

ALIANSCA SONAE



MANAGEMENT REPORT 2Q20



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Message from Management

Rio de Janeiro, August 12th, 2020 – Aliansce Sonae Shopping Centers S.A. (B3: ALSO3), one of the largest shopping mall owners and operators in Brazil, announces its results for the second quarter of 2020 (2Q20). At the end of 2Q20, the Company held ownership interests in 27 shopping malls, totaling 802.1 thousand sqm of owned GLA and 1,141.9 thousand sqm of total GLA. The Company also provides planning, management and leasing services to 12 shopping malls owned by third parties, with total GLA of 289.6 thousand sqm. The Company held 1,431.5 thousand sqm of GLA under its management at the end of 2Q20.

Description of business, services and operating markets on June 30th, 2020

The Company's main activities include ownership interest in shopping malls and providing services in the shopping mall segment, which include: (i) management, (ii) leasing of stores and spaces, and (iii) planning and development of malls.

Aliansce is a full-service company with expertise in every phase of the mall installation process, from the planning (feasibility studies of the project), development and launch of the mall to the management of its structural, financial, commercial, legal and operational aspects.

Management and leasing of shopping centers and mall spaces

Mall management consists of the administration of the strategy and daily activities of the mall, including the financial, legal, commercial and operational management of the project. Note that the management activities may be conducted by the Company and its subsidiaries.

Leasing of shopping centers includes the lease of stores and mall spaces, as well as merchandising activities.

Planning and development of malls

The planning and development of shopping malls require profound knowledge of the sector, as the first phase includes a preliminary analysis of the project to better understand consumer behavior in the mall's area of influence and the preparation of feasibility studies. Another important point is the definition of tenant mix, that is, the mix of stores operating in different sector, as well as a survey of the areas available for leasing. To conclude, the development of a mall consists of the following stages (i) identification of opportunities (ii) feasibility study; (iii) approval of investments; (iv) launch; v) construction; (vi) commercialization; and (vii) management.

Policy for the reinvestment of income and distribution of dividends

Shareholders are ensured by the Company's Bylaws a minimum dividend equal to 25% of net income from each fiscal year, adjusted in accordance with current legislation.

Management may, upon approval by the shareholders' general meeting, allocate up to 71.25% (seventy one point twenty five per cent) of the net profits to an Investment Reserve, established in the Bylaws. Management may also, based on the capital budget, allocate the remainder of the net profit for the Period not distributed as mandatory dividends, in its entirety or partially, to new investments, respecting in either case, the overall limit established in Article 199 of Law 6.404/76.

Human Resources

On June 30th, 2020, Aliansce Sonae had 336 employees, while on June 30th, 2019 the combined number of employees of Aliansce Shopping Centers and Sonae Sierra Brasil was of 349. Average employee turnover was of 0.9% in 2Q20.

The Company and its subsidiaries hold agreements with outsourcing companies that provide a significant volume of labor, including: security services, food services for employees, cleaning and building maintenance.

Our employee compensation system consists of income ranges on a vertical scale, combined with salary points on a horizontal scale, enabling job promotions and salary raises based on merit.

The Company offers its employees several benefits such as medical assistance, meal and transportation vouchers, and life insurance. Moreover, there are no unhealthy or hazardous areas and/or activities in accordance with the current legislation.

The Company's HR development and training policy includes corporate initiatives to increase, develop and improve employees' skills for their professional growth, such as English language courses, undergraduate and graduate-level courses.

Social Responsibility

The Company's commitment to sustainability is proof of our concern with ethics in business, the development of communities around our projects, adequate use of natural resources and preservation of the environment.

Through its shopping malls, the Company sponsors a number of social responsibility projects that provide cultural incentives and sponsorships, such as the "Transformar" ("Transform") project at Via Parque Shopping which teaches housewives in the Cidade de Deus community techniques for the thorough utilization of food, which has helped bring down malnutrition levels in the community. The Company also provides support to sports and citizenship initiatives through the "Via Vôlei" project in the Grande Rio and Carioca shopping centers, which, through volleyball lessons, aids in the inclusion of children aged between 7 and 14 in communities near the shopping malls by fostering community values such as equality, solidarity and the importance of teamwork in becoming responsible citizens. The Company, which bets on sustainable development, has also implemented social and environmental responsibility projects such as the "Lixo Zero - Transformando para preservar" ("Zero Trash – Transforming to Preserve") project at Caxias Shopping, which is turning the mall into the first in southeast Brazil to obtain the "Zero Trash" recognition. Today the mall has a waste treatment facility, which recycles water for reuse in toilets and gardening. The program includes the sorting of trash into different categories for recycling and transformation into organic compost.

Market Arbitration Chamber

The Company is bound to the Market's Chamber of Arbitration, in accordance with Article 38 of its Bylaws, as follows:

"Article 38 - The Company, its shareholders, managers and members of the Fiscal Council are required to solve, through arbitration, any and all disputes or controversies which may arise among them, connected to or arising from, specially, the application, validity, efficacy, interpretation, breach and its effects, of the provisions of the Brazilian Corporation Law, Company's Bylaws, the rules issued by the National Monetary Council, Central Bank of Brazil and CVM, as well as other rules applicable to the bond market operation generally, besides those provided for in the Novo Mercado Listing Regulation, Agreement of Participation in the Novo Mercado listing segment and the Arbitration Regulation of the Market's Arbitration Chamber."

Relationship with External Auditors

In compliance with CVM Instruction 381/03, we hereby inform that Ernst & Young Auditores Independentes provided the Company auditing services in the period ended June 30th, 2020.

Reconciliation of the consolidated accounting and managerial financial statements

The managerial financial information is shown in a consolidated manner in thousands de Reais (R\$) and reflect the Company's interest in each mall.

The managerial financial statements as well as other non-accounting information, presented below, were not reviewed by independent auditors. For an analysis of the Company's audited accounting information, please refer to the consolidated financial statements and explanatory notes of June 30th, 2020 and June 30th, 2019.

Financial Highlights

CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS FOR THE PERIODS ENDED JUNE 30, 2020 AND 2019

Consolidated Income Statement	2Q20	2Q19	2Q20/2Q19 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>			
Gross revenue from rent and services	181,311	145,465	24.6%
Taxes, contributions and other deductions	(8,960)	(12,093)	-25.9%
Net revenue	172,351	133,372	29.2%
Cost	(56,297)	(32,277)	74.4%
Cost of rent and services	(19,448)	(21,108)	-7.9%
Depreciation and Amortization cost	(36,849)	(11,169)	229.9%
Gross income	116,054	101,095	14.8%
Operating income/(expenses)	(44,017)	(17,561)	150.7%
Sales, general and administrative expenses	(36,817)	(16,568)	122.2%
Long-term incentive plan	(2,961)	(3,835)	-22.8%
Equity income	2,046	9,464	-78.4%
Depreciation and Amortization expenses	(4,038)	(3,439)	17.4%
Other net income (expenses)	(2,247)	(3,183)	-29.4%
Financial income/(expenses)	(14,991)	(33,428)	-55.2%
Net income before taxes and social contributions	57,045	50,106	13.8%
Current income and social contribution taxes	1,788	(5,022)	n/a
Deferred income and social contribution taxes	(13,648)	(5,397)	152.9%
Net income in the period	45,185	39,687	13.9%
Income (loss) attributable to:			
Controlling Shareholders	35,731	37,310	-4.2%
Minority Shareholders	9,454	2,377	297.8%
Net income in the period	45,185	39,687	13.9%

Managerial Income Statement	2Q20	2Q19	2Q20/2Q19 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>			
Gross revenue from rent and services	170,839	238,097	-28.2%
Taxes, contributions and other deductions	(8,906)	(14,344)	-37.9%
Net revenue	161,933	223,753	-27.6%
Cost	(71,947)	(52,940)	35.9%
Cost of rent and services	(33,387)	(36,042)	-7.4%
Depreciation and Amortization cost	(38,560)	(16,898)	128.2%
Gross income	89,985	170,813	-47.3%
Operating income/(expenses)	(27,528)	(30,888)	-10.9%
Sales, general and administrative expenses	(18,061)	(20,161)	-10.4%
Long-term incentive plan	(2,961)	(3,835)	-22.8%
Depreciation and Amortization expenses	(4,039)	(3,856)	4.8%
Other net income (expenses)	(2,467)	(3,037)	-18.8%
Financial income/(expenses)	(15,009)	(43,241)	-65.3%
Net income before taxes and social contributions	47,448	96,684	-50.9%
Current income and social contribution taxes	1,835	(16,118)	n/a
Deferred income and social contribution taxes	(13,552)	(8,662)	56.4%
Net income in the period	35,731	71,903	-50.3%

BALANCE SHEET

Managerial Balance Sheet	Aliansce Financial Statements		Adjustments		Aliansce Managerial Consolidated	
	06/30/20	12/31/19	06/30/20	12/31/19	06/30/20	12/31/19
ASSETS <i>(amounts in thousands of reais)</i>						
Current						
Cash and cash equivalents	3,067	32,682	178	5,381	3,244	38,063
Short-term investments	1,327,935	1,167,366	4,683	(2,335)	1,332,618	1,165,031
Accounts receivable	286,480	164,871	(11,068)	(3,139)	275,413	161,732
Dividends receivable	440	4,121	(58)	(3,739)	383	383
Taxes recoverable	50,739	50,378	24	(2,282)	50,763	48,095
Anticipated expenses	3,974	4,425	18,398	1,030	22,371	5,455
Values receivable	-	-	-	4	-	4
Other receivables	47,208	30,767	(6,538)	(1,464)	40,670	29,303
Total	1,719,843	1,454,610	5,620	(6,544)	1,725,463	1,448,066
Non-Current Assets held for sale	38,565	88,642	-	0	38,565	88,642
Total Current Assets and non-current assets held for sale	1,758,408	1,543,252	5,620	(6,544)	1,764,028	1,536,708
Non-Current						
Taxes recoverable	10,954	16,718	0	2,294	10,954	19,012
Deferred income and social contribution tax	89,557	89,861	(14,183)	(9,839)	75,374	80,022
Legal deposits	31,730	32,084	(138)	45	31,592	32,129
Borrowings and other accounts receivable	8,770	9,166	0	-	8,770	9,166
Derivative financial instruments	10,115	9,036	(0)	-	10,115	9,036
Anticipated expenses	5,961	10,042	(0)	4,126	5,961	14,168
Other receivables	39,179	24,414	2,165	(273)	41,343	24,141
Investments	540,370	545,109	(540,370)	(545,109)	-	0
Properties for investment	8,105,471	8,306,384	(726,423)	(727,893)	7,379,047	7,578,491
Property, plant and equipment	6,434	10,382	360	268	6,794	10,650
Intangible assets	311,363	310,101	251,291	254,094	562,655	564,195
Total Non-current Assets	9,159,903	9,363,295	(1,027,298)	(1,022,287)	8,132,606	8,341,008
Total Assets	10,918,312	10,906,547	(1,021,678)	(1,028,831)	9,896,634	9,877,716
LIABILITIES <i>(amounts in thousands of reais)</i>						
Current						
Suppliers	17,292	33,937	(851)	(2,732)	16,441	31,205
Loans and financing, real estate credit notes and debentures	65,588	64,548	0	(0)	65,589	64,547
Taxes and contributions payable	24,041	35,242	19,265	(1,068)	43,306	34,174
Deferred income	751	614	13	(10)	764	604
Dividends payable	-	4,488	0	0	0	4,488
Obligations for purchase of assets	103	103	(4)	-	99	103
Leasing	4,199	4,586	1,309	1,183	5,508	5,769
Other liabilities	74,231	95,992	(1,343)	(4,886)	72,888	91,106
Total Current Liabilities and liabilities related to non-current assets held for sale	186,205	239,511	18,390	(7,513)	204,595	231,997
Non-Current						
Loans and financing, real estate credit notes and debentures	1,989,667	2,080,991	0	(0)	1,989,667	2,080,990
Taxes and contributions to collect	6,066	6,144	(0)	0	6,066	6,144
Deferred income	16,061	18,902	136	2,942	16,197	21,844
Deferred income and social contribution tax	1,003,945	981,759	7,415	14,053	1,011,361	995,812
Leasing	24,481	25,706	29,005	29,497	53,486	55,203
Other liabilities	20,231	21,612	5,871	5,870	26,102	27,482
Provision for contingencies	14,155	15,840	(1,036)	(1,228)	13,119	14,612
Total Non-Current Liabilities	3,074,607	3,150,954	41,391	51,135	3,115,998	3,202,088
Shareholders' Equity						
Share capital	4,155,802	4,155,362	-	-	4,155,802	4,155,362
Expenditure on issuance of shares	(72,332)	(71,599)	-	-	(72,332)	(71,599)
Capital reserves	880,674	963,501	-	-	880,674	963,501
Shares held in treasury	(8,420)	-	-	-	(8,420)	-
Retained earnings (losses)	139,642	(84,310)	-	-	139,642	(84,310)
Income reserves	(2)	-	-	-	(2)	-
Carrying value adjustments	1,480,676	1,480,677	-	-	1,480,676	1,480,677
Minority Interest	1,081,459	1,072,452	(1,081,459)	(1,072,452)	-	-
Total Shareholders' Equity	7,657,500	7,516,083	(1,081,459)	(1,072,452)	6,576,041	6,443,630
Total liabilities and shareholders' equity	10,918,312	10,906,547	(1,021,678)	(1,028,831)	9,896,634	9,877,716

