,576)	-	(5,576)	-	-	(341)	(5,917)
Net value		5,768	-	5,768	-	-	(341)	5,427
Facilities	10	5,139	-	5,139	14	-	-	5,153
(-) Accumulated depreciation		(3,977)	-	(3,977)	-	-	(269)	(4,246)
Net value		1,162	-	1,162	14	-	(269)	907
Machinery, equipment, furniture and fixtures	10	12,849	-	12,849	1,721	-	-	14,570
(-) Accumulated depreciation		(9,109)	-	(9,109)	-	-	(752)	(9,861)
Net value		3,740	-	3,740	1,721	-	(752)	4,709
Vehicles (a)	3,3 to 20	78,574	-	78,574	55	(18,631)	-	59,998
(-) Accumulated depreciation		(20,723)	-	(20,723)	-	18,631	(1,516)	(3,608)
Net value		57,851	-	57,851	55	-	(1,516)	56,390
Lease	1.6 to 7.4	-	6,019	6,019	-	-	-	6,019
(-) Accumulated depreciation		-	-	-	-	-	(1,246)	(1,246)
Net value		-	6,019	6,019	-	-	(1,246)	4,773
Other	10	10,283	-	10,283	5,977	-	-	16,260
(-) Accumulated depreciation		(2,662)	-	(2,662)	-	-	(517)	(3,179)
Net value		7,621	-	7,621	5,977	-	(517)	13,081
Construction in progress		-	-	-	719	-	-	719
		80,584	6,019	86,603	8,486	-	(4,641)	90,448

(a) The Company sold an aircraft for R\$14 million and this amount was recorded under "Other operating income" in the statement of income for the period. It should be noted that the recorded cost of the aircraft was R\$18,631 and was fully depreciated.

(b) The additions of R\$5,99 refers to the construction work performed at the Headquarters.

No impairment indicators for property and equipment were identified at September 30, 2019 and December 31, 2018.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

11. Intangible assets

Intangible assets comprise system licenses and goodwill recorded by the Company on the acquisition of new interests in 2007 and 2008; a portion of these investments was subsequently merged. The goodwill presented below has an indefinite useful life.

	Annual amortization rates	Individual			
		December 31, 2018	Additions	Write-offs	September 30, 2019
Goodwill of merged companies (a)					
Bozano		118,610	-	-	118,610
Realejo		51,966	-	-	51,966
Multishopping		84,095	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)					
Brazilian Realty LLC.		33,202	-	-	33,202
Indústrias Luna S.A.		4	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems					
Software license (c)	10	104,107	11,494	(592)	115,009
Brands and patents		341	-	-	341
Accumulated amortization		(53,007)	-	-	(60,467)
		<u>51,441</u>	<u>11,494</u>	<u>(592)</u>	<u>54,883</u>
		<u>354,871</u>	<u>11,494</u>	<u>(592)</u>	<u>358,313</u>

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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(In thousands of reais, unless otherwise stated)

11. Intangible assets (Continued)

	Annual amortization rates	Consolidated			
		December 31, 2018	Additions	Write-offs	September 30, 2019
Goodwill of merged companies (a)					
Bozano		118,610	-	-	118,610
Realejo		51,966	-	-	51,966
Multishopping		84,095	-	-	84,095
		254,671	-	-	254,671
Goodwill on acquisition of new equity interests (b)					
Brazilian Realty LLC.		33,202	-	-	33,202
Indústrias Luna S.A.		4	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	2,970
		48,759	-	-	48,759
Right of use of systems					
Software license (c)	10	105,305	11,515	(592)	116,228
Brands and patents		442	-	-	442
Accumulated amortization		(53,538)	-	-	(61,085)
		52,209	11,515	(592)	55,585
		355,639	11,515	(592)	359,015

(a) Goodwill recorded has its origin in the acquisitions made in 2006. Such goodwill was based on the expected future profitability of these investments and were amortized through December 31, 2008.

(b) Goodwill recorded has its origin in the acquisitions made in 2007. Such goodwill was based on the expected future profitability of these investments and were amortized through December 31, 2008.

(c) To continue strengthening its internal control system and keeping a well-structured growth strategy, the Company has been engaging services of evaluation and implementation of new SAP features, in addition decision-making support systems, aimed at promoting greater efficiency, transparency and autonomy to the managers of the Company.

Goodwill based on future profitability does not have a determinable useful life, and hence is not amortized. The Company tests these assets for impairment on an annual basis.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

11. Intangible assets (Continued)

The other finite-lived intangible assets are amortized by the straight-line method based on the table above.

The impairment test for goodwill validation was conducted considering the projected cash flow of shopping malls that presented goodwill upon their establishment (cash generating unit). The assumptions used to prepare this cash flow are described in Note 9. In case of changes in the main assumptions used to determine the recoverable amount of cash-generating units, goodwill with indefinite useful life allocated to the cash-generating units plus the carrying amounts of investment properties (cash-generating units) would be substantially lower than the fair values of investment properties, i.e., there has been no indication of impairment losses in the cash-generating units since the last test conducted on the presentation of the financial statements for the year ended December 31, 2018.

12. Loans and financing

				Annual average interest rate	September 30, 2019		December 31, 2018	
				September 30, 2019	Individual	Consolidated	Individual	Consolidated
Index								
Current								
Santander	BHS Exp. V	(a)	TR	8.70%	-	-	12,389	12,389
	Multiplan Greenfield IV	(b)	TR	8.70%	-	18,753	-	17,704
Banco Itaú	Multiplan Greenfield II	(b)	TR	8.70%	-	18,243	-	17,223
	São Caetano	(c)	TR	7.40%	10,652	10,652	10,746	10,746
Banco do Brasil	VillageMall	(d)	TR	7.40%	27,265	27,265	27,511	27,511
	CCB 325	(e)	% of CDI	108.00%	-	-	25,463	25,463
	CCB 175	(f)	% of CDI	110.00%	22,761	22,761	22,790	22,790
	CCB 50	(g)	% of CDI	110.00%	10,219	10,219	10,232	10,232
Banco Bradesco	CCB 150	(h)	% of CDI	110.00%	30,658	30,658	30,696	30,696
	BarraShopping VII	(i)	TR	8.90%	11,456	11,456	11,500	11,500
	CCB 300	(j)	% of CDI	1.00%	8,612	8,612	2,849	2,849
	Canoas	(k)	TR	9.25%	-	19,161	-	7,819
Other	Cia. Real de Distribuição	(l)			53	53	53	53
	Funding costs				(4,768)	(6,212)	(4,941)	(6,384)
Subtotal current					116,908	171,621	149,288	190,591

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

				Annual average interest rate	September 30, 2019		December 31, 2018	
				September 30, 2019	Individual	Consolidated	Individual	Consolidated
Noncurrent								
	Multiplan Greenfield IV	(b)	TR	8.70%	-	113,512	-	127,375
	Multiplan Greenfield II	(b)	TR	8.70%	-	110,424	-	123,909
Banco Itaú	São Caetano	(c)	TR	7.40%	51,465	51,465	59,316	59,316
	VillageMall	(d)	TR	7.40%	138,325	138,325	158,404	158,404
Banco do Brasil	CCB 175	(f)	% of CDI	110.00%	77,955	77,955	77,955	77,955
	CCB 50	(g)	% of CDI	110.00%	35,000	35,000	35,000	35,000
	CCB 150	(h)	% of CDI	110.00%	105,000	105,000	105,000	105,000
	BarraShopping VII	(i)	TR	8.90%	43,181	43,181	51,630	51,630
Banco Bradesco	CCB 300	(j)	% of CDI	1.00%	300,000	300,000	300,000	300,000
	Canoas	(k)	TR	9.25%	-	299,885	-	313,813
Other	Cia. Real de Distribuição	(l)	-		258	258	297	297
	Funding costs		-		(9,136)	(19,102)	(12,712)	(23,760)
	Subtotal noncurrent				742,048	1,255,903	774,890	1,328,939
	Grand total				858,956	1,427,524	924,178	1,519,530

- (a) On November 19, 2009, the Company entered into a loan agreement with Banco ABN AMRO Real S.A., later merged by Banco Santander, for expansion of the area of BH Shopping, totaling R\$102,400. The corresponding charges included the Reference Rate (TR) plus 10% per annum, and repayment in 105 monthly consecutive installments beginning December 15, 2010. The loan is guaranteed by chattel mortgage of 35.31% of the property being financed, resulting in a valuation of R\$153,599 (on the date of execution of the agreement) for the portion assigned as guarantee, and amounts referring to receivables from lease and key money from the property being financed to which the Company is entitled were assigned in trust, which should correspond, at least, to 120% of one monthly installment until the total settlement of the debt. On August 28, 2013, the 1st amendment to the financing agreement was signed, amending: (i) the financial covenant of total bank debt/EBITDA lower than or equal to 4 times to "net bank debt"/EBITDA lower than or equal to 4 times, (ii) the transaction rate from TR + 10% p.a. to TR + 8.70% p.a.

Financial covenants of the agreement:

Total debt/Equity lower than or equal to 1;

Net bank debt/EBITDA lower than or equal to 4 x.

EBITDA used for calculation of the financial covenants follows the definitions established in the loan agreements.

On September 16, 2019, this financing was fully settled.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

- (b) On August 7, 2013, subsidiaries Multiplan Greenfield II Empreendimento Imobiliário Ltda. and Multiplan Greenfield IV Empreendimento Imobiliário Ltda. entered into a financing agreement with Banco Santander S.A. for construction of the Morumbi Corporate project located in São Paulo. The amount raised totaled R\$400,000, and each company became individually responsible for its stake in the project, i.e., 49.3104% for Multiplan Greenfield II and 50.6896% for Multiplan Greenfield IV. The financing was subject to charges of 8.70% per year plus TR, with repayment in 141 monthly installments beginning November 15, 2013. The total financing amount had been released at December 31, 2015. The loan is guaranteed by chattel mortgage of the portion of 0.4604509 of the property being financed, represented by a certain number of autonomous units, and amounts referring to receivables from lease of the property being financed to which the Company is entitled were assigned in trust, which should correspond, at least, to 120% of one monthly installment until the total settlement of the debt. In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiaries. This agreement does not provide for financial covenants.
- (c) On August 10, 2010, the Company conducted a Bank Credit Bill transaction for the construction of ParkShopping São Caetano, totaling R\$140,000, with Banco Itaú BBA S.A. This financing was subject to TR plus 9.75% per annum, with repayment in 99 monthly consecutive installments, beginning June 15, 2012. The total financing amount had been released at December 31, 2015. As guarantee for the loan, the amounts referring to receivables from lease and key money to use the stores of the project being financed were assigned in trust, which should correspond, at least, to 120% of one monthly installment, from the project launch to the total settlement of the debt. On September 30, 2013, the 1st amendment to the financing agreement was signed, amending: (i) the agreement's rate from Referential Rate (TR) + 9.75% p.a. to TR + 9.35% p.a., and (ii) the final amortization deadline from August 15, 2020 to August 15, 2025. On August 29, 2019, the 2nd amendment to the financing agreement was signed reducing the contract rate to pre-determined levels that vary according to the Selic rate, as shown in the table below:

Range	Contractual rate
Selic ≤ 6.5%	TR + 7.40%
Selic from >6.5% to <7.25%	TR + 7.90%
Selic from ≥7.25% to ≤8.25%	TR + 8.60%
Selic > 8.25%	TR + 9.00%

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Notes to quarterly information (Continued)
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12. Loans and financing (Continued)

- (d) On November 30, 2010, the Company conducted a Bank Credit Bill transaction for the construction of Shopping Village Mall, totaling R\$270,000, with Banco Itaú BBA S.A. This financing was subject to TR plus 9.75% per annum, with repayment in 114 monthly consecutive installments, beginning March 15, 2013. The total financing amount had been released at December 31, 2015, including the additional amount of R\$50,000, raised under an addendum dated July 4, 2012. As guarantee for the loan, the Company pledged the land and all accessions, constructions, facilities and improvements existing therein or that may be added thereto, valued at that time at R\$370,000. Additionally, the amounts referring to receivables from lease and key money of the right to use the stores of the project being financed were assigned in trust, which should correspond, at least, to 100% of one monthly installment, from January 2015 to the total settlement of the debt. On July 4, 2012, the Company signed an addendum to the bank credit bill for construction of Shopping VillageMall, which amended the following: (i) the total amount contracted from R\$270,000 to R\$320,000, (ii) the covenant of net debt to EBITDA from 3.0x to 3.25x, and (iii) the starting date for checking the restricted account from January 30, 2015 to January 30, 2017. On September 30, 2013, the 2nd amendment to the financing agreement was executed, amending: (i) the agreement's rate from TR + 9.75% p.a. to TR + 9.35% p.a., (ii) the final repayment deadline from November 15, 2022 to November 15, 2025, and (iii) the net debt/EBITDA covenant from 3.25x times to 4.0x times.

On August 29, 2019, the 2nd amendment to the financing agreement was signed reducing the contract rate to pre-determined levels that vary according to the Selic rate, as shown in the table below:

Range	Contract rate
Selic ≤ 6.5%	TR + 7.40%
Selic from >6.5% to <7.25%	TR + 7.90%
Selic from ≥7.25% to ≤8.25%	TR + 8.60%
Selic > 8.25%	TR + 9.00%

All other clauses from the original agreement remained unchanged.

Financial covenants of the agreement:

Net debt/EBITDA lower than or equal to 4.0x.

EBITDA/Net finance costs higher than or equal to 2x.

EBITDA used for calculation of the financial covenants follows the definitions established in the loan agreements.

