

Quarterly Information Form (ITR)

Iguatemi Empresa de Shopping Centers S.A.

June 30, 2020
with Independent Auditor's Review Report

(A free translation from Portuguese into English of Independent auditor's review report on Quarterly Information prepared in Brazilian currency in accordance with rules issued by the Brazilian Securities Commission (CVM) applicable to Quarterly Information (ITR))

MESSAGE FROM MANAGEMENT

The impact of the Covid-19 pandemic, which hit the Brazilian population in late February and created an unprecedented situation for our economy, extended into the second quarter of 2020 with even more strength. All of the Company's assets remained with its activities suspended until the end of April, a period in which only essential operations, such as pharmacies and supermarkets, in addition to the food delivery operation, continued to function. The resumption of the activities of our malls began on April 24th and we were able to operate for three days with 100% of our assets reopened in May, but the evolution of the pandemic in the various municipalities where we are present led to new suspensions.

Asset	Total GLA	March	April	May	June	July
Iguatemi São Paulo	49,260					
JK Iguatemi	34,358					
Market Place	26,882					
Pátio Higienópolis	33,367					
Iguatemi Alphaville	31,147					
Iguatemi Campinas	72,725					
Galleria	33,142					
Esplanada Shopping (original asset)	24,352					
Iguatemi Esplanada (expansion)	40,457					
Iguatemi São Carlos	22,334					
Iguatemi Ribeirão preto	43,288					
Iguatemi Rio Preto	43,550					
Iguatemi Brasília	34,446					
Iguatemi Porto Alegre	64,253					
Praia de Belas Shopping Center	44,683					
I Fashion Outlet Novo Hamburgo	20,056					
I Fashion Outlet Santa Catarina	19,838					
Average open days		18.6	0.4	4.3	21.1	20.4
Average total GLA opened in the month		382,641	8,476	88,395	434,709	418,968

■ Unrestricted open asset	■ Asset with suspended operations	■ Open asset with restrictions
--	--	--

During this period, Iguatemi was concerned with remaining close to all of its main stakeholders: the society in the surroundings areas, employees, tenants and customers.

To directly help society in the Health area, Iguatemi:

- Donated R\$ 8 million to purchase 40,000 Covid-19 rapid tests, 100,000 protective masks and thousands of food baskets and hygiene products for the city halls of the cities in which it operates, in addition to infrared thermometers for the city of Campinas;
- Encouraged partnerships, such as the one carried out with the Red Cross, to donate hygiene products for the benefit of vulnerable families, and with Ambev, which is responsible for all the logistics of these donations;
- Jointly implemented with UniãoSP a campaign to donate basic food baskets, reversed in cash to assist vulnerable families benefited by the entity - made possible through the Iguatemi 365 platform;
- Donated R\$ 50 thousand to the FEAC Foundation's "Conexão Solidária" campaign for the distribution of a monthly food card in the amount of R\$ 200, for a period of five months, benefiting families from Campinas in situations of social vulnerability;
- Joined the movement #2in2, a non-profit campaign, where each Covid-19 test purchased, another one is donated, in order to test as many people as possible. The tests are sold through the Rappi application and collected in the drive-thru system, without the need for the customer to leave the vehicle, in the parking lots of Iguatemi São Paulo and Pátio Higienópolis. In the same

way, other shopping malls in the chain also provided these spaces for the installation of vaccine drive-thru stations, such as Iguatemi Porto Alegre and Iguatemi Brasília.

The human aspect has always permeated Iguatemi actions and, at this moment, it becomes even more essential. **Preserving the well-being of our employees** is also essential for us to leave this moment even more strengthened.

- We continue to invest in programs such as Saúde Iguatemi, with various actions such as online meditation classes, chats with specialists on the topics of the moment, conversation groups for emotional support, etc;
- We have followed examples of resuming to work in several countries and implement best practices at Iguatemi. With the resumption of operations of our assets, corporate employees also returned to the office gradually - starting in June, a 4x10 scale scheme was implemented, with groups of employees taking turns at the office (each group working 4 days in the office and 10 days from home);
- We continue to carry out, in partnership with the Fleury Laboratory, Covid-19 tests free of charge for all our employees and third parties;
- We conducted a readiness survey to obtain information on individual availability for the return to the office;
- We reorganized the corporate office layout to adapt to the best health and safety practices, with the installation of acrylic dividers between the desks, redirecting the entrance and exit accesses, etc;
- We conducted another quick climate survey in partnership with GPTW to confidentially obtain structured information about our work environment and specific needs at the moment, generating a punctual and customized action plan;
- We created a new communication format to bring senior management even closer to other leaders and employees, with informative actions and space for questions and answers, through several lives.

Being present and close makes a lot of difference. From the beginning, our goal was **to provide the necessary relief for our retail partners**. In the second quarter of 2020, the Company:

- Continued granting discounts between 40 to 50% in the condominium and between 60 to 100% in the promotion fund for the months when the assets had their operations suspended;
- Even with the resumption of shopping center activities, it continued to grant discounts on the condominium and promotion fund, although to a lesser extent;
- Exempted 100% of the rent in the month of April and continued with this exemption for assets that remained closed in May;
- For the month of June, developed a billing policy analyzing case by case, according to the profile of the asset and the segment of each retailer;
- Implemented the drive-thru service, with the aim of supporting retailers at this time, with an alternative to selling via Whatsapp.

With the measures mentioned above, we have placed around R\$ 240 million in the hands of our main partners, the retail sector, over the past few months.

The **focus on our client has been doubled** and we challenge ourselves to create new solutions to serve our public and maintain the connection we have always had. We managed to reinvent ourselves quickly and acted on three priority fronts:

- We increased the dedication to our marketplace, **Iguatemi 365**, which already has more than 280 brands and 14 thousand products available. The demand for retailers to join the platform remains high and, currently, around 30% of the available brands are not present with physical stores in any of our malls. The new brands that arrived on the platform in the last weeks are: Gentil, Serenella, Papel Craft, Verve, Aramis, Marina Rinaldi, Pade D, Scarfe Me and Nannacay. The platform also has

exclusive brands such as Sold out NYC, Radical Girls Gang, Chiara Ferragni, Smythson, Lingua Franca, Muzungu Sisters and Cariuma. In July, we expanded Iguatemi 365, which until then was focused only on the State of São Paulo, to five new capitals: Porto Alegre, Curitiba, Brasília, Goiânia and Campo Grande;

- We created the **#IguatemiComVocê** movement: we started generating content, ideas and tips in order to bring lightness and harmony to families, creating an experience in digital and gaining relevance through this channel. Through lives held on the Instagram profile of some of our shopping malls, we curate content from various topics such as Wellness, Health, Family, Entertainment, Gastronomy, Art & Culture and Beauty. Altogether, we have already held almost a thousand lives, with professionals such as Costanza Pascolato, Diane Von Furstenberg, Fernanda Feitosa, João Adibe Marques, Juscelino Pereira, Li Edelkoort, Margherita Missoni, Paulo Ricardo, Piera Gelardi, Preta Gil, Rogério Flausino, Frejat, Tal Ben-Shahar, Vic Meirelles, Mônica Martelli, Marina Lima and Wanderley Nunes; we have shared more than 150 gastronomic contents, and our traditional pianist (who played every afternoon at the Iguatemi São Paulo mall) has already made about 100 performances via our channels. Even with the reopening of the malls, we will maintain this daily schedule, which from July onwards will be called **#IguatemiDaily**; and
- We implemented new sales models, such as the **drive-thru service**, mentioned above, which makes it possible to purchase safely through WhatsApp and withdraw products, previously cleaned, on the most convenient date and time; and a new **Shopper Assistant system**, which allows our customers in the Black category of the Iguatemi One relationship program to make their distance purchases with even more convenience and safety, in addition to having the advantage of having the Iguatemi Concierge team at their disposal and the collaboration, when requested, of a specialized fashion consultancy.

At this time, we continue to comply with the recommendations of the health authorities and following the determinations of State and Municipal decrees. The process of resuming operations at our assets is following the best safety and protection practices, including:

- Reduced opening hours;
- Limiting parking capacity;
- Implementation of screening at the entrances of the assets, with control of the use of masks and alcohol gel;
- Temperature measurement of employees and tenants;
- Valet services closed indefinitely;
- Food courts adjusted for safe distancing;
- Availability of alcohol in gel in bathrooms, food courts, escalators, elevators, docks, parking boxes;
- Beacons in operations subject to customer waiting lines, such as banks, lotteries, vaccine clinics and restaurants;
- Implementation of technologies that help to avoid contagion: touchless elevator buttons, ultraviolet light for cleaning escalators, etc;
- Supply of a conduct booklet to tenants.

Currently, 12 shopping centers are in active operation, as shown in the table below.

Asset	Zone	Start	Operation	Capacity	Restrictions / Notes
Iguatemi São Paulo					
JK Iguatemi		11-Jun	Mon to Sun, from 4pm to 10pm	40%	Cinemas, Entertainment
Market Place					
Pátio Higienópolis					
Iguatemi Alphaville		12-Jun	Mon to Sun, from 12pm to 8pm	40%	Cinemas, Entertainment
Iguatemi Campinas		27-Jul	Mon to Sun, from 4pm to 8pm	20%	Beauty Salon, Gym, Cinemas, Entertainment, Bars and Restaurants
Galleria					
Iguatemi Esplanada (Votorantim)		20-Jul	Mon to Sun, from 1pm to 5pm	20%	Beauty Salon, Gym, Cinemas, Entertainment, Bars and Restaurants
Iguatemi Esplanada (Sorocaba)		18-Jul	Mon to Sun, from 3pm to 7pm	20%	Beauty Salon, Gym, Cinemas, Entertainment, Bars and Restaurants
			Sun closed		
Iguatemi São Carlos		27-Jul	Mon to Sun, from 11am to 5pm	40%	Cinemas, Entertainment
Iguatemi Ribeirão Preto		1-Jun	Closed since Jun 15, except essentials		
Iguatemi Rio Preto		1-Jun	Wed to Sat, from 1pm to 7pm	20%	Beauty Salon, Gym, Cinemas, Entertainment, Bars and Restaurants
Iguatemi Brasília	N/A	27-May	Mon to Sun, from 11am to 9pm	50%	Cinemas, Entertainment
Iguatemi Porto Alegre		22-May	Cloed since Jun 6		
Praia de Belas			(from Jun 16 to Jun 21: only stores with sales up to R\$ 4.8 million, except essentials)		
I Fashion Outlet Novo Hamburgo			Closed since Jun 22		
I Fashion Outlet Santa Catarina	N/A	24-Apr	Mon to Sun, from 12pm to 8pm	50%	Entertainment Food on Mon to Sat from 11am to 3pm (after this time and on Sun only delivery / take away)

2Q20 HIGHLIGHTS

The Company's operating and financial results for 2Q20, as mentioned above, were strongly affected by the Covid-19 pandemic. **Total sales in our portfolio decreased by 82.8%** compared to the same period in 2019, **to R\$ 603.6 million. Same-area sales (SAS) fell 81.6% and same-store sales (SSS) performance was -70.6%** in 2Q20. **Same-area rents (SAR) and same-store rents (SSR) fell by 79.8% and 79.1%, respectively.** It is worth remembering that the rental indicators are net of discounts and provisions on rents and, therefore, reflect, in this quarter, the decision taken by the Company to exempt 100% of the rents in April and May for retailers who remained compliant in the condominium and promotional fund, in addition to discounts granted on a case-by-case basis in June.

Regarding the performance of **Shopping Centers at 100%**, we had an **11.0% drop in Gross Rent Revenue** for the quarter (Minimum Rent + Overage + Temporary Rent), reaching R\$ 229.1 million. Excluding the malls whose stakes were sold in 2019, we showed a Gross Rental Revenue at 100% drop of 6.6% in the quarter. **Parking Revenue totaled R\$ 5.6 million** in 2Q20 (-90.7% versus 2Q19). This line has been impacted by new trends in urban mobility, mainly in large centers, where we have significant exposure, in addition to the recent impact of COVID-19 with the suspension of our malls operations and reopening with reduced hours.

In 2Q20, the Company reached Gross Revenue of R\$ 160.0 million, a 25.3% drop versus 2Q19, mainly impacted by the decrease in Parking Revenues, Temporary Rentals and Overage. Despite the rental exemption for April and May and the granting, in June, of discounts according to the asset and the segment of operation of each tenant, in accordance with the guidelines of the Accounting Pronouncements Committee ("CPC"), we started to book in this quarter a straight-line effect on the discounts granted based on the pandemic scenario, for the average maturity of our contracts with retailers. As a result, we presented a **14.3% drop in Net Revenue to R\$ 160.9 million** in the quarter.

We have implemented strict measures to contain costs and expenses to face the current scenario, leading to a significant drop in the Company's Costs and Expenses. On the other hand, we again revised the provision for rental collection, taking into account the rents to be charged from retailers who defaulted on the condominium and promotional fund and leading to an increase in the Allowance for Loan Losses. As a result, **EBITDA in the quarter reached R\$ 114.9 million**, 16.5% below 2Q19, **with an EBITDA margin of 71.4%**.

The Company's **Total Debt ended the quarter at R\$ 2.8 billion**, 12.0% above 1Q20, mainly due to the issuance of Debentures in the amount of R\$ 300 million, with a 3-year term and CDI rate + 3.00% aa. Cash Availability was R\$ 1.2 billion, an increase of 24.7% compared to 1Q20, leading to a **Net Debt of R\$ 1.6 billion** and a multiple **Net Debt / EBITDA of 2.66x**, an increase of 0.19 versus 1Q20.

Finally, we were recognized in the month of June by the **GPTW Women award**, in which Iguatemi was ranked 20th in the ranking of the 35 largest companies in the country in practices that promote an excellent environment for the female career.

We believe that Iguatemi is prepared for the reopening process and resuming retailing throughout the year, with trained teams and implementing all the health and protection protocols necessary for customers, tenants, employees and suppliers to feel safe in our malls and outlets. We will continue to adopt a transparent posture, focused on operating with all the care that this new scenario requires, and paying attention to innovations to further improve the omnichannel consumer experience.

Carlos Jereissati
CEO of Iguatemi Empresa de Shopping Centers S.A.

MAIN INDICATORS

Financial and operational information is based on the consolidated figures, in R\$ '000, under the Brazilian Corporate Law accounting legislation and IFRS, as expressed in Accounting Pronouncements approved by the Brazilian Securities Commission (CVM), and were designed to reflect the Company's participation in all shopping centers and towers in its portfolio, including the consolidation of the indirect interest of 6.58% in Shopping Iguatemi Porto Alegre and adjacent tower (Iguatemi Business) as of January 2020. Non-accounting figures have not been reviewed by the external auditors.

Financial indicators - Managerial	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Gross Revenue (R\$ '000)	159,989	214,042	-25.3%	364,832	411,051	-11.2%
Net Revenue (R\$ '000)	160,914	187,674	-14.3%	317,709	360,667	-11.9%
EBITDA (R\$ '000)	114,930	137,672	-16.5%	217,842	267,085	-18.4%
EBITDA Margin	71.4%	73.4%	-2.0 bps	68.6%	74.1%	-5.5 bps
Net Profit (R\$ '000)	46,289	60,112	-23.0%	58,742	115,565	-49.2%
Net Margin	28.8%	32.0%	-3.2 bps	18.5%	32.0%	-13.5 bps
FFO (R\$ '000)	83,570	91,636	-8.8%	133,028	178,193	-25.3%
FFO Margin	51.9%	48.8%	3.1 bps	41.9%	49.4%	-7.5 bps

Operational indicators	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Total GLA (sqm)	710,510	758,336	-6.3%	710,510	758,336	-6.3%
Owned GLA (sqm)	470,663	459,101	2.5%	470,663	459,101	2.5%
Average Owned GLA (sqm)	470,663	459,101	2.5%	468,231	459,101	2.0%
Total GLA, malls (sqm)	671,639	719,465	-6.6%	671,639	719,465	-6.6%
Owned GLA, malls (sqm)	437,694	426,808	2.6%	437,694	426,808	2.6%
Number of malls ⁽¹⁾	16	18	-11.1%	16	18	-11.1%
Total sales (R\$ '000) ⁽²⁾	603,633	3,508,229	-82.8%	3,237,367	6,643,021	-51.3%
Same-stores sales (SSS)	-70.6%	6.9%	-77.5 bps	-36.5%	5.1%	-41.6 bps
Same-area sales (SAS)	-81.6%	7.2%	-88.8 bps	-47.8%	5.9%	-53.7 bps
Same-store rentals (SSR)	-79.1%	10.0%	-89.2 bps	-53.4%	8.1%	-61.5 bps
Same-area rentals (SAR)	-79.8%	7.4%	-87.2 bps	-53.8%	6.1%	-59.9 bps
Occupancy cost (% of sales)	22.5%	11.7%	10.8 bps	13.6%	12.1%	1.5 bps
Occupancy rate	93.6%	92.1%	1.5 bps	93.9%	92.9%	1.0 bps
Net delinquency rate ⁽³⁾	-26.2%	0.6%	-26.8 bps	2.7%	1.8%	0.8 bps

(1) Considers Iguatemi Esplanada and Esplanada Shopping as one asset.

(2) Adjusting for the assets sold in 2019 (Iguatemi Caxias and Iguatemi Florianópolis) total sales dropped 81.6% in 2Q20 versus 2Q19.

(3) With the postponement of rentals due in April to October and exemption of rentals due in May and June for retailers unable to operate, and the consequent reduced billing base, the recovery of rentals from previous periods overlapped the defaulted amount, leading to a rental recovery in the period.

IGUATEMI PORTFOLIO

Portfolio	City	Total GCA (sqm) ⁽⁴⁾	Total GLA (sqm)	Iguatemi Interest	Iguatemi GLA (sqm)
Iguatemi São Paulo	São Paulo	49,260	49,260	58.58%	28,856
JK Iguatemi	São Paulo	34,358	34,358	64.00%	21,989
Pátio Higienópolis	São Paulo	33,367	33,367	11.54%	3,851
Market Place	São Paulo	26,882	26,882	100.00%	26,882
Iguatemi Alphaville	Barueri	31,147	31,147	78.00%	24,295
Iguatemi Campinas	Campinas	76,894	72,725	70.00%	50,908
Galleria	Campinas	33,142	33,142	100.00%	33,142
Iguatemi Esplanada ⁽¹⁾	Sorocaba	64,809	64,809	60.93%	39,491
Iguatemi Esplanada - proprietary area ⁽²⁾	Sorocaba	6,556	3,678	100.00%	3,678
Iguatemi São Carlos	São Carlos	22,334	22,334	50.00%	11,167
Iguatemi Ribeirão Preto	Ribeirão Preto	43,288	43,288	88.00%	38,093
Iguatemi Rio Preto	São José do Rio Preto	43,550	43,550	88.00%	38,324
Southeast Sub-total		465,587	458,540	69.93%	320,676
Iguatemi Porto Alegre	Porto Alegre	67,648	64,253	42.58%	27,359
Praia de Belas	Porto Alegre	47,632	44,683	57.55%	25,715
South Sub-total		115,280	108,936	48.72%	53,074
Iguatemi Brasília	Brasília	34,446	34,446	64.00%	22,045
Federal District Sub-total		34,446	34,446	64.00%	22,045
I Fashion Outlet Novo Hamburgo	Novo Hamburgo	20,056	20,056	41.00%	8,223
I Fashion Outlet Santa Catarina	Tijucas	19,888	19,838	54.00%	10,713
Power Center Iguatemi Campinas ⁽³⁾	Campinas	29,822	29,822	77.00%	22,963
Outlet and Power Center Sub-total		69,766	69,717	60.10%	41,899
Malls Sub-total		685,079	671,639	65.17%	437,694
Market Place Tower I	São Paulo	15,274	15,274	100.00%	15,274
Market Place Tower II	São Paulo	13,319	13,319	100.00%	13,319
Iguatemi Porto Alegre Tower	Porto Alegre	10,278	10,278	42.58%	4,376
Towers Sub-total		38,871	38,871	84.82%	32,969
Total		723,950	710,510	66.24%	470,663

(1) Considers Iguatemi Esplanada and Esplanada Shopping as one asset.