CASH FLOW

Cash Flow Statement	Aliansce Financial Statements	Adjustments	Aliansce Managerial Consolidated
	06/30/2020	06/30/2020	06/30/2020
(amounts in thousands of reais)			
Operating Activities			
Net Profit for the period	139,642	-	139,642
<i>Adjustments to net profit due to:</i>			
Straight line rent adjustment	(159,309)	10,781	(148,528)
Depreciation and Amortization	91,403	(5,266)	86,137
Residual value of sold fixed asset	1,101	(71)	1,030
Equity Income Gain	(12,041)	12,041	-
Provision (Reversal of provision) for doubtful accounts	27,245	(114)	27,131
(Reversal) Constitution of provisions for contingencies	(572)	160	(412)
Monetary restatement over provisions for contingencies	91	(29)	62
Stock Option plan	1,470	-	1,470
Monetary variation over financial debts	60,097	879	60,976
Gain on the sale of investment	(45,485)	45,485	-
Transactions with minority shareholders	21,829	(21,829)	-
Fair value of financial derivatives instruments	(1,079)	-	(1,079)
Deferred income and social contribution tax	21,670	(339)	21,331
	146,062	41,698	187,760
Decrease (increase) in assets	(20,848)	11,601	(9,247)
Accounts receivable	17,756	21	17,777
Loans to condominiums	(4,243)	-	(4,243)
Other	(44,545)	9,169	(35,376)
Legal deposits and values receivable from real estate taxes (IPTU)	249	288	537
Taxes recoverable	9,935	2,123	12,058
Increase (decrease) in liabilities	(9,905)	(2,050)	(11,955)
Suppliers	(16,579)	1,815	(14,764)
Collectable taxes and contributions	33,369	(285)	33,084
Other obligations	(24,147)	(641)	(24,788)
Deferred income	(2,548)	(2,939)	(5,487)
Taxes paid - IRPJ e CSLL	(21,553)	(4,291)	(25,844)
Taxes paid - PIS, COFINS e ISS	(14,413)	4,676	(9,737)
Net Cash Used in Operating Activities	79,343	51,634	130,977
Investment Activities			
Acquisition of fixed assets	(862)	1	(861)
Acquisition of properties for investment	(11,846)	(105)	(11,951)
Sale of property for investment	184,377	1	184,378
Decrease (increase) in investments	45,386	(45,386)	-
Reduction (increase) in securities	(156,826)	(15,994)	(172,820)
Increase in intangible assets	(8,632)	(18)	(8,650)
Dividends and interest on capital received	8,975	(8,975)	-
Net Cash Used in Investment Activities	60,572	(70,476)	(9,904)
Financing Activities			
Capital increase	441	-	441
Costs related to emission of shares	(732)	-	(732)
Dividends paid	-	(480)	(480)
Interest payment - loans, financings and real estate credit notes	(23,332)	5,041	(18,291)
Principal payment loans and financing and real estate credit notes	(13,867)	-	(13,867)
Pre-Payment of principal - loans, financings and real estate credit notes	(17,133)	-	(17,133)
Payment of structuring cost - loans, financings and real estate credit notes	(3,567)	-	(3,567)
Interest payment - debentures	(33,419)	(5,041)	(38,460)
Principal payment - debentures	(4,319)	-	(4,319)
(Share Disposal (Repurchase))	(8,420)	-	(8,420)
Capital increase in non-controlled companies	(15,250)	15,250	-
Leasing - Payment of interest	(1,224)	(764)	(1,988)
Leasing - Payment of principal	(1,611)	(367)	(1,978)
Repurchase payment - debentures	(47,097)	-	(47,097)
Net Cash Used in Financing Activities	(169,530)	13,639	(155,891)
Net cash and cash equivalent increase (reduction)	(29,615)	(5,203)	(34,818)
Cash and Cash Equivalents at the end of the period	3,067	178	3,245
Cash and Cash Equivalents at the beginning of the period	32,682	5,381	38,063
Net change in Cash and Cash Equivalents	(29,615)	(5,203)	(34,818)

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2020

Conciliation between managerial financial information vs financial statements Period ended June 30, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais)</i>			
Gross revenue from rental and services	424,894	(20,642)	404,253
Taxes and contributions and other deductions	(23,254)	1,297	(21,957)
Net revenues	401,640	(19,344)	382,296
Cost of rentals and services	(129,778)	(17,283)	(147,062)
Gross income	271,861	(36,628)	235,234
Operating income/expenses	(37,660)	14,946	(22,714)
Sales, general and administrative expenses	(75,500)	27,636	(47,864)
Long-term incentive plan	(6,677)	-	(6,677)
Equity Income	12,041	(12,041)	-
Depreciation and Amortization	(7,956)	(3)	(7,958)
Other net operating income (expenses)	40,431	(646)	39,785
Financial income/(expenses)	(36,045)	(416)	(36,461)
Net income before taxes and social contributions	198,157	(22,097)	176,059
Income and social contribution taxes	(36,686)	268	(36,417)
Net income in the period	161,471	(21,829)	139,642
Income attributable to:			
Controlling shareholders	139,642	(0)	139,642
Minority shareholders	21,829	(21,829)	-
Net income in the period	161,471	(21,829)	139,642

Conciliation between EBITDA / Adjusted EBITDA Period ended June 30, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	161,471	(21,829)	139,642
(+) Depreciation and amortization	91,403	(5,267)	86,137
(+)/(-) Financial expenses / (income)	36,045	416	36,461
(+) Income and social contribution taxes	36,686	(268)	36,417
EBITDA	325,605	(26,948)	298,657
EBITDA margin %	81.1%		78.1%
(+)/(-) Non-recurring (expenses)/income	(42,818)	55	(42,763)
(+) Long-term incentive plan	6,677	-	6,677
Adjusted EBITDA	289,463	(26,893)	262,571
Adjusted EBITDA margin %	73.5%		69.5%

Conciliation between FFO / Adjusted FFO Period ended June 30, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	161,471	(21,829)	139,642
(+) Depreciation and amortization	91,403	(5,267)	86,137
(=) FFO *	252,874	(27,096)	225,779
FFO margin %	23.6%		21.7%
(+)/(-) Non-recurring expenses	(42,818)	55	(42,763)
(-) Straight line rent adjustments - CPC 06	(159,309)	17,657	(141,652)
(+) Stock Options	6,677	-	6,677
(+)/(-) Non-cash taxes	22,974	(339)	22,635
(+)/(-) SWAP	(1,079)	-	(1,079)
(+)/(-) Other non-recurring financial expenses	(7,094)	2,616	(4,478)
(+) Pre-operating expenses	-	-	-
(=) Adjusted FFO *	72,225	(7,107)	65,119
AFFO margin %	29.8%		27.9%

* Non-accounting indicators

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2019

Conciliation between managerial financial information vs financial statements	Aliansce Sonae Consolidated	Adjustments	Aliansce Sonae Consolidated
Period ended June 30, 2019	2019 - Financial Statements		2019 - Managerial
<i>(amounts in thousands of reais)</i>			
Gross revenue from rental and services	284,362	182,802	467,164
Taxes and contributions and other deductions	(23,718)	(4,428)	(28,146)
Net revenues	260,644	178,374	439,018
Cost of rentals and services	(63,616)	(42,924)	(106,540)
Gross income	197,028	135,450	332,478
Operating income/expenses	(36,164)	(29,938)	(66,102)
General and administrative expenses	(43,178)	(5,730)	(48,908)
Long-term incentive plan	(7,455)	-	(7,455)
Equity Income	19,124	(19,124)	-
Depreciation and Amortization	(6,099)	(854)	(6,954)
Other operating (expenses)/revenues	1,445	(4,230)	(2,785)
Financial income/(expenses)	(63,057)	(24,291)	(87,348)
Net income before taxes and minority interest	97,807	81,221	179,028
Income and social contribution taxes	(28,005)	(22,168)	(50,174)
Net income/(loss) in the period	69,802	59,053	128,855
Income attributable to:			
Controlling shareholders	65,099	63,756	128,855
Minority shareholders	4,703	(4,703)	-
Net income in the period	69,802	59,052	128,855

Conciliation between EBITDA / Adjusted EBITDA	Aliansce Sonae Consolidated	Adjustments	Aliansce Sonae Consolidated
Period ended June 30, 2019	2019 - Financial Statements		2019 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income	69,802	59,053	128,855
(+) Depreciation and amortization	35,858	4,699	40,556
(+)/(-) Financial expenses / (income)	63,057	24,291	87,348
(+) Income and social contribution taxes	28,005	22,168	50,174
(+) Pre-operational expenses	-	74	74
EBITDA*	196,722	110,285	307,007
EBITDA margin %	75.5%		69.9%
(+)/(-) Non-recurring (expenses)/income	(3,262)	3,786	525
(+) Long-term incentive plan	7,455	-	7,455
Adjusted EBITDA*	200,915	114,071	314,986
Adjusted EBITDA margin %	77.1%		71.7%

Conciliation between FFO / Adjusted FFO	Aliansce Sonae Consolidated	Adjustments	Aliansce Sonae Consolidated
Period ended June 30, 2019	2019 - Financial Statements		2019 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	69,802	59,053	128,855
(+) Depreciation and amortization	35,858	4,699	40,556
(=) FFO *	105,659	63,751	169,411
FFO margin %	37.7%		45.0%
(+)/(-) Non-recurring expenses	(3,262)	3,786	525
(-) Straight line rent adjustments - CPC 06	(5,196)	(731)	(5,927)
(+) Stock Options	7,455	-	7,455
(+)/(-) Non-cash taxes	13,157	7,641	20,798
(+)/(-) SWAP	(424)	-	(424)
(+)/(-) Other non-recurring financial expenses	(176)	(6)	(183)
(+) Pre-operating expenses	-	74	74
(=) Adjusted FFO *	117,214	74,516	191,730
AFFO margin %	45.0%		43.7%

* Non-accounting indicators

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS

The table below shows the reconciliation between consolidated net debt and managerial net debt in 2Q20.

Debt breakdown - Consolidated	Financial Statements 2Q20	Effects of CPC 18/19	Managerial 2Q20
<i>(amounts in thousands of reais)</i>			
Banks	383,013	-	383,013
CCI/CRI	170,519	-	170,519
Obligation for purchase of assets	103	(4)	99
Debentures	1,491,609	-	1,491,609
Total debt	2,045,244	(4)	2,045,240
Cash and Cash Equivalents	(1,331,002)	(4,861)	(1,335,863)
Total cash available	(1,331,002)	(4,861)	(1,335,863)
Net debt	714,242	(4,865)	709,378

In compliance with article 25, paragraph 1, items V and VI, of CVM Normative Instruction 480/09, the Company's Chief Executive Officer and Investor Relations Officer declare that they have reviewed, discussed and agreed with the financial statements and the opinions expressed by the independent auditors.

Quarterly Information- ITR

Aliansce Sonae Shopping Centers S.A.

June 30, 2020

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

Aliansce Sonae Shopping Centers S.A.

Quarterly information - ITR

June 30, 2020

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Independent auditor's review report on quarterly information - ITR

The
Shareholders, Board of Directors and Officers
Aliansce Sonae Shopping Center S.A.
Rio de Janeiro - RJ

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Aliansce Sonae Shopping Center S.A. ("Company") for the quarter ended June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the statements of income and comprehensive income for the three and six-month periods then ended, and changes in equity and cash flows for the six-month period then ended, including the explanatory notes.

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (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 auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the quarterly information referred to above are not prepared, in all material respects, in accordance with NBC TG 21 and IAS 34 applicable to the preparation of Quarterly Information Form (ITR), and presented consistently with the rules issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

The abovementioned quarterly information includes the individual and consolidated statement of value added (SVA) for the three-month period ended June 30, 2020, prepared under Company's Management responsibility and presented as supplementary information by IAS 34. These statements have been subject to review procedures performed together with the review of the quarterly information with the objective to conclude whether they are reconciled to the interim financial information and the accounting records, as applicable, and if its format and content are in accordance with the criteria set forth by NBC TG 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, August 11, 2020.

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

A handwritten signature in blue ink, appearing to read 'Roberto Martorelli', is placed above the printed name.

Roberto Martorelli
Accountant CRC-1RJ106103/O-0

Aliansce Sonae Shopping Centers S.A.

Balance sheets

June 30, 2020 and December 31, 2019

(All amounts in thousands of reais)

	Note	Company		Consolidated	
		2020	2019	2020	2019
Assets					
Current					
Cash and cash equivalents	7	1,137	6,501	3,066	32,682
Short-term investments	8	1,089,596	925,164	1,327,935	1,167,366
Trade receivables	9	44,189	25,780	286,480	164,871
Dividends and interest on capital receivable	11	440	9,807	440	4,121
Taxes recoverable	10	27,437	30,162	50,739	50,378
Prepaid expenses		3,395	4,008	3,974	4,425
Others		21,310	15,216	47,209	30,767
		1,187,504	1,016,638	1,719,843	1,454,610
Non-current assets held for sale	12	21,610	21,610	38,565	88,642
		21,610	21,610	38,565	88,642
Non-current assets					
Deferred income tax and social contribution	19	18,314	22,895	89,557	89,861
Taxes recoverable	10	9,382	16,018	10,954	16,718
Judicial deposits	17	639	1,653	31,730	32,084
Loans and other receivables	26	-	151	8,770	9,166
Derivative financial instruments	5	10,115	9,036	10,115	9,036
Prepaid expenses		5,882	9,936	5,961	10,042
Others		38,037	15,807	39,179	24,413
		82,369	75,496	196,266	191,320
Investments	11	6,271,937	6,405,396	540,370	545,109
Investment properties	12c	631,596	636,740	8,105,471	8,306,384
Property and equipment	14	4,889	7,425	6,434	10,381
Intangible assets	13	48,179	45,577	311,363	310,101
		6,956,601	7,095,138	8,963,638	9,171,975
Total assets		8,248,084	8,208,882	10,918,312	10,906,547

	Note	Company		Consolidated	
		2020	2019	2020	2019
Liabilities					
Current					
Trade payables		8,779	17,479	17,292	33,937
Borrowings and financings, CCI/CRIs and debentures	15	25,346	27,593	65,588	64,548
Taxes and contributions payable	10	2,799	4,276	24,041	35,242
Dividends payable	20	-	-	-	4,488
Obligations for purchase of assets	26	-	-	103	103
Deferred revenues	16	-	-	750	614
Trade payables - Lease	14	4,199	4,586	4,199	4,586
Other obligations	18	35,226	59,309	74,231	95,992
		76,349	113,243	186,204	239,510
Non-current assets					
Borrowings and financings, CCI/CRIs and debentures	15	1,549,006	1,602,315	1,989,667	2,080,991
Taxes and contributions payable	10	360	360	6,066	6,144
Deferred revenues	16	4,944	5,580	16,061	18,902
Deferred income tax and social contribution	19	-	-	1,003,945	981,759
Trade payables - Lease	14	24,481	25,706	24,481	25,706
Provision for contingencies	17	1,680	2,728	14,155	15,840
Other obligations	18	15,221	15,319	20,231	21,612
		1,595,692	1,652,008	3,074,606	3,150,954
Equity	20				
Share capital		4,155,802	4,155,362	4,155,802	4,155,362
Expenditure on issuance of shares		(72,332)	(71,599)	(72,332)	(71,599)
Treasury shares		(8,420)	-	(8,420)	-
Capital reserves		880,674	963,501	880,674	963,501
Carrying value adjustments		1,480,677	1,480,677	1,480,677	1,480,677
Retained earnings (accumulated losses)		139,642	(84,310)	139,642	(84,310)
Equity attributable to owners of the parent		6,576,043	6,443,631	6,576,043	6,443,631
Non-controlling interest	20	-	-	1,081,459	1,072,452
Total equity		6,576,043	6,443,631	7,657,502	7,516,083
Total liabilities and equity		8,248,084	8,208,882	10,918,312	10,906,547

The accompanying notes are an integral part of this quarterly information.

Aliansce Sonae Shopping Centers S.A.