At September 30, 2019, the Company was compliant with all covenants set forth in the financing agreement.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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12. Loans and financing (Continued)

- (e) On September 19, 2016, the Company signed 13 Bank Credits Bills (CCB) with Banco Itaú BBA, in the total amount of R\$325,000 in order to consolidate its cash position. No guarantee was given for such instruments. The interest is payable semiannually and the principal in one installment, on September 19, 2019. On June 16, 2017, the Company settled in advance the amount of R\$300,000 and the corresponding interest so that only one of the CCBs in the amount of R\$25,000 remained outstanding. This settlement was made on the contract curve, without penalties, as provided for in the transaction instruments.

Start date	Final date	Amount	Interest rate
09/19/2016	09/19/2019	25,000	108.00% CDI

Financial covenants of the agreement:

Net debt/EBITDA lower than or equal to 4.0x

EBITDA/Net finance costs ≥ 2 x

EBITDA used for calculation of the financial covenants follows the definitions established in the loan agreements.

On September 19, 2019, this CCB was fully settled.

- (f) On January 19, 2012, the Company entered into a bank credit bill with Banco do Brasil in the total amount of R\$175,000, in order to consolidate its cash position. No guarantee was given for such instrument. On December 8, 2015, an addendum to the CCB was signed whereby the maturity date of the principal debt and the financial covenants were renegotiated. The new aging list shown below. Interest will be paid quarterly and the principal as follows:

Start date	Final date	Amount	Interest rate	Status
01/19/2012	12/01/2014	31,819	110.0% CDI	Paid
01/19/2012	12/01/2015	31,818	110.0% CDI	Paid
01/19/2012	12/01/2017	5,568	110.0% CDI	Paid
01/19/2012	12/01/2018	5,568	110.0% CDI	Paid
01/19/2012	12/01/2019	22,273	110.0% CDI	Falling due
01/19/2012	12/01/2020	33,409	110.0% CDI	Falling due
01/19/2012	12/01/2021	44,545	110.0% CDI	Falling due

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Notes to quarterly information (Continued)
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12. Loans and financing (Continued)

Financial covenants of the agreement:

Net debt/EBITDA lower than or equal to 4.0x.

EBITDA used for calculation of the financial covenants follows the definitions established in the loan agreements.

On September 30, 2019, the Company was compliant with all covenants set forth in the bank credit bill.

- (g) On October 31, 2012, the Company signed a bank credit note (CCB) with Banco do Brasil S/A, in the total amount of R\$50,000, in order to consolidate its cash position. No guarantee was given for such instrument. Interest will be paid quarterly and principal in a lump sum, on October 30, 2017. On December 8, 2015, an addendum to the CCB was signed, whereby the principal debt maturity was renegotiated. The new aging list shown below. Interest will be paid quarterly and the principal as follows:

Start date	Final date	Amount	Interest rate	Status
10/31/2012	12/01/2017	2,500	110.0% CDI	Paid
10/31/2012	12/01/2018	2,500	110.0% CDI	Paid
10/31/2012	12/01/2019	10,000	110.0% CDI	Falling due
10/31/2012	12/01/2020	15,000	110.0% CDI	Falling due
10/31/2012	12/01/2021	20,000	110.0% CDI	Falling due

Financial covenants of the agreement:

Net debt/EBITDA lower than or equal to 4.0x.

EBITDA used for calculation of the financial covenants follows the definitions established in the loan agreements.

At September 30, 2019, the Company was compliant with all covenants set forth in the financing agreement.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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12. Loans and financing (Continued)

- (h) On December 23, 2015, the Company signed a bank credit bill (CCB) with Banco do Brasil S/A, in total amount of R\$150,000, in order to consolidate its cash position. No guarantee was given for such instrument. Interest will be paid on a quarterly basis and principal according to the aging list below. Interest is payable on a quarterly basis.

Start date	Final date	Amount	Interest rate	Status
12/30/2015	12/01/2017	7,500	110.0% CDI	Paid
12/30/2015	12/01/2018	7,500	110.0% CDI	Paid
12/30/2015	12/01/2019	30,000	110.0% CDI	Falling due
12/30/2015	12/01/2020	45,000	110.0% CDI	Falling due
12/30/2015	12/01/2021	60,000	110.0% CDI	Falling due

Financial covenants of the agreement:

Net debt/EBITDA lower than or equal to 4.0x.

EBITDA used for calculation of the financial covenants follows the definitions established in the loan agreements.

At September 30, 2019, the Company was compliant with all covenants set forth in the financing agreement.

- (i) On October 16, 2014, the Company entered into a credit facility agreement with Banco do Brasil S/A for construction of the seventh expansion of BarraShopping, located in the city of Rio de Janeiro, which was completed in 2014. The total amount contracted was R\$100,000. This financing bears interest of 8.90% p.a., plus the Reference Rate (TR), with repayment in 108 monthly installments beginning August 15, 2015. As guarantee for the loan, a Bank Deposit Certificate (CDB) corresponding to 120% of the amount of a monthly installment was assigned in trust, until the full settlement of the debt.

Financial covenants of the agreement:

Net debt/EBITDA lower than or equal to 4.0x.

EBITDA used for calculation of the financial covenants follows the definitions established in the loan agreements.

At September 30, 2019, the Company was compliant with all covenants set forth in the financing agreement.

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Notes to quarterly information (Continued)
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12. Loans and financing (Continued)

- (j) On December 11, 2012, the Company signed a bank credit bill with Banco Bradesco S/A in the total amount of R\$300,000, in order to consolidate its cash position. No guarantee was given for such instrument. On July 31, 2017, an addendum to the agreement was executed, extending the terms of payment of the principal as per the table below. The interest rates remain payable on a half-yearly basis.

Start date	Final date	Amount	Interest rate
12/11/2012	11/09/2020	R\$100,000	CDI + 1.0% p.a.
12/11/2012	11/09/2021	R\$200,000	CDI + 1.0% p.a.

There are no financial covenants for this contract.

- (k) On May 25, 2015, the subsidiary ParkShopping Canoas Ltda entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkShopping Canoas project in the city of Canoas, state of Rio Grande do Sul. The total amount contracted was R\$280,000 and this financing bears interest of 9.25% p.a., plus the Reference Rate (TR), payable in 144 monthly installments beginning April 25, 2019. As guarantee for the loan, the subsidiary provided a mortgage on 80% of the property for which the financing was obtained, and assigned 80% of the receivables from lease of this property in trust, which should correspond to at least 120% of the amount of one monthly installment until full settlement of the debt. In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiary. On July 24, 2016, the Company signed an addendum to the credit facility agreement collateralized by a mortgage for construction of the ParkShopping Canoas project in the city of Canoas, which sets forth the following: (i) maturity of the first installment on August 25, 2019, (ii) reduction of the term of return to 140 months, (iii) debt maturity on March 25, 2031, and (iv) final term for the construction work on August 25, 2017.
- (l) The balance payable to Companhia Real de Distribuição arises from the intercompany loan with the merged subsidiary Multishopping to finance the construction of BarraShopping Sul, to be settled in 516 monthly installments of R\$4, as from the hypermarket inauguration date in November 1998, not subject to interest or monetary restatement.

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Notes to quarterly information (Continued)
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12. Loans and financing (Continued)

On September 19, 2019, the Company entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkJacarepaguá project in the city of Rio de Janeiro. The total financing amount was R\$350,000 and the corresponding charges include TR+5.15% per annum in the first 15 months and, after this period, 105.85% of the CDI until the financing term expires. For the first 15 months, a financial instruments (swap) was taken out changing the update at TR+5.15% per annum provided for in the contract to 105.85% of the CDI. There will be a grace period for principal and interest in the first 15 months. After this period, in the next twelve months, there will still be a grace period for principal with normal payment of interest. The debt repayment period will begin on October 01, 2022, through 166 monthly repayment installments plus interest. As collateral for the loan, subsidiary ParkJacarepaguá Empreendimento Imobiliário Ltda. provided a mortgage on 91% of the property for which the financing was obtained, and assigned 91% of the receivables from lease of this property in trust, which should correspond to at least 100% of the amount of one monthly installment until full settlement of the debt.

The first loan portion was released on October 21, 2019.

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Loans and financing				
2020	205,548	219,854	241,967	297,548
2021 onwards	545,635	1,055,151	545,635	1,055,151
Subtotal - Loans and financing	751,183	1,275,005	787,602	1,352,699
Funding costs				
2020	(1,192)	(1,553)	(4,768)	(6,212)
2021 onwards	(7,943)	(17,549)	(7,944)	(17,548)
Subtotal – Funding costs	(9,135)	(19,102)	(12,712)	(23,760)
Total - Loans and financing	742,048	1,255,903	774,890	1,328,939

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

Reconciliation of changes in equity to cash flows from financing activities

Individual

	Loans and financing	Debentures	Interest on equity	Capital	Total
Balances at December 31, 2018	924,178	1,294,202	129,551	5,335,980	7,683,911
Changes in cash flows from financing	-	-	-	-	-
Payment of loans	(73,762)	-	-	-	(73,762)
Payment of interest on loans and financing	(46,982)	-	-	-	(46,982)
Debenture funding costs	-	(1,162)	-	-	(1,162)
Payment of charges on debentures	-	(41,634)	-	-	(41,634)
Debentures issued	-	350,000	-	-	350,000
Payment of interest on shareholders' equity	-	-	(129,528)	-	(129,528)
Exercise of stock options	-	-	-	39,615	39,615
Total changes in cash flows from financing	(120,744)	307,204	(129,528)	39,615	96,547
Other changes					
Allocation of interest on loans and financing raised	48,155	-	-	-	48,155
Capitalization of interest	3,619	-	-	-	3,619
Allocated funding costs	3,748	-	-	-	3,748
Allocation of debenture charges	-	71,317	-	-	71,317
Debenture funding costs	-	3,161	-	-	3,161
Stock options granted	-	-	-	10,533	10,533
Provision for interest on shareholders' equity	-	-	165,512	-	165,512
P&L	-	-	-	138,941	138,941
Total other changes	55,522	74,478	165,512	149,474	444,986
Balances at September 30, 2019	858,956	1,675,884	165,535	5,525,069	8,225,444

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

September 30, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

Reconciliation of changes in equity to cash flows from financing activities (Continued)

Consolidated

	Loans and financing	Debentures	Interest on equity	Capital	Noncontrolling interest	Total
Balances at December 31, 2018	1,519,530	1,294,202	129,551	5,335,980	16,207	8,295,470
Changes in cash flows from financing						
Payment of loans	(100,275)	-	-	-	-	(100,275)
Payment of interest on loans and financing	(86,840)	-	-	-	-	(86,840)
Debenture funding costs	-	(1,162)	-	-	-	(1,162)
Payment of charges on debentures	-	(41,634)	-	-	-	(41,634)
Debentures issued	-	350,000	-	-	-	350,000
Exercise of stock options	-	-	-	39,615	-	39,615
Payment of interest on equity	-	-	(129,528)	-	-	(129,528)
Non-controlling interest	-	-	-	-	1,123	1,123
Total changes in cash flows from financing	(187,115)	307,204	(129,528)	39,615	1,123	31,299
Other changes						
Allocation of interest on loans and financing raised	86,660	-	-	-	-	86,660
Capitalization of interest	3,619	-	-	-	-	3,619
Allocated funding costs	4,830	-	-	-	-	4,830
Debenture funding costs	-	3,161	-	-	-	3,161
Allocation of debenture charges	-	71,317	-	-	-	71,317
Stock options granted	-	-	-	10,533	-	10,533
Non-controlling interest	-	-	-	-	(1,761)	(1,761)
Provision for interest on shareholders' equity	-	-	165,512	-	-	165,512
P&L	-	-	-	138,941	-	138,941
Total other changes	95,109	74,478	165,512	149,474	(1,761)	482,812
Balances at September 30, 2019	1,427,524	1,675,884	165,535	5,525,069	15,569	8,809,581

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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12. Loans and financing (Continued)

“EBITDA” and “EBIT” are part of the Company's main indexes, as they are important performance metrics and certain covenants (loans, financing and debentures) for users of quarterly information.

In order to comply with the terms of paragraph 2 of article 2 of CVM Rule No. 527/12, we state below the reconciliation of EBITDA and EBIT amounts for the quarters ended September 30, 2019 and 2018.

	September 30, 2019		September 30, 2018	
	Individual	Consolidated	Individual	Consolidated
Net income for the year	328,941	328,710	360,906	360,255
Noncontrolling interest	-	(1,761)	-	(1,735)
Income and social contribution taxes	37,135	69,573	61,106	93,068
Finance income (costs), net	90,243	115,243	79,990	107,040
EBIT	456,319	511,765	502,002	558,628
Depreciation and amortization	94,670	163,304	85,668	152,621
EBITDA	550,989	675,070	587,670	711,249

13. Accounts payable

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Trade accounts payable	20,005	42,184	24,274	57,293
Leases (*)	48,760	48,791	-	-
Contractual retentions	4,538	9,025	2,941	6,310
Indemnification payable	8,476	8,849	10,064	13,012
Labor obligations	42,750	42,869	42,286	43,730
	124,529	151,718	79,565	120,345
Current	84,040	111,039	79,565	120,345
Noncurrent	40,489	40,679	-	-

(*) As disclosed in Note 2.4, the first-time adoption impacts at January 1, 2019 on individual and consolidated were R\$54,595 (R\$8,309 classified as current and R\$46,286 as noncurrent) and R\$54,839 (R\$8,340 classified as current and R\$46,499 as noncurrent), respectively.