(2) Area owned by Iguatemi in Esplanada, held through a subsidiary.

(3) Contiguous to the Iguatemi Campinas mall.

(4) GCA (Gross Commercial Area) includes, in some assets, proprietary areas that do not belong to Iguatemi.

(5) Considers the 6.58% indirect stake owned by Maiojama Participações.

OPERATIONAL PERFORMANCE (at 100% of the mall) – MINIMUM RENTAL + OVERAGE + TEMP. RENT (R\$ '000)⁽¹⁾

Portfólio	2020	2019	Chg. %	6M20	6M19	Chg. %
Iguatemi São Paulo	49,788	50,578	-1.6%	99,365	97,843	1.6%
JK Iguatemi	19,065	22,148	-13.9%	39,316	41,667	-5.6%
Pátio Higienópolis	24,158	24,993	-3.3%	49,473	49,687	-0.4%
Market Place	6,071	6,808	-10.8%	12,714	13,215	-3.8%
Market Place Towers	6,726	4,152	62.0%	12,791	9,232	38.5%
Iguatemi Alphaville	7,753	7,929	-2.2%	16,000	15,067	6.2%
Iguatemi Campinas	25,019	28,435	-12.0%	52,545	55,645	-5.6%
Galleria	4,999	5,227	-4.4%	10,661	10,499	1.5%
Iguatemi Esplanada ⁽²⁾	15,458	16,493	-6.3%	31,942	32,393	-1.4%
Iguatemi São Carlos	2,780	3,155	-11.9%	5,915	6,145	-3.7%
Iguatemi Ribeirão Preto	5,254	6,242	-15.8%	12,050	12,335	-2.3%
Iguatemi Rio Preto	6,902	7,642	-9.7%	14,382	15,188	-5.3%
Iguatemi Porto Alegre	27,514	30,851	-10.8%	58,141	59,006	-1.5%
Iguatemi Porto Alegre Tower	2,316	1,891	22.5%	4,550	3,662	24.2%
Praia de Belas	11,337	13,026	-13.0%	24,308	25,600	-5.0%
Iguatemi Florianópolis ⁽⁴⁾	-	6,330	-	-	12,768	-
Iguatemi Caxias ⁽³⁾	-	5,952	-	-	11,625	-
Iguatemi Brasília	10,103	10,391	-2.8%	19,904	20,102	-1.0%
I Fashion Outlet Novo Hamburgo	2,321	2,999	-22.6%	5,022	5,677	-11.5%
I Fashion Outlet Santa Catarina	799	1,519	-47.4%	1,882	2,581	-27.1%
Power Center Iguatemi Campinas	709	758	-6.5%	1,462	1,642	-10.9%
Total	229,072	257,519	-11.0%	472,422	501,579	-5.8%
Total "same-malls"⁽⁵⁾	229,072	245,236	-6.6%	472,422	477,187	-1.0%

DESEMPENHO OPERACIONAL (Shopping a 100%) – ESTACIONAMENTO (R\$ mil)

Portfólio	2020	2019	Chg. %	6M20	6M19	Chg. %
Iguatemi São Paulo	417	7,657	-94.5%	6,742	14,842	-54.6%
JK Iguatemi	316	6,011	-94.7%	4,878	11,745	-58.5%
Pátio Higienópolis	748	3,184	-76.5%	4,744	7,731	-38.6%
Market Place	211	5,167	-95.9%	4,364	10,233	-57.4%
Market Place Towers	-	-	-	-	-	-
Iguatemi Alphaville	270	4,085	-93.4%	3,743	7,795	-52.0%
Iguatemi Campinas	333	8,248	-96.0%	7,340	16,472	-55.4%
Galleria	331	2,365	-86.0%	2,621	4,810	-45.5%
Iguatemi Esplanada ⁽²⁾	708	5,120	-86.2%	5,501	10,109	-45.6%
Iguatemi São Carlos	132	902	-85.3%	892	1,798	-50.4%
Iguatemi Ribeirão Preto	-	-	-	-	-	-
Iguatemi Rio Preto	-	-	-	-	-	-
Iguatemi Porto Alegre	1,217	6,991	-82.6%	7,060	13,568	-48.0%
Iguatemi Porto Alegre Tower	-	-	-	-	-	0.0%
Praia de Belas	482	4,898	-90.2%	4,207	9,420	-55.3%
Iguatemi Florianópolis ⁽⁴⁾	-	1,323	-	-	2,834	-
Iguatemi Caxias ⁽³⁾	-	1,397	-	-	2,746	-
Iguatemi Brasília	321	2,595	-87.6%	2,790	5,371	-48.1%
I Fashion Outlet Novo Hamburgo	-	-	-	-	-	-
I Fashion Outlet Santa Catarina	-	-	-	-	-	-
Power Center Iguatemi Campinas	120	283	-57.5%	433	555	-22.0%
Total	5,607	60,225	-90.7%	55,316	120,030	-53.9%
Total "same-malls"⁽⁵⁾	5,607	57,505	-90.2%	55,316	114,450	-51.7%

(1) Numbers do not include the straight-line effect.

(2) Considers Iguatemi Esplanada and Esplanada Shopping as one asset.

(3) Stake sold in June 2019.

(4) Stake sold in October 2019.

(5) Excluding malls whose stakes were sold throughout 2019.

SALES AND RENTALS

Total sales reached R\$ 603.6 million in the quarter, 82.8% below 2Q19. The segments that performed best in sales in the quarter were the essential operations, such as Markets and Health & Beauty, which continued to operate after the suspension of shopping center operations.

Same-area sales (SAS) declined 81.6% in the quarter, while same-store sales (SSS) were -70.6%. Same-area rents (SAR) fell 79.8% and same-store rents (SSR) fell 79.1%.

Same-store sales (SSS)	% GLA	2Q20 x 2Q19			2019 x 2018		
		Anchors	Other stores	TOTAL	Anchors	Other stores	TOTAL
Food & Beverage	13.6%	-59.8%	-77.4%	-75.3%	-34.6%	-37.6%	-37.4%
Apparel, Shoes, Leather Goods	32.9%	-80.2%	-76.1%	-76.8%	-41.7%	-41.9%	-41.9%
Household Goods, Bookstores, Stationery, Tech	14.1%	-70.2%	-69.8%	-69.9%	-42.3%	-34.9%	-36.6%
Miscellaneous, Health & Beauty, Jewelry	15.6%	-77.0%	-68.6%	-69.4%	-42.7%	-33.5%	-34.3%
Services, Entertainment, Others	23.8%	-10.2%	-67.0%	-27.9%	-6.1%	-30.2%	-14.8%
TOTAL	100.0%	-58.6%	-73.5%	-70.6%	-30.9%	-37.8%	-36.5%

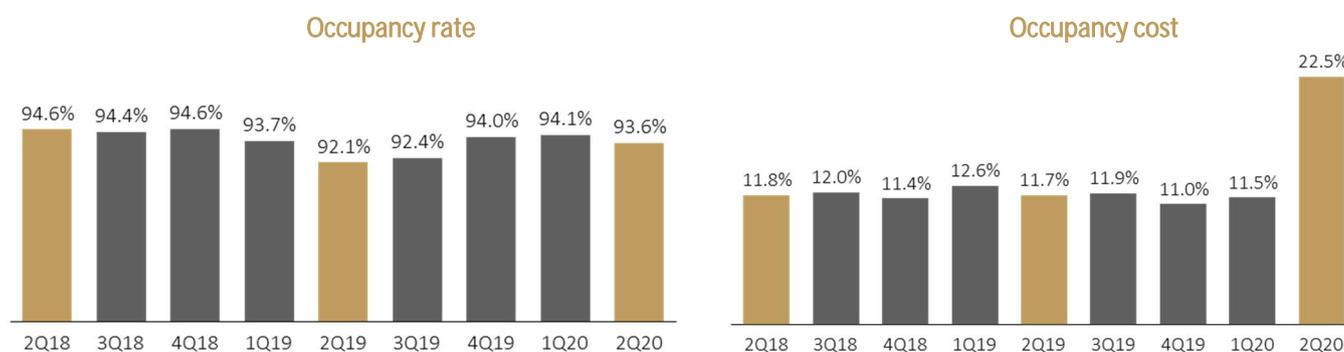
Considering anchor stores those with GLA equal to or greater than 1,000 sqm and other stores those with GLA less than 1,000 sqm.

Rental Revenue at 100% reached R\$ 229.1 million in 2Q20 (-11.0% versus 2Q19). Excluding the malls whose stakes were sold last year, we recorded a decrease in Rental Revenue of 6.6% in the quarter. Parking Revenue reached R\$ 5.6 million (-90.7% versus 2Q19). Excluding the malls from which we divested in 2019, Parking Revenue fell by 90.2% in the quarter.

OCCUPANCY RATE AND COST

The average occupation of the portfolio in the quarter was 93.6%, 1.5 percentage point above 2Q19.

The average occupancy cost was 22.5% in the quarter.



DELINQUENCY

We ended 2Q20 with a delinquency rate of -26.2%, a decrease of 26.8 percentage points versus 2Q19. As previously mentioned, in this quarter we opted to postpone the charge of rents due in April to October and exempt, for retailers unable to operate, the rents due in May and June. Thus, with the reduced billing base, the recovery of rents from previous periods overlapped the delinquent amount, leading to a recovery of rents in the period.

ECONOMIC AND FINANCIAL PERFORMANCE

Consolidated P&L - Managerial (R\$ '000)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Gross Revenue	159,989	214,042	-25.3%	364,832	411,051	-11.2%
Taxes and Discounts	-80,802	-26,368	206.4%	-128,850	-50,384	155.7%
Straight-line effect ⁽¹⁾	81,727	0	-	81,727	0	-
Net Revenue	160,914	187,674	-14.3%	317,709	360,667	-11.9%
Costs and Expenses	-38,929	-54,663	-28.8%	-90,164	-103,184	-12.6%
Other Operational Revenues	-7,394	4,369	-269.2%	-10,378	9,005	-215.2%
Equity Gain (Loss) in Subsidiaries	339	292	16.1%	675	597	13.1%
EBITDA	114,930	137,672	-16.5%	217,842	267,085	-18.4%
EBITDA Margin	71.4%	73.4%	-1.9 bps	68.6%	74.1%	-5.5 bps
Depreciation and Amortization	-37,281	-31,524	18.3%	-74,286	-62,628	18.6%
EBIT	77,649	106,148	-26.8%	143,556	204,457	-29.8%
EBIT Margin	48.3%	56.6%	-8.3 bps	45.2%	56.7%	-11.5 bps
Financial Revenue (Expenses)	-19,562	-29,061	-32.7%	-44,749	-56,913	-21.4%
Income Tax & Social Contribution Tax	-11,798	-16,975	-30.5%	-40,065	-31,979	25.3%
Net Profit	46,289	60,112	-23.0%	58,742	115,565	-49.2%
Net Margin	28.8%	32.0%	-3.3 bps	18.5%	32.0%	-13.6 bps
FFO	83,570	91,636	-8.8%	133,028	178,193	-25.3%
FFO Margin	51.9%	48.8%	3.1 bps	41.9%	49.4%	-7.5 bps

(1) Straight-line effect on the discounts related to Covid-19.

GROSS REVENUE

Iguatemi gross revenues in the second quarter of 2020 was R\$ 160.0 million, a 25.3% drop compared to the same period of 2019.

Gross Revenues - Managerial (R\$ '000)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Rentals	143,279	147,376	-2.8%	295,220	286,224	3.1%
Management Fees	7,071	13,556	-47.8%	18,503	25,537	-27.5%
Parking	3,199	38,253	-91.6%	36,224	75,454	-52.0%
Other	6,440	14,857	-56.7%	14,885	23,836	-37.6%
Total	159,989	214,042	-25.3%	364,832	411,051	-11.2%

Rental revenues in 2Q20, comprising minimum rent, overage and temporary rent, was 25,3% lower versus 2Q19 and represented 89.6% of total gross revenue.

Rental Revenues - Managerial (R\$ '000)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Minimum Rental	136,256	123,647	10.2%	270,823	244,467	10.8%
Percentage Revenues (Overage)	3,626	10,414	-65.2%	7,775	17,638	-55.9%
Temporary Rentals	3,397	13,315	-74.5%	16,622	24,119	-31.1%
Total	143,279	147,376	-2.8%	295,220	286,224	3.1%

This year-on-year increase in rentals compared to 2Q19 mainly reflects:

- Minimum rent: 10.2% increase, with the positive effect from the automatic adjustment for inflation and higher average occupancy in the portfolio.
- Overage: 65.2% decrease due to the drop in sales caused by the COVID-19 pandemic.

- Temporary rent: 74.5% drop due to the discounts granted in temporary rentals and kiosks as a consequence of the pandemic, coupled with a reduction in media and merchandising hires in the assets in the period.

Management fees decreased by 47.8% versus 2Q19, in line with the reduction in condominium costs and the effect of the COVID-19 pandemic in the results presented by the malls.

Parking revenues reached R\$ 3.2 million (-91.6% versus 2Q19), explained by the decrease in the vehicle traffic in the portfolio as an effect of COVID-19 pandemic.

The Others line decreased by 56.7% in the quarter, mainly due to a lower brokerage in the period and a drop in revenues linked to i-Retail, where we operate selected international brands.

DEDUCTIONS AND TAXES

Deductions and taxes totaled R\$ 80.8 million, 206.4% above 2Q19, due to the rental exemptions for the months of April and May and the discounts for the month of June for the operations that resumed their activities. The straight-line effect on discounts related to Covid-19 in PIS/COFINS was R\$ 6.1 million.

STRAIGHT-LINE EFFECT

As previously mentioned, due to the Covid-19 pandemic, Iguatemi, in partnership with tenants, adopted new discount policies, under specific conditions in order to generate a breath in tenants' cash flows. These exemptions range from partial suspension to total or partial exemptions, always assessing the condition of each tenant (these conditions reached most of the tenants in the Company's portfolio, but consider exceptions for establishments that did not have their operations interrupted with the closings of the malls). These concessions, called "Covid-19 Discounts", will be linearized over a period of thirty months, that is, according to the average remaining term of each contract, as provided for by CPC 06 (R2) / IFRS 16.

NET REVENUES

Net Revenue in 2Q20 was R\$ 160.9 million, 14.3% drop versus 2Q19.

COSTS OF RENTALS, SERVICES AND ADMINISTRATIVE EXPENSES

Costs and Expenses - Managerial (R\$ '000)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Rent and Services Costs	-27,434	-34,773	-21.1%	-62,224	-68,283	-8.9%
Personnel	-6,486	-6,699	-3.2%	-12,842	-13,028	-1.4%
Third party services	-442	-1,841	-76.0%	-3,176	-4,314	-26.4%
Promotional fund	-95	-489	-80.6%	-567	-975	-41.8%
Parking	-6,603	-8,335	-20.8%	-14,790	-16,404	-9.8%
Others	-13,808	-17,409	-20.7%	-30,849	-33,562	-8.1%
Expenses	-11,495	-19,890	-42.2%	-27,940	-34,901	-19.9%
Personnel	-4,692	-12,224	-61.6%	-10,864	-20,503	-47.0%
Share-based Compensation	-2,096	-1,870	12.1%	-4,193	-3,241	29.4%
Third party services	-2,514	-3,682	-31.7%	-8,008	-5,793	38.2%
Others	-2,193	-2,114	3.7%	-4,875	-5,364	-9.1%
Sub Total	-38,929	-54,663	-28.8%	-90,164	-103,184	-12.6%
Depreciation and Amortization	-37,281	-31,524	18.3%	-74,286	-62,628	18.6%
Total	-76,210	-86,187	-11.6%	-164,450	-165,812	-0.8%

Rents and services costs were R\$ 27.4 million in 2Q20 (excluding depreciation and amortization), a 21.1% drop versus 2Q19, with emphasis on lower costs associated with vacant areas in shopping malls and lower parking costs.

Expenses were 42.2% below 2Q19, mainly reflecting the reversal of provisioning for the PLR (Profit Sharing) in 2020 (to be paid in 2021).

OTHER OPERATIONAL REVENUES (EXPENSES)

In 2Q20, the Company presented a total of Other Operational Expenses in the amount of negative R\$ 7.4 million, mainly reflecting an increase in the Allowance for Loan Losses to reflect a more conservative scenario related to rental collection in the months of the pandemic.

Other Op. Rev. (Exp.) - Managerial (R\$ '000)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Property development	0	0	-	0	0	-
Other	-7,394	4,369	-269.2%	-10,378	9,005	-215.2%
Other Operational Rev. (Exp.)	-7,394	4,369	-269.2%	-10,378	9,005	-215.2%

DEPRECIATION AND AMORTIZATION

The Depreciation and Amortization line increased by 18.3% in the quarter compared to the same period in 2019, to R\$ 37.3 million, mainly due to the acquisitions of the additional interests in Praia de Belas and Esplanada Shopping, as well as the adaptations of spaces to receive new operations, as a result of the process of updating the Company's tenant mix.

NET FINANCIAL REVENUES (EXPENSES)

Iguatemi Net Financial Result in the quarter was a negative R\$ 19.6 million, 32.7% below the amount presented in the same period of the previous year, due to the drop in the interest rate to which 85% of our debt is indexed, leading to a Financial Expense 37.0% below 2Q19.

Net Financial Revenues (Expenses) - Managerial (R\$ '000)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Financial Revenues	8,257	15,076	-45.23%	23,963	30,442	-21.28%
Financial Expenses	-27,819	-44,137	-37.0%	-68,712	-87,355	-21.3%
Net Financial Revenues (Expenses)	-19,562	-29,061	-32.7%	-44,749	-56,913	-21.4%

INCOME TAX AND SOCIAL CONTRIBUTION TAX (CURRENT AND DEFERRED)

In 2Q20, Income Tax and Social Contribution totaled R\$ 11.8 million, 30.5% below 2Q19, result of the loss in the months of April and May, period in which the malls remained with their operations suspended, partially offset by the write-off of deferred IR/CS as determined by CVM instruction 371. The impact of the straight-line effect on discounts related to Covid-19 on deferred IR/CS was R\$ 21.6 million.