Statements of income

Three-month and six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais, except for net result per share)

	Note	Company			
		Three-month period ended		Six-month period ended	
		2020	2019	2020	2019
Net revenue from rental and services	21	26,315	39,312	67,902	79,135
Cost of rentals and services	22	(5,362)	(5,905)	(11,559)	(11,837)
Gross profit		20,953	33,407	56,343	67,298
Operating income (costs)					
General, sale and administrative expenses	23	(22,829)	(20,499)	(53,504)	(48,636)
Other income (costs), net	25	1,011	(732)	42,891	(5,170)
		(21,818)	(21,231)	(10,613)	(53,806)
Result of equity in subsidiaries	11	41,594	42,258	122,443	86,226
Finance result	24				
Finance costs		(16,570)	(26,342)	(44,818)	(51,508)
Finance income		9,564	9,255	20,114	16,816
		(7,006)	(17,087)	(24,704)	(34,692)
Profit before income tax and social contribution		33,723	37,347	143,469	65,026
Income tax and social contribution	19	2,011	(36)	(3,827)	73
Profit for the period		35,734	37,311	139,642	65,099
Profit attributable to stockholders of the Parent		35,734	37,311	139,642	65,099
		35,734	37,311	139,642	65,099
Result per share attributable to stockholders of the Parent during the period (expressed in R\$per share)					
Result per share - basic					
From continuing operations	20	0.1344	0.1841	0.5254	0.3212
		0.1344	0.1841	0.5254	0.3212
Result per share - diluted					
From continuing operations	20	0.1344	0.1818	0.5254	0.3176
		0.1344	0.1818	0.5254	0.3176

Aliansce Sonae Shopping Centers S.A.

Statements of income (Continued)

Three and six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais, except for net result per share)

	Note	Consolidated			
		Three-month period ended		Six-month period ended	
		2020	2019	2020	2019
Net revenue from rental and services	21	172,351	133,372	401,640	260,644
Cost of rentals and services	22	(56,297)	(32,277)	(129,778)	(63,616)
Gross profit		116,054	101,095	271,862	197,028
Operating income (costs)					
General, sale and administrative expenses	23	(43,816)	(23,842)	(90,132)	(56,733)
Other income (costs), net	25	(2,247)	(3,184)	40,431	1,444
		(46,063)	(27,026)	(49,701)	(55,289)
Result of equity in subsidiaries	11	2,046	9,464	12,041	19,124
Finance result	24				
Finance costs		(26,547)	(45,869)	(66,477)	(86,746)
Finance income		11,555	12,441	30,432	23,689
		(14,992)	(33,428)	(36,045)	(63,057)
Profit before income tax and social contribution		57,045	50,105	198,157	97,806
Income tax and social contribution	19	(11,860)	(10,418)	(36,686)	(28,004)
Profit for the period		45,185	39,687	161,471	69,802
Profit attributable to stockholders of the Parent		35,731	37,311	139,642	65,099
Non-controlling interest		9,454	2,376	21,829	4,703
		45,185	39,687	161,471	69,802

The accompanying notes are an integral part of this quarterly information.

Aliansce Sonae Shopping Centers S.A.

Statements of comprehensive income

Three and six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais)

	Company				Consolidated			
	Three-month period ended		Six-month period ended		Three-month period ended		Six-month period ended	
	2020	2019	2020	2019	2020	2019	2020	2019
Profit for the period	35,734	37,311	139,642	65,099	45,185	39,687	161,471	69,802
Total comprehensive income	35,734	37,311	139,642	65,099	45,185	39,687	161,471	69,802
Attributable to								
Stockholders of the								
Parent	35,734	37,311	139,642	65,099	35,731	37,311	139,642	65,099
Non-controlling interest	-	-	-	-	9,454	2,376	21,829	4,703

The accompanying notes are an integral part of this quarterly information.

Aliansce Sonae Shopping Centers S.A.

Statements of changes in equity
Six-month periods ended June 30, 2020 and 2019
(All amounts in thousands of reais)

	Share capital	Expenditure on issuance of shares	Revenue reserve				Carrying value adjustments	Retained earnings/ (accumulated losses)	Treasury shares	Total	Non-controlling interest	Total
			Capital reserve	Legal reserve	Unrealized revenue reserve	Profit retention						
At December 31, 2018	2,013,854	(44,431)	29,604	44,461	-	487,364	24,157	-	(1,034)	2,553,975	51,962	2,605,937
Profit for the period	-	-	-	-	-	-	-	65,099	-	65,099	4,703	69,802
Granted stock options	-	-	1,955	-	-	-	-	-	-	1,955	-	1,955
Supplementary dividends 2018	-	-	-	-	-	(27,065)	-	-	-	(27,065)	-	(27,065)
Transactions with non-controlling stockholders directly in equity												
Dividends paid to non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	(3,885)	(3,885)
At June 30, 2019	2,013,854	(44,431)	31,559	44,461	-	460,299	24,157	65,099	(1,034)	2,593,964	52,780	2,646,744
At December 31, 2019	4,155,362	(71,599)	963,501	-	-	-	1,480,677	(84,310)	-	6,443,631	1,072,452	7,516,083
Profit for the period	-	-	-	-	-	-	-	139,642	-	139,642	21,829	161,471
Absorption of accumulated losses with capital reserve (Note 20)	-	-	(84,310)	-	-	-	-	84,310	-	-	-	-
Share-based compensation program (Note 28)	-	-	1,483	-	-	-	-	-	-	1,483	-	1,483
Capital contribution related to the share-based compensation program	440	-	-	-	-	-	-	-	-	440	-	440
Share buyback	-	-	-	-	-	-	-	-	(8,420)	(8,420)	-	(8,420)
Share issued cost (Note 20)	-	(733)	-	-	-	-	-	-	-	(733)	-	(733)
Dividends paid to non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	(12,822)	(12,822)
At June 30, 2020	4,155,802	(72,332)	880,674	-	-	-	1,480,677	139,642	(8,420)	6,576,043	1,081,459	7,657,502

The accompanying notes are an integral part of this quarterly information.

Aliansce Sonae Shopping Centers S.A.

Statements of cash flows

Six -month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	2020	2019	2020	2019
Operating activities				
Profit (loss) for the period attributable to stockholders of the Parent	139,642	65,099	139,642	65,099
Adjustments to profit arising from				
Straight-line rent	(17,683)	(1,718)	(159,309)	(5,196)
Depreciation and amortization	15,819	11,529	91,403	35,858
Result of equity in subsidiaries	(122,443)	(86,226)	(12,041)	(19,124)
Constitution of provision for expected credit loss	4,490	2,622	27,245	7,464
Share-based compensation	1,470	1,955	1,470	1,955
Interest and indexation charges on financial transactions	42,570	46,966	60,097	81,378
Gain (loss) on the sale of interest in Boulevard Corporate Tower	-	-	-	8,905
Fair value of the derivative financial instruments	(1,079)	(424)	(1,079)	(424)
Deferred income tax and social contribution	3,582	(55)	21,670	13,157
Provision for impairment of assets	-	-	-	-
Capital gain on the sale of interest/investment	(45,485)	-	(45,485)	-
Transactions with non-controlling stockholders	-	-	21,829	-
Others	-	-	620	-
	20,883	39,748	146,062	189,072
Decrease (increase) in assets				
Trade receivables	(4,070)	(361)	17,756	10,085
Others	(26,152)	1,445	(48,788)	(18,178)
Judicial deposits	1,013	(3)	249	(25)
Recoverable taxes	14,140	(778)	9,935	747
	(15,069)	303	(20,848)	(7,371)
Increase (decrease) in liabilities				
Trade payables	(8,700)	(4,687)	(16,579)	(8,683)
Taxes and contributions payable	1,123	7,313	33,369	40,366
Other obligations	(25,216)	(2,956)	(24,148)	(3,241)
Deferred revenue	(636)	2,418	(2,548)	1,919
	(33,429)	2,088	(9,906)	30,361
Taxes paid - IRPJ and CSLL	-	(18)	(21,553)	(15,023)
Taxes paid - PIS, COFINS and ISS	(273)	(5,780)	(14,411)	(17,128)
Net cash generated by (used in) operating activities	(27,888)	36,341	79,344	179,911
Investing activities				
Acquisition of property and equipment	(814)	(154)	(862)	(164)
Acquisition of investment property - shopping malls	(1,539)	(38,696)	(11,846)	(76,054)
Sale of investment property	-	-	184,377	54,019
Decrease (increase) in investments	134,137	(23,460)	45,386	(13,722)
Capital increase in subsidiaries/associates	(22,683)	(36,564)	-	(5,475)
Capital decrease in subsidiaries/associates/amortization of quotas	-	173,059	-	-
Decrease (increase) in short-term investments	(37,518)	(93,062)	(156,826)	15,555
Acquisition of intangible assets	(8,338)	(4,905)	(8,632)	(5,421)
Interest on capital and received dividends	59,558	87,829	8,975	24,148
Net cash provided by (used in) investing activities	122,803	64,047	60,572	(7,114)
Financing activities				
Payment in obligations with purchase of assets	-	(1,158)	-	(18,964)
Capital increase	441	-	441	-
Expenditures on issuance of shares	(733)	-	(733)	-
Payment of interest - borrowings and financings and real estate credit notes	(3,024)	(5,258)	(23,332)	(43,296)
Payment of principal - borrowings and financings and real estate credit notes	(631)	(3,155)	(13,867)	(27,406)
Pre-payment of principal - borrowings and financing and real estate credit notes	-	-	(17,133)	-
Payment of structuring cost of borrowings and financings	(242)	(40)	(3,567)	(40)
Payment of interest on debentures	(33,419)	(36,060)	(33,419)	(36,060)
Payment of principal of debentures	(4,319)	(3,369)	(4,319)	(3,369)
Payment of structuring cost of debentures	-	(25)	-	(25)
Payment of interest- Lease (right of use)	(1,224)	(1,061)	(1,224)	(1,061)
Payment of principal - Lease (right of use)	(1,611)	(611)	(1,611)	(611)
Dividends paid	-	(54,132)	-	(54,132)
Share buyback	(8,420)	-	(8,420)	-
Transactions with non-controlling stockholders	-	-	(15,250)	(3,885)
Repurchase of debentures	(47,097)	-	(47,097)	-
Net cash provided by (used in) financing activities	(100,279)	(104,869)	(169,531)	(188,849)
Net increase (decrease) in cash and cash equivalents	(5,364)	(4,481)	(29,615)	(16,052)
Cash and cash equivalents at the end of the period	1,137	2,144	3,067	5,838
Cash and cash equivalents at the beginning of the period	6,501	6,625	32,682	21,890
Net increase (decrease) in cash and cash equivalents	(5,364)	(4,481)	(29,615)	(16,052)

The accompanying notes are an integral part of this quarterly information.

Aliansce Sonae Shopping Centers S.A.

Statements of value added

Six-month periods ended June 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	2020	2019	2020	2019
Revenue				
Gross revenue from rental and services	73,522	86,856	423,949	282,735
Provision for expected credit losses	(4,490)	(2,622)	(27,516)	(7,712)
Other revenue	50,917	1,402	62,552	13,871
	119,949	85,636	458,985	288,894
Inputs acquired from third parties				
Cost of rentals and services	(2,719)	(5,447)	(34,542)	(33,857)
Materials, energy, outsourced services and other operating expenses	(16,181)	(11,244)	(35,161)	(18,819)
Gross value added provided by the Company	101,049	68,945	389,282	236,218
Retentions				
Depreciation and amortization	(15,819)	(11,529)	(91,403)	(35,858)
Net value added provided by the Company	85,230	57,416	297,879	200,360
Value added received in transfer				
Result of equity in subsidiaries	122,443	86,226	12,041	19,124
Finance income	20,114	16,816	30,432	23,689
	142,557	103,042	42,473	42,813
Total value added distributed	227,787	160,458	340,352	243,173
Distribution of value added				
Employees	33,816	36,106	48,781	36,183
Salaries and charges	27,227	29,492	41,368	29,569
Executives fees	3,571	3,978	4,395	3,978
Employees profit sharing	3,018	2,636	3,018	2,636
Taxes	9,511	7,745	62,492	50,194
Federal	8,504	6,452	59,108	45,987
Municipal	1,007	1,293	3,384	4,207
Financiers	44,818	51,508	67,608	86,994
Interest and other finance costs	44,818	51,508	66,477	86,746
Rentals	-	-	1,131	248
Remuneration of own capital	139,642	65,099	161,471	69,802
Dividends and interest on capital	-	-	-	-
Retained earnings / loss for the period	139,642	65,099	139,642	65,099
Non-controlling interest in retained earnings / loss for the period	-	-	21,829	4,703
	227,787	160,458	340,352	243,173

The accompanying notes are an integral part of this quarterly information.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

1. Operations

Aliansce Sonae Shopping Centers S.A. (formerly Aliansce Shopping Centers S.A., referred to in these quarterly information as “Aliansce Sonae”, “Aliansce Group” or “Company”), headquartered at Rua Dias Ferreira, 190 - 3º andar, Leblon, Rio de Janeiro, is controlled by a group of stockholders who jointly control the shares. As a result of the Stockholders' Agreement signed on June 6, 2019, Canada Pension Plan Investment Board (“Canada Pension Plan Investment Board”), CPPIB Flamengo US LLC (“CPPIB Flamengo” and, jointly with Canada Pension Plan Investment Board, “CPPIB”), Renato Feitosa Rique (“Renato”), Rique Empreendimentos e Participações Ltda. (“Rique Empreendimentos”), RFR Empreendimentos e Participações S.A. (“RFR”), Fundo de Investimentos em Participações Bali Multiestratégia (“FIP Bali” and, jointly with Renato, Rique Empreendimentos, RFR and FIP Bali, “Rique”) and Sierra Brazil 1 S.À R.L (“SB 1”) and Cura Brazil S.À R.L (“Cura”) together share the control of the Company, with shares representing 48.8% of total and voting share capital linked to this agreement, as at June 30, 2020.

The Company's principal activity is investing, directly or indirectly in commercial centers, shopping malls and similar ventures, and in other companies as a partner or stockholder, as well as rendering commercial advisory services, management of shopping malls and condominiums in general. The Company and its subsidiaries, joint ventures and associates are hereinafter collectively referred to as the “Group”.

The issuance of these quarterly information was authorized by the Company’s Board of Directors on August 11, 2020.

2. Presentation of the quarterly information and accounting policies

2.1. Compliance statement

The Company and consolidated quarterly information was prepared and is being presented according to the NBC TG 21/IAS 34 - Interim Financial Reporting, and in compliance with the standards issued by the Securities and Exchange Commission of Brazil, applicable to the preparation of Quarterly Information - ITR, and contains all material information specific to the quarterly information, which is consistent with that used by Management.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.1. Compliance statement (Continued)

The presentation of the Company and consolidated statements of value added, is required by the Brazilian corporate legislation and by the accounting practices adopted in Brazil for listed companies. The IFRS do not require the presentation of this statement. Therefore, under the IFRS, the presentation of such statements is considered supplementary information, and not part of the set of quarterly information.

2.2. Basis of preparation and measurement

The relevant 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, 2019, disclosed on March 11, 2020.