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Notes to quarterly information (Continued)
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14. Debentures

The debentures are broken down as follows:

	Individual and Consolidated	
	09/30/2019	12/31/2018
Current liabilities		
3rd Issue - Debentures	212,968	205,878
4th Issue - Debentures	5,114	773
5th Issue - Debentures	5,185	843
6th Issue - Debentures	7,723	2,625
7th Issue - Debentures	8,811	-
Subtotal	239,801	210,119
Funding cost - 3rd issue	(688)	(688)
Funding cost - 4th issue	(2,052)	(2,052)
Funding cost - 5th issue	(1,133)	(1,133)
Funding cost - 6th issue	(249)	(249)
Funding cost - 7th issue	(165)	-
Total - Funding cost	(4,288)	(4,122)
Total - Current liabilities	235,514	205,997
Noncurrent liabilities		
3rd Issue - Debentures	200,000	200,000
4th Issue - Debentures	300,000	300,000
5th Issue - Debentures	300,000	300,000
6th Issue - Debentures	300,000	300,000
7th Issue - Debentures	350,000	-
Subtotal	1,450,000	1,100,000
Funding cost - 3rd issue	(57)	(573)
Funding cost - 4th issue	(4,618)	(6,157)
Funding cost - 5th issue	(3,115)	(3,965)
Funding cost - 6th issue	(913)	(1,100)
Funding cost - 7th issue	(927)	-
Total - Funding cost	(9,630)	(11,795)
Total - Noncurrent liabilities	1,440,370	1,088,205

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Notes to quarterly information (Continued)
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14. Debentures (Continued)

Third issue of debentures for primary public distribution

On October 15, 2014, the Company completed the 3rd issue of debentures for primary public distribution, in the amount of R\$400,000, whereby 40,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$10. The transaction will be repaid in two equal installments at the end of the fifth and sixth year bearing semi-annual interest. The final issue price was set on September 25, 2014 through the bookbuilding procedure, with yield set at 100% of the accumulated fluctuation of average daily DI rates increased on a compound basis by a spread or surcharge of 0.87% p.a. The total estimated debenture transaction cost was R\$1,777. The net proceeds obtained by the Company with this debenture issue will be fully used for the following (i) early redemption of the total simple, non-convertible, unsecured, single-series debentures of the Company's second issue; and (ii) the remaining balance for payment of general expenses and settle short- and long-term debts and/or consolidate working capital of the Company and/or its subsidiaries.

The financial covenants of these debentures are as follows: (i) net debt/EBITDA lower than or equal to 4.0; (ii) EBITDA/net finance cost higher than or equal to 2.0.

Interest was paid as follows: (i) R\$24,491 on April 15, 2015; (ii) R\$28,307 on October 15, 2015; (iii) R\$28,950 on April 15, 2016; (iv) R\$29,421 on October 17, 2016; (v) R\$27,016 on April 17, 2017; (vi) R\$20,677 on October 16, 2017; (vii) R\$15,110 on April 16, 2018; (viii) R\$14,374 on October 15, 2018; and (ix) R\$14,160 on April 15, 2019; (x) R\$14,074 on October 15, 2019.

On October 15, 2019, the principal was paid amounting to R\$200,000.

At September 30, 2019, the Company had met all the covenants determined in the indenture.

Fourth issue for primary private distribution of debentures for investment and issue of mortgage bonds (CRI)

On December 13, 2016, the Company completed the 4th issue of debentures for primary private distribution, in the amount of R\$300,000, whereby 300,000 simple, non-convertible, book-entry, registered, single-series debentures were issued, with security interest. The fourth issue debentures were subscribed and paid-in on December 29, 2016 by the subsidiary Multiplan Greenfield XII at their par value. Subsidiary Multiplan Greenfield XII, in turn, issued a mortgage bond and fully granted such bonds to Cibrasec (Securitization Company), which performed public distribution, on a firm guarantee basis, at a par value of R\$1. This transaction will be repaid in a single installment at the end of the sixth year and bear semi-annual interest. The final issue price was set on December 8, 2016 through the bookbuilding procedure, with yield set at 95% of the accumulated fluctuation of average daily DI rates. The total estimated funding cost was R\$10,421.

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14. Debentures (Continued)

Fourth issue for primary private distribution of debentures for investment and issue of mortgage bonds (CRI) (Continued)

The Company's net proceeds from this debenture issue will be fully used directly or through its subsidiaries, through the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping malls and/or real estate developments, as described in the Indenture of Issue of Debentures and in the amendments thereto: ParkJacarepaguá, BarraShopping, VillageMall, Village Corporate, RibeirãoShopping, Pátio Savassi and Residencial Porto Alegre.

Chattel mortgage of the indivisible part of 39.77% of the property registered under number 37.850 at the Real Estate Notary Office of the 5th Region of Porto Alegre was given as guarantee; this registration number includes the sub-condominium BarraShoppingSul. For this transaction no other collaterals have been recognized and no financial covenants have been established.

Interest was paid as follows: (i) R\$15,182 on June 13, 2017; (ii) R\$12,070 on December 13, 2017; (iii) R\$9,031 on June 13, 2018; (iv) R\$9,035 on December 13, 2018; and (v) R\$8,827 on June 13, 2019.

At September 30, 2019, the Company had met all the covenants determined in the indenture.

Fifth issue for primary private distribution of debentures for investment and issue of CRI

On June 6, 2017, the Company completed the 5th issue of debentures for primary private distribution, in the amount of R\$300,000, whereby 300,000 simple, non-convertible, book-entry, registered, single-series debentures were issued, with security interest. The fifth issue debentures were subscribed and paid-in on June 14, 2017 by the subsidiary Multiplan Greenfield XII at par value. Subsidiary Multiplan Greenfield XII, in turn, issued a mortgage bond and fully granted such bonds to Cibrasec (Securitization Company), which performed public distribution, on a firm guarantee basis, at a par value of R\$1. This transaction will be repaid in a single installment at the end of the sixth year and bear semi-annual interest. The final issue price was set on June 2, 2017 through the bookbuilding procedure with yield set at 95% of the accumulated fluctuation of average daily DI rates. The total estimated funding cost was R\$5,946.

The Company's net proceeds from this debenture issue will be fully used directly or through its subsidiaries, through the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping malls and/or real estate developments, as described in the Indenture of Issue of Debentures and in the amendments thereto: ParkJacarepaguá, BarraShopping, VillageMall, Village Corporate, ParkShoppingBarigui, ParkShoppingCanoas, DiamondMall and MorumbiShopping.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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14. Debentures (Continued)

Fifth issue for primary private distribution of debentures for investment and issue of CRI (Continued)

Chattel mortgage of the indivisible part of 39.77% of the property registered under number 37.850 at the Real Estate Notary Office of the 5th Region of Porto Alegre was given as guarantee; this registration number includes the sub-condominium BarraShoppingSul. For this transaction no other collaterals have been recognized and no financial covenants have been established.

Interest was paid as follows: (i) R\$12,105 on December 12, 2017; (ii) R\$9,036 on June 12, 2018; (iii) R\$9,035 on December 12, 2018; and (iv) R\$8,827 on June 12, 2019.

At September 30, 2019, the Company had met all the covenants determined in the indenture.

Sixth issue of debentures for primary public distribution

On May 10, 2018, the Company completed the 6th issue of debentures for primary public distribution, in the amount of R\$300,000, whereby 30,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$10. The transaction will be repaid in a single installment at the end of sixth year, bearing semi-annual interest. The final issue price was set on May 30, 2018 through the bookbuilding procedure, with yield set at 107.25% of the accumulated fluctuation of average daily DI rates. The total estimated funding cost was R\$1,494. The net proceeds obtained by the Company with this debenture issue will be fully used to pay general expenses and settle short- and long-term debts and/or consolidate the working capital of the Company and/or its subsidiaries.

The financial covenants of these debentures are as follows: (i) net debt/EBITDA lower than or equal to 4.0; (ii) EBITDA/net finance cost higher than or equal to 2.0.

Interest was paid as follows: (i) R\$8,830 on November 12, 2018; and (ii) R\$9,820 on May 10, 2019.

At September 30, 2019, the Company had met all the covenants determined in the indenture.

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Notes to quarterly information (Continued)
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14. Debentures (Continued)

Seventh issue of debentures for primary public distribution

On April 25, 2019, the Company completed the seventh issue of debentures for primary public distribution, in the amount of R\$350,000, whereby 35,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$10. The transaction will be repaid in two equal installments at the end of the sixth and seventh years, bearing semi-annual interest. The final issue price was set on May 8, 2019 through the bookbuilding procedure, with yield set at 106.00% of the accumulated fluctuation of average daily DI rates. Total funding cost was R\$1,162. The Company's net proceeds from this debenture issue will be fully used to: (i) invest in new developments and expand existing developments, (ii) acquire non-controlling interests, and (iii) pay general expenses and settle short- and long-term debts and/or consolidate the working capital of the Company and/or its subsidiaries.

The financial covenants of these debentures are as follows: (i) net debt/EBITDA lower than or equal to 4.0; (ii) EBITDA/net finance cost higher than or equal to 2.0.

At September 30, 2019, the Company had met all the covenants determined in the indenture.

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Notes to quarterly information (Continued)
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15. Property acquisition obligations

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Current				
Attached land – Jacarepaguá (a)	-	-	-	4,100
Stake in PKB (b)	-	-	-	4,095
Jockey (c)	-	4,997	-	5,198
Usiminas (d)	30,304	30,304	-	-
Other	269	269	269	269
	30,573	35,570	269	13,662
Noncurrent				
Jockey (c)	-	5,987	-	9,044
	-	5,987	-	9,044
Total	30,573	41,557	269	22,706

- (a) Through the Deed of Purchase and Sale executed on April 13, 2018, the Company, through subsidiary ParkShopping Jacarepaguá Ltda., acquired from CCISA05 Incorporadora Ltda. 91% of a plot of land with 17,994.20 square meters, located in the city of Rio de Janeiro, for R\$16,375. This amount will be settled as follows: (i) down payment of R\$1,365 payable within five business days after execution of the deed and (ii) R\$15,010 in 11 consecutive and equal monthly installments of R\$1,365, being the first payable within 30 days after the down payment and first installment, and the remaining installments on the same day of the subsequent months. The portion of item (ii) above will bear interest, calculated from the deed execution date until the due dates, based on variation of the CDI rate (100%). The amount was fully settled on March 20, 2019.
- (b) By means of a Private Purchase and Sale Commitment Instrument executed on January 11, 2017, consolidated in the Public Deed of Purchase and Sale drawn up on April 2, 2019, the Company acquired, through its subsidiary Multiplan Greenfield XI Empreendimento Imobiliário Ltda, 9.333% of the ideal fraction of ParkShopping Barigui held by Invest Bens Administradora de Bens S/A for the fixed and adjusted price of R\$91,000, with payment in 24 monthly and consecutive installments, with the first due 30 days after the execution of referred to instrument. Installments will bear interest calculated based on the variation of the CDI rates (100%). The amount was fully settled on January 11, 2019.
- (c) By means of the Deeds for Purchase and Sale and Deed of Novation and Acknowledgment of Debt with Promise of Accord and Satisfaction and other Covenants, executed on November 9, 2016, and subsequent addenda, the Company, through its subsidiaries Multiplan Golden I Empreendimento Imobiliário Ltda, Multiplan Golden V Empreendimento Imobiliário Ltda, Multiplan Golden VI Empreendimento Imobiliário Ltda, Multiplan Golden VII Empreendimento Imobiliário Ltda, Multiplan Golden VIII Empreendimento Imobiliário Ltda, Multiplan Golden IX Empreendimento Imobiliário Ltda, Multiplan Golden X Empreendimento Imobiliário Ltda, Multiplan Golden XI Empreendimento Imobiliário Ltda, Multiplan Golden XII Empreendimento Imobiliário Ltda, Multiplan Golden XIII Empreendimento Imobiliário Ltda, Multiplan Golden XIV Empreendimento Imobiliário Ltda, Multiplan Golden XV Empreendimento Imobiliário Ltda, Multiplan Golden XVI Empreendimento Imobiliário Ltda, Multiplan Golden XVII Empreendimento Imobiliário Ltda and Multiplan Golden XVIII Empreendimento Imobiliário Ltda, acquired from Jockey Club do Rio Grande do Sul ("Jockey") 166,979,355 m² in Porto Alegre, state of Rio Grande do Sul (RS), for R\$164,644, through handover of five (5) "pro soluto" promissory notes, amounting to R\$89,861, R\$19,966, R\$28,245, R\$3,000 and R\$23,572.
- These promissory notes have been replaced as follows: (i) R\$89,861 through payment of all independent units of the commercial venture to be built with an approximate area of 13,723.93 square meters in the referred to land; (ii) R\$19,966 through the obligation to build new stalls in the Vila Hípica, in the property owned by the Jockey Club; (iii) R\$27,852 already paid in cash; (iv) R\$3,000 also already paid in cash; and (v) R\$23,572, in the monthly amount of R\$393. This amount will be annually restated, based on May 2016, by reference to the General Market Price Index (IGP-M) disclosed by Getúlio Vargas Foundation (FGV).
- (d) Through the public deed of purchase and sale executed on April 11, 2019, the Company acquired the fraction of 20.00% of BH Shopping held by Previdência Usiminas, for the agreed price of R\$360,000. The payment will be as follows: (i) downpayment of R\$330,000 on April 11, 2019; and (ii) a single installment of R\$30,000 payable until April 11, 2020. The remaining outstanding balance will be adjusted by the positive variation of the Extended Consumer Price Index (IPCA) disclosed by the Brazilian Institute of Geography and Statistics (IBGE), up to the date of its settlement.

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Notes to quarterly information (Continued)
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15. Property acquisition obligations (Continued)

Noncurrent property acquisition obligations mature by 2021.