NET PROFIT AND FFO

Net Income in the quarter was R\$ 46.3 million, 23.0% below 2Q19, with Net Margin of 28.8%. FFO reached R\$ 83.6 million, 3.3% below the same period last year, with FFO Margin of 51.9%.

EBITDA

EBITDA reached R\$ 114.9 million, 16.5% below 2Q19, with EBITDA Margin of 71.4%.

Conciliation of EBIT and EBITDA - Managerial (R\$ '000)	2Q20	2Q19	Chg. %	6M20	6M19	Chg. %
Net Profit	46,289	60,112	-23.0%	58,742	115,565	-49.2%
(+) Income & Social Contribution Taxes	11,798	16,975	-30.5%	40,065	31,979	25.3%
(+) Financial Expenses	27,819	44,137	-37.0%	68,712	87,355	-21.3%
(-) Financial Revenues	-8,257	-15,076	-45.2%	-23,963	-30,442	-21.3%
EBIT	77,649	106,148	-26.8%	143,556	204,457	-29.8%
(+) Depreciation and Amortization	37,281	31,524	18.3%	74,286	62,628	18.6%
EBITDA	114,930	137,672	-16.5%	217,842	267,085	-18.4%
Net Revenues	160,914	187,674	-14.3%	317,709	360,667	-11.9%
EBITDA Margin	71.4%	73.4%	-1.9 bps	68.6%	74.1%	-5.5 bps

DEBT

Iguatemi ended the quarter with a total debt of R\$ 2,758.9 million, with average duration of 3.6 years and average cost of 150.5% of CDI, to which 85.0% of our debt is indexed. The 12.0% increase in Total Debt is due to issuance of Debentures in the amount of R\$ 300 million, 3 year-term and rate of CDI + 3.00% p.a. Cash position ended the quarter at R\$ 1.2 billion, a 24.7% increase versus 1Q20, leading to a Net Debt of R\$ 1.6 billion and Net Debt / EBITDA multiple of 2.66x, a 0.19 increase versus 1Q20.

Consolidated Figures (R\$ '000)	06/30/2020	03/31/2019	Chg. %
Total Debt⁽¹⁾	2,758,942	2,464,241	12.0%
Cash and Cash Equivalents	1,197,839	960,736	24.7%
Net Debt (Cash)	1,561,103	1,503,505	3.8%
EBITDA (LTM)	586,552	609,294	-3.7%
Net Debt/EBITDA	2.66x	2.47x	0.19
Cost of Debt (% of CDI)	150.5%	118.4%	32.1 bps
Average Debt Term (years)	3.6	3.9	-0.3

(1) Total Debt net of the financial instrument (swap) reported in the Noncurrent Assets (R\$ 65.7 million in 06/30/2020).

Total Debt Breakdown (R\$ '000)	06/30/2020	%	03/31/2019	%
TR	340,554	12.3%	346,676	14.1%
CDI	2,344,215	85.0%	2,043,385	82.9%
Others	74,174	2.7%	74,180	3.0%
Short-term	332,948	12.1%	121,598	4.9%
Long-term	2,425,994	87.9%	2,342,643	95.1%

CAPITAL MARKETS

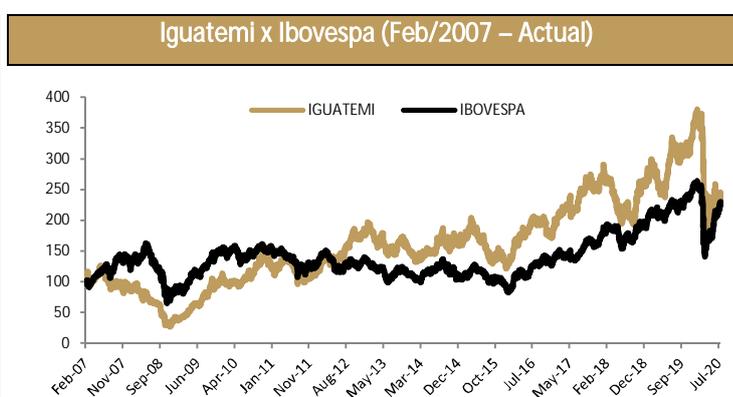
Iguatemi shares are listed on B3's Novo Mercado, under the ticker IGTA3, and are part of the Ibovespa and IBx-100 indexes. The table below presents our largest stockholders and the free float, with date base of 06/30/2020:

Stockholding structure	Number of shares	% of total
Jereissati Participações	89,345,270	50.59%
Treasury	648,723	0.37%
Others	86,617,585	49.04%
Total	176,611,578	100.00%

Iguatemi stock price ended the 2Q20 at R\$ 33.35. Currently 13 sell-side analysts have active coverage on Iguatemi shares.

IGTA ⁽¹⁾	
Closing Price (06/30/2020)	R\$ 33.35
Higher price in 2Q20	R\$ 38.80
Lower price in 2Q20	R\$ 27.29
Appreciation in 2Q20	6.72%
Appreciation in 2020	-36.96%
Number of shares	176,611,578
Market Cap. (06/30/2020)	R\$ 5,889,996,126
Average daily liquidity in 2Q20	R\$ 82,951,978

(1) Source: Bloomberg, base date: 06/30/2020.



HUMAN RESOURCES

We have an experienced management team, and we consistently seek to align the interests of our management and employees with those of our stockholders, through mechanisms of variable remuneration:

Iguatemi bonus plan: This program is linked to meeting short-term budget and operational targets. All our employees are eligible. The amount distributed to each employee is linked to the Company's Key Performance Indicators – KPIs (On-Going Business, Projects Under Development and Future Growth) and to individual KPIs.

Long Term Inventive Plan – Restricted Shares: Granting of common shares issued by the Company to eligible employees selected by the Remuneration Committee and approved by the Board of Directors, with the intent to: (a) encourage the improvement of the management of the Company and its Subsidiaries, giving the participants the possibility of being shareholders of the Company, stimulating them in the optimization of all aspects that can value the Company in the long term, giving them, also, an entrepreneurial and corporate vision; (b) encourage the attraction and retention of managers, employees and service providers; (c) to support the alignment of interests between Company's executives and shareholders, maximizing the level of commitment of managers and employees with the generation of sustainable results for the Company; and (d) to increase the attractiveness of the Company and its Subsidiaries.

Based on the best market practices and based on the result of a structured diagnostic work, carried out with the help of external consultants in all HR sub-processes and in the CMMI methodology (Capability Maturity Model Integration), the main policies were updated in 2019 area, the Remuneration and Attraction policy. We launched and supported an integrated HCM (Human Capital Management) SuccessFactor for people management that we use extensively in the exercise of human resources processes on a daily basis which managers have access to in order to facilitate the management of information, the approval levels and transparency for employees who also have access to relevant information, such as:

- complete organizational structure;
- descriptions of all positions;
- positions available for internal registration or nominations;
- platform with courses available;
- self-service in relation to updating your own profile, requesting vacation and consulting payment statements.

We seek to provide an environment that encourages employee engagement with the company, through annual surveys using the GPTW methodology and the formation of Climate Committees composed of active volunteer employees, confirming our understanding of the importance of a physically pleasant and emotionally safe for our people. The Saúde Iguatemi program aims to provide ongoing guidance on the integral health of employees, by means of diagnostics, customized programs in the pillars of physical, emotional and financial health.

Equally relevant is our dedication to the development of employees and, every year, we invest time and energy in the People Cycle, a practice of individual evaluation, feedback and development plan so that our employees can develop in the organization and occupy new activities and positions in the company, including in this exercise the mapping of internal successors for the maintenance and expansion of business.

Our Human Resources policies and practices seek to strengthen the engagement of our employees, offering education and development programs, management tools to improve our individual and collective efficiency, opportunities for internal promotion, as well as competitive remuneration.

On June 30th, 2020, Iguatemi had **394 employees**, versus 374 employees on June 30th, 2019 (+5.3%).

ENVIRONMENTAL PROGRAMS

For more than 10 years, Iguatemi - always concerned with social and environmental aspects - has been implementing sustainability actions that save water and reduce consumption of energy. Highlights are:

Actions to reduce energy consumption:

- Migration to the “Mercado Livre” Market (currently all our malls are in “Mercado Livre”)
- Continuous replacement of lamps and equipment by new, more efficient technologies (chillers, LED, ...)
- Automation of systems to improve the efficiency of malls (illumination, air conditioning ...)

Actions to save water and increase self-sufficiency:

- Artesian wells
- Water and sewerage treatment stations
- Installation of water saving equipment (aerators, toilet bowls, water-saving valves, ...)

Other initiatives:

We develop our logistics processes (for example, recycling or selective collection) always taking the environment into account.

Currently, four malls have an advanced composting system: Iguatemi Porto Alegre, Iguatemi Campinas and Iguatemi Esplanada. In each mall a different model was adopted and studies are being conducted to define the best model to be adopted in the group's other assets. Moreover, all our malls have separate collection and recycling systems (in different models).

In addition, we practice social actions, supporting cooperatives, which benefit needy communities with the work of separations of wastes and re-use of raw materials.

Finally, we signed in 2019 the Woman's Empowerment Principle's (WEP's), a project of the UN and the Global Pact. The initiative reinforces the Company's commitment to the defense of gender equality, ensuring equal opportunities for men and women in the workplace.

EXTERNAL AUDITING SERVICES: COMPLIANCE WITH CVM INSTRUCTION 381/2003

As from the first quarter of 2017 Iguatemi and its subsidiaries began using the auditing services of Ernst & Young Auditores Independentes S.S.. The Company's activity in contracting with our independent auditors of any services not related to external auditing is based on the principles that preserve the external auditor's independence. These internationally accepted principles are: (a) the auditor must not audit his own work; (b) the auditor must not exercise a management function in his client; and (c) the auditor should not promote his client's interests.

Note: Non-financial data, such as GLA, average sales, average rentals, occupancy costs, average prices, average market prices, EBITDA, NOI and pro-forma cash flow have not been reviewed by our external auditors.

The Company is committed, by the Commitment Clause in its by-laws, to arbitration in the Market Arbitration Chamber.

Contents

Independent auditor's review report on quarterly information	20
--	----

Individual financial statement

Statements of financial position - assets	22
Statements of financial position - liabilities.....	23
Statements of profit or loss.....	25
Statements of comprehensive income.....	26
Statements of cash flows - indirect method	27
Statements of changes in equity - 01/01/2020-06/30/2020.....	28
Statements of changes in equity - 01/01/2019-06/30/2019.....	29
Statements of value added.....	30

Consolidated financial statement

Statements of financial position - assets	31
Statements of financial position - liabilities.....	32
Statements of income.....	34
Statements of comprehensive income.....	35
Statements of cash flows - Indirect method	36
Statements of changes in equity - 01/01/2020-06/30/2020.....	37
Statements of changes in equity - 01/01/2019-06/30/2019.....	38
Statements of value added.....	39

Explanatory Notes.....	40
------------------------	----

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly information prepared in Brazilian currency in accordance with the rules issued by the Brazilian Securities Commission (CVM), applicable to Quarterly Information Form (ITR)

Independent auditor's review report on quarterly information

To the
Shareholders, Board of Directors and Officers of
Iguatemi Empresa de Shopping Centers S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying individual and consolidated interim financial information, contained in the Quarterly Information Form (ITR) of Iguatemi Empresa de Shopping Centers S.A. ("Company") for the quarter ended June 30, 2020, comprising the statement of financial position as of June 30, 2020 and the related statements of profit or loss, comprehensive income for the three and six-months periods ends, changes in equity and cash flows for the six-month period 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 in 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).



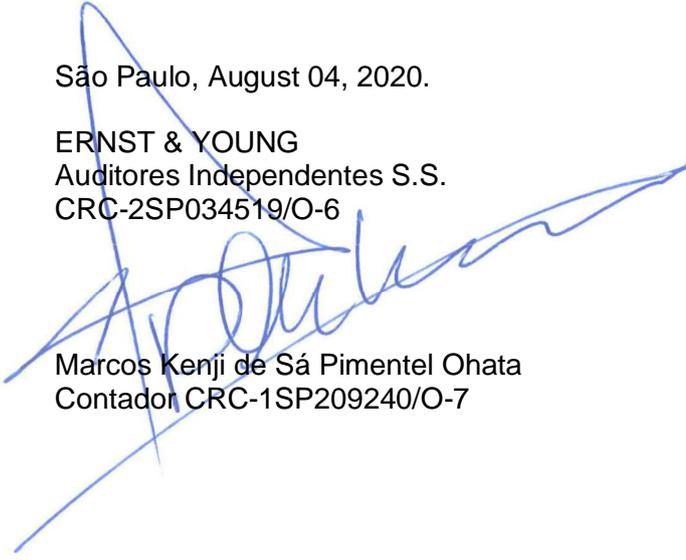
Other matters

Statements of value added

The abovementioned quarterly information include the individual and consolidated statement of value added (SVA) for the six-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.

São Paulo, August 04, 2020.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6



Marcos Kenji de Sá Pimentel Ohata
Contador CRC-1SP209240/O-7

Individual Financial Statements / Statement of financial position - Assets

(In Thousand of reais)

Account	Description	Current Quarter 06/30/2020	Prior Year 12/31/2019
1	Total Assets	5,412,708	4,900,525
1.01	Current Assets	716,709	595,620
1.01.01	Cash and Cash Equivalents	1,386	17,864
1.01.02	Financial Investments	618,068	521,129
1.01.02.01	Financial Investments Measured at Fair Value	618,068	521,129
1.01.02.01.01	Securities Held for Trading	618,068	521,129
1.01.03	Trade Receivables	80,899	44,467
1.01.03.01	Customers	38,160	43,189
1.01.03.02	Other Receivables	42,739	1,278
1.01.06	Taxes Recoverable	9,975	8,711
1.01.06.01	Current Taxes Recoverable	9,975	8,711
1.01.07	Prepaid Expenses	3,308	239
1.01.08	Other Current Assets	3,073	3,210
1.01.08.03	Others	3,073	3,210
1.01.08.03.02	Loans Receivable	40	37
1.01.08.03.04	Other Current Assets	3,033	3,173
1.02	Noncurrent Assets	4,695,999	4,304,905
1.02.01	Long-Term Assets	553,641	348,828
1.02.01.02	Financial Investments Measured at Amortized Cost	60,503	52,976
1.02.01.04	Trade Receivables	7,299	10,264
1.02.01.04.01	Customers	7,299	10,264
1.02.01.09	Receivables from Related Parties	419,530	221,936
1.02.01.09.02	Credits with Subsidiaries	384,553	187,022
1.02.01.09.04	Receivables from Other Related Parties	34,997	34,914
1.02.01.10	Other Noncurrent Assets	66,309	63,652
1.02.01.10.03	Swap Operation	65,738	63,148
1.02.01.10.04	Loans Receivable	148	161
1.02.01.10.05	Judicial Deposits	423	343
1.02.02	Investments	4,113,114	3,923,014
1.02.02.01	Equity Interest	2,822,315	2,796,975
1.02.02.01.02	Equity Interest	2,806,506	2,781,166
1.02.02.01.04	Other investments	15,809	15,809
1.02.02.02	Investment Property	1,290,799	1,126,039
1.02.03	Property and Equipment	11,724	14,077
1.02.03.01	Property and Equipment in Operation	11,724	14,077
1.02.04	Intangible Assets	17,520	18,986
1.02.04.01	Intangible Assets	17,520	18,986
1.02.04.01.03	Software Licenses	17,520	18,986

Individual Financial Statements / Statement of financial position - Liabilities

(In Thousand of reais)

Account	Description	Current Quarter	Prior Year
		06/30/2020	12/31/2019
2	Total Liabilities	5,412,708	4,900,525
2.01	Current Liabilities	468,554	207,164
2.01.01	Social and Labor Obligations	16,546	22,461
2.01.01.02	Labor Obligations	16,546	22,461
2.01.02	Trade Payables	3,839	6,331
2.01.02.01	Domestic Suppliers	3,839	6,331
2.01.03	Tax Obligations	11,429	4,675
2.01.03.01	Federal Tax Obligations	690	2,804
2.01.03.01.01	Income and Social Contribution Taxes Payable	71	121
2.01.03.01.02	Other Federal Tax Obligations	619	2,683
2.01.03.03	Municipal Tax Obligations	10,739	1,871
2.01.04	Borrowings and financing	304,173	88,951
2.01.04.01	Borrowings and financing	227,682	25,978
2.01.04.01.01	In Local Currency	227,682	25,978
2.01.04.02	Debentures	76,491	62,973
2.01.04.02.01	Charges on Debentures	-2,777	-699
2.01.04.02.02	Debentures	79,268	63,672
2.01.05	Other Obligations	132,567	84,746
2.01.05.01	Liabilities from Related Parties	2,372	8,237
2.01.05.01.02	Debts with subsidiaries	2,372	8,237
2.01.05.02	Others	130,195	76,509
2.01.05.02.02	Minimum Mandatory Dividend Payable	36,156	73,656
2.01.05.02.04	Other Payables	94,039	2,853
2.02	Noncurrent Liabilities	1,905,069	1,705,630
2.02.01	Borrowings and financing	1,810,913	1,608,956
2.02.01.01	Borrowings and financing	1,122,180	1,143,499
2.02.01.01.01	In Local Currency	1,122,180	1,143,499
2.02.01.02	Debentures	688,733	465,457
2.02.02	Other Obligations	4,348	4,744
2.02.02.01	Liabilities from Related Parties	4,348	4,744
2.02.02.01.02	Debts with subsidiaries	4,348	4,744
2.02.03	Deferred Taxes	66,396	67,972
2.02.03.01	Deferred Income and Social Contribution Taxes	66,396	67,972
2.02.03.01.01	Deferred Income and Social Contribution Taxes	61,469	67,972
2.02.03.01.02	Pis and Cofins on Deferred Revenue	4,927	0
2.02.04	Provisions	23,412	23,412
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	23,412	23,412
2.02.04.01.02	Provision for Social Security and Labor Risks	367	367
2.02.04.01.04	Provision for Civil Risks	23,030	23,030
2.02.04.01.05	Other Provisions for Risks	15	15
2.02.06	Unearned Revenues	0	546
2.02.06.02	Unearned Revenues	0	546
2.02.06.02.01	Deferred Revenues	0	546
2.03	Equity	3,039,085	2,987,731
2.03.01	Capital	1,231,313	1,231,313
2.03.02	Capital Reserve	442,754	450,021
2.03.02.01	Goodwill in the issue of shares	452,082	452,082

Individual Financial Statements / Statement of financial position - Liabilities

(In Thousand of reais)

Account	Description	Current Quarter 06/30/2020	Prior Year 12/31/2019
2.03.02.05	Treasury Shares	-20,746	-9,286
2.03.02.07	Other Capital Reserves	11,418	7,225
2.03.04	Profit Reserves	1,306,397	1,306,397
2.03.04.01	Legal Reserve	130,494	130,494
2.03.04.05	Retained Profits Reserve	1,175,903	1,175,903
2.03.05	Retained Earnings/Accumulated Losses	58,621	0