3. Significant accounting judgments, estimates and assumptions

The critical accounting estimates and judgments adopted by the Company in this quarterly information are consistent with those adopted in the financial statements for the year ended December 31, 2019, disclosed on March 11, 2020.

4. Corporate events during the period

In January 2020, the Company completed the third stage of the sale of Boulevard Corporate Tower for R\$52,200, with write-off of the cost of R\$50,077 and a gain of R\$2,123, which is recorded in the statement of income under Other income (costs) line item.

In February 2020, the Company sold its 37.50% interest in Shopping Santa Úrsula (50% in Manati Empreendimentos e Participações S.A.) for R\$28,500, with write-off of the investment cost of R\$32,564 and a loss of R\$4,064, which is recorded in the statement of income under Other income (costs) line item.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

4. Corporate events during the period (Continued)

In March 2020, the Company concluded the sale of the subsidiary Mozart for R\$15, 25% of the capital of CDG (equivalent to 25% of the asset Shopping Campos) and 32% of the capital of Norte Shopping Belém (equivalent to 24% of the asset Parque Shopping Belém) for R\$52,019 and R\$74,933, respectively, without losing control of the companies. Upon the consummation of these transactions, the Company now holds remaining interests of 75% and 51% in shopping malls Campos and Parque Belém, respectively. The respective sales contracts also provide for the spin-off of the net assets corresponding to these interests sold for the withdrawal of the new stockholder, with Aliansce Sonae resuming a 100% interest in CDG and Norte Shopping Belém, with the adjusted interests in the ventures.

Considering that, in essence, after the conclusion of the aforementioned spin-offs, which are already in progress, the Company considered these transactions to be sales of assets and not of equity interests. Accordingly, these transactions generated gains of R\$10,000 and R\$27,109, respectively, recorded in profit or loss for the period.

Additionally, the sale value of shopping malls Campos and Parque Shopping Belém may be increased by earn-out remuneration based on the performance of both shopping malls over the next 12 months.

In April 2020, the sale of 50% of subsidiary Gaudi Empreendimentos e Participações Ltda. to Legatus Shopping Fundo de Investimento Imobiliário - FII for R \$ 24,374 was concluded. This transaction generated a gain of R\$970, which was recorded in the statement of income as "Other income (costs), net".

5. Financial risk management

The financial risk factors in this quarterly information are consistent with those adopted in the financial statements for the year ended December 31, 2019, disclosed on March 11, 2020.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

a) Liquidity risk

The contractual maturities of the main financial liabilities, including the estimated interest payment and excluding, if any, the impact of the negotiation of currencies by net position, as at June 30, 2020 and December 31, 2019, are as follows.

June 30, 2020	Company						
	Fair Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings	71,733	112,608	3,066	3,426	7,388	28,961	69,767
Trade payables	8,779	8,779	8,779	-	-	-	-
Debentures	1,502,619	1,720,582	30,237	22,424	394,960	1,119,628	153,333
Derivative financial instruments							
Swap (debentures)	(10,115)	(9,085)	(1,159)	(1,094)	(2,052)	(4,780)	-
	<u>1,573,016</u>	<u>1,832,884</u>	<u>40,923</u>	<u>24,756</u>	<u>400,296</u>	<u>1,143,809</u>	<u>223,100</u>
December 31, 2019	Company						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings and financings	72,510	122,551	3,769	3,743	8,149	29,608	77,282
Trade payables	17,479	17,479	17,479	-	-	-	-
Debentures	1,557,398	1,918,059	38,618	44,161	253,882	1,342,064	239,334
Derivative financial instruments							
Swap (debentures)	(9,036)	(8,813)	(631)	(887)	(1,579)	(5,716)	-
	<u>1,638,351</u>	<u>2,049,276</u>	<u>59,235</u>	<u>47,017</u>	<u>260,452</u>	<u>1,365,956</u>	<u>316,616</u>
June 30, 2020	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings and financings	382,117	492,634	26,294	35,653	72,418	229,369	128,900
Trade payables	17,292	17,292	17,292	-	-	-	-
Obligations for purchase of assets	103	103	103	-	-	-	-
Debentures	1,502,619	1,720,582	30,237	22,424	394,960	1,119,628	153,333
Real estate credit note (CCIs)	170,519	228,922	15,609	17,462	34,276	108,274	53,301
Derivative financial instruments							
Swap (debentures)	(10,115)	(9,085)	(1,159)	(1,094)	(2,052)	(4,780)	-
	<u>2,062,535</u>	<u>2,450,448</u>	<u>88,376</u>	<u>74,445</u>	<u>499,602</u>	<u>1,452,491</u>	<u>335,534</u>

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

a) Liquidity risk (Continued)

December 31, 2019	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings and financings	406,936	551,425	32,521	34,389	74,671	234,253	175,591
Trade payables	33,937	33,937	33,937	-	-	-	-
Obligations for purchase of assets	103	103	103	-	-	-	-
Debentures	1,557,398	1,918,059	38,618	44,161	253,882	1,342,064	239,334
Real estate credit note (CCIs)	181,205	242,108	16,613	15,379	33,142	105,845	71,129
Derivative financial instruments							
Swap (debentures)	(9,036)	(8,813)	(631)	(887)	(1,579)	(5,716)	-
	<u>2,170,543</u>	<u>2,736,819</u>	<u>121,161</u>	<u>93,042</u>	<u>360,116</u>	<u>1,676,446</u>	<u>486,054</u>

b) Interest rate risk

The analysis of the Company's net exposure to the interest rate risk is as follows:

	Carrying amount			
	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Interest rate financial instruments				
Financial assets	1,090,733	925,164	1,331,001	1,167,366
Financial liabilities	(1,583,131)	(1,647,387)	(2,072,650)	(2,179,579)
	<u>(492,398)</u>	<u>(722,223)</u>	<u>(741,649)</u>	<u>(1,012,213)</u>
Derivative financial instruments				
Financial assets	10,115	9,036	10,115	9,036
	<u>10,115</u>	<u>9,036</u>	<u>10,115</u>	<u>9,036</u>

The tables below show the sensitivity analysis of the Company's Management and the cash effect of transactions outstanding at June 30, 2020, as well as the amounts of indexes used in the forecasts.

Operation	Risk variable	Company			
		Carrying amount	Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,264,034)	(1,265,962)	(1,268,767)	(1,271,576)
IPCA	Increase of IPCA	(288,285)	(285,347)	(286,278)	(287,211)
Swap (debentures)	Increase of CDI	10,115	10,115	9,335	8,555

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

b) Interest rate risk (Continued)

Operation	Risk variable	Consolidated			
		Carrying amount	Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,264,034)	(1,265,962)	(1,268,767)	(1,271,576)
IPCA	Increase of IPCA	(288,285)	(285,347)	(286,278)	(287,211)
IGP-DI	Increase of IGP-DI	(73,798)	(69,991)	(70,225)	(70,459)
Swap (debentures)	Increase of CDI	10,115	10,115	9,335	8,555

Indexer	June 30, 2020		
	Scenario I probable	Scenario II (+25%)	Scenario III (+50%)
IPCA	1.88%	2.35%	2.82%
CDI	3.08%	3.85%	4.62%
IGP-DI	5.63%	7.03%	8.44%

For each scenario, a gross finance cost was calculated, not taking into account the levy of taxes and the maturity flow of each agreement programmed to 2020.

There are no material changes in the equity position of the financial liabilities in the different scenarios shown above, because a great part of the interest is provided for and paid within the same year. However, the Company understands that an increase in the interest rate, in the indexers or in both may give rise to a material increase in the finance costs, causing a negative impact in the Company's finance result.

c) Fair value measurement

Management's understanding is that financial assets and liabilities not presented in this Note are stated at carrying amount, which approximates their fair value. The fair values of the financial liabilities, together with the carrying amounts presented in the balance sheet, are as follows:

Instruments	Company			
	June 30, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings	76,557	79,731	77,328	83,167
Debentures	1,519,855	1,552,806	1,577,522	1,575,173
Total borrowings	1,596,412	1,632,537	1,654,850	1,658,340
Total borrowing cost	(22,060)		(24,942)	
Total net borrowings	1,574,352		1,629,908	

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

c) Fair value measurement (Continued)

Instruments	Consolidated			
	June 30, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings	392,751	402,425	417,977	433,129
CRIs	173,729	185,359	181,205	193,662
Debentures	1,519,855	1,552,806	1,577,522	1,575,173
Total borrowings	2,086,335	2,140,590	2,176,704	2,201,964
Total borrowing cost	(31,080)		(31,165)	
Total net borrowings	2,055,255		2,145,539	

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

d) Operating risk

The net debt and equity ratio is as follows:

	Consolidated	
	June 30, 2020	December 31, 2019
Borrowings and financings, CCI/CRIs and debentures	2,055,255	2,145,539
Obligations for purchase of assets	103	103
Total	2,055,358	2,145,642
(-) Cash and cash equivalents	(3,066)	(32,682)
(-) Short-term investments	(1,327,935)	(1,167,366)
(-) Derivative financial instruments	(10,115)	(9,036)
Net debt (A)	714,242	936,558
Total equity (B)	7,657,500	7,516,083
Net debt /equity ratio (A/B)	9.33%	12.46%

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

6. Segment reporting

The segment reporting in this quarterly information is consistent with that adopted in the financial statements for the year ended December 31, 2019, disclosed on March 11, 2020.

Item	Consolidated							
	June 30, 2020				June 30, 2019			
	Rent	Parking lot	Services	Total	Rent	Parking lot	Services	Total
Net revenue								
(1)	334,810	36,311	30,519	401,640	178,148	50,499	31,997	260,644
Cost	(104,349)	(6,954)	(18,475)	(129,778)	(45,307)	(10,630)	(7,679)	(63,616)
Gross result	230,461	29,357	12,044	271,862	132,841	39,869	24,318	197,028

(1) Net of taxes on revenue (Social Integration Program (PIS), Social Contribution on Revenue (COFINS) and Service Tax (ISS)), discounts and cancellations.

7. Cash and cash equivalents

The Company includes in "Cash and cash equivalents" cash on hand and deposits with banks.

8. Short-term investments

Financial assets at fair value through profit or loss	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Bank Certificate of Deposits (CDB)	451,101	56,485	550,127	178,390
Bank Certificate of Deposits (CDB) - Gaia (*)	-	-	2,991	3,176
Fixed-income fund	441,557	677,735	523,436	770,210
Financial bill	189,526	16,125	243,641	16,125
Repurchase agreements	-	167,532	-	167,532
Other short-term investments	7,412	7,287	7,740	31,933
	1,089,596	925,164	1,327,935	1,167,366

(*) Balance of investments held in a Separate Reserve Fund of Gaia Securitizadora S.A. as provided for in the assignment contract of the real estate credit notes (CCIs) issued by Tarsila (Note 15).

In accordance with the Company's investing policy, the financial assets are measured at fair value through profit or loss. These investments have interest rates ranging from 70% to 110% of the Interbank Deposit Certificate (CDI) and original maturity dates up to 2021.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

8. Short-term investments (Continued)

The Company aims to manage its financial term investments, seeking a balance between liquidity and profitability, considering the investment plan for the following years. In order to enable this strategy, and based on the risk management presented in Note 5, Management follows these guidelines:

- (i) Distribute the risk by financial institution prioritizing liquidity and profitability:

		June 30, 2020		December 31, 2019
Liquidity	%		%	
Daily	99.77	1,324,944	99.73	1,164,190
+ 180 days	0.23	2,991	0.27	3,176
	100.00	1,327,935	100.00	1,167,366

- (ii) Invest the Company's funds in prime financial institutions and government bonds that meet the minimum rating threshold by the major global rating firms (Moody's, Austin, S&P, Fitch).

9. Trade receivables

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Rentals	21,972	26,082	150,447	189,619
Parking lot	201	1,051	1,565	8,183
Services provision	16,796	10,136	28,138	14,038
Assignment of right of use receivable	780	985	8,092	7,360
Condominium fees receivable	11,153	10,155	45,476	45,498
Others	2,462	882	12,472	4,675
	53,364	49,291	246,190	269,373
Straight-line rent	23,832	6,150	197,699	42,764
Provision for expected credit loss ("PCE")	(33,007)	(29,661)	(157,409)	(147,266)
	44,189	25,780	286,480	164,871

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables (Continued)

The aging of receivables is as follows:

Company	Balance falling due	Overdue balance				Total
		< 90 days	91- 180 days	181- 360 days	> 360 days	
Rentals	5,660	916	1,642	1,654	12,100	21,972
Parking lot	201	-	-	-	-	201
Services provision	10,023	842	745	536	4,650	16,796
Assignment of right of use receivable	473	-	13	17	277	780
Condominium fees receivable	-	-	762	1,161	9,230	11,153
Others	1,565	-	58	53	786	2,462
Total in 2020	17,922	1,758	3,220	3,421	27,043	53,364
Straight-line rental (a)						23,832
Provision for expected credit loss ("PCE")						(33,007)
Net balance at June 30, 2020						44,189

Company	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	> 360 days	
Rentals	11,863	861	766	1,690	10,902	26,082
Parking lot	1,051	-	-	-	-	1,051
Services provision	1,299	362	283	609	7,583	10,136
Assignment of right of use receivable	691	7	10	27	250	985
Condominium fees receivable	-	244	569	1,190	8,152	10,155
Others	9	22	40	131	680	882
Total in 2019	14,913	1,496	1,668	3,647	27,567	49,291
Straight-line rent						6,150
Provision for expected credit loss ("PCE")						(29,661)
Net balance at December 31, 2019						25,780

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables (Continued)

Consolidated	Balance falling due	Overdue balance				Total
		< 90 days	91- 180 days	181- 360 days	> 360 days	
Rentals	49,374	6,555	15,712	11,140	67,666	150,447
Parking lot	1,565	-	-	-	-	1,565
Services provision	18,568	1,127	1,392	1,597	5,454	28,138
Assignment of right of use receivable	4,176	710	271	482	2,453	8,092
Condominium fees receivable	-	2	3,182	4,192	38,100	45,476
Others	7,751	27	342	334	4,018	12,472
Total in 2020	81,434	8,421	20,899	17,745	117,691	246,190
Straight-line rental (a)						197,699
Provision for expected credit loss ("PCE")						(157,409)
Net balance at June 30, 2020						286,480

Consolidated	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	> 360 days	
Rentals	103,187	9,309	6,065	11,414	59,644	189,619
Parking lot	8,183	-	-	-	-	8,183
Services provision	2,490	1,262	1,192	800	8,294	14,038
Assignment of right of use receivable	3,996	504	125	230	2,505	7,360
Condominium fees receivable	11	910	2,332	5,251	36,994	45,498
Others	145	166	233	554	3,577	4,675
Total in 2019	118,012	12,151	9,947	18,249	111,014	269,373
Straight-line rent						42,764
Provision for expected credit loss ("PCE")						(147,266)
Net balance at December 31, 2019						164,871

- (a) During the months from March to June 2020, due to the COVID-19 pandemic that had direct impacts on the Company's operations, Management introduced a change in its relationship with storeowners, allowing them, under the condition of making payments due on the respective maturity dates, to make the rent payments with a 50% to 100% reduction of the rent due (this condition applies to most tenants of the Company's portfolio, but considers as exceptions establishments that did not have their operations interrupted with the closing of the malls). These reductions will not be offset against the remaining installments of the lease agreements. Accordingly, this condition was treated as a change in the flow of the lease agreements and, therefore, the Company revised the linearization of its minimum rents according to the remaining term of each agreement, as provided for in CPC 06 (R2)/IFRS 16.