	September 30, 2019	December 31, 2018
2020	1,249	4,642
2021	4,738	4,402
	5,987	9,044

16. Taxes and contributions, net

	Individual		Consolidated	
	2019	2018	2019	2018
Taxes recoverable				
IR, IRRF and CS to be offset	58,851	67,578	68,767	78,555
PIS and COFINS to be offset	358	45	1,383	1,139
Other taxes recoverable	2,310	2,765	2,571	3,025
Total	61,519	70,388	72,721	82,719
Taxes and contributions payable				
PIS/COFINS	7,558	10,003	15,441	17,917
ISS	-	-	1,190	1,783
IR e CS payable	36,278	50,745	52,652	67,431
Other	-	-	1,505	1,451
Total	43,836	60,748	70,788	88,582
Current assets	24,914	19,639	27,479	23,081
Current liabilities	7,231	9,999	25,546	28,944

17. Provision for contingencies and judicial deposits

17.1. Provision for contingencies

	Individual				
Provision for contingencies	December 31, 2018	Additions	Write-offs	Monetary accrual	September 30, 2019
Civil (a)	1,419	780	(475)	2	1,726
Labor	2,944	1,826	(1,357)	354	3,767
Tax	241	-	-	-	241
	4,604	2,606	(1,832)	356	5,734

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Notes to quarterly information (Continued)
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(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Provision for contingencies	Consolidated				September 30, 2019
	December 31, 2018	Additions	Write-offs	Restatement	
Civil (a)	8,620	822	(496)	(839)	8,107
Labor	3,086	1,989	(1,389)	401	4,087
Tax	304	-	-	-	304
	12,010	2,811	(1,885)	(438)	12,498

The provision for contingencies was set up to cover probable losses on administrative and legal proceedings related to civil, tax and labor matters, at an amount deemed sufficient by management, based on the opinion of its attorneys and legal advisors, as follows:

- (a) The legal advisors rated the likelihood of loss on certain legal proceedings related to real estate contract terminations as probable, totaling R\$6,224 at September 30, 2019 (R\$6,581 at December 31, 2018).

The remaining balance of provisions for civil contingencies consists of various claims in insignificant amounts filed against the shopping malls in which the Company holds equity interest.

Contingencies with likelihood of loss rated as possible

The Company is defendant in various tax, administrative, labor and civil proceedings, whose likelihood of loss is assessed by its legal advisors as possible, estimated at R\$83,426 at September 30, 2019 (R\$56,407 at December 31, 2018), as follows:

	Consolidated	
	September 30, 2019	December 31, 2018
Tax	68,506	33,862
Civil and administrative	7,814	7,578
Labor	7,106	14,967
Total	83,426	56,407

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Notes to quarterly information (Continued)
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17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Tax

ITBI (Property Transfer Tax) collection arising from full merger of companies that own properties. The disputes regarding levy of this tax are concentrated in the municipalities of São Paulo (R\$6,249), Belo Horizonte (R\$13,968) and Brasília (R\$2,205); in all cases, the Company claims acknowledgment of the non-levy of ITBI based on the provisions of article 37, paragraph 4, of the Brazilian Tax Code.

The outcome of disputes in Brasília was unfavorable at the appellate level and at the board of tax appeals. In October 2017, a full deposit of the tax credit related to this debt was made, in order to maintain the suspension of the requirement to pay the tax during the Tax Enforcement process, while awaiting judgment by the Federal Supreme Court (STF).

In São Paulo, four tax collection proceedings were filed, and for three of these proceedings the motion for clarification filed was denied. The fourth proceeding is still pending judgment.

An Appeal has been filed regarding referred to enforcement already judged, which is awaiting the position of the city.

In Belo Horizonte, of the four disputes, one is at the administrative level awaiting analysis of the appeals filed at the lower administrative level. The Company became aware of the denial in connection with the second proceeding in May 2019, and filed an administrative claim. In December 2016, an unfavorable decision was handed down at the higher court for the third proceeding, against which the Company filed a suit. The local government initiated the Enforcement Process. The merits of the discussion involving enforceability of the ITBI is pending analysis of the injunction. Lastly, a decision was handed down in October 2018 denying the Voluntary Appeal filed by the Company. In February 2019, a final decision was handed down through which the Appeal to the High Court was denied. With this, the discussion at the administrative level is dismissed and the Company will continue discussing the matter in court.

The Company also has a discussion at the administrative level referring to social security contributions, totaling R\$7,413. The tax authority issued a tax delinquency notice requesting social security contributions on amounts referring to the Company's stock option plan. The decision at the lower administrative level was unfavorable and the Company filed a voluntary appeal. The appeal was denied in June 2019 with publication of the Decision. The Company filed requests for amendment of judgment and awaits their analysis.

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Notes to quarterly information (Continued)
September 30, 2019
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17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Tax (Continued)

A tax notice was issued in January 2018 for income and social contribution taxes, PIS and COFINS levied on the land purchase and sale transaction for the construction of a Company's project amounting to R\$ 3,876 million. An appeal was filed and is awaiting decision at the lower level.

In April 2019, a tax assessment notice was served by the Rio de Janeiro City Government (R\$27,089) referring to collection of Service Tax (ISS) on certain revenues/reimbursement of expenses. The Company filed an appeal and awaits decision at the lower level.

Civil, administrative and labor

The Company is a party to various civil, administrative and labor claims, none of which is considered individually material.

Other

In 2013, the Brazilian Board of Tax Appeals (CARF) canceled tax assessment notices served by the Brazilian IRS against the Company, regarding the use of goodwill in the context of a corporate restructuring in 2007. The decision was unanimous (6x0) and, on that occasion, the Federal Finance General Attorney's Office did not appeal to the Superior Board of Tax Appeals. The Company disclosed a Release to the Market on the matter on December 11, 2013.

In 2018, the Company became aware of inquiries about the performance of one of the six members of CARF panel that analyzed the matter. In this context, expenses incurred by the Company with the engagement of a law firm to work on the referred to judgment were disallowed by the Income Tax Audit, and the Company was served a notice amounting to R\$3.3 million. The Company paid, under protest, R\$2.5 million, with 50% fine reduction applied by the Department of Finance, and lodged a suit to recover these unduly paid amounts, as it disagrees with the notice.

As soon as it became aware of the inquiries above, the Company started an internal analysis for which renowned professionals were engaged to analyze the issue in an in-depth and comprehensive manner.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Other (Continued)

This analysis was conducted by a specialized Law Firm, supported by an international firm specialized in forensic audit.

The internal analysis concluded that there was no proof that the Company or its management members participated in any irregular acts related to this tax notice.

A representation is in progress in CARF, for the purpose of arguing on the nullity of the decision awarded on August 7, 2013, announced in the Release to the Market on December 11, 2013 ("Decision"), which determined the cancellation of tax assessment notices issued by the Brazilian IRS against the Company related to the use of goodwill in the context of the corporate restructuring in 2007. The Company presented its defense within the regulatory period, believing that the Decision will be upheld.

17.2. Judicial deposits

Judicial deposits	Individual			September 30, 2019
	December 31, 2018	Additions	Write-offs	
PIS and COFINS (a)	1,794	1,711	(3,404)	101
ITBI (b)	4,695	-	-	4,695
Civil	19,212	5,308	(5,069)	19,451
Labor	4,529	701	-	5,230
Other	447	16	-	463
	<u>30,677</u>	<u>7,736</u>	<u>(8,473)</u>	<u>29,940</u>

Judicial deposits	Consolidated			September 30, 2019
	December 31, 2018	Additions	Write-offs	
PIS and COFINS (a)	2,514	1,711	(3,404)	821
ITBI (b)	4,695	-	-	4,695
Civil	20,304	5,630	(5,203)	20,731
Labor	4,916	755	(9)	5,662
Other	978	16	-	994
	<u>33,407</u>	<u>8,112</u>	<u>(8,616)</u>	<u>32,903</u>

(a) Refers essentially to a deposit made to suspend the payment of PIS and COFINS debts and to obtain the Debt Clearance Certificate. The matter currently awaits distribution and trial at the High Court of Justice (STJ).

(b) In October 2017, a full deposit of the ITBI tax credit was made in Brasília, as mentioned under the item Tax of Note 17.1.

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Notes to quarterly information (Continued)
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18. Deferred revenue and costs

	September 30, 2019		December 31, 2018	
	Individual	Consolidated	Individual	Consolidated
Revenue from Key money	50,615	72,307	39,836	54,766
Unallocated cost of sales (a)	(90,110)	(151,912)	(76,922)	(147,545)
Other revenues	1,178	1,178	1,217	1,217
	(38,317)	(78,427)	(35,869)	(91,562)
Current assets	(24,017)	(41,007)	(21,736)	(38,924)
Noncurrent assets	(66,093)	(110,904)	(55,186)	(108,621)
Current liabilities	14,689	18,744	14,438	18,758
Noncurrent liabilities	37,104	54,740	26,615	37,225

(a) Refers to cost related to brokerage of key money and tenant allowance. The tenant allowance is an incentive offered by the Company to some storeowners for them to settle down in a property of the Multiplan Group. Appropriation of these amounts is recognized in the statement of income for the year, with deduction in "Revenue from Key money".

19. Equity

a) Capital

On January 9, 2017, the Board of Directors approved the Company's capital increase, within the authorized capital limit, by means of private subscription amounting to R\$600,000, and issue of 10,256,411 common book-entry registered shares, with no par value, all issued by the Company at the price of R\$58.50 per share ("Capital Increase"). The capital increase was completed on March 8, 2017.

On July 20, 2018, Company shareholders, at Special General Meeting, decided to split all the Company's common and preferred shares, at a ratio of 1:3, without changing capital, so that shareholders registered in the Company's records on that date were entitled to receive the shares resulting from the split, all of the same type and class of the original shares, and with the same rights and advantages of the currently existing shares.

As a result, the Company's subscribed and paid-in capital comprised 600,760,875 registered shares with no par value, of which 565,185,834 are common shares and 35,575,041 are preferred shares.

At September 30, 2019 and December 31, 2018, the Company's capital comprised 600,760,875 common and preferred shares, registered and book-entry, with no par value.

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Notes to quarterly information (Continued)
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19. Equity (Continued)

a) Capital (Continued)

The Company is authorized to increase its capital, without the need to amend its articles of incorporation, up to the limit of 210,038,121 new common shares, as resolved by the Board of Directors, which has the authority to determine, in each case, the number of shares to be issued, place of distribution, manner of distribution (public or private), issue price, and other conditions for payment within the authorized limit.

Shareholder	Number of shares					
	September 30, 2019			December 31, 2018		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Multiplan Planejamento. Participações e Administração S.A.	126,371,349	-	126,371,349	126,371,349	-	126,371,349
1700480 Ontário Inc.	128,841,603	35,575,041	164,416,644	128,841,603	35,575,041	164,416,644
José Isaac Peres	25,292,673	-	25,292,673	26,092,673	-	26,092,673
Maria Helena Kaminitz Peres	7,379,268	-	7,379,268	7,379,268	-	7,379,268
Outstanding shares	272,793,567	-	272,793,567	270,136,687	-	270,136,687
Board of Directors and Executive Board	471	-	471	471	-	471
Total outstanding shares	560,678,931	35,575,041	596,253,972	558,822,051	35,575,041	594,397,092
Treasury shares	4,506,903	-	4,506,903	6,363,783	-	6,363,783
	565,185,834	35,575,041	600,760,875	565,185,834	35,575,041	600,760,875

b) Effect on capital transactions

On February 9, 2012, subsidiary Morumbi Business Center Empreendimento Imobiliário Ltda. acquired 77,470,449 units of interest representing 41.958% of the capital of subsidiary MPH Empreendimento Imobiliário Ltda. for R\$175,000, paid in cash. Then, a member withdrew from MPH Empreendimento Imobiliário Ltda., reducing capital by 16.084%, by canceling all its units of interest and returning the net assets representing such interest. These two transactions resulted in a R\$128,337 reduction of non-controlling interest in the consolidated financial statements. In view of the foregoing, Morumbi Business Center Empreendimento Imobiliário Ltda. and Multiplan Empreendimentos Imobiliários S.A. each became holders of 50% interest in MPH Empreendimento Imobiliário Ltda. As a result of the acquisition by Morumbi Business Center Empreendimento Imobiliário Ltda. and withdrawal of a MPH Empreendimento Imobiliário S.A. member, the effects of said transaction, amounting to R\$89,996, were recorded in equity.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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19. Equity (Continued)

c) Treasury shares

The Company acquired 26,203,500 common shares through September 30, 2019 (26,203,500 through December 31, 2018). Through September 30, 2019, 21,696,597 shares (19,839,717 shares through December 31, 2018) were used to settle the exercise of stock options. At September 30, 2019, treasury shares comprised 4,506,903 shares (6,363,783 shares at December 31, 2018). See Note 20 for more details.

At September 30, 2019, the percentage of outstanding shares (outstanding shares and shares held by the board of directors and executive board) was 45.41% (44.97% at December 31, 2018). Treasury shares were acquired at a weighted average cost of R\$20.78 (amount in reais), at a minimum cost of R\$3.27 (amount in reais), and at a maximum cost of R\$24.65 (amount in reais). The closing price of the shares calculated based on the last quotation prior to year end was R\$28.85 (amount in reais).

d) Dividends and interest on shareholders' equity

Pursuant to article 39, item (c), of the Company's articles of incorporation, annual mandatory minimum dividend is 25% of net income for the year, adjusted under the terms of the Brazilian Corporation Law. Distribution of dividends or interest on equity is specifically approved by the Company's Board of Directors, as set forth in the law and article 22 item (g) of the Company's Articles of Incorporation.

Under article 39, paragraph 3 of the Company's Articles of Incorporation, mandatory minimum dividend will not be paid in the year in which Company management bodies inform to the Annual Shareholders' Meeting that such payment is incompatible with the Company's financial position, and it is thereby agreed that the Supervisory Board, if active, will issue an opinion on this matter. Any dividends retained will be paid when the Company's financial position permits.