Individual Financial Statements / Statements of Income

(In Thousand of reais)

Account	Description	Current quarter 04/01/2020 - 06/30/2020	Cumulative amount of the current year 01/01/2020 - 06/30/2020	Same quarter of the prior year 04/01/2019 - 06/30/2019	Cumulative amount of the prior year 01/01/2019 - 06/30/2019
3.01	Revenue from Sale of Goods and/or Services	70,746	127,546	68,142	133,981
3.02	Cost of Sales and / or Services	-19,133	-42,158	-23,183	-46,426
3.03	Gross Profit	51,613	85,388	44,959	87,555
3.04	Operating Income/Expenses	3,625	-4,495	37,882	72,383
3.04.02	General and Administrative Expenses	-12,704	-29,227	-20,258	-35,132
3.04.04	Other Operating Income	564	1,474	4,476	5,914
3.04.05	Other Operating Expenses	-9,008	-11,886	-833	-583
3.04.06	Equity in Earnings of Subsidiaries	24,773	35,144	54,497	102,184
3.05	Income before Finance Income (Costs) and Taxes	55,238	80,893	82,841	159,938
3.06	Finance Income (Costs)	-17,063	-28,776	-21,181	-39,865
3.06.01	Finance Income	3,124	16,884	9,935	20,747
3.06.02	Finance Costs	-20,187	-45,660	-31,116	-60,612
3.07	Income before Income Taxes	38,175	52,117	61,660	120,073
3.08	Income and Social Contribution Taxes	8,612	6,504	-2,600	-6,614
3.08.01	Current	-232	-232	0	0
3.08.02	Deferred	8,844	6,736	-2,600	-6,614
3.09	Net Income for the Period from Continuing Operations	46,787	58,621	59,060	113,459
3.11	Profit or Loss for the Period	46,787	58,621	59,060	113,459
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.26571	0.33284	0.33498	0.64356
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.26571	0.33284	0.33499	0.64350

Individual Financial Statements / Statements of Comprehensive Income

(In Thousand of reais)

Account	Description	Current quarter 04/01/2020 - 06/30/2020	Cumulative amount of the current year 01/01/2020 - 06/30/2020	Same quarter of the prior year 04/01/2019 - 06/30/2019	Cumulative amount of the prior year 01/01/2019 - 06/30/2019
4.01	Profit or Loss for the Period	46,787	58,621	59,060	113,459
4.03	Comprehensive Profit/Loss for the Period	46,787	58,621	59,060	113,459

Individual Financial Statements / Statements of Cash Flows - Indirect Method

(In Thousand of reais)

Account	Description	Cumulative Amount of	Cumulative Amount of
		the current year 01/01/2020 - 06/30/2020	the Prior Year 01/01/2019 - 06/30/2019
6.01	Net Cash from Operating Activities	-906	33,252
6.01.01	Cash Generated from Operations	46,744	94,718
6.01.01.01	Net Income for the Period	58,621	113,459
6.01.01.02	Depreciation and Amortization	26,343	23,580
6.01.01.04	Equity Pickup	-35,144	-102,184
6.01.01.05	Monetary Adjustments, Net	22,685	39,298
6.01.01.07	Deferred Income and Social Contribution Taxes	-6,736	6,614
6.01.01.08	Provision for Share-Based Payment	4,194	3,241
6.01.01.09	Provision for Bonus Program	0	6,058
6.01.01.10	Allowance for Doubtful Accounts	7,701	2,501
6.01.01.12	Amortized Deferred income	-546	-838
6.01.01.13	Amortization of Borrowing Costs	2,723	2,989
6.01.01.16	Straight-line of Covid-19 discounts	-33,097	0
6.01.02	Changes in Assets and Liabilities	-10,747	-7,097
6.01.02.01	Rents Receivable	293	3,107
6.01.02.02	Taxes Recoverable and Tax Credits	-2,724	-2,110
6.01.02.03	Loans Receivable	10	-69
6.01.02.04	Receivables from Related Parties	455	16,543
6.01.02.06	Other Assets	-3,144	-7,257
6.01.02.07	Prepaid Expenses	-3,069	-2,467
6.01.02.09	Trade Payables	-2,492	-2,255
6.01.02.10	Taxes and Contributions Payable	8,214	-180
6.01.02.11	Provisions for Salaries and Payroll Charges	-5,915	-10,793
6.01.02.12	Payables to Related Parties	-6,261	0
6.01.02.13	Accounts Payable	3,886	-1,616
6.01.03	Other	-36,903	-54,369
6.01.03.2	Payment of interest	-36,903	-54,369
6.02	Net Cash from Investing Activities	-379,064	100,738
6.02.01	Acquisition of Noncurrent Assets	-99,360	-16,986
6.02.03	Dividends Received from Subsidiaries	9,180	16,421
6.02.04	Capital increase in subsidiaries	0	-2,201
6.02.07	Advance for Future Capital Increase	-197,532	-39,906
6.02.08	Financial Investments Held for Trading	-91,352	143,410
6.03	Net Cash from Financing Activities	363,492	-138,119
6.03.01	Amortization of Borrowing, financing and Debentures	-74,847	-61,115
6.03.02	Dividends Paid	-37,500	-75,001
6.03.03	Borrowings	487,300	0
6.03.06	Treasury Shares	-11,461	-2,003
6.05	Increase (Decrease) in Cash and Cash Equivalents	-16,478	-4,129
6.05.01	Opening Balance of Cash and Cash Equivalents	17,864	7,331
6.05.02	Closing Balance of Cash and Cash Equivalents	1,386	3,202

Individual Financial Statements / Statements of changes in shareholders' equity - 01/01/2020 - 06/30/2020

(In Thousand of reais)

Account	Description	Paid-in Capital	Capital Reserve, Options granted and Treasury Shares	Profit Reserves	Acumulated Gains/ Losses	Other Comprehensive Income	Shareholder's Equity
5.01	Opening Balances	1,231,313	450,021	1,306,397	0	0	2,987,731
5.03	Adjusted Opening Balances	1,231,313	450,021	1,306,397	0	0	2,987,731
5.04	Capital Transactions with Shareholders	0	-7,267	0	0	0	-7,267
5.04.04	Treasury Shares Acquired	0	-11,461	0	0	0	-11,461
5.04.10	Constitution of reserve for Share-Based Payment	0	4,194	0	0	0	4,194
5.05	Total Comprehensive Income	0	0	0	58,621	0	58,621
5.05.01	Net Income for the Period	0	0	0	58,621	0	58,621
5.07	Closing Balances	1,231,313	442,754	1,306,397	58,621	0	3,039,085

Individual Financial Statements / Statements of changes in shareholders' equity - 01/01/2019 - 06/30/2019

(In Thousand of reais)

Account	Description	Paid-in Capital	Capital Reserve, Options granted and Treasury Shares	Profit Reserves	Acumulated Gains/ Losses	Other Comprehensive Income	Shareholder's Equity
5.01	Opening Balances	1,231,313	445,313	1,159,038	0	0	2,835,664
5.03	Adjusted Opening Balances	1,231,313	445,313	1,159,038	0	0	2,835,664
5.04	Capital Transactions with Shareholders	0	1,468	-89,114	0	0	-87,646
5.04.04	Treasury Shares Acquired	0	-2,003	0	0	0	-2,003
5.04.06	Dividends	0	0	-89,114	0	0	-89,114
5.04.09	Treasury Shares granted	0	3,308	0	0	0	3,308
5.04.10	Constitution of reserve for Share-Based Payment	0	3,241	0	0	0	3,241
5.04.11	Other	0	-3,078	0	0	0	-3,078
5.05	Total Comprehensive Income	0	0	0	113,459	0	113,459
5.05.01	Net Income for the Period	0	0	0	113,459	0	113,459
5.07	Closing Balances	1,231,313	446,781	1,069,924	113,459	0	2,861,477

Individual Financial Statements / Statements of Added Value

(In Thousand of reais)

Account	Description	Cumulative Amount of	Cumulative Amount of
		the current year 01/01/2020 - 06/30/2020	the Prior Year 01/01/2019 - 06/30/2019
7.01	Revenues	124,761	148,633
7.01.01	Sales and Services	135,722	148,971
7.01.02	Other Revenues	-3,260	2,163
7.01.04	Allowance for/Reversal of Doubtful Accounts	-7,701	-2,501
7.02	Inputs Purchased from Third Parties	-22,210	-28,082
7.02.01	Costs of Sales and Services	-13,340	-18,210
7.02.02	Material, Electric Energy, Third-Party Services and Others	-8,870	-9,872
7.03	Gross Value Added	102,551	120,551
7.04	Retentions	-26,343	-23,580
7.04.01	Depreciation, Amortization and Depletion	-26,343	-23,580
7.05	Net Value Added Generated by the Company	76,208	96,971
7.06	Value Added Received in Transfer	52,028	122,931
7.06.01	Equity Pickup	35,144	102,184
7.06.02	Finance Income	16,884	20,747
7.07	Total Value Added To Be Distributed	128,236	219,902
7.08	Distribution of Value Added	128,236	219,902
7.08.01	Personnel	21,881	27,679
7.08.01.01	Direct remuneration	19,045	19,411
7.08.01.02	Benefits	715	6,194
7.08.01.03	Unemployment Compensation Fund - FGTS	2,121	2,074
7.08.02	Taxes, Fees and Contributions	3,147	19,458
7.08.02.01	Federal	2,438	17,927
7.08.02.03	Municipal	709	1,531
7.08.03	Debt Remuneration	44,587	59,306
7.08.03.01	Interest	36,414	49,535
7.08.03.02	Rents	48	114
7.08.03.03	Other	8,125	9,657
7.08.04	Equity Remuneration	58,621	113,459
7.08.04.03	Retained Profits/Loss for the Period	58,621	113,459

Consolidated Financial Statements / Statement of financial position - Assets

(In Thousand of reais)

Account	Description	Current Quarter 06/30/2020	Prior Year 12/31/2019
1	Total Assets	6,245,908	5,628,893
1.01	Current Assets	1,382,142	1,140,812
1.01.01	Cash and Cash Equivalents	6,102	46,924
1.01.02	Financial Investments	1,131,234	922,660
1.01.02.01	Financial Investments Measured at Fair Value	1,131,234	922,660
1.01.02.01.01	Securities Held for Trading	1,131,234	922,660
1.01.03	Trade Receivables	193,453	133,216
1.01.03.01	Customers	91,079	108,142
1.01.03.02	Other Receivables	102,374	25,074
1.01.04	Goods	10,406	6,242
1.01.06	Taxes Recoverable	23,412	21,133
1.01.06.01	Current Taxes Recoverable	23,412	21,133
1.01.07	Prepaid Expenses	13,431	6,441
1.01.08	Other Current Assets	4,104	4,196
1.01.08.03	Others	4,104	4,196
1.01.08.03.02	Loans Receivable	40	37
1.01.08.03.04	Other Current Assets	4,064	4,159
1.02	Noncurrent Assets	4,863,766	4,488,081
1.02.01	Long-Term Assets	222,368	214,924
1.02.01.02	Financial Investments Measured at Amortized Cost	60,503	52,976
1.02.01.02.01	Securities Held to Maturity	60,503	52,976
1.02.01.03	Trade Receivables	38,653	48,651
1.02.01.03.01	Customers	16,209	21,219
1.02.01.03.02	Other Receivables	22,444	27,432
1.02.01.08	Receivables from Related Parties	53,296	46,078
1.02.01.08.04	Receivables from Other Related Parties	53,296	46,078
1.02.01.09	Other Noncurrent Assets	69,916	67,219
1.02.01.09.03	Swap Operation	65,738	63,148
1.02.01.09.04	Loans Receivable	329	376
1.02.01.09.05	Judicial Deposits	3,837	3,683
1.02.01.09.07	Other Noncurrent Assets	12	12
1.02.02	Investments	4,494,396	4,121,330
1.02.02.01	Equity Interests	160,282	30,226
1.02.02.01.04	Credit With Jointly Controlled Companies	144,155	0
1.02.02.01.05	Other investments	16,127	30,226
1.02.02.02	Investment Property	4,334,114	4,091,104
1.02.03	Property and Equipment	34,040	36,186
1.02.03.01	Property and Equipment in Operation	34,040	36,186
1.02.04	Intangible Assets	112,962	115,641
1.02.04.01	Intangible Assets	112,962	115,641
1.02.04.01.02	Goodwill on Acquisition of Investments	88,169	88,169
1.02.04.01.03	Software Licenses	24,793	27,472

Consolidated Financial Statements / Statement of financial position - Liabilities

(In Thousand of reais)

Account	Description	Current Quarter 06/30/2020	Prior Year 12/31/2019
2	Total Liabilities	6,245,908	5,628,893
2.01	Current Liabilities	566,067	263,324
2.01.01	Social and Labor Obligations	20,458	26,723
2.01.01.02	Labor Obligations	20,458	26,723
2.01.02	Trade Payables	16,823	14,275
2.01.02.01	Domestic Suppliers	16,823	14,275
2.01.03	Tax Obligations	21,289	17,561
2.01.03.01	Federal Tax Obligations	4,369	12,896
2.01.03.01.01	Income and Social Contribution Taxes Payable	0	6,558
2.01.03.01.02	Other Federal Tax Obligations	4,369	6,338
2.01.03.02	State Tax Obligations	27	828
2.01.03.03	Municipal Tax Obligations	16,893	3,837
2.01.04	Borrowings and financing	330,764	114,904
2.01.04.01	Borrowings and financing	254,273	51,931
2.01.04.01.01	In Local Currency	254,273	51,931
2.01.04.02	Debentures	76,491	62,973
2.01.04.02.01	Charges on Debentures	-2,777	-699
2.01.04.02.02	Debentures	79,268	63,672
2.01.05	Other Obligations	176,733	89,861
2.01.05.01	Liabilities from Related Parties	2,372	2,372
2.01.05.01.04	Debts with subsidiaries	2,372	2,372
2.01.05.02	Others	174,361	87,489
2.01.05.02.02	Minimum Mandatory Dividend Payable	36,156	73,656
2.01.05.02.04	Other Payables	138,205	13,833
2.02	Noncurrent Liabilities	2,628,911	2,365,507
2.02.01	Borrowings and financing	2,493,916	2,263,908
2.02.01.01	Borrowings and financing	1,805,183	1,798,451
2.02.01.01.01	In Local Currency	1,805,183	1,798,451
2.02.01.02	Debentures	688,733	465,457
2.02.02	Other Obligations	15,653	17,014
2.02.02.01	Liabilities from Related Parties	4,348	4,744
2.02.02.01.02	Debts with subsidiaries	4,348	4,744
2.02.02.02	Others	11,305	12,270
2.02.02.02.04	Others Noncurrent Payables	11,305	12,270
2.02.03	Deferred Taxes	94,479	59,236
2.02.03.01	Deferred Income and Social Contribution Taxes	94,479	59,236
2.02.03.01.01	Deferred Income and Social Contribution Taxes	85,995	55,580
2.02.03.01.02	Pis and Cofins on Deferred Income	8,484	3,656
2.02.04	Provisions	24,863	24,957
2.02.04.01	Provision for Tax, Social Security, Labor and Civil Risks	24,863	24,957
2.02.04.01.02	Provision for Social Security and Labor Risks	612	699
2.02.04.01.04	Provision for Civil Risks	23,143	23,169
2.02.04.01.05	Other Provisions for Risks	1,108	1,089
2.02.06	Unearned Revenue	0	392
2.02.06.02	Unearned Revenue	0	392
2.02.06.02.01	Deferred Revenue	0	392

Consolidated Financial Statements / Statement of financial position - Liabilities

(In Thousand of reais)

Account	Description	Current Quarter 06/30/2020	Prior Year 12/31/2019
2.03	Equity Consolidated	3,050,930	3,000,062
2.03.01	Capital	1,231,313	1,231,313
2.03.02	Capital Reserve	442,754	450,021
2.03.02.01	Goodwill in the issue of shares	452,082	452,082
2.03.02.05	Treasury Shares	-20,746	-9,286
2.03.02.07	Other Capital Reserves	11,418	7,225
2.03.04	Profit Reserves	1,306,397	1,306,397
2.03.04.01	Legal Reserve	130,494	130,494
2.03.04.05	Retained Profits Reserve	1,175,903	1,175,903
2.03.05	Retained Earnings/Accumulated Losses	58,621	0
2.03.09	Non-Controlling Shareholder Participation	11,845	12,331

Consolidated Financial Statements / Statements of Income

(In Thousand of reais)

Account	Description	Current quarter 04/01/2020 - 06/30/2020	Cumulative amount of the current year 01/01/2020 - 06/30/2020	Same quarter of the prior year 04/01/2019 - 06/30/2019	Cumulative amount of the prior year 01/01/2019 - 06/30/2019
3.01	Revenue from Sale of Goods and/or Services	159,045	313,929	187,674	360,667
3.02	Cost of Sales and/or Services	-57,729	-122,439	-60,550	-119,429
3.03	Gross Profit	101,316	191,490	127,124	241,238
3.04	Operating Income/Expenses	-25,142	-51,256	-20,976	-36,781
3.04.02	General and Administrative Expenses	-18,399	-41,821	-25,637	-46,383
3.04.04	Other Operating Income	1,570	4,703	10,588	17,637
3.04.05	Other Operating Expenses	-8,877	-14,972	-6,219	-8,632
3.04.06	Equity in Earnings of Subsidiaries	564	834	292	597
3.05	Income before Finance Income (Costs) and Taxes	76,174	140,234	106,148	204,457
3.06	Finance Income (Costs)	-18,294	-41,853	-29,061	-56,913
3.06.01	Finance Income	8,622	24,321	15,076	30,442
3.06.02	Finance Costs	-26,916	-66,174	-44,137	-87,355
3.07	Income before Income Taxes	57,880	98,381	77,087	147,544
3.08	Income and Social Contribution Taxes	-11,591	-39,639	-16,975	-31,979
3.08.01	Current	-3,007	-12,586	-12,995	-24,329
3.08.02	Deferred	-8,584	-27,053	-3,980	-7,650
3.09	Net Income for the Period from Continuing Operations	46,289	58,742	60,112	115,565
3.11	Profit or Loss for the Period	46,289	58,742	60,112	115,565
3.11.01	Attributed to Owners of the Company	46,787	58,621	59,060	113,459
3.11.02	Attributed to Noncontrolling Interests	-498	121	1,052	2,106
3.99	Earnings per Share - (Reais / Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common Shares	0.26571	0.33284	0.33498	0.64356
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common Shares	0.26571	0.33284	0.33499	0.64350

Consolidated Financial Statements / Statements of Comprehensive Income

(In Thousand of reais)

Account	Description	Current quarter 04/01/2020 - 06/30/2020	Cumulative amount of the current year 01/01/2020 - 06/30/2020	Same quarter of the prior year 04/01/2019 - 06/30/2019	Cumulative amount of the prior year 01/01/2019 - 06/30/2019
4.01	Profit or Loss for the Period	46,289	58,742	60,112	115,565
4.03	Comprehensive Profit/Loss for the Period	46,289	58,742	60,112	115,565
4.03.01	Attributed to Owners of the Company	46,787	58,621	59,060	113,459
4.03.02	Attributed to Noncontrolling Interests	-498	121	1,052	2,106