Rents, assignment of right of use receivable and condominium fees receivable

The Company uses the simplified approach to estimate the expected loss on its receivables, using the expected loss matrix, prepared based on the loss history, adjusted by Management's expectation, on the aspects that may influence the default of the storeowners in the future.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables (Continued)

Rents, assignment of right of use receivable and condominium fees receivable (Continued)

The balances of rents, assignment of right of use receivable and condominium fees receivable as at June 30, 2020 consider the expectation of recovery from default in all ranges of the provision matrix, which has been applied consistently, as described in the financial statements for the year ended December 31, 2019, disclosed on March 11, 2020. In addition, the Company considered in its analysis of impairment of receivables an increase in risk due to the COVID-19 crisis.

Parking lot

Trade receivables of parking lot comprises the amounts received through payment means whose financial settlement occurs within 30 days. The Company understands that the credit risk for the parking lot receivables is very low, with no history of default. Accordingly, the Company identified no need for provision for expected credit loss on the respective balance as at June 30, 2020, even considering the COVID-19 impacts, and December 31, 2019.

Services provision and others

As at June 30, 2020, receivables balance in the consolidated related to "Services provision" and "Other" have provision for expected credit loss of R\$5,968 and R\$5,238, respectively (R\$5,480 and R\$3,767 as at December 31, 2019, respectively). The Company calculates the provision for expected credit loss through an individual analysis of the expected losses of trade receivables from services provision and other and considered in these analyses the risk increase due to the COVID-19 crisis.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables(Continued)

Services provision and others (Continued)

The changes in the provision for impairment of trade receivables during the year were as follows:

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
At January 1	(29,661)	(27,303)	(147,266)	(91,761)
Effect of business combinations	-	-	-	(48,828)
Effect of corporate events (*)	-	900	6,722	(12,740)
Permanent write-off (reversal) of receivables	(2)	1,741	410	23,861
Constitution of ECL (Note 23)	(3,344)	(4,999)	(17,275)	(17,798)
	(33,007)	(29,661)	(157,409)	(147,266)

Amounts receivable from related parties arising from the rendering of management and/or selling services are described in Note 26.

(*) Effect of loss of control at Gaudi in April 2020.

9.1. Leases

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

As at June 30, 2020 and December 31, 2019, leases have the following renewal schedule:

	Consolidated	
	June 30, 2020	December 31, 2019
2020	22.03%	23.73%
2021	12.20%	15.64%
After 2021	64.18%	50.47%
Indefinite period (*)	1.59%	10.16%
	100.00%	100.00%

(*) Non-renewed agreements in which the parties may request termination upon prior legal notice (30 days). Percentages determined on the basis of revenues generated from lease agreements entered into by the Group.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

10. Recoverable taxes and taxes and contributions payable

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Recoverable taxes				
IR, IRRF and CS to offset	36,299	45,662	59,056	63,859
COFINS and PIS to offset	413	413	1,093	943
Other recoverable taxes	107	105	1,544	2,294
Total	36,819	46,180	61,693	67,096
Taxes and contributions payable				
PIS/COFINS	2,070	2,885	13,690	15,755
ISS	78	374	450	2,001
Income tax and social contribution payable	193	130	7,051	14,032
ITBI	-	-	7,382	7,382
Other	818	1,247	1,534	2,216
Total	3,159	4,636	30,107	41,386
Current assets	27,437	30,162	50,739	50,378
Non-current assets	9,382	16,018	10,954	16,718
Current liabilities	2,799	4,276	24,041	35,242
Non-current liabilities	360	360	6,066	6,144

Taxes recoverable comprise basically prepaid taxes or amounts that the Company and its subsidiaries are eligible to offset.

11. Investments

a) Subsidiaries/associates

Equity interests in subsidiaries and associates as at June 30, 2020 are the same as those described in the financial statements for the year ended December 31, 2019, disclosed on March 11, 2020, except for the following:

Subsidiaries and associates	Shareholding - %	
	June 30, 2020	December 31, 2019
Subsidiaries		
CDG Centro Comercial Ltda. (2)	75.00	100.00
Boulevard Shopping Campos	100.00	100.00
CTBH Fundo de Invest. Imob. - FII (4)	99.99	99.99
Mozart Empreendimentos e Partic. S.A. (1)	-	99.99
Norte Shopping Belém S.A. (3)	75.00	100.00
Parque Shopping Belém	68.00	75.00
Gaudi Empreendimentos e Participações Ltda. (6)	-	99.99
Boulevard Shopping Vila Velha	-	50.00
Associates		
Manati Empreend. e Participações S.A. (5)	-	50.00
Shopping Santa Úrsula	-	75.00
Gaudi Empreendimentos e Participações Ltda. (6)	50.00	-
Boulevard Shopping Vila Velha	50.00	-

(1) In March 2020, the Company concluded the sale of the company Mozart for R\$15.

(2) In March 2020, the sale of the 25% investment property of Shopping Boulevard Campos for R\$52,019 was concluded. (See Note 4.)

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments (Continued)

a) Subsidiaries/associates (Continued)

- (3) In March 2020, the sale of the 24% interest in Parque Shopping Belém for R\$74,933 was concluded (see Note 4).
- (4) In January 2020, the third and last stage of the sale of the venture Boulevard Corporate Tower, entered into between CTBH Fundo de Investimento Imobiliário - FII ("CTBH") and Kinea Renda Imobiliária Fundo de Investimento - FII ("Kinea") for R\$52,200 was concluded.
- (5) In February 2020, the Company concluded the sale of the 37.50% interest in Shopping Santa Úrsula (50% of Manati) for R\$28,500.
- (6) In April 2020, the sale of 50% of subsidiary Gaudi Empreendimentos e Participações Ltda. to Legatus Shopping Fundo de Investimento Imobiliário - FII for R \$ 24,374 was concluded. This transaction generated a gain in the amount of R\$970, which was recorded in the statement of income as "Other income (costs), net". (See Note 4.)

b) Breakdown of investment balance

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Investments - book value	4,399,803	4,526,440	447,047	449,694
Assets' added value	1,800,564	1,807,109	93,323	95,415
Goodwill	71,570	71,847	-	-
	6,271,937	6,405,396	540,370	545,109

Added value shown in this Note arises substantially from the added value of the investment properties acquired and is amortized over the useful lives of the ventures.

c) Changes in investments (Company's direct interest)

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Balance at the beginning of the period	4,526,440	2,479,504	449,694	437,629
Capital contribution (1)	22,683	513,695	-	24,000
Effect of the consolidation of SCGR and Acapurana	-	-	-	(43,748)
Equity in the results of subsidiaries/associates	122,443	148,676	12,041	43,075
Acquisitions of interests/companies (3)	-	278,880	-	8,512
Dividends received and accrued interest on capital	(129,913)	(187,450)	(5,161)	(29,900)
Balance of investments allocated through business combination	-	1,466,249	-	10,126
Decrease in capital/quotas amortization (2)	-	(173,114)	-	-
Addition due to loss of control (5)	-	-	23,037	-
Write-off of investment (4)	(141,850)	-	(32,564)	-
Balance at the end of the period	4,399,803	4,526,440	447,047	449,694

- (1) The main capital investments of the Parent Company as at June 30, 2020 are: R\$2,053 in Tarsila, R\$7,332 in Dali, R\$5,912 in Vivaldi and R\$5,067 in Aliance Assessoria Comercial. The main capital investments of the Parent Company as at December 31, 2019 are: R\$23,076 in Tarsila, R\$148,807 in Dali, R\$5,318 in Vivaldi, R\$6,700 in SCGR, R\$129,000 in Sierra Investimentos, R\$91,510 in Tissiano, R\$75,750 in Vertico and R\$9,177 in Aliance Assessoria Comercial.
- (2) Capital decrease in Tissiano of R\$30,000, in Cezanne of R\$17,000 and quota decrease of R\$126,059 in Fundo CTBH.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments (Continued)

c) Changes in investments (Company's direct interest) (Continued)

- (3) As at December 31, 2019, mainly: purchase of quotas in Fundo de Investimento Via Parque for R\$3,423, purchase of interest in Acapurana for R\$7,424 (acquisition of R\$10,200 less the amount classified as added value goodwill of R\$2,776), acquisition of Chopin for R\$126,018, acquisition of América Latina for R\$32,317, acquisition of Atalaya for R\$4,617, acquisition of DBGZIBEN for R\$96,888 and acquisition of GDR for R\$5,089.
- (4) The write-offs result from the sales of Manati, 25% of CDG and 32% of Norte Shopping Belém, as detailed in Note 11.a.
- (5) Refers to the effect of the investment in Gaudi, which is now presented as an associated entity. (See Note 4.)

d) Data on the interest

Company	Company June 30, 2020				
	Interest	Equity	Total investment	Profit or loss	Result of equity in subsidiaries
Subsidiaries and associates					
Aliansce Assessoria Comercial Ltda.	99.99%	1,295	1,295	(4,857)	(4,857)
Acapurana Participações S.A.	52.37%	211,388	110,704	2,501	1,310
América Latina Malls Empreend. E Part.	100%	36,554	36,554	2,988	2,988
Aliansce Estacionamentos Ltda.	99.99%	569	569	(665)	(665)
Aliansce Mall e Midia Ltda.	99.99%	2,872	2,872	(7)	(7)
Aliansce Services - Serv. Adm. em Geral Ltda.	99.99%	4,160	4,160	38	38
Atalaya Imóveis e Participações Ltda.	100%	5,078	5,078	364	364
Bazille Empreend. e Partic. Ltda.	99.99%	119,843	119,843	2,259	2,259
Beethoven Empreendimentos e Participações Ltda.	69.04%	25,859	17,854	(2)	(1)
Boulevard Shopping Belém S.A.	79.99%	235,983	188,763	20,653	16,520
CDG Centro Comercial Ltda.	100%	115,733	115,733	2,347	2,347
Cezanne Empreend. e Participações Ltda.	99.99%	134,665	134,665	4,358	4,358
Chopin Empreend. Imob. Ltda.	99.99%	126,025	126,025	(2)	(2)
CTBH Fundo de Invest. Imob. - FII	99.99%	54,208	54,208	2,142	2,142
Dali Empreend. e Participações S.A.	99.99%	196,932	196,932	4,335	4,335
Degas Empreend. e Participações S.A.	99.99%	617	617	3	3
Gaudi Empreend. e Participações Ltda.	50%	46,074	23,037	(1,756)	(878)
Mozart Empreendimentos e Partic. S.A.	-	-	-	(1)	(1)
Nibal Participações S.A.	99.99%	270,544	270,544	19,242	19,242
Norte Shopping Belém S.A.	75%	136,245	102,184	3,629	2,722
RRSPE Empreend. e Partic. Ltda.	99.99%	65,598	65,598	4,341	4,341
SDT 3 Centro Comercial Ltda.	38%	397	151	(71)	(27)
Sierra Investimentos Brasil Ltda.	99.99%	1,642,654	1,642,654	51,751	51,751
Tarsila Empreend. e Part. Ltda.	99.99%	161,273	161,273	(5,727)	(5,727)
Tissiano Empreend. e Participações S.A.	99.99%	131,114	131,114	3,981	3,981
Unishopping Consultoria Imobiliária Ltda.	99.99%	(3,320)	(3,320)	54	54
Vértico Bauru Empreend. Imobiliário S.A.	99.99%	232,397	232,397	1,083	1,083
Vivaldi Empreend. e Partic. S.A.	99.99%	207,734	207,734	217	217
2008 Empreendimentos Comerciais S.A.	50%	38,712	19,356	2,712	1,356
Colina Shopping Center Ltda.	50%	183	91	444	222
DBGZIBEN Participações Ltda.	39%	250,778	97,804	4,654	1,815
Fundo de Investimento Imobiliário Via Parque	39.23%	386,291	151,542	5,496	2,156
GDR 2012 Participações S.A.	16.33%	37,786	6,170	5,475	894
Manati Empreendimentos e Participações S.A.	-	-	-	(56)	(28)
Parque Shopping Maceió S.A.	50%	272,893	136,446	9,738	4,869
SCGR Empreendimentos e Participações S.A.	55.01%	71,180	39,156	5,943	3,269
Total subsidiaries and associates			4,399,803		122,443

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments (Continued)

d) Data on the interest (Continued)

Company	Interest	Equity	Consolidated		
			June 30, 2020		
			Total investment	Profit or loss	Result of equity in subsidiaries
Associates and joint ventures					
2008 Empreendimentos Comerciais S.A.	50%	38,712	19,356	2,712	1,356
Campo Limpo Empreendimentos e Part. Ltda.	20%	58,040	12,455	8,075	1,615
Gaudi Empreend. e Participações Ltda.	50%	46,074	23,037	(1,756)	(878)
Colina Shopping Center Ltda.	50%	183	91	444	222
DBGZIBEN Participações Ltda.	39%	250,778	97,804	4,654	1,815
Fundo de Investimento Imobiliário Via Parque	39.23%	386,291	151,542	5,496	2,156
GDR 2012 Participações S.A.	16.33%	37,786	6,170	5,475	894
GR Parking Estacionamentos Ltda.	50.00%	291	146	40	20
Manati Empreendimentos e Participações S.A.	-	-	-	(56)	(28)
Parque Shopping Maceió S.A.	50%	272,893	136,446	9,738	4,869
Total associates and joint ventures			447,047		12,041

See the financial data on subsidiaries, associates and joint ventures related to December 31, 2019 in the respective financial statements, disclosed on March 11, 2020.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments (Continued)

e) Headquarter and balances of the associates and joint ventures - non-consolidated entities

	Parque Shop. Maceió Rio de Janeiro - RJ	Gaudi Rio de Janeiro - RJ	2008 Empreend. Rio de Janeiro - RJ	Colina São João de Meriti- RJ	FIIVPS São Paulo - SP	Campo Limpo São Paulo - SP
Headquarter	Interest in Shopping Mall	Interest in Shopping Mall	Interest in Shopping Mall	Shopping Mall management	Interest in Shopping Mall	Interest in Shopping Mall
Assets						
Current	28,209	6,740	20,966	321	16,886	7,957
Non-current	276,530	42,208	93,696	-	182,697	307,579
	304,739	48,948	114,662	321	199,583	315,536
Liabilities and equity						
Current	(1,553)	(183)	(5,176)	(137)	(4,652)	(826)
Non-current	(30,293)	(2,691)	(70,774)	-	(109)	(90,299)
Equity	(272,893)	(46,074)	(38,712)	(184)	(194,822)	(224,411)
	(304,739)	(48,948)	(114,662)	(321)	(199,583)	(315,536)
Result						
Net revenue	16,243	3,428	10,228	492	15,354	12,365
Services costs	(5,092)	(5,182)	(5,051)	-	(10,854)	(510)
Operating expenses	(129)	(6)	(191)	-	(4)	(3,675)
Net finance result	260	160	(1,214)	(1)	628	37
Other income (costs)	-	10	-	-	372	-
Income tax and social contribution	(1,544)	(166)	(1,060)	(47)	-	(142)
Profit (loss) for the period	9,738	(1,756)	2,712	444	5,496	8,075

See the financial data on joint ventures related to December 31, 2019 in the respective financial statements, disclosed on March 11, 2020.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments (Continued)

f) Dividends and interest on capital receivable

Dividends and interest on capital receivable are as follows:

	Company	
	June 30, 2020	December 31, 2019
Fundo de Investimento Imobiliário Via Parque Shopping	13	1,945
Colina Shopping Center Ltda.	44	
CDG Centro Comercial Ltda.	-	1,284
Unishopping Consultoria Imobiliária Ltda.	383	383
Tissiano Empreend. E Part. Ltda.	-	646
Bazille Empreendimentos e Participações Ltda.	-	935
Parque Shopping Maceió S.A.	-	1,794
Norte Shopping Belém S.A.	-	1,445
Cezanne Empreendimentos e Participações Ltda.	-	1,375
	440	9,807

12. Investment properties/non-current assets held for sale

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Boulevard Corporate Tower - CTBH (A)	-	-	-	50,077
Land (B)	21,610	21,610	38,565	38,565
Shopping Malls (C)	631,596	636,740	8,105,471	8,306,384
Total investment properties	653,206	658,350	8,144,036	8,395,026

(A) Boulevard Corporate Tower - Non-current assets held for sale

Boulevard Corporate Tower is a commercial tower attached to Boulevard Shopping Belo Horizonte.