Interest on shareholders' equity approved in 2019

On June 24, 2019, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on shareholders' equity in the gross amount of R\$110,000 assigned to the Company's shareholders registered as such on June 27, 2019, corresponding to R\$0.18458448946 per share, before 15% withholding income tax, except for shareholders who are tax-exempt or tax-immune, as set forth in the applicable laws. This amount was paid to the Company's shareholders on October 22, 2019.

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Notes to quarterly information (Continued)
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19. Equity (Continued)

d) Dividends and interest on shareholders' equity (Continued)

Interest on equity approved in 2019 (Continued)

On September 25, 2019, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on shareholders' equity in the gross amount of R\$80,000 assigned to the Company's shareholders registered as such on September 30, 2019, corresponding to R\$0.13417101396 per share, before 15% withholding income tax, except for shareholders who are tax-exempt or tax-immune, as set forth in the applicable laws. This amount will be paid to the Company's shareholders by May 29, 2020.

Interest on shareholders' equity approved in 2018

On June 21, 2018, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on shareholders' equity in the gross amount of R\$110,000 assigned to the Company's shareholders registered as such on June 26, 2018, corresponding to R\$0.55378689447 per share, before 15% withholding income tax, except for shareholders who are tax-exempt or tax-immune, as set forth in the applicable laws. This amount was paid to the Company's shareholders on September 25, 2018.

The amount of R\$0.55378689447 per share mentioned above: (i) was determined based on the number of shares representing the Company's capital prior to the split of the shares issued by the Company at the ratio of 1:3 (one to three) approved at the Special General Meeting held on July 20, 2018, (ii) does not consider the effects of said split.

On September 21, 2018, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on equity in the gross amount of R\$80,000 assigned to the Company's shareholders registered as such on September 26, 2018, corresponding to R\$0.13459016048 per share, before 15% withholding income tax, except for shareholders who are tax-exempt or tax-immune, as set forth in the applicable laws. This amount was paid to the Company's shareholders on April 25, 2019.

On December 21, 2018, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on shareholders' equity in the gross amount of R\$70,000 assigned to the Company's shareholders registered as such on December 28, 2018, corresponding to R\$0.11776639042 per share, before 15% withholding income tax, except for shareholders who are tax-exempt or tax-immune, as set forth in the applicable laws. This amount was paid to the Company's shareholders on April 25, 2019.

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19. Equity (Continued)

d) Dividends and interest on shareholders' equity (Continued)

Interest on equity approved in 2018 (Continued)

	<u>2018</u>
Net income for the year	473,474
Allocation to legal reserve	<u>(23,674)</u>
Net income after deduction of the legal reserve	<u>449,800</u>
Interest on equity approved, net of taxes	224,354

20. Share-based payment

a) Stock option plan (share-based payment)

The Special General Shareholders' Meeting held on July 6, 2007 approved a Stock Option Plan to its management, employees and service providers or those of other entities under the Company's control.

Such plan is managed by the Board of Directors, and the Chief Executive Officer is responsible for determining the beneficiaries to whom those stock options will be granted.

Options granted under the Stock Option Plan approved in 2007 do not entitle their holders the right to buy shares based on a number of shares exceeding 7% of the Company's capital at any time. The dilution corresponds to the percentage represented by the number of stock options divided by the total number of shares issued by the Company.

The issue of our shares through the exercise of stock options under the Stock Option Plan would result in a dilution for our shareholders since the stock options to be granted under the Stock Option Plan can confer acquisition rights on a volume of shares of up to 5% of our capital, not considering the options of the CEO, or 7% considering them.

At September 30, 2019, the percentage of stock options granted is 3.7094% of capital, without considering the CEO's options, and 4.7070% when the CEO's options are considered.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

a) Stock option plan (share-based payment) (Continued)

The beneficiaries eligible to the Stock Option Plan can exercise their options within six years from the grant date. Each stock option granted can be converted into a Company common share at the time of exercise of the option, i.e., it cannot be cash-settled. The vesting period will be of up to four years, with releases of 33.4% after the second anniversary, 33.3% after the third anniversary, and 33.3% after the fourth anniversary.

The option price shall be based on the average price of the Company's shares of the same class and type over the last 20 (twenty) trading sessions on the São Paulo Stock Exchange (Bovespa) immediately prior to the option grant date, weighted by the trading volume, adjusted for inflation based on the IPCA, or based on any other index determined by the Board of Directors, through the option exercise date.

The Company offered nine stock option grants from 2007 to September 30, 2019, which satisfy the maximum limit of 7% provided for in the plan.

No stock options were granted in 2015, 2016, 2017, 2018 and in the first nine months of 2019.

On January 7, 2010, Chief Executive Officer, Mr. José Isaac Peres, exercised 4,493,319 stock options. In addition, throughout 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and in the first nine months of 2019, 21,696,597 stock options were exercised related to Programs 2, 3, 4, 5, 6, 7 and 9 by some beneficiaries. All options exercised were settled through common shares of the Company. On May 14, 2019, 5,068,650 share purchase options were canceled relating to Program 8 granted on May 14, 2013, which expired after the lapse of six years since their granting. Therefore, at September 30, 2019, the total amount of shares that make up the balance of the options granted and not exercised amounted to 2,087,970 shares, which represent 0.35% of the total shares.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

a) Stock option plan (share-based payment) (Continued)

The vesting periods to exercise the options are as follows:

Vesting periods as of the grant date	% of options released for the year	Maximum number of shares (1)	Number of options exercised through September 30, 2019
Program 1			
180 days after the Initial Public Offering - 01/26/2008	100%	4,493,319	4,493,319
Program 2			
As from the second anniversary - 12/20/2009	33.4%	98,196	98,196
As from the third anniversary - 12/20/2010	33.3%	97,902	97,902
As from the fourth anniversary - 12/20/2011	33.3%	97,902	97,902
Program 3			
As from the second anniversary - 06/04/2010	33.4%	936,662	936,662
As from the third anniversary - 06/04/2011	33.3%	933,865	933,865
As from the fourth anniversary - 06/04/2012	33.3%	933,873	933,873
Program 4			
As from the second anniversary - 04/13/2011	33.4%	1,258,500	1,258,500
As from the third anniversary - 04/13/2012	33.3%	1,254,740	1,254,740
As from the fourth anniversary - 04/13/2013	33.3%	1,254,754	1,254,754
Program 5			
As from the second anniversary - 03/04/2012	33.4%	968,665	968,665
As from the third anniversary - 03/04/2013	33.3%	965,780	965,780
As from the fourth anniversary - 03/04/2014	33.3%	948,834	948,834
Program 6			
As from the second anniversary - 03/23/2013	33.4%	1,299,625	1,299,625
As from the third anniversary - 03/23/2014	33.3%	1,275,760	1,275,760
As from the fourth anniversary - 03/23/2015	33.3%	1,245,799	1,245,799
Vesting periods as of the grant date	% of options released for the year	Maximum number of shares (1)	Number of options exercised through September 30, 2019
Program 7			
As from the second anniversary - 03/07/2014	33.4%	1,330,599	1,330,599
As from the third anniversary - 03/07/2015	33.3%	1,296,651	1,296,651
As from the fourth anniversary - 03/07/2016	33.3%	1,296,660	1,296,660
Program 8			
As from the second anniversary - 05/14/2015	33.4%	1,432,860	-
As from the third anniversary - 05/14/2016	33.3%	1,428,570	-
As from the fourth anniversary - 05/14/2017	33.3%	1,428,570	-
Program 9 (2)			
As from the second anniversary - 04/16/2016	33.4%	2,100,793	1,435,465
As from the third anniversary - 04/16/2017	33.3%	2,094,503	1,431,101
As from the fourth anniversary - 04/16/2018	33.3%	2,094,504	1,335,264

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

a) Stock option plan (share-based payment) (Continued)

- (1) Net number of shares canceled due to termination of Company employees before the vesting period.
(2) In relation to Program 9, change in the vesting period of 135,000 options was approved.

The weighted average fair value of stock options on the grant dates, as described below, was estimated using the Black-Scholes option pricing model, based on the following assumptions:

	Strike price (R\$)	Price on grant date (1)	Accrual index	Number of options
Program 1	R\$3.27	R\$8.33 (2)	IPCA	4,493,319
Program 2	R\$7.61	R\$6.67	IPCA	342,000
Program 3	R\$6.75	R\$6.17	IPCA	3,010,200
Program 4	R\$5.04	R\$5.10	IPCA	3,900,300
Program 5	R\$10.09	R\$9.88	IPCA	2,900,256
Program 6	R\$11.04	R\$11.28	IPCA	3,891,330
Program 7	R\$13.20	R\$13.15	IPCA	4,043,880
Program 8 (3)	R\$18.75	R\$19.60	IPCA	5,068,650
Program 9	R\$16.01	R\$16.30	IPCA	6,643,650

- (1) Closing price on the last day used in the pricing of the stock option plan.
(2) Issue price on the Company's IPO date, on June 27, 2007.
(3) Program expired on May 14, 2019 after the lapse of six years since the grant.

The volatility used in the model was based on the historical standard deviation of MULT3, or on a panel of companies of the same industry, in accordance with the availability and fluctuation consistency in the market in the appropriate period. The Dividend Yield was based on Company's internal models considering the maturity of each option. The Company did not consider the option's early exercise and any market condition other than the assumptions above.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

a) Stock option plan (share-based payment) (Continued)

Additional information on the stock option plan:

	Number of options (1)	Price (2) (R\$)
Total stock options granted		
At December 31, 2012	22,195,185	7.92
At December 31, 2013	27,086,910	11.66
At December 31, 2014	33,400,650	13.15
At December 31, 2015	33,400,650	14.57
At December 31, 2016	33,028,329	15.47
At December 31, 2017	33,028,116	15.85
At December 31, 2018	32,567,886	16.39
At September 30, 2019	28,277,886	15.34
Options granted in 2012	4,043,880	13.78
Options granted in 2013	5,008,650	19.25
Options granted in 2014	6,523,650	16.58
Options granted in 2015	-	-
Options granted in 2016	-	-
Options granted in 2017	-	-
Options granted in 2018	-	-
Options granted in the first nine months of 2019	-	-
	Number of options (1)	Price (2) (R\$)
Total stock options exercised		
At December 31, 2012	10,544,484	6.00
At December 31, 2013	12,822,537	6.67
At December 31, 2014	15,851,145	7.81
At December 31, 2015	17,670,459	8.42
At December 31, 2016	20,416,740	9.61
At December 31, 2017	24,012,636	11.04
At December 31, 2018	24,333,036	11.14
At September 30, 2019	26,189,916	11.87
Stock options exercised in 2012	3,250,668	8.27
Stock options exercised in 2013	2,278,053	9.74
Stock options exercised in 2014	3,028,608	12.63
Stock options exercised in 2015	1,819,314	13.72
Stock options exercised in 2016	2,746,281	17.29
Stock options exercised in 2017	3,595,896	19.16
Stock options exercised in 2018	320,400	18.96
Options exercised in the first nine months of 2019	1,856,880	21.33

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

a) Stock option plan (share-based payment) (Continued)

	Number of options (1)	Price (2) (R\$)
Total stock options expired		
At December 31, 2012	11,112,939	6.12
At December 31, 2013	14,604,762	7.15
At December 31, 2014	18,149,121	8.56
At December 31, 2015	22,594,338	10.65
At December 31, 2016	27,309,054	12.56
At December 31, 2017	30,940,206	13.77
At December 31, 2018	32,567,886	14.27
At September 30, 2019	28,277,886	12.57
Stock options expired in 2012	3,117,420	8.63
Stock options expired in 2013	3,491,823	10.51
Stock options expired in 2014	3,544,359	14.29
Stock options expired in 2015	4,445,217	18.82
Stock options expired in 2016	4,849,854	20.78
Stock options expired in 2017	3,631,365	22.11
Stock options expired in 2018	2,049,549	20.91
Options expired in the first nine months of 2019	-	-
Total not exercised		
At December 31, 2012	11,650,701	11.83
At December 31, 2013	14,264,373	15.28
At December 31, 2014	17,549,505	16.95
At December 31, 2015	15,730,191	19.25
At December 31, 2016	12,611,589	21.10
At December 31, 2017	9,015,480	22.50
At December 31, 2018	8,234,850	23.51
At September 30, 2019	2,087,970	21.46

(1) Net number of shares canceled due to termination of Company employees before the vesting period.

(2) Price set by the end of the period or the date of exercise.

The weighted average market price of options exercised in 2013 was R\$19.40, R\$17.74 in 2014, R\$18.60 in 2015, R\$19.60 in 2016, R\$23.68 in 2017, R\$23.52 in 2018, and R\$25.55 in the first nine months of 2019.

The effect of share-based payment recognition in equity and income for the year ended December 31, 2018 was R\$614, of which R\$322 refers to management's portion.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program

The Company's First Long-Term Incentive Plan was approved at the Board of Directors' meeting held on July 29, 2015. It establishes the terms and conditions for payment of a cash premium with reference to the valuation of shares issued by the Company to certain management members, employees and service providers or those of other entities under its control. The right to receive this premium is represented by investment units, and the Board of Directors is responsible for electing participants and for authorizing the granting of investment units.

Phantom 1: on July 29, 2015, the Board of Directors approved the granting, for 2015, of 7,502,949 investment units (equivalent to 2,500,983 investment units prior to the split) to elected participants. Of this total, 383,914 investment units (equivalent to 127,971 investment units prior to the split) were granted to employees that left the Company before the vesting period.

Phantom 2: on September 21, 2016, the Board of Directors approved the granting, for 2016, of 7,502,250 investment units (equivalent to 2,500,750 investment units prior to the split) to elected participants. Of this total, 522,647 investment units (equivalent to 174,216 investment units prior to the split) were granted to employees that left the Company before the vesting period.