Consolidated Financial Statements / Statements of Cash Flows - Indirect Method

(In Thousand of reais)

Account	Description	Cumulative Amount of	Cumulative Amount of
		the current year 01/01/2020 - 06/30/2020	the Prior Year 01/01/2019 - 06/30/2019
6.01	Net Cash from Operating Activities	65,095	175,884
6.01.01	Cash Generated from Operations	134,781	263,616
6.01.01.01	Net Income for the Period	58,742	115,565
6.01.01.02	Depreciation and Amortization	74,286	62,628
6.01.01.03	Gain or Loss on disposal of Permanent Assets	0	720
6.01.01.04	Equity Pickup	-834	-597
6.01.01.05	Monetary Adjustments, Net	30,640	55,842
6.01.01.06	Provision for Fiscal, Labor and Civil Risks	-94	0
6.01.01.07	Deferred Income and Social Contribution Taxes	27,053	7,650
6.01.01.08	Provision for Share-Based Payment	4,194	3,241
6.01.01.09	Provision for Bonus Program	0	9,869
6.01.01.10	Allowance for Doubtful Accounts	16,394	6,621
6.01.01.11	Loss (Gain) of Interest	-6,947	0
6.01.01.12	Amortized Deferred income	-896	-2,268
6.01.01.13	Amortization of Borrowing Costs	3,955	4,221
6.01.01.15	Provision for Impairment of Inventories	193	124
6.01.01.16	Straight-line of Covid-19 discounts	-71,905	0
6.01.02	Changes in Assets and Liabilities	195	11,913
6.01.02.01	Rents Receivable	8,991	10,323
6.01.02.02	Taxes Recoverable and Tax Credits	0	-3,883
6.01.02.03	Loans Receivable	44	449
6.01.02.04	Receivables from Related Parties	-7,218	13,801
6.01.02.06	Other Assets	2,197	761
6.01.02.07	Prepaid Expenses	-6,990	-5,594
6.01.02.08	Inventories	-4,357	-1,743
6.01.02.09	Trade Payables	2,548	-2,799
6.01.02.10	Taxes and Contributions Payable	17,780	24,607
6.01.02.11	Provisions for Salaries and Payroll Charges	-6,265	-14,407
6.01.02.12	Liabilities from Related Parties	-396	0
6.01.02.13	Accounts Payable	-6,643	-9,656
6.01.02.14	Deferred income	504	54
6.01.03	Other	-69,881	-99,645
6.01.03.1	Payment of income and social contribution taxes	-16,331	-22,610
6.01.03.2	Payment of interest	-53,550	-77,035
6.02	Net Cash from Investing Activities	-499,783	-38,930
6.02.01	Acquisition of Noncurrent Assets	-305,424	-57,224
6.02.03	Dividends Received from Subsidiaries	728	495
6.02.06	Capital increase in subsidiaries	-607	-1,706
6.02.08	Financial Investments Held for Trading	-194,480	19,505
6.03	Net Cash from Financing Activities	393,866	-139,273
6.03.01	Amortization of Borrowing, financing and Debentures	-87,223	-62,269
6.03.02	Dividends Paid	-37,500	-75,001
6.03.03	Borrowings	530,050	0
6.03.06	Treasury Shares	-11,461	-2,003
6.05	Increase (Decrease) in Cash and Cash Equivalents	-40,822	-2,319
6.05.01	Opening Balance of Cash and Cash Equivalents	46,924	24,199
6.05.02	Closing Balance of Cash and Cash Equivalents	6,102	21,880

Consolidated Financial Statements / Statements of changes in shareholders' equity - 01/01/2020 - 06/30/2020

(In Thousand of reais)

Account	Description	Paid-in Capital	Capital Reserve, Options granted and Treasury Shares	Profit Reserves	Acumulated Gains/ Losses	Other Comprehensive Income	Shareholder's Equity	Noncontrolling interests	Consolidated Shareholder's Equity
5.01	Opening Balances	1,231,313	450,021	1,306,397	0	0	2,987,731	12,331	3,000,062
5.03	Adjusted Opening Balances	0	450,021	1,306,397	0	0	2,987,731	12,331	3,000,062
5.04	Capital Transactions with Shareholders	0	-7,267	0	0	0	-7,267	-607	-7,874
5.04.04	Treasury Shares Acquired	0	-11,461	0	0	0	-11,461	0	-11,461
5.04.10	Constitution of reserve for Share-Based Payment	0	4,194	0	0	0	4,194	0	4,194
5.04.11	Other	0	0	0	0	0	0	-607	-607
5.05	Total Comprehensive Income	0	0	0	58,621	0	58,621	121	58,742
5.05.01	Net Income for the Period	0	0	0	58,621	0	58,621	121	58,742
5.07	Closing Balances	1,231,313	442,754	1,306,397	58,621	0	3,039,085	11,845	3,050,930

Consolidated Financial Statements / Statements of changes in shareholders' equity - 01/01/2019 - 06/30/2019

(In Thousand of reais)

Account	Description	Paid-in Capital	Capital Reserve, Options granted and Treasury Shares	Profit Reserves	Acumulated Gains / Losses	Other Comprehensive Income	Shareholder's Equity	Noncontrolling interests	Consolidated Shareholder's Equity
5.01	Opening Balances	1,231,313	445,313	1,159,038	0	0	2,835,664	10,670	2,846,334
5.03	Adjusted Opening Balances	1,231,313	445,313	1,159,038	0	0	2,835,664	10,670	2,846,334
5.04	Capital Transactions with Shareholders	0	1,468	-89,114	0	0	-87,646	-1,706	-89,352
5.04.04	Treasury Shares Acquired	0	-2,003	0	0	0	-2,003	0	-2,003
5.04.06	Dividends	0	0	-89,114	0	0	-89,114	0	-89,114
5.04.09	Treasury Shares granted	0	3,308	0	0	0	3,308	0	3,308
5.04.10	Constitution of reserve for Share-Based Payment	0	3,241	0	0	0	3,241	0	3,241
5.04.11	Other	0	-3,078	0	0	0	-3,078	-1,706	-4,784
5.05	Total Comprehensive Income	0	0	0	113,459	0	113,459	2,106	115,565
5.05.01	Net Income for the Period	0	0	0	113,459	0	113,459	2,106	115,565
5.07	Closing Balances	1,231,313	446,781	1,069,924	113,459	0	2,861,477	11,070	2,872,547

Consolidated Financial Statements / Statements of Added Value

(In Thousand of reais)

Account	Description	Cumulative Amount of	Cumulative Amount of
		the current year 01/01/2020 - 06/30/2020	the Prior Year 01/01/2019 - 06/30/2019
7.01	Revenues	323,972	400,925
7.01.01	Sales and Services	360,240	411,051
7.01.02	Other Revenues	-19,874	-3,505
7.01.04	Allowance for/Reversal of Doubtful Accounts	-16,394	-6,621
7.02	Inputs Purchased from Third Parties	-56,554	-68,205
7.02.01	Costs of Sales and Services	-37,517	-46,685
7.02.02	Material, Electric Energy, Third-Party Services and Others	-19,037	-21,520
7.03	Gross Value Added	267,418	332,720
7.04	Retentions	-74,286	-62,628
7.04.01	Depreciation, Amortization and Depletion	-74,286	-62,628
7.05	Net Value Added Generated by the Company	193,132	270,092
7.06	Value Added Received in Transfer	25,155	31,039
7.06.01	Equity Pickup	834	597
7.06.02	Finance Income	24,321	30,442
7.07	Total Value Added To Be Distributed	218,287	301,131
7.08	Distribution of Value Added	218,287	301,131
7.08.01	Personnel	31,590	36,292
7.08.01.01	Direct remuneration	27,395	25,496
7.08.01.02	Benefits	1,419	8,126
7.08.01.03	Unemployment Compensation Fund - FGTS	2,776	2,670
7.08.02	Taxes, Fees and Contributions	63,292	63,481
7.08.02.01	Federal	58,402	55,079
7.08.02.02	State	1,522	2,421
7.08.02.03	Municipal	3,368	5,981
7.08.03	Debt Remuneration	64,663	85,793
7.08.03.01	Interest	50,570	72,282
7.08.03.02	Rents	153	332
7.08.03.03	Other	13,940	13,179
7.08.04	Equity Remuneration	58,742	115,565
7.08.04.03	Retained Profits/Loss for the Period	58,621	113,459
7.08.04.04	Noncontrolling Interests in Retained Profits	121	2,106

Explanatory Notes

(Amounts expressed in thousands of reais – R\$, unless otherwise stated)

1 Operational

a) Business purpose

Iguatemi Empresa de Shopping Centers SA and its subsidiaries (“Iguatemi” or “Company”) with head office at Rua Angelina Maffei Vita, 200, in the city and state of São Paulo, is engaged in the commercial exploration and planning of shopping malls, the rendering of services of management of shopping malls and mixed-use real estate complexes, the purchase and sale of properties, the exploration of short-stay parking lots, intermediation in the lease of promotional spaces, the preparation of studies, projects and planning in promotion and merchandising, the pursuit of other activities that are similar or related to its business purpose and holding interests in other companies as a owner, shareholder or member in any other form permitted by law.

The company's results are subject to seasonal changes that affect the shopping mall industry. Sales of shopping malls generally increase in seasonal periods, such as the weeks before Easter (April), Mother's Day (May), Valentine's Day (which in Brazil occurs in June), Father's Day (which in Brazil occurs in August), Children's Day (which in Brazil occurs in October) and Christmas Day (December). In addition, a large majority of the Company's leaseholders pay or rent twice in December under their lease prices.

The Company trades its shares on B3 S.A, under the ticker symbol “IGTA3”.

The ventures ("shopping centers") are set up as condominium of buildings and consortiums. Their operations are recorded by the Company in its accounting books, according to the proportion of their interests.

b) Direct and indirect interests in Iguatemi's assets:

Iguatemi and its investees hold interest in certain real estate ventures, mostly shopping malls, located in Southern, Southeastern and Midwestern Brazil. Shopping malls and commercial towers in operation are the following:

	Participation %			
	06.30.2020		12.31.2019	
	Direct	Indirect	Total	Total
Shopping Center Iguatemi São Paulo (“SCISP”)	46.21	12.37	58.58	58.58
Shopping Center JK Iguatemi (“JK Iguatemi”)	-	64.00	64.00	64.00
Shopping Center Iguatemi Campinas (“SCIC”)	70.00	-	70.00	70.00
Shopping Center Iguatemi Porto Alegre (“SCIPA”) (ii)	-	42.58	42.58	36.00
Shopping Center Iguatemi Brasília (“SCIBRA”)	64.00	-	64.00	64.00
Shopping Center Iguatemi Alphaville (“SCIAAlpha”)	-	78.00	78.00	78.00
Market Place Shopping Center (“MPSC”)	-	100.00	100.00	100.00
Praia de Belas Shopping Center (“PBSC”) (i)	57.55	-	57.55	37.55
Shopping Center Galleria (“SCGA”)	-	100.00	100.00	100.00
Esplanada Shopping Center (“SCESP”) (i)	-	53.21	53.21	38.21
Shopping Center Iguatemi Ribeirão Preto (“SCIRP”)	-	88.00	88.00	88.00
Shopping Center Iguatemi São José Rio Preto (“SCIRIOP”)	-	88.00	88.00	88.00
Shopping Center Iguatemi Esplanada (“SCIESP”)	-	65.71	65.71	65.71
Shopping Center Iguatemi São Carlos (“SCISC”)	50.00	-	50.00	50.00
Platinum Outlet Premium Novo Hamburgo (“IFONH”)	-	41.00	41.00	41.00
Ifashion Outlet Santa Catarina (“IFOSC”)	-	54.00	54.00	54.00
Boulevard Campinas	77.00	-	77.00	77.00
Praia de Belas Prime Offices	43.78	-	43.78	43.78
Market Place Tower (“MPT”)	-	100.00	100.00	100.00
Shopping Patio Higienópolis	-	11.54	11.54	11.54

- (i) Acquisition of additional fractions of 20% of Praia de Belas Shopping Center (“PBSC”), in Porto Alegre / RS, and 15% of Shopping Center Esplanada (“SCESP”), in Sorocaba / SP. Therefore, the Company now holds a 57.55% interest in PBSC and 53.21% in SCESP. This operation was carried out on January 21, 2020, in the amount of R\$ 260,100, 50% of which was paid upon signature and 50% will be paid in 180 days, with a adjustment of 120% of the CDI.
- (ii) Acquisition of a minority interest in the company Maiojama Participações S.A, which holds 14% in Shopping Iguatemi Porto Alegre and in the Iguatemi Business tower attached to the mall. Further details of the operation are listed in Note 6, item b (i).

c) Effects of the Covid-19 pandemic:

In December 2019, a new agent called the new Coronavirus (“Covid-19”) was reported in China. With the exponential growth of cases of contamination by Covid-19 in several countries worldwide, the World Health Organization (WHO) classified Covid-19 as a pandemic and a Public Health emergency of International Interest.

With a view to controlling rampant contamination and prevent a possible collapse in the health system, the authorities representing the States and Municipalities in which Iguatemi has its malls, announced the complete suspension of all mall activities.

At this time, we continue to comply with the recommendations of the health authorities and following the determinations of State and Municipal decrees.

In response to this serious pandemic, Iguatemi concerned with preserving the well-being of its employees and aligned with its values and mainly with its commitment to society and communities, carried out several actions and initiatives, which are described in detail in our management report for the quarter ended June 30, 2020.

Regarding the financial impacts on the Company’s individual and consolidated quarterly information for the period ended June 30, 2020, management made the following assessments:

- Minimum rental revenue: We opted to establish mature and wide-ranging partnerships with our shopkeepers; in so doing, we postponed the collection of the March rent of all approximately 3,000 shopkeepers in our 16 ventures, to be charged from October/2020 on 5 installments. For retailers who

remain timely meeting their payment obligations of condo fees and promotion fund, we grant a 50% discount on the rent for the month of March (to be charged as of October) and a 100% discount on the rent for the month of April to May according to the collection policy. Except for the impacts already recorded as a result of discounts granted to our customers and already recorded in this quarterly information and presented in Note 4 and 18, we understand that we have no significant additional adjustments to be recorded in this quarterly information.

- Accounts receivable: Negotiations with shopkeepers are underway and restricted to postponement of the slips due date. The collection area is acting individually on each storekeeper who has failed to make payment on the due date. Accordingly, following CVM Memorandum Circular SNC/SEP 03/20 - Guidance on the impacts of COVID-19 in the calculation of expected losses in accordance with CPC 48 (IFRS 9), the Company reviewed the assumptions used in the calculation of losses expected considering the entire life of the financial instruments and, mainly, the data of the current economic scenario, which points to a reduction in the expectation of recovery from default until the date of approval of this quarterly information, primarily due to the suspension of the operations of our malls.

- Deferred tax asset: We have revised our projections of taxable income for the next years, as well as the expectation of consumption of these credits, and we conclude at this point that we need to derecognise part of the deferred tax asset. Further information on the derecognition of these credits is presented in Note 14.

- Investment properties: Considering the current scenario, management reassessed and adjusted the revenue streams of the malls for year 2020, considering the estimated return of the malls over the 2nd Quarter, taking into consideration, however, gradual resumption until the normal flow of people and consumption in our malls. In addition, the discount rates and capitalization rates of the assets were reassessed, weighing between the reduction in the cost of funding (reduction in the SELIC rate) and the assets' execution/performance risk component due to the impacts of the pandemic on the economy. As a consequence, even with the current scenario, no significant adjustment was identified as a result of the review of the recoverability analysis of investment properties.

- Loans and Trade Payables: On March 18, 2020, the Company executed a Bank Credit Note with Banco Santander (Brasil) S.A. in the amount of R\$ 100,000, with a CDI rate + 1.54% p.a. to maintain cash availability to address the uncertainties caused by the COVID-19 pandemic. Amortization will occur on September 13, 2021.

The assessments described above did not significantly impact the Company's individual and consolidated quarterly information for June 30, 2020. The adjustments identified arising from changes in the assumptions and in management's judgment due to the Covid-19 pandemic were duly made in this quarterly information for the period ended June 30, 2020 and presented in accompanying notes.

2 Presentation and preparation of quarterly information

Significant accounting practices applied in the preparation of this individual and consolidated interim financial information contained in the Quarterly Information Form - ITR (“Quarterly Information”) are described below. These practices have been consistently adopted in all the periods presented, unless otherwise stated.

2.1 Basis of preparation and presentation

The individual and consolidated quarterly information was prepared in accordance with Accounting Pronouncement NBC TG 21 – Intermediate Information and International Accounting Standard IAS 34 - Interim Financial Reporting, and presented in accordance with the rules issued by the Brazilian Securities and Exchange Commission (“CVM”).

The Company states that the significant accounting judgments, estimates and assumptions, as well as the significant accounting policies, adopted in the presentation and preparation of this quarterly information, are the same as those disclosed in Note 2 to the individual and consolidated annual financial statements for the year ended December 31, 2019, and remain valid.

Therefore, this quarterly information does not include all notes and disclosures required by standards for individual and consolidated annual financial statements, and, as a result, the respective information should be read together with the referred to individual and consolidated annual financial statements. Based on the judgment and assumptions adopted by management on the materiality and changes that should be disclosed in the notes, this quarterly information includes selected notes and does not include all the notes presented in the annual financial statements, as allowed by Memorandum Circular No. 03/2011, issued by CVM.

The quarterly information was prepared based on the historical cost, unless otherwise stated.

The quarterly information was prepared in the ordinary course of business and under the going concern assumption. Management performs an assessment of the Company’s ability to continue as a going concern when preparing the quarterly information.

The quarterly information is presented in thousands of Brazilian reais (R\$), unless otherwise stated.

Nonfinancial data included in this quarterly information, such as areas, projections, insurance coverage, among others, were not subject to review by the independent auditors.

The quarterly information was approved by the Company’s Board of Directors and authorized for filing on August 04, 2020.

2.2 New standards, amendments to and interpretations of accounting standards

In the quarter ended June 30, 2020, no new standards, amendments to and interpretations of accounting standards were issued.

2.3 Reclassification for better presentation

The Company reassessed the nature of certain transactions and, for purposes of better presentation, decided to reclassify the balances presented in the cash flow statement for June 30, 2019.