In November 2018, a sales and purchase agreement was entered into by CTBH Fundo de Investimento Imobiliário- FII ("CTBH") and Kinea Renda Imobiliária Fundo de Investimento- FII ("Kinea"), in which, Kinea is committed to acquiring Boulevard Corporate Tower, owned by CTBH, for the total price of R\$190,000, adjusted up to R\$5 million (for more or for less), depending on the performance of a lessee with revenue sharing agreement. This transaction is divided into three steps, the first one occurred in December 2018, when the fund sold 9 from the 17 floors of Boulevard Corporate Tower for R\$104,000. In February, the second step took place for the amount of R\$39,000. The third and last step occurred in January 2020, for the total amount of R\$52,200, as mentioned in Note 4.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

12. Investment properties/non-current assets held for sale (Continued)

(B) Land - Non-current assets held for sale

The Company has pieces of land on some shopping malls which Management intends to negotiate with potential developers of residential and/or commercial properties that bring synergy and increase the flow of visitors in these shopping malls. At June 30, 2019, the balance of these properties is R\$38,565, recognized in line item "Non-current assets held for sale".

These properties were appraised and are stated at their cost value. The impairment risk appraisal has been made annually, at each balance sheet closing.

(C) Investment properties - Shopping Mall

These refer to the commercial properties held by the Group companies under an operating lease. The Company's investment properties refer to shopping malls already built and shopping malls under development.

Below are the changes in the balance of investment properties in the period:

	Company		
	Cost	Accumulated depreciation	Assets' added value
Total			
At December 31, 2018	711,685	(92,970)	46,045
Impacts adoption of IFRS16/CPC06 (R2)	17,867	-	-
At January 1, 2019	729,552	(92,970)	46,045
Additions			
Land - business combination	27,766	-	-
Facilities/buildings - business combination	137,389	-	-
Facilities/buildings	12,247	(7,197)	-
Others	348	(2,476)	-
Reclassification to investment (Chopin Land) (Note 11.a)	(146,709)	-	-
Depreciation/amortization of goodwill added-value	-	-	(1,279)
Lease amortization	-	(1,084)	-
Write-offs (3)			
Land - Sale West Plaza	(1,300)		
Facilities/buildings - Sale West Plaza	(80,706)	18,056	
Other - Sale West Plaza	(942)		
At December 31, 2019	677,645	(85,671)	44,766
Additions			
Facilities/buildings	1,165	(4,768)	-
Other	834	(1,193)	-
Depreciation/amortization of goodwill added-value	-	-	(640)
Lease	-	(542)	-
At June 30, 2020	679,644	(92,174)	44,126
Total	631,596		

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

12. Investment properties/non-current assets held for sale (Continued)

	Consolidated			Total
	Cost	Accumulated depreciation	Assets' added value	
At December 31, 2018	2,529,115	(349,644)	894,498	3,073,969
Impacts adoption of IFRS16/CPC06 (R2)	17,867	-	-	17,867
At January 1, 2019	2,546,982	(349,644)	894,498	3,091,836
Additions (2)				
Land, Facilities and Buildings - acquired in business combinations	1,846,505	-	3,398,573	5,245,078
Land	44,774	-	-	44,774
Facilities/buildings	97,213	(70,908)	-	26,305
Others	5,524	(17,294)	-	(11,770)
Added value	-	-	5,643	5,643
Amortization of added value	-	-	(14,075)	(14,075)
Lease amortization	-	(1,084)	-	(1,084)
Provision for impairment (1)	(118,000)	-	-	(118,000)
Effect of the consolidation of Acapurana (Note 11.a)	152,874	(15,976)	-	136,898
Effect of the consolidation of SCGR (Note 11.a)	49,517	(10,940)	-	38,577
Effect of acquisition - Atalaya, SCGR and Latin America	113,746	-	55,806	169,552
Write-offs (3)				
Land - Sale West Plaza	(1,300)	-	-	(1,300)
Facilities/buildings - Sale West Plaza	(80,706)	18,056	-	(62,650)
Other - Sale West Plaza	(942)	-	-	(942)
Effect of the spin-off of Fundo de Investimento Shopping Parque D. Pedro. See note 11 a)	(244,443)	1,985	-	(242,458)
At December 31, 2019	4,411,744	(445,805)	4,340,445	8,306,384
Additions				
Facilities/buildings	10,088	(67,183)	-	(57,095)
Other	2,143	(4,281)	-	(2,138)
Added value	-	-	1,671	1,671
Amortization of added value	-	-	(9,684)	(9,684)
Lease	-	(542)	-	(542)
Write-offs				
Sale of CDG and NSB assets - see Note 4	(100,274)	14,379	-	(85,895)
Goodwill CDG - see Note 11	-	-	(4,613)	(4,613)
Sale of Gaudi - see note 4	(68,549)	25,932	-	(42,617)
At June 30, 2020	4,255,152	(477,500)	4,327,819	8,105,471

(1) At December 31, 2019, the Company identified indicators of impairment for the Shopping Boulevard Vila Velha, in the amount of R\$118,000, for which it recognized a provision for impairment, reducing the asset's value. This amount was recognized in the statement of income, under "Other income (costs)" (Note 25).

(2) The additions occurred in 2019 are mainly related to (i) business combination events (ii) construction works in Shopping Bangu in the amount of R\$9,073 and construction works in Shopping Bahia of R\$16,897 and (iii) land in Rio de Janeiro of R\$44,774.

(3) Sale of West Plaza in December 2019. The gain realized on this operation is presented in line item Other income (costs) in the Statement of Income for the Year.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

12. Investment properties/non-current assets held for sale (Continued)

Management reviews at least annually the fair value and the net carrying amount of its ventures, with the objective of assessing whether there are events or changes in the economic, operating or technological circumstances that may indicate impairment of its properties. As at June 30, 2020, the projected future cash flows consider a preliminary estimate by the Company of possible impacts of the Coronavirus pandemic.

As at June 30, 2020 and December 31, 2019, the Company did not identify the existence of indicators of impairment of its investment properties, other than that previously mentioned for Shopping Boulevard Vila Velha.

Regarding the disclosure of fair values, as at June 30, 2020, investment properties did not present any significant change in their fair values when compared to those included in the financial statements for the year ended December 31, 2019 disclosed on March 11, 2020, even considering the impacts of the COVID-19 crisis.

13. Intangible assets

Company						
June 30, 2020						
Useful life	Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net amount	
Right to the Transfer Unit of the Right to Build (UTDC)	Indefinite	1,116	-	1,116	-	1,116
Right of use (1)	5 years	12,149	-	12,149	(3,037)	9,112
Computer software	5 years	55,896	8,338	64,234	(33,479)	30,755
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Other	Indefinite	4	-	4	-	4
		76,357	8,338	84,695	(36,516)	48,179

Company						
December 31, 2019						
Useful life	Initial cost	Additions/(w rite-offs)	Cost	Accumulated amortization	Net amount	
Right to the Transfer Unit of the Right to Build (UTDC)	Indefinite	1,116	-	1,116	-	1,116
Right of use (1)	5 years	-	12,149	12,149	(1,822)	10,327
Computer software	5 years	46,046	9,850	55,896	(28,958)	26,938
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Other	Indefinite	4	-	4	-	4
		54,358	21,999	76,357	(30,780)	45,577

(1) Amount arising from the contract of SAP HANA system.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

13. Intangible assets (Continued)

		Consolidated				
		June 30, 2020				
Useful life		Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net amount
Goodwill on acquisition of non-merged entities						
2008 Empr. Imob. Ltda.	Indefinite	30,000	-	30,000	-	30,000
Aliansce Ass. Com. S.A.	Indefinite	4,160	-	4,160	-	4,160
Norte Shopping Belém S.A.	Indefinite	863	(276)	587	-	587
Shopping Boulevard Belém S.A.	Indefinite	2,338	-	2,338	-	2,338
Goodwill on acquisition of merged entities						
BSC Shopping Center S.A.	Indefinite	14,416	-	14,416	-	14,416
Boulevard Shopping S.A.	Indefinite	20,068	-	20,068	-	20,068
Barpa Empr. Part. S.A.	Indefinite	36,630	-	36,630	-	36,630
Supra Empr. Part. S.A.	Indefinite	9,708	-	9,708	-	9,708
Ricshopping Emp. Part. Ltda.	Indefinite	107,888	-	107,888	-	107,888
Intangible assets						
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Right of use (1)	5 years	12,149	-	12,149	(3,037)	9,112
Right to explore the parking lot	25 years	40,828	-	40,828	(6,595)	34,233
Right to the Transfer Unit of the Right to Build (UTDC)	Indefinite	1,913	-	1,913	-	1,913
Computer software	5 years	59,208	8,632	67,840	(34,722)	33,118
Balance of intangible assets allocated through business combination	5 years	1,886	(1,886)	-	-	-
		349,247	6,470	355,717	(44,354)	311,363
		Consolidated				
		December 31, 2019				
Useful life		Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net amount
Goodwill on acquisition of non-merged entities						
2008 Empr. Imob. Ltda.	Indefinite	30,000	-	30,000	-	30,000
Aliansce Ass. Com. S.A.	Indefinite	4,160	-	4,160	-	4,160
Norte Shopping Belém S.A.	Indefinite	863	-	863	-	863
Shopping Boulevard Belém S.A.	Indefinite	2,338	-	2,338	-	2,338
Goodwill on acquisition of merged entities						
BSC Shopping Center S.A.	Indefinite	14,416	-	14,416	-	14,416
Boulevard Shopping S.A.	Indefinite	20,068	-	20,068	-	20,068
Barpa Empr. Part. S.A.	Indefinite	36,630	-	36,630	-	36,630
Supra Empr. Part. S.A.	Indefinite	9,708	-	9,708	-	9,708
Ricshopping Emp. Part. Ltda.	Indefinite	107,888	-	107,888	-	107,888
Intangible assets						
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Right of use (1)	5 years	-	12,149	12,149	(1,822)	10,327
Right to explore the parking lot	25 years	40,828	-	40,828	(5,855)	34,973
Right to the Transfer Unit of the Right to Build (UTDC)	Indefinite	1,913	-	1,913	-	1,913
Computer software	5 years	47,986	11,222	59,208	(31,469)	27,739
Balance of intangible assets allocated through business combination	5 years	-	1,886	1,886	-	1,886
		323,990	25,257	349,247	(39,146)	310,101

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

13. Intangible assets (Continued)

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

The other intangible assets with a finite useful life are amortized on a straight-line basis over the period shown in the table above.

The impairment test for goodwill was carried out as at December 31, 2019 and reviewed for June 30, 2020 due to the impacts of the COVID-19 crisis, considering the projected cash flow of the shopping malls that present goodwill when they were formed (cash-generating unit). In the case of changes in the main assumptions used in determining the recoverable amount of cash-generating units, the goodwill with indefinite useful life allocated to the cash-generating units plus the carrying amounts of the investment properties (cash-generating units) would be substantially less than the fair value of the investment properties, that is, it was not necessary to recognize a provision for impairment of cash-generating units as at June 30, 2020 and December 31, 2019.