In 2018 and in the first nine months of 2019 no investment units were granted.

These investment units may be redeemed by participants in three distinct tranches, within the maximum period of six years as from the respective grant date. The vesting period will be of up to two years, with redemption of 33.4% after the second anniversary, 33.3% after the third anniversary, and 33.3% after the fourth anniversary.

The cash amount to be disbursed in relation to investment units is based on the increase in the Company's share price between the grant date and redemption period.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

Details of liabilities deriving from the investment units are as follows:

	<u>Consolidated</u>
Balances at December 31, 2018	36,677
Mark-to-market	28,595
Labor charges	6,634
Payments	<u>(46,650)</u>
Balances at September 30, 2019	<u>25,256</u>

i) *Measurement of fair value*

The weighted average fair value of investment units was estimated using the Black-Scholes option pricing model. The Dividend Yield was based on Company's internal models considering the maturity of each investment unit. The Company did not consider the early redemption of investment units and any market condition other than the assumptions below.

Fair value on the grant date was calculated considering the following assumptions:

Fair value on the grant date								
	Reference value (R\$) (1)	Share price (R\$) (2)	Accrual index	Number of options	Volatility MULT3 (3)	Risk-free rate	Average expiry	Fair value
Phantom 1	15.57	15.42	IPCA	7,502,949	5.5% to 5.8%	11.3% to 12.3%	3.00 years	R\$1.89
Phantom 2	20.46	20.49	IPCA	7,502,250	5.9% to 6.5%	10.7% to 11.5%	3.00 years	R\$2.62

(1) Investment units' reference value on grant date corresponds to average quotation of the Company's shares on BM&FBOVESPA, calculated by dividing the financial volume by the number of traded shares accumulated in 20 trading sessions immediately prior to their calculation base date.

(2) Share price corresponds to average of 20 sessions prior to the closing date of the quarter.

(3) Volatility used in this model was based on MULT3 historical standard deviation in the appropriate period.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

i) *Measurement of fair value* (Continued)

The fair value at the reporting date was calculated based on the following assumptions:

Fair value at September 30, 2019								
	Reference value (R\$)	Share price (R\$)	Accrual index	Number of options	Volatility MULT3	Risk-free rate	Average expiry	Average fair value
Phantom 1	15.57	27.03	IPCA	7,170,733	Mark-to-market	Mark-to-market	0 year	R\$6.65
Phantom 2	20.46	27.07	IPCA	7,083,000	6.1%	5.0%	0.3 year	R\$3.83

Additional information on the investment units' Long-Term Incentive Plan:

	Number of options	Price (1) (R\$)
Grant		
Total balance of investment units granted at December 31, 2017	14,957,199	19.46
Total balance of investment units granted at December 31, 2018	14,253,734	20.25
Total balance of investment units granted at September 30, 2019	14,098,639	20.78
Investment units granted in 2017	-	-
Investment units granted in 2018	-	-
Investment units granted in the first nine months of 2019	-	-
Exercise		
Total balance of investment units exercised at December 31, 2017	2,580,828	17.44
Total balance of investment units exercised at December 31, 2018	2,789,919	17.51
Total balance of investment units exercised at September 30, 2019	9,074,438	19.06
Investment units exercised in 2017	2,444,379	17.46
Investment units exercised in 2018	209,091	18.33
Investment units exercised in the first nine months of 2019	6,284,520	19.75
Expired		
Total balance of investment units expired at December 31, 2017	2,671,704	17.45
Total balance of investment units expired at December 31, 2018	7,286,940	19.27
Total balance of investment units expired at September 30, 2019	11,791,698	19.89
Investment units expired in 2017	2,444,379	17.46
Investment units expired in 2018	4,615,237	20.31
Investment units expired in the first nine months of 2019	4,504,758	20.84
Not redeemed		
Total balance of investment units not redeemed at December 31, 2017	12,376,371	19.83
Total balance of investment units not redeemed at December 31, 2018	11,463,815	20.69
Total balance of investment units not redeemed at September 30, 2019	5,024,201	22.65

(1) Price set by the end of the period or the date of exercise.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

ii) *Revenue (expense) recognized in income*

At September 30, 2019, the amount of R\$33,137 (R\$31,386 at September 30, 2018) was recognized in income, of which R\$14,467 (R\$13,864 at September 30, 2018) refers to management's portion.

c) Restricted Stock Option Plan (Restricted Stock Unit)

The Special General Shareholders' Meeting held on July 20, 2018 approved the Company's Restricted Stock Option Plan, which establishes the terms and conditions for the granting of common shares issued by the Company, subject to certain restrictions, to Company management members, employees and service providers, or those of other entities under its control.

The referred to Plan is managed by the Board of Directors, which will be in charge of approving participants to whom the restricted stock units will be granted.

The rights of participants in relation to restricted stock units will only be fully vested if they remain continuously related to the Company or the entity under its control, as applicable, for the period between the date of approval of the respective grant by the Company's Board of Directors and the vesting dates determined in the respective programs, as defined by the Board of Directors.

The total number of Restricted Stock Units not fully acquired, considering all grants under the Plan, may not exceed, at any time, 3% of the shares representing the Company's total capital.

In addition, the maximum number of Restricted Stock Units that may be granted by the Board of Directors annually shall be limited to 0.5% of the shares representing the Company's total capital.

Plan 1: on August 15, 2018, the Board of Directors approved the granting, for 2018, of 2,197,500 restricted stock units to elected participants. The rights of participants in relation to restricted stock units will only be fully vested if they remain continuously related to the Company or the entity under its control, in the period between the date of grant and vesting period that will be up to five years, with releases of 25.0% on the second anniversary, 25.0% on the third anniversary, 25.0% on the fourth anniversary and 25.0% on the fifth anniversary.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

c) Restricted Stock Option Plan (Restricted Stock Unit) (Continued)

i) *Measurement of fair value*

The weighted average fair value of the Restricted Stock Units was estimated according to the market price of each tranche on the grant date and discounted from the expectation of future dividends which the elected participants will not be entitled to receive during the vesting period. The expectation of future dividends was based on Company internal models for maturity dates of each tranche of the Restricted Stock Unit plan.

Fair value on the grant date was calculated considering the following assumptions:

Fair value on the grant date						
	Grant date	Reference value (R\$) (1)	Number of units granted	Discount rate (2)	Expectation of future dividends (3)	Fair value
Plan 1	08/15/2018	R\$18.92	2,197,500	7.25% to 7.70%	(R\$1.49)	R\$17.43

(1) The reference value of the Restricted Stock Units on the grant date corresponds to the closing price of the Company's shares on BM&FBOVESPA on the trading floor on the grant date.

(2) The discount rate refers to the weighted average market expectations for the Selic rate for the vesting periods of each tranche, available in the Central Bank of Brazil (BACEN) Market Expectations System.

(3) The expectation of future dividends is the weighted average of the present value of the annual expectation of dividends in accordance with the Company's internal models, brought to present value according to the discount rates based on market expectations for the Selic rate for the vesting periods of each tranche.

(4) The average fair value is the result of the weighted average fair value of each of the four tranches of the program.

ii) *Vesting conditions*

The number of units granted on the grant date was adjusted to reflect potential losses and cancellations of Restricted Stock Units resulting from vesting conditions, according to the Company's history.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

c) Restricted Stock Option Plan (Restricted Stock Unit) (Continued)

ii) *Vesting conditions* (Continued)

The net amount of cancellations was calculated considering the assumptions listed below:

Vesting conditions on grant date			
	Grant date	Number of units granted	Cancellation rate (1)
			Number of units granted considered after cancellations
Plan 1	08/15/2018	2,197,500	-5.79%
			2,070,245

(1) The cancellation rate was calculated in accordance with the losses and cancellations of the eight stock option plans (subject to settlement through equity instruments) granted between December 20, 2007 and April 16, 2014.

iii) *Recognition in equity and income*

At September 30, 2019, the effect referring to the recognition of restricted stock units in equity was R\$10,533, with R\$10,168 in income and R\$365 for expenses capitalized in investment properties. We should point out that, of the total R\$10,533 effect of restricted stock units, R\$3,364 refers to management's portion.

21. Net operating revenue

	Individual			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Gross operating revenue from sales and services				
Rental	206,037	597,738	186,282	556,467
Parking	29,826	87,248	27,656	81,028
Services	28,742	90,768	29,546	83,288
Key money	215	156	241	889
Sale Real Estate	485	563	1,279	3,077
Other	999	3,648	1,195	4,807
	266,304	780,121	246,199	729,556
Taxes and contributions on sales and services	(23,853)	(70,926)	(22,738)	(67,677)
Net operating revenue	242,451	709,195	223,461	661,879

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

21. Net operating revenue (Continued)

	Consolidated			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Gross operating revenue from sales and services:				
Rental	273,110	799,408	251,839	751,580
Parking	53,485	157,029	49,690	146,370
Services	28,647	86,849	27,926	77,014
Key money	(2,574)	(8,286)	(2,284)	(6,902)
Sale Real Estate	(725)	(1,353)	1,070	2,969
Other	3,619	7,660	1,809	7,054
	355,562	1,041,307	330,050	978,085
Taxes and contributions on sales and services	(32,519)	(96,569)	(31,091)	(90,856)
Net operating revenue	323,043	944,738	298,959	887,229

22. Breakdown of costs and expenses by nature

During the periods ended September 30, 2019 and 2018, the Company incurred in the following costs and expenses:

Costs: arising from the interest held in the civil condominiums of shopping malls in operation, costs on depreciation of investment properties and cost of properties sold.

	Individual			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Services	(1,652)	(3,935)	(532)	(1,753)
Leases (*)	-	-	(2,045)	(6,385)
Properties (charges, IPTU, rental, condominium fees)	(7,463)	(23,378)	(8,738)	(25,441)
Other costs	(9,133)	(26,035)	(3,685)	(13,376)
Cost of properties sold	(228)	(667)	(792)	(1,425)
Depreciation and amortization	(28,812)	(82,355)	(24,521)	(73,135)
Total	(47,288)	(136,370)	(40,313)	(121,515)

	Individual			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Costs:				
Services rendered	(47,060)	(135,703)	(39,521)	(120,090)
of properties sold	(228)	(667)	(792)	(1,425)
Total	(47,288)	(136,370)	(40,313)	(121,515)

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

22. Breakdown of costs and expenses by nature (Continued)

	Consolidated			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Services	(1,732)	(4,199)	(439)	(1,622)
Parking lot	(1,162)	(3,324)	(1,073)	(3,428)
Leases (*)	-	-	(2,056)	(6,417)
Properties (charges, IPTU, rental, condominium fees)	(10,605)	(31,978)	(11,922)	(35,895)
Other costs	(13,642)	(42,730)	(8,273)	(23,763)
Cost of properties sold	751	653	(550)	(425)
Depreciation and amortization	(52,143)	(150,446)	(46,714)	(139,591)
Total	(78,533)	(232,024)	(71,027)	(211,141)

	Consolidated			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Costs:				
Services rendered	(79,284)	(232,677)	(70,477)	(210,716)
of properties sold	751	653	(550)	(425)
Total	(78,533)	(232,024)	(71,027)	(211,141)

(*) For the nine-month period ended September 30, 2019, lease expenses of the individual and consolidated statements are classified as depreciation and amortization, totaling R\$5,847 and R\$5,868, respectively.

The breakdown of these expenses into their main categories is as follows:

- Expenses: with personnel (administrative, operational and development) of Multiplan Group's headquarters and branches, in addition to expenditures on corporate marketing, outsourcing and travel.
- Properties: expenses on civil condominium of properties in operation.
- Projects for lease: pre-operating expenses relating to real estate projects and shopping mall expansion.
- Projects for sale: pre-operating expenses arising from real estate projects for sale.