Certain balances were reclassified and their effects are shown below:

Cash Flow - Indirect method	Individual			Consolidated		
	Balance in 06.30.2019	Reclassification	Balance in 06.30.2019 after reclassification	Balance in 06.30.2019	Reclassification	Balance in 06.30.2019 after reclassification
Net Cash from Operating Activities						
Net Income for the Period	113,459	-	113,459	115,565	-	115,565
Adjustments to reconcile net income for the year to net cash generated by operating activities:						
Interest, income, monetary and exchange variations and others	52,449	(13,151)	39,298	76,247	(20,405)	55,842
Other	(119,505)	-	(119,505)	4,477	-	4,477
Cash Generated from Operations	46,403	(13,151)	33,252	196,289	(20,405)	175,884
Financial Investments Held for Trading	130,259	13,151	143,410	(900)	20,405	19,505
Other	(42,672)	-	(42,672)	(58,435)	-	(58,435)
Net Cash from Investing Activities	87,587	13,151	100,738	(59,335)	20,405	(38,930)

3 Cash, cash equivalents and short-term investments

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
(a) Cash and cash Equivalents				
Cash and Banks	1,386	17,864	6,102	46,924
Total	1,386	17,864	6,102	46,924
(b) Financial investments				
Financial investments (i)	618,068	521,129	1,131,234	922,660
Investment fund (ii)	27,380	20,405	27,380	20,405
Repurchase agreements (iii)	33,123	32,571	33,123	32,571
Total	678,571	574,105	1,191,737	975,636
Current	619,454	538,993	1,137,336	969,584
Noncurrent	60,503	52,976	60,503	52,976

- (i) These are represented by fixed income investment fund, with daily liquidity and accumulated yield of 4.30% for the twelve months ended June 30, 2020 (5.88%, 2019). Management manages the Company's cash through investment funds not exclusive, expecting to use such resources for the development of the projects foreseen.
- (ii) Refers to investments in a long-term international investment fund, subject to exchange variation.
- (iii) Short-term investments under repurchase agreement of financial institution Itaú Unibanco S/A are classified as amortized cost under CPC 48 due to its characteristic, and its objective is to secure borrowing under Mortgage-backed Securities (CRI), maturing on June 19, 2023 and September 17, 2025.

4 Trade Accounts Receivable

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Rents and resale of points of sale receivable	72,376	72,618	172,113	177,718
Coparticipation receivable (i)	1,227	1,281	6,089	6,280
Straight-line of discount	38,257	-	80,095	-
Others (iii)	4,482	1,278	44,723	52,506
	<u>116,342</u>	<u>75,177</u>	<u>303,020</u>	<u>236,504</u>
Allowance for doubtful accounts	(28,144)	(20,446)	(70,914)	(54,637)
	<u>88,198</u>	<u>54,731</u>	<u>232,106</u>	<u>181,867</u>
Current	80,899	44,467	193,453	133,216
Noncurrent	7,299	10,264	38,653	48,651

- (i) These substantially represents balances receivable for the right of use of real estate space. Co-participations are invoiced in accordance with contracts and recognized in P&L over the contracted rent term.
- (ii) Due to COVID-19 pandemic, which had large impacts on Company operations, management, in partnership with shopkeepers, adopted new discount policies, under specific conditions in order to create financial breathing room in these shopkeepers' cash flows. These discounts include full or partial exemptions, always based on each shopkeeper's condition (these conditions reach most shopkeepers in the Company's portfolio, but consider exceptions relating to establishments whose operations were not halted when the shopping malls closed). These grants, named "COVID-19 Discounts", will be recorded on a straight line basis for a period of thirty months, i.e. over the remaining average term of each contract, as provided for by CPC 06(R2)/IFRS 16. These discounts net of appropriations from March to June 2020 total R\$ 38,257 – individual and R\$ 80,095 – consolidated.
- (iii) Represented substantially by sales of real estate for the development of real estate projects by the development buyers. Receipts will occur through transfers of funds related to units sold ("financial barter transaction"), as provided in the agreement. On an annual basis, the Company subsequently remeasures this financial asset at fair value, which is supported by the feasibility studies of the projects launched or to be launched in their respective regions. In addition, we highlight that these financial assets are monthly restated based on the INCC/FGV and/or IGP-M/FGV indexes.

The aging list of receivables is as follows:

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
To fall due from 721 to 1440 days	2,094	3,659	10,026	17,631
To fall due from 361 to 720 days	5,205	6,605	28,627	31,020
To fall due up to 360 days	81,717	44,613	194,925	134,008
Overdue up to 30 days	1,899	1,407	5,192	4,173
Overdue from 31 to 60 days	1,435	842	3,722	2,227
Overdue from 61 to 90 days	1,204	335	2,738	805
Overdue from 91 to 120 days	587	549	1,456	1,392
Overdue from 121 to 360 days	5,851	3,641	13,631	8,832
Overdue over 360 days	16,350	13,526	42,703	36,416
	<u>116,342</u>	<u>75,177</u>	<u>303,020</u>	<u>236,504</u>

The Company and its subsidiaries calculate the expected loss on accounts receivable based on the elaboration of a “provision matrix”, considering account historical default data that defined a provisioning percentage for each maturity range of the receivables portfolio. As of June 30, 2020, the balance of accounts receivable from rents was subjected to the impacts of COVID - 19. In view of this impact, the Company revisited the study on the provision for loss and in view of the reduction in the expectation of recovery from default, considered an increase in all ranges of the provision matrix. The aging list reflects the original date of each security, with no change in the original dates of the securities overdue, which were renegotiated. The balance of the item “Accounts receivable” was classified in the category of financial assets - “amortized cost”.

Changes in allowance for expected credit losses are shown as follows:

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Opening Balance	(20,446)	(21,776)	(54,637)	(61,628)
Constitution / reversal of provision for expected credit losses	(7,701)	(4,089)	(16,394)	(10,296)
Reversal / write-off of bad debts	3	5,419	117	17,287
Closing Balance	<u>(28,144)</u>	<u>(20,446)</u>	<u>(70,914)</u>	<u>(54,637)</u>

To determine the recovery of accounts receivable, the Company and its subsidiaries consider any change in the credit quality of the customer from the date the credit was initially granted to year end.

The breakdown of percentages of Allowance for doubtful accounts is as follows:

	%	
	06.30.2020	12.31.2019
To fall due	5.75%	3.78%
Overdue up to 30 days	53.49%	28.51%
Overdue from 31 to 60 days	63.01%	33.88%
Overdue from 61 to 90 days	73.07%	39.15%
Overdue from 91 to 120 days	81.80%	43.25%
Overdue from 121 to 360 days	100.00%	93.08%
Overdue over 360 days	100.00%	100.00%

The aging list of amounts included in allowance of expected credit losses is as follows:

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
To fall due	(4,658)	(2,619)	(13,317)	(7,880)
Overdue up to 30 days	(448)	(354)	(827)	(660)
Overdue from 31 to 60 days	(417)	(335)	(834)	(667)
Overdue from 61 to 90 days	(280)	(190)	(563)	(324)
Overdue from 91 to 120 days	(371)	(320)	(644)	(799)
Overdue from 121 to 360 days	(5,620)	(3,102)	(12,026)	(7,891)
Overdue over 360 days	<u>(16,350)</u>	<u>(13,526)</u>	<u>(42,703)</u>	<u>(36,416)</u>
	<u>(28,144)</u>	<u>(20,446)</u>	<u>(70,914)</u>	<u>(54,637)</u>

Leases

The Company leases spaces in its shopping malls, with an effective term between 4 (four) and 5 (five) years, with the option of renewal after this period. Exceptionally, they may have contracts with different effective terms and conditions. The amounts are adjusted annually, according to market

indexes. The future minimum rent installments to be billed on non-cancelable leases, considering the stores in operation as of June 30, 2020 and December 31, 2019 are as follows:

	Consolidated	
	06.30.2020	12.31.2019
Up to one year	463,128	470,858
Between two and five years	1,102,062	1,276,160
More than five years	121,310	124,842
	<u>1,686,500</u>	<u>1,871,860</u>

5 Information on related-party balances and transactions

In the normal course of business, the Company carries out transactions with related parties represented by the companies of the Jereissati Group, which are carried out at prices, terms, financial charges and other conditions defined by management.

Related-party transactions and balances

○ Related-party balances and transactions as of June 30, 2020 and December 31, 2019 are as follows:

a. Balances

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Noncurrent assets:				
From other related parties:				
Shopping Center Galleria (v)	-	-	4,693	4,624
Shopping Center Iguatemi São Paulo (iv)	3,646	3,441	3,646	3,441
Praia de Belas Shopping Center (iv)	396	396	396	396
Federação das Entidades Assistenciais Campinas (ii) (CDI + 1% p.a.)	29,235	31,077	29,235	31,077
Other related parties (iii)	1,700	-	15,326	6,540
Total receivables from related parties	34,977	34,914	53,296	46,078
Advances for future capital increase (i)				
Lasul Empresa de Shopping Centers Ltda.	119,516	1,216	-	-
SCIRP Participações Ltda.	154,000	154,000	-	-
SJRP Iguatemi Empreendimentos Ltda.	164	164	-	-
SISP Participações Ltda.	688	688	-	-
Shopping Center Reunidos do Brasil Ltda.	908	908	-	-
SP74 Participações Ltda.	1,000	-	-	-
JK Iguatemi Empreendimentos Imobiliários Ltda.	579	579	-	-
CS41 Participações Ltda.	11,253	11,253	-	-
SCIALPHA Participações Ltda.	105	10	-	-
I-Retail Serv. Consult. de Moda e Particip. Ltda.	7,680	2,600	-	-
Iguatemi Outlets do Brasil Ltda.	3,390	1	-	-
Amuco Shopping Ltda.	37,417	4,007	-	-
Nova Galleria Empreendimentos Imobiliários Ltda.	32,073	6,396	-	-
Iguatemi 365 Ltda	14,080	5,200	-	-
Market Place Torres Ltda	1,700	-	-	-
Total advances for future capital increase	384,553	187,022	-	-
Total Noncurrent assets	419,530	221,936	53,296	46,078
Total receivables from related parties	419,530	221,936	53,296	46,078
Current liabilities				
Payables to related parties:				
Arrendamento Shopping Center Iguatemi São Paulo (vi)	2,372	2,372	2,372	2,372
Other related parties (iii)	-	5,865	-	-
Total payables to related parties	2,372	8,237	2,372	2,372
Dividends payable:				
Controlling Shareholders:				
Kalila Representações Comerciais Ltda.	854	1,741	854	1,741
Jereissati Participações S.A.	18,318	37,318	18,318	37,318
Noncontrolling Shareholders	16,984	34,597	16,984	34,597
Total dividends payable	36,156	73,656	36,156	73,656
Total current liabilities	38,528	81,893	38,528	76,028
Noncurrent liabilities				
Payables to related parties:				
With related parties:				
Arrendamento Shopping Center Iguatemi São Paulo (vi)	4,348	4,744	4,348	4,744
Total payables to related parties	4,348	4,744	4,348	4,744
Total noncurrent liabilities	4,348	4,744	4,348	4,744
Total payables to related parties	42,876	86,637	42,876	80,772

- (i) “Future capital contribution” balances are not subject to financial charges. The balance is recorded in “Related Party Receivables” in noncurrent assets, and will be included in the amendments to the Article of Incorporation of Special Purpose Entities (SPE) in 2020.
- (ii) Refers to a loan with FEAC - Federation of Assistance Entities of Campinas, which holds a 30% interest in Shopping Center Iguatemi Campinas, for the purpose of financing the expansion of the mall, and settlement scheduled for April 30, 2023.
- (iii) Refers substantially to the receivables from various mall condominiums, arising from the processes of refund of several payments, made by the Company.
- (iv) Related-party balances between the civil condominium and the commercial condominium refer to reimbursements of expenses not paid by the tenants, contributed by the entrepreneurs, as determined by Laws No. 4591/64 and No. 8245/91.
- (v) Related parties between the civil condominium and the commercial condominium of Shopping Mall Galleria which will be settled as per the insurer’s indemnification.
- (vi) Amount payable referring to a corporate office lease contract executed with Shopping Iguatemi São Paulo and maturing on December 31, 2022, due to adoption of IFRS16/CPC06 R2.

Transactions

	Individual				Consolidated			
	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019
Costs of services rendered:								
Services rendered by subsidiaries to shopping malls:								
AEST - Administradora de estacionamento Ltda. (ii)	(297)	(1,097)	(1,020)	(1,824)	-	-	-	-
AEMP - Administradora de Empreendimentos Ltda. (ii)	(854)	(1,506)	(440)	(847)	-	-	-	-
SP74 - Iguatemi Leasing Ltda. (i)	(139)	(1,409)	(745)	(1,240)	-	-	-	-
SCRB - Shopping Centers Reunidos do Brasil Ltda. (iii)	(1,976)	(4,458)	(3,784)	(6,686)	-	-	-	-
	<u>(3,266)</u>	<u>(8,470)</u>	<u>(5,989)</u>	<u>(10,597)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Services rendered by controlling shareholder								
Jereissati Participações S.A. (iv)	(390)	(780)	(390)	(780)	(390)	(780)	(390)	(780)
Finance income:								
Intercompany loans - subsidiaries:								
Praia Belas Deck Parking Ltda.	-	-	16	65	-	-	-	-
	<u>-</u>	<u>-</u>	<u>16</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Intercompany loans - related parties:								
Federação das Entidades Assistenciais de Campinas	215	517	542	1,102	215	517	542	1,102
	<u>215</u>	<u>517</u>	<u>542</u>	<u>1,102</u>	<u>215</u>	<u>517</u>	<u>542</u>	<u>1,102</u>
Finance costs:								
Controller stockholder’s expenditure on bail								
Jereissati Participações S.A.	-	-	(7)	(27)	-	-	(7)	(27)

- (i) These refer to brokerage services rendered by lease of stores in their own ventures.
- (ii) These refer to venture and parking management services.
- (iii) These refer to condominium management services.
- (iv) These refer to administrative services rendered by the parent company Jereissati Participações S.A., such as financial and tax advisory services.

The description of the main characteristics of the contracts executed, including guarantees provided to investees, between the Company and the related parties, is the same as that disclosed in Note 6 to the individual and consolidated annual financial statements for the year ended December 31, 2019, and remains valid.

Key management personnel compensation

Key management personnel's annual compensation related to short-term benefits, amounting to R\$25,314, was approved in Annual Shareholders' Meeting held on June 25, 2020

Amounts related to key management personnel compensation under the responsibility of the parent company, for the six-month period ended June 30, 2020 and 2019, are as follows:

	<u>06.30.2020</u>	<u>06.30.2019</u>
Short-term benefits (i)	14,776	12,698
Share-based payment (ii)	2,379	631
	<u>17,155</u>	<u>13,329</u>

- (i) These basically refer to Executive Board' fees and profit sharing, including performance bonus.
(ii) This refers to cost of options for managing officers.

6 Investments

Breakdown of investments

	<u>Individual</u>		<u>Consolidated</u>	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Goodwill for added value of assets (a)	79,673	80,297	3,495	3,495
Future profitability (*)	88,169	88,169	-	-
Shareholdings (b)	2,638,664	2,612,700	140,660	10,607
Other investments	15,809	15,809	16,127	16,124
	<u>2,822,315</u>	<u>2,796,975</u>	<u>160,282</u>	<u>30,226</u>

(*) Goodwill generated on acquisition of 100% of equity interest in subsidiaries Lasul and SISP, grounded on future profitability of ventures SCIPA and SCISP, respectively. It was classified as an attempt to recover and not to identify the impairment indicator.

a. Breakdown of goodwill

	<u>Individual</u>				<u>Consolidated</u>		
	06.30.2020		12.31.2019		06.30.2020		12.31.2019
	Cost	amortization	Net	Net	Cost	Net	Net
Goodwill on Acquisition of SISP Participações S.A. (i)	28,811	(2,964)	25,847	25,945	-	-	-
Goodwill on Acquisition of Solway Participações S.A. (i)	30,058	(6,387)	23,671	23,879	-	-	-
Goodwill on share issuance - JK Iguatemi (i)	8,566	(417)	8,149	8,175	-	-	-
Goodwill on Acquisition of RAS Shopping Centers Ltda. (i)	10,289	(2,171)	8,118	8,232	-	-	-
Goodwill on Acquisition of SPH 1 Iguatemi Emp. Imobiliários S.A. (i)	15,637	(1,749)	13,888	14,066	-	-	-
Goodwill on Acquisition of Odivelas Participações S.A. (ii)	-	-	-	-	3,495	3,495	3,495
	<u>93,361</u>	<u>(13,688)</u>	<u>79,673</u>	<u>80,297</u>	<u>3,495</u>	<u>3,495</u>	<u>3,495</u>

- (i) Goodwill generated on acquisition of equity interests, but grounded on surplus of assets – shopping malls were reclassified to investment properties in the consolidated financial statements, in accordance with note 07.
(ii) Goodwill generated on the acquisition of an additional portion of Odivelas Participações S.A with useful life to be defined after the project is completed. Since this is a minority interest that does not control the operation, the goodwill was not reclassified to Investment property.

Changes in goodwill

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Opening Balance	80,297	81,545	3,495	3,495
Amortizations	(624)	(1,248)	-	-
Closing Balance	<u>79,673</u>	<u>80,297</u>	<u>3,495</u>	<u>3,495</u>

b. Equity Interests

	Investment's Book value		Equity's result	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Interest in subsidiaries	2,628,110	2,602,093	35,144	285,321
Interest in joint ventures	10,554	10,607	834	1,189
	<u>2,638,664</u>	<u>2,612,700</u>	<u>35,978</u>	<u>286,510</u>

Changes in equity interests

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Opening Balance	2,612,700	2,573,553	10,607	10,070
Capital Increase	-	92,742	-	-
Purchase of Equity Interest (i)	-	-	123,000	-
Gain on Bargain Purchase (i)	-	-	6,947	-
Equity Pickup	35,144	285,321	834	1,189
Dividends	(9,180)	(338,916)	(728)	(652)
Closing Balance	<u>2,638,664</u>	<u>2,612,700</u>	<u>140,660</u>	<u>10,607</u>

(i) On January 7, 2020, by means of its subsidiary Lasul Empreendimentos Imobiliários Ltda, the Company acquired 47% of Maiojama Participações S/A for the amount of R\$ 123,000. The operation consists of the acquisition of a minority interest in Maiojama, which holds a 14% interest in Shopping Iguatemi Porto Alegre, in the Iguatemi Business tower attached to the mall and Administradora Gaúcha, the company responsible for the complex administration. The fair value of the assets acquired and liabilities assumed by Maiojama on the acquisition date was calculated by the Company's management through individualized analysis of each asset and liability accounts, the impact being basically attributed to the fair value of the investment property (Shopping Iguatemi Porto Alegre and Torre Iguatemi Business).

Financial information on subsidiaries with noncontrolling interests and joint ventures

As of June 30, 2020 and December 31, 2019, management analyzed the financial information on subsidiaries with noncontrolling interests and joint ventures. As additional information, significant balances of assets, liabilities and profit or loss for the years are as follows:

	Assets		Equity		Net Income (loss) for the period	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019	06.30.2020	06.30.2019
AGSC	360	285	26	99	1,895	850
JKES	5,292	3,710	1,080	2,417	140	2,537
Other	10	6,477	5,777	6,434	(656)	6

7 Investment Properties

At coast

Description	Remaining average usefull life in years				
		Land	Buildings, facilities and other	Accumulated depreciation	Total
Individual					
06.30.2020	30 to 60 (*)	140,009	1,541,262	(390,472)	1,290,799
12.31.2019	31 to 60 (*)	140,009	1,357,426	(371,396)	1,126,039
Consolidated before goodwill					
06.30.2020	30 to 60 (*)	445,731	4,749,957	(941,247)	4,254,441
12.31.2019	31 to 60 (*)	445,731	4,443,096	(878,020)	4,010,807
Goodwill reclassified (**)					
06.30.2020	40 to 60	34,785	58,576	(13,688)	79,673
12.31.2019	40 to 60	34,785	58,576	(13,064)	80,297
Total Consolidated 2020		480,516	4,808,533	(954,935)	4,334,114
Total Consolidated 2019		480,516	4,501,672	(891,084)	4,091,104

(*) The useful life of the other items classified as investment properties is evaluated annually and reflects the nature of the assets and the use thereof by the Company.