14. Property and equipment

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Property and equipment	4,358	6,388	5,903	9,344
Right of use (a)	531	1,037	531	1,037
	4,889	7,425	6,434	10,381

(a) Changes in right-of-use/trade payables - lease

	Company and Consolidated
Opening balance at December 31, 2019 - Right of use	1,037
Amortization of right of use	(506)
Balance in non-current assets at June 30, 2020 - Right of use	531
Opening balance at December 31, 2019 - trade payables - Lease	30,292
(+) Interest calculated in the period	319
(-) Contract write-off	(811)
(-) Payments made in the period	(1,120)
Balance at June 30, 2020 - trade payables - Lease	28,680
Balance in current liabilities - trade payables - Lease	4,199
Balance in non-current liabilities - trade payables - Lease	24,481

The rental agreements' maturities occur between 2020 and 2039.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

15. Borrowings and financings, CCI/CRIs and debentures

Initial date	Company	Instrument	Funding	Rate	Maturity	June 30, 2020	December 31, 2019	NOTE
May/2015	Aliansce Sonae	Financing - Banco Itaú S.A.	R\$74,400	TR+6.45%	May/2030	76,558	77,327	(a)
Sep/2014	Aliansce Sonae	Debentures III - Vinci Partners (holders of the debentures)	R\$90,000	IPCA+4%	Jan/2024	95,069	91,893	
Oct/2016	Aliansce Sonae	Debentures V	R\$102,889	CDI	Sep/2021	102,895	102,895	
Oct/2016	Aliansce Sonae	Debentures VI	R\$72,111	CDI + 1.25%	Oct/2024	48,008	52,334	
Mar/2017	Aliansce Sonae	Debentures VII	R\$180,000	99% of CDI	May/2022	180,007	180,007	
Jun/2017	Aliansce Sonae	Debentures VIII	R\$100,000	CDI + 1.00%	Jun/2029	100,158	100,211	
Oct/2017	Aliansce Sonae	Debentures IX	R\$300,000	101% of CDI	Apr/2023	302,222	303,686	
Sep/2018	Aliansce Sonae	Debentures X	R\$244,830	110% of CDI	Sep/2023	247,308	248,885	
Jul/2017	Aliansce Sonae	2017 - 1 st series	R\$125,000	CDI + 0.75%	Jul/2022	127,413	128,615	
Jul/2017	Aliansce Sonae	2017 - 1 st series	R\$125,000	IPCA + 6.24%	Jul/2024	145,208	140,229	
Feb/2019	Aliansce Sonae	2019 - 1 st series	R\$90,000	CDI + 0.8%	Jan/2024	91,758	92,624	
Feb/2019	Aliansce Sonae	2019 - 1 st series	R\$110,000	CDI1.05%	Jan/2027	112,273	113,340	
(=) Subtotal						1,628,877	1,632,046	
(-) Structuring cost - Company						(22,060)	(24,942)	
(+) Effect at fair value of debts acquired in business combinations						19,865	22,804	
(-) Effect of partial repurchase of company-issued debentures						(49,713)	-	(c)
(-) Gain on debenture repurchase transaction						(2,617)		(c)
Total Parent						1,574,352	1,629,908	
Initial date	Company	Instrument	Funding	Rate	Maturity	June 30, 2020	December 31, 2019	NOTE
Oct/2012	Cezanne	Financing - Banco Bradesco S.A.	R\$193,140	TR + 7.15%	Aug/2027	156,399	162,152	(a)
Jan/13	Tarsila	CRI - Gaia Sec.	R\$87,321	IGP-DI + 7.95%	May/2025	73,798	77,043	
Oct/2016	Altair	CCI RB Capital	R\$130,131	TR + 6.8%	Jun/2027	99,931	104,163	
Dec/2008	Pátio Sertório	Banco do Amazonas S.A.	R\$112,300	8.5%	Dec/2020	-	17,133	(b)
Jun/2011	Sierra Investimentos	Banco Santander S.A.	R\$200,000	TR + 6.8%	Jun/2025	152,745	152,773	
(-) Subtotal						482,873	513,264	
(-) Structuring cost - subsidiaries						(9,020)	(6,222)	
(+) Effect at fair value of debts acquired in business combinations						7,050	8,589	
Total Consolidated						2,055,255	2,145,539	

(a) Debt renegotiated in 2020.

(b) Debt prepaid in 2020.

(c) In May and June 2020, the Company repurchased 51,287 company-issued debentures. This transaction generated a gain of R\$2,617 which is recorded in finance income (costs). The Company is presenting this transaction at the net amount in liabilities, of which R\$886 in current liabilities and R\$48,827 in non-current liabilities, totaling R\$49,713. Finance income is also being presented net of interest expense on debentures. 31,097 debentures 2019 - 2nd Series, 11,190 debentures X and 9,000 debentures 2017 - 1st Series were repurchased.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

15. Borrowings and financings, CCI/CRIs and debentures (Continued)

Financial Guarantee / Covenants:

The information on financial guarantees and covenants presented in this quarterly information is consistent with that adopted in the financial statements as at December 31, 2019, disclosed on March 11, 2020. As on June 30, 2020, the Company is in compliance with the covenants.

The repayment schedule for borrowings, real estate credit notes (CCI)/certificates of real estate receivables (CRI) and debentures is as follows:

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
2020	25,445	22,969	48,749	78,585
2021	178,000	179,705	246,498	245,993
2022	379,160	380,858	453,042	452,624
2023	598,486	597,936	678,120	675,645
From 2024 to 2030	447,786	450,578	685,341	692,463
	1,628,877	1,632,046	2,111,750	2,145,310

Financial changes in borrowings and financings, CCI/CRIs and debentures are as follows:

	Company	Consolidated
Balances of the debts as at December 31, 2019	1,629,908	2,145,539
(+) Appropriation of interest and structuring cost of borrowings and financings	3,118	14,510
(+) Appropriation of interest and structuring cost of CCI/CRIs	-	9,419
(+) Appropriation of interest and structuring cost of debentures	38,229	38,229
(-) Payment of principal of borrowings and financings	(631)	(23,324)
(-) Payment of principal of CCI/CRIs	-	(7,676)
(-) Payment of principal of debentures	(4,319)	(4,319)
(-) Payment of interest on borrowings and financings	(3,024)	(14,226)
(-) Payment of interest on CCI/CRIs	-	(9,105)
(-) Payment of interest on debentures	(33,419)	(33,419)
(-) Payment of structuring cost	(242)	(3,567)
(-) Effect of business combination- borrowings and financings	(2,939)	(4,477)
(-) Effect of repurchase of debentures	(49,713)	(49,713)
(-) Effect of gain on repurchase of debentures	(2,616)	(2,616)
Balances of the debts as at June 30, 2020	1,574,352	2,055,255

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

16. Deferred revenues

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Assignment of right of use	4,944	5,558	16,058	18,622
Prepaid rentals	-	22	3	280
	4,944	5,580	16,061	18,902

Deferred revenues include the recognition of assignment of right of use, which is appropriated to profit or loss over the lease term, as well as prepaid rentals and other pertinent items.

17. Judicial deposits and provision for contingencies

The information on judicial deposits and provision for contingencies presented in this quarterly information is consistent with that adopted in the financial statements as at December 31, 2019, disclosed on March 11, 2020.

	Consolidated		
	Provision for contingencies		
December 31, 2019	Additions	Write-offs	June 30, 2020
PIS/COFINS proceedings	22,356	-	22,356
Other taxes	10,561	22	10,583
Civil	1,652	72	1,269
Labor	1,500	473	1,310
	36,069	567	35,518

	Consolidated		
	Judicial deposits		
December 31, 2019	Additions	Write-offs	June 30, 2020
Judicial assets freezing	(1,221)	(1)	(1,218)
PIS/COFINS proceedings	(14,392)	(439)	(14,831)
Other taxes	(33,664)	(440)	(34,104)
Civil	(1,221)	(109)	(1,119)
Labor	(1,815)	(6)	(1,821)
	(52,313)	(995)	(53,093)

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

17. Judicial deposits and provision for contingencies (Continued)

Contingent liabilities with a risk of possible loss

	June 30, 2020	December 31, 2019
Tax	94,856	95,307
Civil	23,654	25,024
Labor	4,171	6,331
Total	122,681	126,662

18. Other obligations

	Company		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Labor obligations	13,313	18,507	23,534	30,028
Obligations with shopping mall	3,555	3,939	5,599	13,182
Obligation for the power cogeneration equipment	12,818	12,917	12,818	12,917
Related parties transactions (see Note 26)	2,400	2,400	7,120	7,120
Bangu assets certified as a historic structure	10,100	8,487	10,100	8,487
Amounts to be passed on - common area maintenance fee	-	371	-	4,369
Advances on sale of assets (*)	-	20,000	-	20,000
Others	8,261	8,007	35,291	21,501
	50,447	74,628	94,462	117,604
Current	35,226	59,309	74,231	95,992
Non-current assets	15,221	15,319	20,231	21,612

(*) Refers to advances on sales of equity interests of 2008 Empreendimentos Comerciais S.A., CDG Centro Comercial Ltda. and Norte Shopping Belém.

19. Income tax and social contribution

The information on income tax and social contribution presented in this quarterly information is consistent with that adopted in the financial statements as at December 31, 2019, disclosed on March 11, 2020.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

19. Income tax and social contribution (Continued)

i) Deferred tax assets and liabilities

The Company revised its taxable profit projections as at June 30, 2020 due to the impacts of the COVID-19 crisis and concluded that there is no need for a provision for impairment of the recorded balance as at June 30, 2020.

Deferred income tax and social contribution breakdown is as follows:

	Company			
	Assets		Liabilities	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Difference of depreciation for the useful life of assets	-	-	(12,227)	(9,692)
Swap carried at fair value	-	-	(5,178)	(4,811)
Capitalization of interest	-	-	(3,249)	(3,301)
Expected credit loss	3,183	3,030	-	-
Amortization of goodwill based on future profitability	-	-	(5,863)	(4,690)
Tax losses	50,890	51,000	-	-
Benefits program	4,809	4,067	-	-
Appropriation of pre-operating finance income	-	-	(53)	(53)
Fair value gain Via Parque and Acapurana	-	-	(27,860)	(27,860)
Debentures carried at fair value	6,754	7,753	-	-
Others	7,108	7,452	-	-
	72,744	73,302	(54,430)	(50,407)

Net balance of R\$18,341 stated as non-current assets as at June 30, 2020 (R\$22,895 as at December 31, 2019 as non-current assets).

	Consolidated			
	Assets		Liabilities	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Difference of depreciation for the useful life of assets	-	-	(122,864)	(112,664)
Changes in fair value of investment properties acquired in a business combination	-	-	(828,893)	(837,351)
Capitalization of interest	-	-	(17,847)	(18,631)
Swap carried at fair value	-	-	(5,178)	(4,811)
Amortization of the goodwill based on future profitability	-	-	(56,676)	(55,503)
Expected credit loss	9,973	9,614	-	-
Fair value gain Via Parque and Acapurana	-	-	(27,860)	(27,860)
Appropriation of pre-operating finance income	-	-	(377)	(396)
Tax losses	134,130	132,007	-	-
Fair value of debentures and borrowings	9,151	10,455	-	-
Benefits program	4,886	4,122	-	-
Others	2,781	9,399	(15,615)	(279)
	160,921	165,597	(1,075,310)	(1,057,495)

The balance is presented on a net basis in the Consolidated, being R\$89,557 as non-current assets and R\$1,003,945 in non-current liabilities as at June 30, 2020 (R\$89,861 in non-current assets and R\$981,759 in non-current liabilities as at December 31, 2019).

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

19. Income tax and social contribution (Continued)

ii) Reconciliation of effective rate

Reconciliation of income tax and social contribution expense calculated at the rates established by tax legislation with the amounts recorded in the statement of income for the periods ended June 30, 2020 and 2019 is as follows:

	Company	
	June 30, 2020	June 30, 2019
Determination of effective tax rate		
Profit before income tax and social contribution	143,469	65,026
Combined statutory tax rate - companies under the taxable income method	34%	34%
Income tax and social contribution at the combined statutory tax rate	(48,949)	(22,109)
Additions		
Non-deductible expenses	(2,505)	(2,499)
Distribution of interest on capital	-	(4,563)
Effects of taxation on the real estate investment funds	(1,647)	(2,733)
Effect of tax losses for which no deferred tax credits were recognized	-	(5,723)
Other additions	(740)	-
Exclusions		
Equity in the results of investees	41,631	29,317
Effect of write-off of goodwill - CTBH	8,383	8,383
Income tax and social contribution as per statement of income for the period	(3,827)	73
Income tax and social contribution		
Current income tax and social contribution	(245)	-
Deferred income tax and social contribution	(3,582)	73
Income tax and social contribution expense as per statement of income	(3,827)	73
Total effective tax rate	2.67%	(0.11%)

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

19. Income tax and social contribution (Continued)

ii) Reconciliation of effective rate (Continued)

	Consolidated	
	June 30, 2020	June 30, 2019
Determination of effective tax rate		
Profit before income tax and social contribution	198,157	97,806
Combined statutory tax rate - companies under the taxable income method	34%	34%
Income tax and social contribution at the combined statutory tax rate	(67,373)	(33,254)
Additions		
Non-deductible expenses	(3,674)	(2,917)
Distribution of interest on capital	-	(4,563)
Effect of tax losses for which no deferred tax credits were recognized	(4,559)	(11,338)
Effects of taxation on the real estate investment funds	(1,647)	(2,733)
Other additions	(585)	-
Exclusions		
Equity in the results of investees	4,094	6,502
Effects of taxation on the real estate investment funds	6,395	-
Tax effect of the companies opting for presumed profit system	22,280	11,429
Effect of write-off of goodwill - CTBH	8,383	8,383
Other exclusions	-	487
Income tax and social contribution as per statement of income for the period	(36,686)	(28,004)
Income tax and social contribution		
Current income tax and social contribution	(13,712)	(14,847)
Deferred income tax and social contribution	(22,974)	(13,157)
Income tax and social contribution expense as per statement of income	(36,686)	(28,004)
Total effective tax rate	(18.51%)	(28.63%)

20. Equity

Share capital

At June 30, 2020 the Company's capital is R\$4,155,802 (R\$4,155,362 as at December 31, 2019), represented by 265,785,681 registered common shares with no par value (265,772,778 as at December 31, 2019).

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

20. Equity (Continued)

Capital reserve

Share subscription premium reserve

At June 30, 2020, the Company has a balance of R\$880,672 (R\$963,501 at December 31, 2019) corresponding to a premium reserve, which represents the premium paid by stockholders on the issuance of shares. The amount will remain recorded in "capital reserve" until its capitalization and capitalized proportionately to the interest held by each stockholder.

Expenditures on issuance of shares

Refers to expenditure on issuance of shares, which was classified as a capital reserve reduction. The amount of R\$72,332 (R\$71,599 at December 31, 2019) corresponds mainly to expenditures incurred in the IPO transaction on December 5, 2019 mentioned above, which totaled R\$55,996 and comprises commissions, lawyers and audit fees, registration, printing, publication and other expenses.

Treasury shares

Until June 30, 2020, the Company acquired 300,000 common shares. The balance of treasury shares as at June 30, 2020 is 300,000 shares.

Treasury shares were acquired at a weighted average cost of R\$28.07 (amount in reais), at a minimum cost of R \$ 28.07 (amount in reais), and at a maximum cost of R\$28.07 (amount in reais). The closing price of the shares calculated based on the last quote prior to the end of the period was R\$28.55 (amount in reais).

Absorption of accumulated losses with capital reserve

As resolved at a meeting of the Company's Board of Directors, the accumulated losses balance of R\$84,310 was absorbed and offset against the capital reserve balance.