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Notes to quarterly information (Continued)
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22. Breakdown of costs and expenses by nature (Continued)

	Individual			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Payroll	(24,390)	(67,994)	(21,255)	(60,272)
Services	(6,455)	(19,170)	(6,428)	(17,958)
Marketing	(2,650)	(10,038)	(3,945)	(9,835)
Travel	(1,111)	(3,164)	(882)	(3,351)
Properties (charges, IPTU, lease and condominium fees)	(756)	(2,163)	(614)	(1,732)
Occupancy cost	(1,086)	(3,319)	(1,414)	(5,568)
Social security contribution	(2,696)	(12,046)	(3,020)	(11,323)
Other	(4,556)	(11,562)	(2,529)	(5,199)
Total	(43,700)	(129,456)	(40,087)	(115,238)
Expenses:				
Administrative expenses - headquarters	(40,121)	(119,347)	(36,475)	(104,795)
Administrative expenses - properties	(2,976)	(8,423)	(2,771)	(8,542)
Projects for lease expenses	(172)	(577)	(510)	(910)
Projects for sale expenses	(431)	(1,109)	(331)	(991)
Total	(43,700)	(129,456)	(40,087)	(115,238)
	Consolidated			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Personnel	(24,545)	(68,335)	(21,366)	(60,678)
Services	(8,206)	(23,817)	(7,713)	(22,235)
Marketing	(3,744)	(17,973)	(4,965)	(14,274)
Travel	(1,192)	(3,792)	(923)	(3,453)
Properties (charges, IPTU, lease and condominium fees)	(4,494)	(11,601)	(3,795)	(10,750)
Occupancy cost	(1,507)	(4,323)	(1,890)	(6,923)
Social security contribution	(2,712)	(12,091)	(3,038)	(11,384)
Other	(5,068)	(13,208)	(3,633)	(7,607)
Total	(51,468)	(155,140)	(47,323)	(137,304)
Expenses:				
Administrative expenses - headquarters	(40,043)	(120,390)	(36,907)	(106,047)
Administrative expenses - properties	(6,749)	(19,869)	(5,771)	(18,990)
Projects for lease expenses	(2,409)	(10,138)	(3,089)	(7,579)
Projects for sale expenses	(2,267)	(4,743)	(1,556)	(4,688)
Total	(51,468)	(155,140)	(47,323)	(137,304)

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23. Finance income (costs), net

	Individual			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Short-term investment yield	11,275	29,211	10,816	28,828
Interest on loans and financing and debentures	(44,145)	(124,980)	(43,821)	(116,731)
Interest on real estate projects	276	1,008	502	1,112
Bank fees and other charges	(1,229)	(3,578)	(1,336)	(3,891)
Monetary gains	109	955	618	1,443
Fine and interest on lease and key money - shopping mall	2,184	7,215	2,630	7,518
Fine and interest on tax assessment notices	(30)	(436)	(28)	(44)
Interest and monetary accrual on transaction with related parties	253	792	269	685
Interest on property acquisition obligations	(105)	(316)	-	-
Other	(14)	(114)	483	1,090
Total	(31,426)	(90,243)	(29,867)	(79,990)

	Consolidated			
	07/01/2019 to 09/30/2019	01/01/2019 to 09/30/2019	07/01/2018 to 09/30/2018	01/01/2018 to 09/30/2018
Short-term investment yield	13,953	39,151	14,353	37,713
Interest on loans and financing and debentures	(57,056)	(163,851)	(57,502)	(158,510)
Interest on real estate projects	1,059	4,390	1,886	4,723
Bank fees and other charges	(1,832)	(5,325)	(1,899)	(5,713)
Monetary gains	(606)	1,658	2,233	3,647
Fine and interest on lease and key money - shopping mall	2,665	8,802	3,284	9,299
Fine and interest on tax assessment notices	(37)	(467)	(30)	(55)
Interest and monetary accrual on transaction with related parties	350	901	292	737
Interest on property acquisition obligations	(244)	(1,359)	(1,285)	(2,708)
Other	195	857	684	3,827
Total	(41,553)	(115,243)	(37,984)	(107,040)

24. Segment reporting

For managerial purposes, the Company recognizes four business segments (described below) that account for its revenues and expenses. Segment reporting is required since margins, revenue and expense recognition and deliverables are different among them. Income was calculated considering only the Company's external customers.

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Notes to quarterly information (Continued)
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24. Segment reporting (Continued)

a) Properties for lease

This refers to the Company's share in the civil condominium of shopping malls and their respective parking, as well as real estates for lease. This is the Company's major revenue-generating segment, accounting for 91,85% of its gross operating revenue for the period ended September 30, 2019. The determining factor for the amount of revenue and expenses in this segment is the Company's share in each venture. Its revenues and expenses are described below:

Lease revenue

This refers to amounts collected by mall owners (the Company and its shareholders) in connection with the areas leased in their shopping malls and commercial projects. The revenue includes four types of lease: minimum lease (based on a commercial agreement indexed to the IGP-DI), supplementary lease (percentage of sales made by storeowners), merchandising (lease of an area in the mall) and straight-line lease revenue (excludes the volatility and seasonality of minimum lease revenue).

Parking revenues

Revenue from payments made by customers for the time their vehicles are parked in the parking lot.

Expenses

Include expenses on vacant areas, contributions to the promotion fund, legal fees, lease, parking, brokerage fees, and other expenses arising from the interest held in the venture.

As owners of the properties where the shopping malls in which the Company holds interest are located (or cases in which the ownership of the property stems from the lease agreement), the Company is subject to the payment of any additional expenses that are not routine and, therefore, are the condominium's responsibility. The Company is also subject to expenses and costs arising from legal actions necessary for the collection of past due leases, lawsuits in general (eviction, lease renewal or review, among others). Maintenance and operating expenses (common condominium expenses) of the project are the responsibility of storeowners.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

24. Segment reporting (Continued)

a) Properties for lease (Continued)

Other

Includes depreciation expenses.

The shopping mall assets substantially comprise investment properties of operational shopping malls and commercial buildings, and lease and parking lot revenue receivable.

b) Real estate for sale

Real estate operations include revenues, cost of properties sold and expenses from the real estate normally developed in the surrounding areas of the shopping mall. As previously mentioned, this activity contributes to generating customer flows to the shopping mall, thus increasing its revenue. Additionally, the appreciation and convenience brought by a shopping mall to its neighborhood enable the Company to minimize risks and increase revenue from properties sold. Revenues derive from the sale of real estate and their related construction costs. Both are recognized based on the percentage of completion (POC) of the construction work. Expenses arise mainly from brokerage and marketing activities.

Finally, "Other" mainly refers to a real estate project that has been recognized in the statements of financial position and of income in the "Investment" and "Equity pickup" line items, respectively.

Assets in this segment are concentrated in the Company's inventory of land and properties completed and under construction and in accounts receivable.

c) Projects

The operation of projects includes revenues and expenses arising from the development of shopping mall and real estate project for lease. Development costs are recorded in the statement of financial position, but expenses with marketing, brokerage, property taxes (IPTU), feasibility studies and other items are recorded in the Company's statement of income. Likewise, the Company believes that most of its revenue from Key money derives from projects initiated over the last 5 years (average period to recognize key money revenue), thus resulting from the lease of stores during the construction process.

By developing its own projects, the Company is able to ensure the quality of the ventures in which it will hold interest in the future.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

24. Segment reporting (Continued)

c) Projects (Continued)

Project assets mainly comprise investment properties under construction and accounts receivable (Key money) from leased stores.

d) Management and other

The Company provides management services to its shareholders and storeowners in consideration for a service fee. Additionally, the Company charges brokerage fees from its shareholders for the lease of stores. Management of its shopping malls is essential for the Company's success and is a major area of concern in the Company. On the other hand, the Company incurs expenses on the Headquarters for these services and others, which are considered solely in this segment. This also includes taxes, finance income and costs and other income and expenses that depend on the Company's structure rather than the operation of each segment previously described. Therefore, this segment presents loss.

This segment's assets mainly comprise the Company's cash, deferred taxes and intangible assets.

	July 1, 2019 to September 30, 2019				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	326,595	(725)	(2,574)	32,266	355,562
Costs	(79,283)	751	-	-	(78,532)
Expenses	(6,749)	(2,267)	(2,409)	(50,709)	(62,134)
Other	(39,476)	(549)	323	(40,220)	(79,922)
Income before income and social contribution taxes	201,087	(2,790)	(4,660)	(58,663)	134,974
	January 1, 2019 to September 30, 2019				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	956,437	(1,353)	(8,286)	94,509	1,041,307
Costs	(232,677)	653	-	-	(232,024)
Expenses	(19,869)	(4,743)	(10,138)	(163,695)	(198,445)
Other	(100,270)	5,280	909	(120,235)	(214,316)
Income before income and social contribution taxes	603,621	(163)	(17,515)	(189,421)	396,522
Operating assets	7,244,035	643,761	475,710	1,091,693	9,454,659

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Notes to quarterly information (Continued)
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(In thousands of reais, unless otherwise stated)

24. Segment reporting (Continued)

d) Management and other (Continued)

	July 1, 2018 to September 30, 2018				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	301,528	1,070	(2,284)	29,736	330,050
Costs	(70,477)	(550)	-	-	(71,027)
Expenses	(5,771)	(1,556)	(3,089)	(38,506)	(48,922)
Other	(36,680)	2,476	227	(40,762)	(74,739)
Income before income and social contribution taxes	188,600	1,440	(5,146)	(49,532)	135,362

	January 1, 2018 to September 30, 2018				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	897,950	2,969	(6,902)	84,068	978,085
Costs	(210,716)	(425)	-	-	(211,141)
Expenses	(18,990)	(4,688)	(7,579)	(77,515)	(108,772)
Other	(106,132)	9,975	679	(111,106)	(206,584)
Income before income and social contribution taxes	562,112	7,831	(13,802)	(104,553)	451,588
Operating assets	6,940,091	684,416	332,143	863,202	8,819,852

25. Financial instruments and risk management

The main financial liabilities of the Company refer to loans and financing, trade accounts payable and other accounts payable. Such financial liabilities mainly aim to raise funds for the Company's operations. The Company's main financial assets include accounts receivable, cash and cash equivalents and short-term investments resulting directly from its operations.

The Company is exposed to capital risk and market risks (such as financial credit risk and service risk, interest rate risk and liquidity risk). Company management oversees management of these risks, evaluating and managing them in accordance with the Company's policies. The Company does not participate in derivative trading for speculative purposes.

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.1. Capital risk management

The Company and its subsidiaries manage their capital in order to ensure the continuity of their normal operations, while maximizing the return of their operations to all stakeholders, through the optimization of the use of debt and equity instruments.

The capital structure of the Company and its subsidiaries comprises net debt - loans and financing, debentures and property acquisition obligations (detailed in Notes 12, 14 and 15, respectively), less cash and cash equivalents and short-term investments (detailed in Note 3), and the Company equity (which includes the paid-in capital and reserves, as explained in Note 19).

Debt-to-equity ratio is as follows:

	Individual		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Debt (a)	2,565,412	2,218,649	3,144,965	2,836,439
Cash and cash equivalents and short-term investments	(771,617)	(541,456)	(978,433)	(855,769)
Net debt	1,793,795	1,677,193	2,166,532	1,980,670
Equity (b)	5,525,069	5,335,980	5,540,638	5,352,187
Net debt-to-equity ratio	32.47%	31.43%	39.10%	37.01%

(a) Debt is defined as loans and financing, debentures and property acquisition obligations, current and noncurrent, detailed in Notes 12, 14 and 15.

Of the total defined in item (a) above, R\$389,995 refers to the amount classified in the individual financial statements and maturing in the short-term at September 30, 2019 (R\$355,554 at December 31, 2018) and R\$2,182,418 classified as noncurrent at September 30, 2019 (R\$1,863,095 at December 31, 2018). In the consolidated financial statements, at September 30, 2019, R\$442,705 is classified as current (R\$410,250 at December 31, 2018) and R\$ 2,702,260 as noncurrent at September 30, 2019 (R\$ 2,426,188 at December 31, 2018).

(b) Equity includes paid-in capital and reserves.

25.2. Market risk management

In the industry in which the Company operates, the main market risks are financial risks related to interest rate, credit risk inherent in the provision of services, and credit risk derived from its short-term investments.

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Notes to quarterly information (Continued)
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25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

The Company's main strategies to hedge its equity against market risks are as follows: (a) significant compatibility between its financial assets and liabilities, aligning time, cost, indexes, currencies and other items; (b) the diversification of its revenues and receivables among the different properties of the Company and the different retail segments derived from the assortment of stores; (c) the application of liquidity on a conservative basis, in investments with immediate liquidity and low credit risk.

Based on its strategy for hedging its equity against market risks, the Company understands that, to date, there has been no need to contract any hedging instrument. This position may be reviewed if, in the future, we identify any inconsistency that could cause risks to finance and operating income (loss) of the Company.

Pursuant to CVM Rule No. 550, issued on October 17, 2008, which provides for the presentation of information on derivative financial instruments in the notes to financial statements, the Company has not contracted derivative financial instruments; there is no risk resulting from a potential exposure associated with such instruments.

25.2.1. Interest rate risk management

Interest rate risk refers to:

- Possibility of fluctuations in the fair value of loans and financing pegged to fixed interest rates, if such rates do not reflect current market conditions. The Company monitors these indexes on an ongoing basis. The Company has not yet identified the need to take out financial instruments to hedge against interest rate risks;
- Possibility of unfavorable change in interest rates, which would result in increase in finance costs as a result of the debt portion pegged to variable interest rate; and
- Possibility of changes in the fair value of its investment properties, due to effects of changes in the interest rate on the indicators of risk and return used to calculate the discount rate, including beta index, country risk and inflation estimates. The Company monitors these indexes on an ongoing basis.

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Notes to quarterly information (Continued)
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25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.2. Credit risk related to service rendering

This risk is related to the possibility of the Company and its subsidiaries posting losses resulting from difficulties in collecting amounts from lease, property sales, key money, management fees and brokerage fees.

25.2.3. Financial credit risk

This risk is related to the possibility of the Company and its subsidiaries posting losses resulting from difficulties in realizing short and long-term investments.

25.2.4. Sensitivity analysis

In order to analyze the sensitivity of financial asset and liability indexes to which the Company is exposed as at September 30, 2019, five different scenarios were defined and a sensitivity analysis to fluctuations in the indexes of such instruments was prepared. At September 27, 2019, the IGP-DI, IGP-M and IPCA index projection was extracted from the FOCUS Report, the TJLP was extracted from BNDES' official web site, the CDI index was extracted from the CETIP's official web site, and the reference rate (TR) was extracted from BM&F BOVESPA's official web site for 2018. Such indexes and rates were considered as probable scenario and 25% and 50% decreases and increases were calculated.

Indexes of financial assets and liabilities:

Index	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
CDI	2.70%	4.05%	5.40%	6.75%	8.10%
IGP-DI	2.19%	3.28%	4.37%	5.46%	6.56%
IGP - M	2.59%	3.89%	5.18%	6.48%	7.77%
IPCA	1.71%	2.57%	3.42%	4.28%	5.13%
Long-Term Interest Rate (TJLP)	2.98%	4.46%	5.95%	7.44%	8.93%

Financial assets

Gross revenue was calculated for each scenario at September 30, 2019, based on one-year projection and not taking into consideration any tax levied on income. The sensitivity for each scenario is analyzed below.