(**) As mentioned in Note 6 (a) item (i) this refers to asset surplus, and is presented as investment in the Company. Given its origin, it is stated in Consolidated as an investment property. Amounts are stated net of amortization.

Rents and the substantial costs generated by investment properties are mentioned in notes 18 and 19, respectively.

The changes in investment properties are as follows:

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Opening Balance	1,126,039	1,099,569	4,091,104	4,121,627
Addition (i)	183,834	68,499	306,806	138,196
Write-off	-	-	-	(1,759)
Transfer	-	(7,114)	-	(54,426)
Depreciations	(19,074)	(34,915)	(63,796)	(112,534)
Closing balance	1,290,799	1,126,039	4,334,114	4,091,104

(i). Amount refers substantially to the Acquisition of additional fraction in shopping malls, according to note 01 item (i).

The Company annually estimates the fair value of investment properties and has so far concluded that there has been no indication of significant change in fair value. As soon as there is more clarity on how the operating results can be impacted, a new assessment will be carried out. Therefore, it follows the fair value on December 31, 2019, as shown in follow:

	<u>12.31.2019</u>
	<u>Shopping malls in operation</u>
Fair Value (*)	14,256,108
Gross Lettable Area (mil m2)	484

(*) Fair value calculated based on the premises of December 31, 2019, considering the acquisitions for the period.

The Company adopted a methodology for calculating the fair value, considering the projected cash flow - Nominal model (fair value - level III), which was prepared by internal specialists, considering physical qualifications, assumptions and weighted estimates with market information real estate, as well as macro economic trends.

The calculations did not include potential expansions, barter of land and unannounced projects (even those contained in “guidance”).

The following assumptions were used for the valuation:

	<u>12.31.2019</u>
Average real discount rate	6.1% p.a.
Occupancy rate	95.7%
Real growth rate in perpetuity	2% p.a.
Annual inflation in perpetuity	3.7% p.a.

8 Borrowing and Financing

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Swap operation	(a) 65,738	63,148	65,738	63,148
	65,738	63,148	65,738	63,148
Noncurrent	65,738	63,148	65,738	63,148

			Individual		Consolidated	
			06.30.2020	12.31.2019	06.30.2020	12.31.2019
Banco Itaú	92.50% of CDI	July 19, 2021	(a) 216,633	214,691	216,633	214,691
Banco Itaú	TR + 6.0% p.a.	July 10, 2031	74,694	78,063	74,694	78,063
Banco Itaú	TR + 6.0% p.a.	December 15, 2030	139,981	146,647	139,981	146,647
RB Capital	CDI + 0.15% p.a.	September 17, 2025	-	-	192,836	202,549
RB Capital	CDI + 1.30% p.a.	December 15, 2034	-	-	99,655	100,481
RB Capital	CDI + 1.30% p.a.	March 19, 2035	-	-	100,904	101,536
RB Capital	CDI - 0.10% p.a.	June 19, 2023	-	-	274,585	276,339
RB Capital	96% of CDI	September 18, 2024	277,451	278,359	277,451	278,359
Apice	97.5% of CDI	June 27, 2023	251,008	250,649	251,009	250,649
Santander	CDI + 0.75% p.a.	June 01, 2021	(*) 204,501	200,878	204,501	200,878
Santander	CDI + 1.54% p.a.	September 13, 2021	(b) 101,257	-	101,257	-
Banco Itaú	TR + 5.0% to 8.6% p.a.	March 29, 2032	(c) 84,267	-	84,267	-
Banco Itaú	TR + 5.0% to 8.6% p.a.	March 29, 2032	(d) -	-	41,613	-
Non-financial institutions	IGP-DI		70	190	70	190
			1,349,862	1,169,477	2,059,456	1,850,382
Current			227,682	25,978	254,273	51,931
Noncurrent			1,122,180	1,143,499	1,805,183	1,798,451

(*) Covenant clause with the same level of indebtedness and leverage, listed in note 09 referring to the 4th and 7th issue.

- (a) The Company entered into a CCB (Bank Credit Bill) agreement in the amount of R\$ 150,000, with interest of 4% p.a. plus inflation adjustment according to the IPCA price index. However, on July 18, 2013, the Company entered into a flow swap with Banco Itaú BBA S.A., with the aim of reducing the risk of fluctuation of the CRI debt index. Accordingly, the swap agreement requires the Company to pay 92.5% of the CDI rate (short leg) and to receive 4% p.a. + the IPCA rate (long leg). On June 30, 2020, the amount of CRI debt net of transaction costs is R\$ 216,633 and the derivative financial instrument (swap) is R\$ 65,738, resulting in net debt of R\$ 150,895 (R\$ 151,543 in 2019).
- (b) On March 18, 2020, the Company executed a Bank Credit Note with Banco Santander (Brasil) S.A. in the amount of R\$ 100,000, with a CDI rate + 1.54% p.a. to maintain cash availability to address the uncertainties caused by the COVID-19 pandemic. Amortization will occur on September 13, 2021. As of June 30, 2020, the balance is R\$ 101,257 Individual and Consolidated. This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (c) In order to increase its interest in Praia de Belas Shopping Center, the Company entered into a financing with Itaú Unibanco SA on March 23, 2020 in the amount of R\$ 174,600, with a rate ranging between TR + 8.60 and TR + 5.00%. This rate is verified monthly by reference to the Selic rate calculated on the date of each maturity. The amount released until June 30, 2020 is R\$ 87,300. As a guarantee, the Company presented 37.545% of Praia de Belas Shopping Center. Amortization will take place within 120 months, through the Constant Amortization System - SAC. As of June 30, 2020, the balance is R\$ 84,267 (Individual and Consolidated). This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.
- (d) In order to increase its interest in Esplanada Shopping, the Company entered into a financing with Itaú Unibanco SA on March 23, 2020 in the amount of R\$ 85,500, with a rate ranging between TR + 8.60 and TR + 5.00%. This rate is verified monthly by reference to the Selic rate calculated on the date of each maturity. The amount released until June 30, 2020 corresponds to R\$ 42,750. As a guarantee, the Company provided 27.3271782% of Esplanada Shopping. Amortization will take place within 120 months, through the Constant Amortization System - SAC. As of June 30, 2020, the balance is R\$ 41,613 (Consolidated). This transaction does not have covenants net debt/EBITDA and EBITDA/net finance cost.

Breakdown of debt by index

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
TR	298,942	224,710	340,555	224,710
CDI	1,050,850	944,577	1,718,831	1,625,482
IGP - DI	70	190	70	190
	<u>1,349,862</u>	<u>1,169,477</u>	<u>2,059,456</u>	<u>1,850,382</u>

Debt payment schedule

The payment schedule of long-term debts with third parties is as follows:

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
2021	258,687	430,355	339,735	525,101
2022 to 2023	510,470	430,106	797,880	710,293
2023 to 2035	353,023	283,038	667,568	563,057
	<u>1,122,180</u>	<u>1,143,499</u>	<u>1,805,183</u>	<u>1,798,451</u>

Changes in loans and financing

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Opening balance	1,169,477	975,016	1,850,382	1,660,098
Borrowings	187,300	200,000	230,050	200,000
Payments principal and interest	(36,657)	(81,783)	(65,680)	(131,588)
Accrued interest	27,374	71,495	41,104	114,658
Borrowing costs	2,368	4,749	3,600	7,214
Closing balance	<u>1,349,862</u>	<u>1,169,477</u>	<u>2,059,456</u>	<u>1,850,382</u>

The description of the main characteristics of loans and financing, including guarantees and maturities is the same as that disclosed in Note 11 to the individual and consolidated annual financial statements for the year ended December 31, 2019, and remain valid.

9 Debentures

	Individual and Consolidated	
	06.30.2020	12.31.2019
Debentures 4th issue	74,104	130,216
Debentures 7th issue	396,215	398,214
Debentures 9th issue	294,905	-
	<u>765,224</u>	<u>528,430</u>
Current	76,491	62,973
Noncurrent	688,733	465,457

9th issue

On May 2020, the Company conducted its 9th issue of debentures, by means of a public offer in accordance with CVM Ruling No. 476. The Company allocated 300,000 (three hundred thousand) unsecured registered debentures not convertible into shares in a single series, at par value of R\$ 1,000 (one thousand reais), maturing on May 28, 2023.

These debentures were issued based on the decisions of the Board of Directors' meetings held on May 2020.

Referred to debentures mature within 3 (three) years, as from date of issue and their nominal value will be fully amortized in a single installment on maturity date.

Company debentures are subject to interest corresponding to 100% of the accumulated variation of DI Over rates, plus a surtax or spread of 3.0% p.a. calculated under the compound interest method, on a base of 252 business days, all calculated using referred to method and an on a cumulative pro rata basis per business days elapsed, from the first payment date to the effective payment date. Interest accrued until June 30, 2020 amounts to R\$ 1,456.

Debenture issue costs are posted to P&L under the effective cost method and recorded in Debentures as debt decrease. At June 30, 2020, costs to be amortized amount to R\$ 6,552 (noncurrent 4,368).

Covenants

All debentures have covenants determining the debt levels and leverage, as follows:

Debentures	Indebtedness and leverage level		
4th issue	Net Debt / EBITDA	< 3.50	and EBITDA/Net Finance Cost > 2.00
7th issue	Net Debt / EBITDA	< 3.50	and EBITDA/Net Finance Cost > 2.00
9th issue	Net Debt / EBITDA	< 3.50	and EBITDA/Net Finance Cost > 2.00

Financial indices must be complied with on an annual basis. However, compliance of the 9th issue of debentures will be on March 31, 2022 and after such date, for all subsequent quarters, until final settlement of the transaction. For the 4th and 7th issue, the covenant clause was complied on June 30, 2020 and there are no renegotiation clauses.

Changes in debentures, recognized in current and noncurrent liabilities, are as follows:

	Individual and Consolidated	
	06.30.2020	12.31.2019
Opening balance	528,430	581,221
Borrowings	300,000	-
Payments principal and interest	(75,093)	(88,513)
Issue costs	355	1,230
Accrued interest	11,532	34,492
Closing balance	<u>765,224</u>	<u>528,430</u>

The amortization schedule of principal, classified in noncurrent liabilities, is as follows:

	Individual and Consolidated	
	06.30.2020	12.31.2019
2021 4th issue	-	50,000
2021 4th issue Monetary restatement	-	22,604
2023 9th issue	300,000	-
2024 7th issue	395,176	395,176
	<u>695,176</u>	<u>467,780</u>
Issue costs to allocate	(6,443)	(2,323)
	<u>688,733</u>	<u>465,457</u>

The description of the main characteristics of the 4th and 7th issue is the same as disclosed in Note 12 to the individual and consolidated annual financial statements for the year ended December 31, 2019 and remain valid.

10 Tax liabilities

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Income tax and Social contribution tax payable	71	121	-	6,387
Deferred taxes (i)	4,927	-	8,484	-
PIS, Cofins and Social Security Funding Tax - Finsocial	599	2,724	3,833	5,862
Other taxes and contributions (ii)	10,759	1,830	17,456	8,968
	<u>16,356</u>	<u>4,675</u>	<u>29,773</u>	<u>21,217</u>
Current	11,429	4,675	21,289	17,561
Noncurrent	4,927	-	8,484	3,656

- (i). Refers substantially to Pis and Cofins taxes on the straight line of COVID-19 discounts, according to note 04, item (ii).
- (ii). The balance as of June 30, 2020, refers substantially to the values of IPTU - Urban Land Building and Tax, of which R\$ 10,561 in the individual and in the consolidated R\$ 15,690.

11 Others accounts payable

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Ideal fraction acquisition PBSC (*)	89,037	-	89,037	-
Ideal fraction acquisition SCESP (*)	-	-	43,601	-
Others Accounts payables	5,002	2,853	16,872	26,103
	<u>94,039</u>	<u>2,853</u>	<u>149,510</u>	<u>26,103</u>
Current	94,039	2,853	138,205	13,833
Noncurrent	-	-	11,305	12,270

(*) Acquisition of additional percentage in shopping malls, according to Note 1 item (i).

12 Provision for tax, labor and civil contingencies

The Company and its investees figure as defendants in legal and administrative proceedings of tax, labor and civil nature. Consequently, a provision for losses was set up at amounts deemed sufficient to cover probable future disbursements.

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Noncurrent				
Corella (i)	30,000	30,000	30,000	30,000
Labor	367	367	612	698
Other (ii)	15	15	1,221	1,229
	<u>30,382</u>	<u>30,382</u>	<u>31,833</u>	<u>31,927</u>
Asset recorded due to the possibility of repurchase of interest in Corella (i)	(6,970)	(6,970)	(6,970)	(6,970)
	<u>23,412</u>	<u>23,412</u>	<u>24,863</u>	<u>24,957</u>

Civil and tax

- (i) The Company is a defendant in a suit that aims to apply a clause of repurchase of the plaintiff's interest in Shopping Center Boulevard Iguatemi, equivalent to 3.58% of this venture. The Company has classified the likelihood of loss as probable. As of June 30, 20, the Company's provision totaled R\$ 30,000 (R\$ 30,000 in 2019). The proceeding is pending higher court judgment.
- (ii) They refer substantially to the provision for Municipal Real Property Tax (IPTU)-related suits by the Votorantim and Sorocaba City Governments, which amount to R\$ 1,221 as of June 30, 2020 (R\$ 1,229 in 2019).

Labor

The Company and its subsidiaries are defendants in various labor claims filed by former employees. Based on the estimated loss assessed by management, the Company recorded a provision, as of June 30, 2020, amounting to R\$ 367 (R\$ 367 in 2019) and R\$ 612 in Consolidated (R\$ 698 in 2019).

Tax, civil and indemnification claims rated as possible losses

The Company and its subsidiaries are parties to other tax, civil and indemnification claims arising in the normal course of their business, involving "possible" risk of loss. As of June 30, 2020, estimated loss amounts in tax proceedings total in Company R\$ 2,561 (R\$ 796 in 2019), in Consolidated R\$ 2,622 (R\$ 8,442 in 2019), in civil proceedings in Company R\$ 62,814 (R\$ 57,775 in 2019), in Consolidated R\$67,409 (R\$ 77,304 in 2019) and in indemnification claims in Company R\$ 1,431 (R\$ 0 in 2018) and in Consolidated R\$ 7,364 (R\$ 3,078 in 2019). Most of the civil claims are insured, as

shown in Note 17 item (b).

Changes in provision for tax, labor and civil contingencies

Changes in provision for tax, labor and civil contingencies are as follows:

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Opening balance	23,412	17,719	24,957	18,896
Provisions net of reversals	-	5,693	(94)	6,061
Closing balance	<u>23,412</u>	<u>23,412</u>	<u>24,863</u>	<u>24,957</u>

13 Financial instruments

13.1 General Considerations and policies

The Company and its subsidiaries enter into transactions involving financial instruments, where applicable, which are recorded in statement of financial position accounts in order to meet their operating and financial needs. Short-term investments, loans, financing and intercompany loans, debentures, among others.

These financial instruments are managed by means of policies, definition of strategies and establishment of control systems, which are monitored by Company management.

Treasury procedures set by the policy in effect include monthly projection routines and assessment of the consolidated currency exposure of the Company and its subsidiaries, based on which management makes its decisions.

13.2 Financial Instruments by category

The Company's financial instruments were classified into the following categories:

	06.30.2020			12.31.2019		
	Fair value through profit or loss	Amortizable cost	Total	Fair value through profit or loss	Amortizable cost	Total
Asset						
Cash and cash equivalents	6,102	-	6,102	46,924	-	46,924
Financial investments	1,131,234	60,503	1,191,737	943,065	32,571	975,636
Trade receivables	-	107,288	107,288	-	129,361	129,361
Other receivables	-	124,818	124,818	-	52,506	52,506
Loans receivable	-	369	369	-	413	413
Receivables from other related parties	-	53,296	53,296	-	46,078	46,078
Total	<u>1,137,336</u>	<u>346,274</u>	<u>1,483,610</u>	<u>989,989</u>	<u>260,929</u>	<u>1,250,918</u>
Liabilities						
Labor obligations	-	20,458	20,458	-	26,723	26,723
Trade payables	-	16,823	16,823	-	14,275	14,275
Borrowings	-	1,993,718	1,993,718	-	1,787,234	1,787,234
Debentures and charges	-	765,224	765,224	-	528,430	528,430
Minimum mandatory dividend payable	-	36,156	36,156	-	73,656	73,656
Other payable	-	149,510	149,510	-	26,103	26,103
Total	<u>-</u>	<u>2,981,889</u>	<u>2,981,889</u>	<u>-</u>	<u>2,456,421</u>	<u>2,456,421</u>

The Company and its investees use hierarchy rules to measure the fair values of their financial instruments, for financial instruments measured in the statement of financial position, which requires

disclosure of fair value measurements at the following hierarchy level:

- (i) Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
- (ii) Information, in addition to quoted prices, included in Level 1, used by the market for assets or liabilities, either directly (that is, based on prices) or indirectly (that is, deriving from prices) (Level 2).
- (iii) Assumptions, for assets or liabilities, which are not based on observable market data (unobservable inputs) (Level 3).

As of June 30, 2020 and December 31, 2019, the only instruments accounted for at fair value refer to the investment fund, the assets of which were measured using values available for trading in active markets and, consequently, were classified as follows:

Description	Fair value hierarchy	06.30.2020	12.31.2019
Cash and banks	2° Level	6,102	46,924
Financial investments	2° Level	1,131,234	975,636
Borrowing and financing	2° Level	1,048,287	827,970
Mortgage-backed Securities (CRI)	2° Level	945,431	959,264
Debentures	2° Level	765,224	528,430

13.3 Risk factors

The main source of revenues for the Company and its investees is rent from storekeepers of shopping malls.

According to their nature, the financial instruments may involve known or unknown risks; therefore, it is important that the Company and its investees, to the best of their judgment, assess potential risks thereof. As such, there may be risks with guarantees or not, depending on circumstantial or legal matters. The main market risk factors that may affect the Company's and its investees business are as follows:

a. Credit risk

The Company and its investees have internal controls capable of monitoring the level of default by its customers to control the credit risk of the portfolio, which is comprised of dispersed customers. The assumptions considered by the Company to assess the acceptance of potential customers are: the accepted guarantees (property, letter of guarantee, insurance, etc.), the suitability of individuals and companies involved in the lease (partners, guarantors and collateral) and use of the company SERASA as a reference for consultations. The provision for impairment loss is analyzed at each balance sheet base date, based on historical default data and expected loss projection.