Carrying value adjustments

As of June 30, 2020, the carrying value adjustments corresponds to fair value, net of tax impacts, allocated as the price of the business combination transaction.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

20. Equity (Continued)

a) Non-controlling stakeholders

i) *Breakdown of equity and result of non-controlling interest*

Equity	6/30/2020	12/31/2019
Fundo de Investimento Imobiliário Shopping Parque D. Pedro	545,825	542,859
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center	350,441	348,641
Surplus value attributed to non-controlling interests in the business combinations	51,892	51,892
Other	133,301	129,060
	1,081,459	1,072,452
Result for the period	6/30/2020	6/30/2019
Fundo de Investimento Imobiliário Shopping Parque D. Pedro	12,884	-
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center	2,644	-
Other	6,301	4,703
	21,829	4,703

ii) *Main balances of non-controlling interests at June 30, 2020*

Balance sheet	FII Shopping Parque D. Pedro (31.52%)	FII Parque S. Pedro Shopping Center (49.9%)
Current assets	49,915	18,868
Non-current assets	1,685,287	689,780
Current liabilities	4,395	3,001
Non-current liabilities	434	3,360
Equity	1,730,373	702,287
Equity attributable to noncontrolling interests	545,825	350,441
Profit or loss and dividends paid	6/30/2020	6/30/2020
Net operating revenue from rentals and others	55,515	11,184
Profit and comprehensive income for the period	30,965	5,299
Profit for the period attributed to non-controlling interests	12,884	2,644
Dividends paid	8,411	5,171

For non-controlling interest balances as at December 31, 2019, see financial statements for as at that date, disclosed on March 11, 2020.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

20. Equity (Continued)

b) Result per share

i) *Basic result per share*

Basic result per share is calculated by dividing the result attributable to stockholders of the Company by the weighted average number of common shares outstanding during the year.

	June 30, 2020	June 30, 2019
Basic result per share	Common	Common
Profit attributable to stockholders of the Parent	139,642	65,099
Weighted average number of common shares (thousands)	265,773	202,736
Weighted average number of treasury shares (thousands) (*)	-	(68)
Basic result per share	0.5254	0.3212

ii) *Diluted result per share*

Diluted result per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common shares with dilutive effects under the stock option program.

	June 30, 2020	June 30, 2019
Diluted result per share	Common	Common
Profit attributable to stockholders of the Parent	139,642	65,099
Weighted average number of common shares (thousands)	265,773	202,736
Weighted average number of treasury shares (thousands) (*)	-	(68)
Stock options (thousands)	-	2,281
Weighted average number of outstanding common shares (thousands)	265,773	204,949
Diluted result per share	0.5254	0.3176

(*) The repurchase of shares that are held in treasury occurred on June 30, 2020, therefore, there is no impact from this repurchase on the basic and diluted result calculation for the period ended June 30, 2020.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

21. Net revenue from rentals and services

Revenue by nature	Company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue from rentals	43,270	41,823	344,370	191,224
Revenue from services	29,169	38,128	34,603	34,470
Assignment of right of use	838	827	5,932	3,135
Parking lot	2,779	6,173	38,738	55,094
Other	10	45	1,251	439
Taxes and contributions and other deductions	(8,164)	(7,861)	(23,254)	(23,718)
	67,902	79,135	401,640	260,644

Operating revenue from rentals and parking lot as at June 30, 2020 were impacted by the COVID-19 crisis. This impact was due to the reduction in the flow of vehicles and people and, consequently, decrease in store sales, with the closing of the Company's shopping malls in the middle of March 2020. In addition, the effects of the discounts and the linearization of these discounts are described in Note 9.

22. Cost of rentals and services

Cost by nature	Company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Depreciation and amortization of properties	(5,961)	(3,719)	(75,660)	(22,179)
Depreciation of the right of use of the assets	(542)	(542)	(542)	(542)
Amortization of added value goodwill of assets	(2,338)	(2,129)	(7,246)	(7,038)
Cost of rendered services	-	(595)	(18,475)	(7,679)
Expenditures on rented properties	(793)	(1,971)	(15,472)	(9,590)
Cost of parking lot	(773)	(1,269)	(6,954)	(10,630)
Operating costs of shopping malls	(1,152)	(1,612)	(3,613)	(5,871)
Other	-	-	(1,816)	(87)
	(11,559)	(11,837)	(129,778)	(63,616)

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

23. General, sale and administrative expenses

	Company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Personnel expenses	(33,817)	(36,107)	(40,148)	(36,183)
Professional services	(5,820)	(2,936)	(8,463)	(4,517)
Occupancy expenses	(447)	(274)	(447)	(522)
Depreciation and amortization	(6,979)	(5,139)	(7,956)	(6,099)
Depreciation of the right of use of the assets	(506)	(587)	(506)	(587)
Utility and service expenses	(191)	(281)	(191)	(281)
Legal and tax expenses	(405)	(243)	(716)	(287)
Provision for expected credit loss (*)	(4,490)	(2,374)	(27,516)	(7,464)
Other administrative expenses	(849)	(695)	(4,189)	(793)
	(53,504)	(48,636)	(90,132)	(56,733)

(*) The balance of the provision for expected credit loss in Company, R\$3,344 (R\$17,275 in consolidated) refers to trade receivables and R\$1,146 (R\$10,241 in consolidated) refers to the balance of advances to condominiums presented in the other credits line item.

24. Finance income (costs)

	Company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Finance costs				
Interest on borrowings, CCI and debentures	(19,067)	(10,412)	(36,314)	(42,058)
Liability monetary variations	(20,074)	(33,766)	(23,196)	(35,531)
Derivatives - Swap (1)	-	(171)	-	(171)
Structuring cost on indebtedness	(3,123)	(2,799)	(3,643)	(3,914)
Others	(2,554)	(4,360)	(3,324)	(5,072)
	(44,818)	(51,508)	(66,477)	(86,746)
Finance income				
Interest - short-term investments	13,257	13,851	17,267	18,181
Result from derivative financial instruments	1,957	676	1,957	676
Asset monetary variations	2,065	1,509	2,631	1,712
Update, fine and interest on trade receivables	148	698	946	2,053
Other	2,687	82	7,631	1,067
	20,114	16,816	30,432	23,689
Finance income (costs)	(24,704)	(34,692)	(36,045)	(63,057)

(1) These refer to the gains/losses arising from swap financial instruments.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

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(All amounts in thousands of reais unless otherwise stated)

25. Other income (costs)

	Company		Consolidated	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Notices and publications	(265)	(459)	(265)	(470)
Publicity and advertising	(650)	(244)	(650)	(244)
Earn-out (1)	9,211	-	9,211	16,432
Expenses with indemnities	(190)	(1,438)	(410)	(2,151)
Expenses with lawyers fees	-	(439)	-	(798)
Disposal of investment property (2)	34,273	-	36,296	(8,905)
Others	512	(2,590)	(3,751)	(2,420)
	42,891	(5,170)	40,431	1,444

(1) In February 2019, R\$16,432 was recognized as revenue related to the earn-out provided by the purchase and sale agreement of Caxias Shopping signed in December 2017; the amount was received in March 2019. In March 2020, R\$9,211 was recognized as revenue related to the earn-out set out in the purchase and sale agreement of Norte Shopping signed in December 2018.

(2) Regarding the gains on the sale of the CTBH Tower in March 2019. The balance of June 2020 refers mainly to the gains on sales occurred in 2020, as mentioned in Note 11.a. The gains recorded in these operations were R\$10,000 for CDG and R\$27,109 for Norte Shopping Belém.

26. Related-party transactions

	Company			
	June 30, 2020		December 31, 2019	
	Non-current assets	Non-current liabilities	Non-current assets	Non-current liabilities
Subsidiaries				
Boulevard Belém S.A. (1)	-	2,400	-	2,400
Others	-	-	151	-
	-	2,400	151	2,400

The non-current liabilities amount is shown in Note 18.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

26. Related-party transactions (Continued)

		Consolidated							
		June 30, 2020				December 31, 2019			
	Transaction	Current assets	Non-current assets	Non-current liabilities	Transaction/ result	Current assets	Non-current assets	Non-current liabilities	Transaction/ result
Subsidiaries									
	Aliansce Sonae Shopping Centers S.A.	Rendered services	-	-	4,699	-	-	-	11,289
	Aliansce Ass. Comercial Ltda.	Rendered services	-	-	754	-	-	-	4,061
	Aliansce Mall e Mídia Int. Loc. e Merch. Ltda.	Rendered services	-	-	2,083	-	-	-	5,835
	Nibal Participações S.A. (2)	-	3,699	-	(304)	-	3,777	-	(1,291)
	RRSPE Empreendimentos e Participações Ltda. (3)	-	393	-	(67)	-	393	-	(204)
	Shopping Taboão	-	-	-	(1,204)	-	-	-	(3,040)
	Santana Parque Shopping	-	-	-	(351)	-	-	-	(613)
	Norte Shopping Belém	-	-	-	(96)	-	-	-	(520)
	Boulevard Shopping Belo Horizonte	-	-	-	(900)	-	-	-	(2,469)
	Boulevard Shopping Belém	-	-	-	(1,153)	-	-	-	(3,717)
	Shopping Grande Rio	-	-	-	(523)	-	-	-	(801)
	Parque Shopping Maceió	-	-	-	(629)	-	-	-	(1,960)
	Shopping Parangaba	-	-	-	(428)	-	-	-	(722)
	Boulevard Shopping Brasília	-	-	-	(319)	-	-	-	(965)
	Caxias Shopping	-	-	-	(126)	-	-	-	(676)
	Boulevard Vila Velha	-	-	-	(108)	-	-	-	(223)
	Shopping Leblon	-	-	-	(589)	-	-	-	(1,400)
	Malfatti Empreendimentos e Participações Ltda.	-	-	-	(160)	-	-	-	(687)
	Via Parque	-	-	-	(579)	-	-	-	(1,529)
	West Plaza	-	-	-	-	-	-	-	(368)
	Vivaldi (5)	-	-	7,120	-	-	-	7,120	-
	Plaza Sul	-	645	-	-	-	963	-	-
Other related parties									
	FIP Bali (4)	-	4,033	-	-	-	4,033	-	-
		-	8,770	7,120	-	-	9,166	7,120	-

The balances presented in the table above regarding the non-current assets are included in the breakdown of "Borrowings, loans and other receivables" and the amount of the non-current liabilities is stated in Note 15.

The main balances of assets and liabilities at June 30, 2020 and December 31, 2019, as well as transactions that influenced the results for the years, with reference to transactions with related parties, are related to transactions between the Company, joint ventures, subsidiaries, associates and other related parties, as follows:

- (1) In April 2014, a loan agreement was signed between Boulevard Belém ("Lender") and Aliansce ("Borrower"), in the amount of R\$2,400 with maturity in December 2021.
- (2) Receivables due to the Program of Payment in Installments or Refinancing of Federal Tax Debts ("REFIS") from the former owner resulting from the merger of Ricshopping into Nibal.
- (3) Receivables due to the Program of Payment in Installments or Refinancing of Federal Tax Debts ("REFIS") from the former owner resulting from the merger of Reishopping into Velazquez, which was later merged into RRSPE.
- (4) As agreed in the terms of purchase and sale of a 25.1% interest in Shopping Leblon entered into in August 2016 between FIP BALI and RLB Empreendimentos e Participações (sellers) and Vivaldi (purchaser), it was defined the reimbursement obligation by the seller to the purchaser in the case of payments related to the IPTU contingencies of Shopping Leblon (Note 16 of December 31, 2017). As guarantee, the seller sold on a fiduciary basis the corresponding of 2.57% of ideal fraction of the mentioned shopping mall. Accordingly, a receivable was recognized in the same amount of the provision for contingencies. In December 2017, through an agreement entered into between the entrepreneurs of the Shopping Mall and the City Hall of the Municipality of Rio de Janeiro, the partial reversal of the provision for contingencies was carried out, see the details in Note 18 of December 31, 2017.
- (5) Obligation payable to the former owners of Altar for the use of the tax credits, as agreed in the terms of purchase and sale of a 25.1% interest in Shopping Leblon entered into in August 2016 between FIP BALI and RLB Empreendimentos e Participações (sellers) and Vivaldi (purchaser).

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

26. Related-party transactions (Continued)

Obligations for purchase of assets - related parties

	Consolidated	
	June 30, 2020	December 31, 2019
Tarsila (1)	87	87
Other related parties not considered	16	16
	103	103
Current liabilities	103	103
Result Tarsila (*)	-	(155)
Result - others not considered as related parties (*)	-	(43)

(*) This refers to the impact in the result during the year of the obligations for purchase of assets.

(1) Amount related to the obligations for the acquisition of the additional interest of 22.36% in Condomínio Naciguat which integrates Shopping da Bahia, which took place in January 2013, in two installments: the first one of R\$12,500, with no update, with annual payments of R\$2,500 after the beginning of the parking operation, which occurred in July 2015, due in July 2019, and the second one of R\$10,000, updated by the CDI index, with maturity in January 2019. The financial settlement of the remaining installment still depends on some contractual obligations.

Contract signed between Sierra Investimentos and Parque D. Pedro 1 BV

As described in Note 17, the investee Sierra Investimentos has an agreement signed with Parque D. Pedro 1 BV under which Parque D. Pedro 1 BV undertakes to compensate Sierra Investimentos for all and any risks associated with the proceeding in progress that discusses the taxation of income of Fundo de Investimento Imobiliário Shopping Parque D. Pedro belonging to a stockholder that is not part of the group. Under this agreement, Sierra Investimentos had part of its income retained and used for purposes of judicial deposits, totaling R\$29,739 at June 30, 2020.

Key management compensation

The compensation paid to key management, which includes directors and officers, amounted to R\$14,758 in the period ended June 30, 2020 (R\$11,538 as at June 30, 2019). This amount encompasses short-term benefits, corresponding to: (i) fee paid to the members of the Executive Board and Board of Directors; (ii) bonus paid to the Executive Board; and (iii) other benefits, such as health care plan.

The Company has not made payments for post-employment benefits, other long-term benefits and termination benefits.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

26. Related-party transactions (Continued)

Key management compensation (Continued)

The Company has a share-based compensation policy (Note 28).

Additionally, the Company's employees are entitled to receive meal vouchers, health care and life insurance.

27. Collaterals and guarantees

The Company and/or its stockholders, in the capacity of guarantors of borrowings assumed by the Company and by some of its subsidiaries, provided surety bonds in amounts proportional to their interest in the subsidiaries, in the amount of R\$1,387,790.

The agreements for which the Company provided guarantees are detailed in Note 15.

28. Stock option and incentives linked to shares plan

Information related to the stock option plans and share-linked incentives presented in this quarterly information is consistent with that presented in the financial statements as at December 31, 2019, disclosed on March 11, 2020.

Pursuant to item 45 of CPC 10 (R1), the number and weighted average price for payment of shares are set out for the following share groups:

Group of options/shares	Number	Weighted average price
Outstanding at the beginning of the period	2,198,451	16.26
Paid up of the period	(27,238)	16.18
Outstanding at the end of the period	2,171,213	16.26
Exercisable at the end of the period	1,036,071	16.26

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

June 30, 2020

(All amounts in thousands of reais unless otherwise stated)

29. Insurance

The information related to insurance is consistent with that presented in the financial statements as at December 31, 2019, disclosed on March 11, 2020.

30. Subsequent events

In July 2020, the Company launched a new long-term compensation program for its executives and employees. The program provides for the option to purchase shares issued by the Company by its executives and employees, who will benefit from a matching of an equal number of shares if they decide to join. The program also provides for a matching of performance shares after a three-year lock-up period, which is linked to the fulfillment of the Company's goals.