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Notes to quarterly information (Continued)
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25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial assets (Continued)

Sensitivity of income - 2019

		Individual					
		Balance at 09/30/19	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	28,315	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	743,302	20,069	30,104	40,138	50,173	60,207
		771,617	20,069	30,104	40,138	50,173	60,207
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	81,244	1,775	2,663	3,550	4,438	5,326
Trade accounts receivable - straight-line	IGP-DI	47,374	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - Key money	IGP-DI	23,855	521	782	1,042	1,303	1,564
Trade accounts receivable - sale of completed units	IGP-M + 12%	16,223	2,367	2,577	2,787	2,997	3,207
Other trade accounts receivable	N/A	24,719	N/A	N/A	N/A	N/A	N/A
		193,415	4,663	6,022	7,379	8,738	10,097
Transactions with related parties							
Shopping Mall Association	N/A	8,273	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums	N/A	4,476	N/A	N/A	N/A	N/A	N/A
Charges	N/A	7,120	N/A	N/A	N/A	N/A	N/A
Sundry loans and advances	N/A	4,193	N/A	N/A	N/A	N/A	N/A
		24,062	-	-	-	-	-
Total		989,094	24,732	36,126	47,517	58,911	70,304

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Notes to quarterly information (Continued)
September 30, 2019
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25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial assets (Continued)

Sensitivity of income - 2019 (Continued)

		Consolidated					
		Balance at 09/30/19	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	38,722	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	939,711	25,372	38,058	50,744	63,430	76,117
		978,433	25,372	38,058	50,744	63,430	76,117
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	108,263	2,366	3,548	4,731	5,914	7,097
Straight-line effect	IGP-DI	67,126	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - Key money	IGP-DI	34,811	761	1,141	1,521	1,902	2,282
Trade accounts receivable - sale of completed units	IGP-M + 12%	54,148	7,359	8,060	8,761	9,462	10,164
Trade accounts receivable - sale of completed units	IGP-M + 11%	16,223	2,367	2,577	2,787	2,997	3,207
Other trade accounts receivable	N/A	34,431	N/A	N/A	N/A	N/A	N/A
		315,002	12,853	15,326	17,800	20,275	22,750
Transactions with related parties							
Shopping Mall Associations	110% CDI	8,273	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums	110% CDI	6,268	N/A	N/A	N/A	N/A	N/A
Charges	N/A	11,167	N/A	N/A	N/A	N/A	N/A
Loans - other	N/A	329	N/A	N/A	N/A	N/A	N/A
		26,037	-	-	-	-	-
Total		1,319,472	38,225	53,384	68,544	83,705	98,867

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities

Finance cost projection - 2019

Individual

The Company calculated gross finance costs for each scenario, not taking into account the taxes levied and the aging list of contracts for 2019. The reporting date used was September 30, 2019, projecting indexes for one year and checking their sensitivity in each scenario.

	Yield	Balance at 09/30/2019	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
Banco Itaú PSC	TR + 7.4%	62,118	4,597	4,597	4,597	4,597	4,597
Banco Itaú VLG	TR + 7.4%	165,590	12,254	12,254	12,254	12,254	12,254
Bradesco MTE	CDI + 1.00%	308,612	11,419	15,585	19,751	23,917	28,084
CCB - BB 175M	110% of CDI	100,716	2,991	4,487	5,983	7,478	8,974
CCB - BB 50M	110% of CDI	45,219	1,343	2,015	2,686	3,358	4,029
CCB - BB 150M	110% of CDI	135,658	4,029	6,044	8,058	10,073	12,087
BB - BRS Exp. VII	TR + 8.90%	54,637	4,863	4,863	4,863	4,863	4,863
Funding costs	N/A	(13,904)	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	310	N/A	N/A	N/A	N/A	N/A
		858,956	41,496	49,845	58,192	66,540	74,888
Property acquisition obligations							
Usiminas	IPCA	30,304	518	777	1,036	1,295	1,555
Other	N/A	269	N/A	N/A	N/A	N/A	N/A
		30,573	518	777	1,036	1,295	1,555
Debentures							
3rd issue of debentures	CDI + 0.87% p.a.	412,968	14,743	20,318	25,893	31,468	37,043
3rd issue of debentures	107.25% of CDI	305,114	8,835	13,253	17,671	22,088	26,506
7th issue of debentures	106% of CDI	358,811	6,580	9,871	13,161	16,451	19,741
Funding costs		(8,509)	N/A	N/A	N/A	N/A	N/A
4th and 5th issue of debentures (CRI)	95% of CDI	612,909	15,721	23,582	31,442	39,303	47,163
Funding costs		(5,409)	N/A	N/A	N/A	N/A	N/A
		1,675,884	45,879	67,024	88,167	109,310	130,453
Total		2,565,413	87,893	117,646	147,395	177,145	206,896

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

Finance cost projection - 2019 (Continued)

Consolidated

	Yield	Balance at 09/30/2019	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
Banco Itaú PSC	TR + 7.4%	62,118	5,808	5,808	5,808	5,808	5,808
Banco Itaú VLG	TR + 7.4%	165,590	15,483	15,483	15,483	15,483	15,483
Bradesco MTE	CDI + 1.00%	308,612	11,419	15,585	19,751	23,917	28,084
Banco do Brasil 175M	110% of CDI	100,716	2,991	4,487	5,983	7,478	8,974
Banco do Brasil 50M	110% of CDI	45,219	1,343	2,015	2,686	3,358	4,029
Banco do Brasil 150M	110% of CDI	135,658	4,029	6,044	8,058	10,073	12,087
Banco do Brasil BRS Exp VII	TR + 8.90%	54,637	4,863	4,863	4,863	4,863	4,863
Morumbi Corporate - DTIY	TR+8.70%	132,265	11,507	11,507	11,507	11,507	11,507
Morumbi Corporate - GTIY	TR+8.70%	128,667	11,194	11,194	11,194	11,194	11,194
Bradesco - Canoas	TR+9.25%	319,046	29,512	29,512	29,512	29,512	29,512
Funding costs	N/A	(25,314)	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	310	N/A	N/A	N/A	N/A	N/A
		1,427,524	98,149	106,498	114,845	123,193	131,541
Property acquisition obligations							
Usiminas	IPCA	30,304	518	777	1,036	1,295	1,555
Jockey	IGPM	10,983	284	427	569	711	853
Other	N/A	269	N/A	N/A	N/A	N/A	N/A
		41,556	802	1,204	1,605	2,006	2,408
Debentures							
3rd issue of debentures	CDI + 0.87%	412,968	14,743	20,318	25,893	31,468	37,043
	107.25% of						
3rd issue of debentures	CDI	305,114	8,835	13,253	17,671	22,088	26,506
7th issue of debentures	106% of CDI	358,811	6,580	9,871	13,161	16,451	19,741
Funding costs		(8,509)	N/A	N/A	N/A	N/A	N/A
4th and 5th issue of debentures (CRI)	95% of CDI	612,909	15,721	23,582	31,442	39,303	47,163
Funding costs		(5,409)	N/A	N/A	N/A	N/A	N/A
		1,675,884	45,879	67,024	88,167	109,310	130,453
Total		3,144,964	144,830	174,726	204,617	234,509	264,402

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Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

Part of the Company's financial assets and liabilities are pegged to interest rates and indexes that may vary, which represents a market risk for the Company.

For the quarter ended September 30, 2019, the Company's financial assets and liabilities generated net finance income (costs) amounting to R\$115,243.

The Company understands that an increase in interest rates, in indexes, or in both may cause an increase in finance costs, negatively impacting the Company's net finance income (costs). Likewise, a decrease in interest rates, in indexes, or in both may cause a decrease in finance income, negatively impacting the Company's net finance income (costs).

25.2.5. Liquidity risk management

Management of the Company and its subsidiaries manages liquidity risk by keeping adequate reserves, bank credit facilities and credit facilities to raise loans and financing, through the ongoing monitoring of forecasted and realized cash flows and combination of the maturity profiles of financial assets and liabilities.

The following table shows, in detail, the remaining contractual maturity of financial liabilities of the Company and the contractual amortization terms. This table was prepared in accordance with the undiscounted cash flows of financial liabilities based on the nearest date on which the Company shall settle the respective obligations:

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
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25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.5. Liquidity risk management (Continued)

September 30, 2019	Individual			Total
	Up to one year	From one to three years	Over three years	
Loans and financing	116,908	608,540	133,508	858,956
Property acquisition obligations	30,573	-	-	30,573
Debentures	235,514	192,742	1,247,628	1,675,884
Total	382,995	801,282	1,381,136	2,565,413

September 30, 2019	Consolidated			Total
	Up to one year	From one to three years	Over three years	
Loans and financing	171,621	728,373	527,530	1,427,524
Property acquisition obligations	35,570	5,986	-	41,556
Debentures	235,514	192,742	1,247,628	1,675,884
Total	442,705	927,101	1,775,158	3,144,964

25.3. Category of the main financial instruments

The main financial instruments classified by category are as follows:

	Individual		Consolidated	
	09/30/2019	12/31/2018	09/30/2019	12/31/2018
Financial assets at fair value through income				
Short-term investments	743,302	516,739	939,711	816,905
Financial assets at amortized cost				
Accounts receivable	193,415	217,487	315,002	353,054
Related-party receivables	24,062	20,855	26,082	25,342
Financial liabilities classified as loans and receivables measured at amortized cost				
Loans and financing	858,956	924,178	1,427,525	1,519,530
Property acquisition obligations	30,573	269	41,557	22,706
Debentures	1,675,884	1,294,202	1,675,884	1,294,202

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Notes to quarterly information (Continued)
September 30, 2019
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25. Financial instruments and risk management (Continued)

25.3. Category of the main financial instruments (Continued)

The fair values and carrying amounts of financial liabilities stated in the statements of financial position are as follows:

Instruments	Individual			
	September 30, 2019		December 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and financing	872,860	837,665	941,831	921,446
Debentures	1,689,802	1,546,043	1,310,119	1,238,807
Total funding	2,562,662	2,383,708	2,251,950	2,160,253
Total funding costs	(27,822)		(33,570)	
Total funding, net	2,534,839		2,218,380	

Instruments	Consolidated			
	September 30, 2019		December 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and financing	1,452,838	1,406,764	1,549,674	1,512,109
Debentures	1,689,802	1,546,043	1,310,119	1,238,807
Total funding	3,142,640	2,952,807	2,859,793	2,750,916
Total funding costs	(39,231)		(46,061)	
Total funding, net	3,103,408		2,813,732	

Valuation techniques and assumptions applied for purposes of fair value calculation

The estimated fair values of financial assets and liabilities of the Company and its subsidiaries have been determined using available market information and appropriate valuation methodologies in conformity with the financial statements for the year ended December 31, 2018.

Financial instruments measured at fair value after initial recognition are grouped into specific categories (levels 1, 2 and 3), according to the corresponding observable level of fair value:

- Measurements of level 1 fair value are obtained from prices quoted (unadjusted) in active markets for identical assets or liabilities.
- Measurements of level 2 fair value are obtained by means of variables other than the quoted prices included in level 1, which are observable for the asset or liability either directly (as prices) or indirectly (derived from prices).
- Measurements of level 3 fair value are obtained from non-observable market variables.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
September 30, 2019
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.3. Category of the main financial instruments (Continued)

Valuation techniques and assumptions applied for purposes of fair value calculation
(Continued)

Management understands that the fair values applicable to the Company's financial instruments fall into Level 2.

26. Earnings per share

The table below shows information on income and shares used to calculate basic and diluted earnings per share:

		September 30, 2019		September 30, 2018	
		Individual	Consolidated	Individual	Consolidated
A	Weighted average of shares issued	600,760,875	600,760,875	600,760,875	600,760,875
B	Weighted average of treasury shares	5,484,172	5,484,172	4,595,216	4,595,216
C=Average (Between A and B)	Average shares	595,276,703	595,276,703	596,165,659	596,165,659
D	Dilutive	2,530	2,530	2,205	2,205
	Net income for the period attributed to Company's shareholders	R\$328,941	R\$328,710	R\$360,906	R\$360,255
E	Earnings per share	R\$0.5526	R\$0.5522	R\$0.6054	R\$0.6043
E/(C+D)	Adjusted earnings per share	R\$0.5502	R\$0.5499	R\$0.6031	R\$0.6021

At September 30, 2018, the number of shares was adjusted as a result of the split (1:3) approved at the Special General Meeting held on July 20, 2018.

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Notes to quarterly information (Continued)
September 30, 2019
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27. Subsequent events

On October 1, 2019, a capital decrease was approved for subsidiary Parkshopping Canoas Ltda. to fully absorb accumulated losses in the amount of R\$92,179, without any return on equity to the partners. Also, on the same day, the capital stock of Parkshopping Canoas Ltda. decreased by R\$12,322, due to the withdrawal of Unipark Empreendimentos e Participações Ltda. of the corporate structure, with the withdrawing partner being reimbursed for 2.25% of the property embodied in the real estate development referred to as ParkShopping Canoas. Additionally, the Company transferred one of its shares to Multiplan Holding S.A., which joined Parkshopping Canoas Ltda. Thus, on that date, the capital of Parkshopping Canoas Ltda. decreased from R\$323,373 to R\$218,871. Following the corporate restructuring envisaged by the shareholders' agreement of ParkShopping Canoas Ltda., the parent company of ParkShopping Canoas, Multiplan now owns 100% of this entity and, as a result, holds an interest of 82.25% in the shopping center.

On October 16, 2019, subsidiaries Multiplan Greenfield II Empreendimentos Imobiliários Ltda. and Multiplan Greenfield IV Empreendimentos Imobiliários Ltda. signed with Banco Santander S.A. the 1st Amendment to the financing agreement for the construction of Morumbi Corporate project located in São Paulo. This amendment changed the financing charges from TR + 8.70% per annum (p.a.) to 100% of the CDI rate + 0.85% p.a., in addition to including a decreasing penalty for early payment. The other conditions of the original agreement remained unchanged.