The maximum exposure to credit risk at the statement of financial position date is the recorded amount of each class of financial assets.

The Company writes off its financial assets when there is no reasonable expectation of a recovery. Receivables written off by the Company continue in the collection process to recover the amount of the receivable. When there are recoveries, they are recognized as revenue from receivables recovered in P&L for the period.

b. Liquidity risk

Cash flow forecast is made in the Company's operating entities by finance professionals who continually monitor liquidity to ensure that the Company has sufficient cash to meet operating needs. This estimate takes into consideration debt financing plans, compliance with internal goals of the statement of financial position and, if applicable, external or legal regulatory requirements.

c. Capital Management

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders as well as to maintain an optimal target capital structure to reduce the cost of capital. The net financial position is equivalent to total cash and cash equivalents, less current and noncurrent loans and financing and debentures.

	Consolidated	
	06.30.2020	12.31.2019
Cash, Equivalents and Financial Investments	1,197,839	1,022,560
Loans, Financing and Debentures	(2,824,680)	(2,378,812)
Net Financial Position	(1,626,841)	(1,356,252)
Equity	3,066,259	3,000,062

d. Price fluctuation risk

Rent contracts, in general, are restated by reference to the annual variation of the IGP-M (General Market Price Index) and IPCA (Extended Consumer Price Index), as established in rent contracts. The rental levels may vary due to adverse economic conditions and, consequently, the level of revenues may be affected. Management monitors such risks as a way to minimize impacts on its business.

e. Interest rate risk

The Company's interest rate risk is mainly from short- and long-term loans and financing and debentures, described in the prior notes. These financial instruments are subordinated to interest rates linked to indexes, such as CDI, as well as the balance of taxes payable, with interest at the Selic rate. The risk inherent to these liabilities arises from the possibility of fluctuation in these rates. The Company and its investees do not have derivative contracts, except for swap disclosed below to cover this risk since they understand that this risk is mitigated by the existence of assets indexed to the CDI.

Sensitivity analysis - Borrowing and financing and cash and cash equivalents

Considering the financial instruments mentioned above, the Company developed a sensitivity analysis, as determined by CVM Ruling No. 475/08, which requires the presentation of two more scenarios with deterioration of 25% and 50% of the risk variable considered. These scenarios may generate impacts on the Company's P&L and cash flows in the next 12 months, as described below:

CRI

Risk factor	Financial instrument	Risk	Scenario				
			Probable	Possible > 25%	Remote > 50%	Possible < 25%	Remote < 50%
Itaú	Interest rate swap	Increase in CDI rate	65,115	66,593	68,095	63,662	62,232

Sensitivity analysis of fluctuations in monetary restatement indexes

Management considers that the most significant risk of fluctuation in interest rates derives from the liability pegged to IPCA, TR, and mainly the CDI. This risk is associated to the fluctuation in these rates.

Management estimated DI, TR and IPCA variation scenarios on the period closing date as of June 30, 2020. The probable scenario took into account rates prevailing at the period closing date. These rates were stressed by 25% and 50%, serving as parameter for the possible and remote scenarios, respectively.

As of June 30, 2020, management estimated the future flow of interest payments of its debts pegged to the CDI, IPCA and TR based on the interest rates presented above, also assuming that all interest payments would be made at the settlement dates established in contract. The impact of the hypothetical fluctuations in interest rates can be measured by the difference of future flows of possible and remote scenarios in relation to the probable scenario, in which there is no increase estimate. It is worth stressing that such sensitivity analysis considers payment flows on future dates. Therefore, the global sum of amounts in each scenario is not equal to fair value or even to the present value of these liabilities. The fair value of these liabilities, keeping the Company's credit risk unchanged, would not be impacted in case of interest rate fluctuations, considering that the rates used to estimate flows at a future value would be the same that would bring flows to present value.

In addition, cash equivalents and short-term investments in fixed rate securities are held, which would present an increase in remuneration in the possible and remote scenarios, partially offsetting the impact of the increase in interest rates in debt payment flows. However, as there is no predictability of the maturities equivalent to those from financial liabilities, the impact on such assets was not considered. The balances of cash equivalents and short-term investments are presented in Note 3.

The effects of interest rate exposure, in the sensitivity scenarios estimated by the Company, are show below:

Total amounts of interest to be paid in the sensitivity scenarios estimated:

Transaction	Individual risk	Individual					Consolidated				
		2020					2020				
		Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total
Probable Scenario											
Debts in CDI	Maintenance CDI	25,065	54,866	28,124	-	108,055	42,349	83,230	43,891	28,918	198,388
Debts in TR	Maintenance TR	12,964	22,405	17,707	24,740	77,816	12,964	22,405	17,707	24,740	77,816
Debts in IPCA	Maintenance IPCA	78,701	-	-	-	78,701	78,701	-	-	-	78,701
Total related to interest rates		116,730	77,271	45,831	24,740	264,572	134,014	105,635	61,598	53,658	354,905
Possible Scenario > 25%											
Debts in CDI	Increase in CDI	28,572	60,538	29,193	-	118,303	47,864	92,486	47,616	33,368	221,334
Debts in TR	Increase in TR	12,964	22,405	17,707	24,740	77,816	12,964	22,405	17,707	24,740	77,816
Debts in IPCA	Increase in IPCA	79,285	-	-	-	79,285	79,285	-	-	-	79,285
Total related to interest rates		120,821	82,943	46,900	24,740	275,404	140,113	114,891	65,323	58,108	378,435
Remote Scenario > 50%											
Debts in CDI	High increase in CDI	32,071	66,198	30,259	-	128,528	53,361	101,715	51,327	37,798	244,201
Debts in TR	High increase in TR	12,964	22,405	17,707	24,740	77,816	12,964	22,405	17,707	24,740	77,816
Debts in IPCA	High increase in IPCA	79,872	-	-	-	79,872	79,872	-	-	-	79,872
Total related to interest rates		124,907	88,603	47,966	24,740	286,216	146,197	124,120	69,034	62,538	401,889
Possible Scenario < 25%											
Debts in CDI	Decrease in CDI	21,544	49,177	27,053	-	97,774	36,811	73,937	40,150	24,444	175,342
Debts in TR	Decrease in TR	12,964	22,405	17,707	24,740	77,816	12,964	22,405	17,707	24,740	77,816
Debts in IPCA	Decrease in IPCA	78,121	-	-	-	78,121	78,121	-	-	-	78,121
Total related to interest rates		112,629	71,582	44,760	24,740	253,711	127,896	96,342	57,857	49,184	331,279
Remote Scenario < 50%											
Debts in CDI	Decrease in CDI	18,013	43,472	25,979	-	87,464	31,252	64,611	36,393	19,948	152,204
Debts in TR	Decrease in TR	12,964	22,405	17,707	24,740	77,816	12,964	22,405	17,707	24,740	77,816
Debts in IPCA	Decrease in IPCA	77,545	-	-	-	77,545	77,545	-	-	-	77,545
Total related to interest rates		108,522	65,877	43,686	24,740	242,825	121,761	87,016	54,100	44,688	307,565

Impacts estimated in the Company's debts

Operation	Individual					Consolidated					
	2020					2020					
	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total	Up to 1 year	1 to 3 years	3 to 5 years	Over 5 years	Total	
Possible Scenario - Probable Scenario											
Debts in CDI	3,508	5,672	1,068	-	10,248	5,515	9,256	3,725	4,450	22,946	
Debts in IPCA	584	-	-	-	584	584	-	-	-	584	
Total impact		4,092	5,672	1,068	-	10,832	6,099	9,256	3,725	4,450	23,530
Remote Scenario - Probable Scenario											
Debts in CDI	7,007	11,331	2,135	-	20,473	11,012	18,485	7,436	8,881	45,814	
Debts in IPCA	1,171	-	-	-	1,171	1,171	-	-	-	1,171	
Total impact		8,178	11,331	2,135	-	21,644	12,183	18,485	7,436	8,881	46,985
Possible Scenario - Probable Scenario											
Debts in CDI	(3,520)	(5,690)	(1,071)	-	(10,281)	5,538	9,293	3,742	4,474	23,047	
Debts in IPCA	(580)	-	-	-	(580)	580	-	-	-	580	
Total impact		(4,100)	(5,690)	(1,071)	-	(10,861)	6,118	9,293	3,742	4,474	23,627
Remote Scenario - Probable Scenario											
Debts in CDI	(7,051)	(11,394)	(2,145)	-	(20,590)	(11,097)	(18,619)	(7,499)	(8,969)	(46,184)	
Debts in IPCA	(1,156)	-	-	-	(1,156)	(1,156)	-	-	-	(1,156)	
Total impact		(8,207)	(11,394)	(2,145)	-	(21,746)	(12,253)	(18,619)	(7,499)	(8,969)	(47,340)

14 Income and social contribution

Income and social contribution taxes are calculated at statutory rates and are shown below:

Income and social contribution tax expense for the periods is broken down as follows:

	Individual				Consolidated			
	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019
Income and social contribution taxes - current	(232)	(232)	-	-	(3,007)	(12,586)	(12,995)	(24,329)
Income and social contribution taxes - deferred	8,844	6,736	(2,600)	(6,614)	(8,584)	(27,053)	(3,980)	(7,650)
	<u>8,612</u>	<u>6,504</u>	<u>(2,600)</u>	<u>(6,614)</u>	<u>(11,591)</u>	<u>(39,639)</u>	<u>(16,975)</u>	<u>(31,979)</u>

Reconciliation of income and social contribution tax expense for the periods

	Individual				Consolidated			
	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019
Profit before income and social contribution taxes	38,175	52,117	61,660	120,073	57,880	98,381	77,087	147,544
Nominal rate	34%	34%	34%	34%	34%	34%	34%	34%
Income and social contribution tax expense at nominal rate	<u>(12,980)</u>	<u>(17,720)</u>	<u>(20,964)</u>	<u>(40,825)</u>	<u>(19,679)</u>	<u>(33,450)</u>	<u>(26,210)</u>	<u>(50,165)</u>
Tax effects on:								
Equity pickup	8,423	11,949	18,529	34,743	192	284	99	203
Difference in tax base for companies under the taxable profit computed as a percentage of gross sales regime	-	-	-	-	(2,080)	(244)	9,895	19,224
Write-off of deferred income tax and social contribution (*)	-	-	-	-	(15,329)	(28,403)	-	-
Straight-line of COVID-19 discounts	13,008	13,008	-	-	21,568	21,568	-	-
Permanent exclusions (additions) and others	161	(733)	(165)	(532)	3,737	606	(759)	(1,241)
Income and social contribution tax expense at effective rate	<u>8,612</u>	<u>6,504</u>	<u>(2,600)</u>	<u>(6,614)</u>	<u>(11,591)</u>	<u>(39,639)</u>	<u>(16,975)</u>	<u>(31,979)</u>
Alíquota efetiva - %	22.6%	12.5%	-4.2%	-5.5%	-20.0%	-40.3%	-22.0%	-21.7%

(*) On June 30, 2020, due to the impacts generated by COVID - 19, the Company revisited the projections of taxable profit for the next years, which concluded the need to derecognise part of the deferred tax asset, as determined by CVM instruction 371/02.

Deferred income and social contribution taxes, net, as of June 30, 2020 and December 31, 2019 are as follows:

	Individual		Consolidated	
	06.30.2020	12.31.2019	06.30.2020	12.31.2019
Tax losses and negative basis of social contribution	47,880	29,485	93,984	100,229
Swap operation	22,351	21,470	22,351	21,470
Other temporary additions	24,462	8,583	28,831	8,583
Deferred taxes - assets	<u>94,693</u>	<u>59,538</u>	<u>145,166</u>	<u>130,282</u>
Temporary differences (tax depreciation)	(113,809)	(106,040)	(176,782)	(164,392)
Straight-line of COVID-19 discounts	(13,008)	-	(21,568)	-
Swap operation	(22,351)	(21,470)	(22,351)	(21,470)
Other temporary differences	(6,994)	-	(10,460)	-
Deferred taxes - liabilities	<u>(156,162)</u>	<u>(127,510)</u>	<u>(231,161)</u>	<u>(185,862)</u>
Net deferred taxes	<u>(61,469)</u>	<u>(67,972)</u>	<u>(85,995)</u>	<u>(55,580)</u>

Pursuant to article 7 of CVM Instruction No. 371/02, the Company presents its projected realization of tax credits as follows:

Year	%	
	Individual	Consolidated
2020	0%	0%
2021	7%	10%
2022	15%	20%
2023	27%	35%
2024	46%	56%
2025	69%	81%
2026	94%	100%
2027	100%	

15 Equity - Company

a. Capital

As of June 30, 2020, the Company's paid-in capital amounted to R\$ 1,261,728 (R\$ 1,261,728 in December 31, 2019) and comprising 176,611,578 common shares (176.611.578 in December 31, 2019). The Company's realized capital is R\$ 1,231,313 (R\$ 1,231,313 in December 31, 2019), due to expenses with share issues recorded in the amount of R\$ 30,415 in an equity reducing account.

Autorized capital

The Company is authorized to increase capital up to 200,000,000 common shares, irrespectively of any corporate restructuring, upon deliberation by the Board of Directors, who will establish the share issue conditions, price and payment conditions.

The Board of Directors may:

- (i) Reduce or exclude the term for the exercise of the preemptive rights of shareholders for the issue of shares, debentures convertible into shares, and subscription warrants, whose placement is made: (a) by sale on the stock exchange or public subscription; and (b) exchange for shares, in a public offering of acquisition of control, under the terms of the law.
- (ii) Grant, in accordance with the stock option plan approved by the General Meeting, the option to purchase or subscribe shares to its managers, employees and service providers, as well as to the managers and employees of other entities that are direct or indirect subsidiaries of the Company, without the shareholders' preemptive right.

b. Capital Reserves

Goodwill on share issue

The Company allocated R\$ 393,111 and R\$ 58,971, arising from proceeds from the IPO, to the capital reserve, according to the minutes of Board of Directors' meetings held on February 9 and March 1, 2007, respectively, totaling R\$ 452,082.

Other capital reserves

The Company set up a reserve to cover the share-based payment plan in the amount of R\$ 11,418 (R\$ 7,225 in December 31, 2019).

Treasury Share

At a meeting of the Board of Directors held on August 7, 2019, the acquisition of up to the limit of 1,304,214 shares of its own issuance was approved, through the parent company to subsidize the share-based payment plan. The maximum term for the acquisition of said shares is 365 days as of this date. For purposes of consolidation of the financial statements, they are presented under “Treasury shares” in equity.

In June 30, 2020, the Company’s treasury shares amounted to R\$ 20,746 (R\$ 9,286 in 2019) comprising 648,723 common shares (267,923 common shares in 2019).

The market price of these treasury shares as of June 30, 2020 is R\$ 21,635 (R\$ 14,173 in December 31, 2019), of which R\$33.35 per share (R\$52.90 in December 31, 2019).

c. Income reserves

Legal reserve

A legal reserve is set up by allocating 5% of net income for the period, capped at 20% of capital, in accordance with the articles of incorporation.

Retained profits reserve

The retained profits reserve, which corresponds to the remaining profit, after the allocation to the legal reserve and the proposal for dividend payment, is mainly intended to meet the investment plans provided for in the capital budget for expansion, modernization and maintenance of malls.

d. Dividend and interes on equity

Dividend Policy

The mandatory dividend is equivalent to a certain percentage of the Company’s net income, adjusted according to the Brazilian Corporation Law. Under the terms of the Articles of Incorporation currently in force, at least 25% of net income determined in the prior financial year should be distributed as a mandatory dividend. For the purposes of the Brazilian Corporation Law, net income is defined as the profit or loss of the year that remains after deducting the amounts related to income and social contribution taxes, net of any accumulated losses of prior years, and any amounts intended for the payment of statutory participations of employees and managers in the Company’s profit.

Payment of dividends

On March 16, 2020, the Company distributed the amount of R \$ 37,500 referring to the mandatory minimum dividends of 2019. In view of the uncertainties caused by COVID 19, and as a way of preserving liquidity for the coming months, the Company approved at the Annual Shareholders' Meeting, held on June 25, 2020, that the remaining amount of R \$ 36,156, of the minimum mandatory dividends, will be settled as of December this year.

16 Earnings per share

	Individual and Consolidated	
	06.30.2020	06.30.2019
Basic earnings per share from operations (in R\$)	0.33284	0.64356
Diluted earnings per share from operations (in R\$)	0.33284	0.64350

a. Basic earnings per share

Earnings and the weighed number of common shares used in the calculation of basic earnings per shares are as follows:

	<u>Individual and Consolidated</u>	
	<u>06.30.2020</u>	<u>06.30.2019</u>
Profit for the year attributable to owners of the Company and used in the calculation of basic earnings per share	58,621	113,459
Weighted average number of common shares for the calculation of basic earnings per share	176,123,255	176,298,908

b. Dilluted earnings per share

Earnings used to calculate diluted earnings per share is as follows:

	<u>Individual and Consolidated</u>	
	<u>06.30.2020</u>	<u>06.30.2019</u>
Profit used in the calculation of basic and diluted earnings per share	<u>58,621</u>	<u>113,459</u>

The weighted average number of common shares used in the calculation of diluted earnings per share is reconciled to the weighted average number of common shares used in the calculation of basic earnings per share, as follows:

	<u>Individual and Consolidated</u>	
	<u>06.30.2020</u>	<u>06.30.2019</u>
Weighted average number of common shares used in the calculation of basic earnings per share	176,123,255	176,298,908
Weighted average number of employee's options	-	15,803
Weighted average number of common shares used in the calculation of diluted earnings per share	<u>176,123,255</u>	<u>176,314,711</u>

17 Insurance

As of June 30, 2020, the Company and its ventures had the following main insurance policies taken out from third parties:

a. Named risks insurance

The Company contracted a named peril insurance, which covers the usual risks that may impact its activities, with Sompo Seguros S.A. (100%). This policy establishes a maximum indemnity limit of R\$764,396 for property damages and loss of profits. Shopping Pátio Higienópolis with Sompo Seguros S.A (100%), whose policy establishes a maximum indemnity limit of R\$ 523,080 for property damage and loss of profits.

The insured period is up to September 28, 2020.

Insured ventures	Property damages	Loss of profits	Total
Shopping Center Praia de Belas	339,151	90,595	429,746
Shopping Center Iguatemi São Paulo e Torres	473,819	285,578	759,397
Shopping Center Iguatemi São Carlos	101,497	23,221	124,718
Shopping Center Iguatemi Porto Alegre	547,010	192,908	739,918
Conjunto Comercial Porto Alegre - Torre	58,748	9,651	68,399
Shopping Center Iguatemi Campinas	445,464	191,369	636,833
Power Center	53,280	6,094	59,374
Iguatemi Empresa de Shopping Centers S.A	7,241	26,494	33,735
Shopping Center Iguatemi Florianópolis	234,203	70,876	305,079
Market Place Shopping Center	59,028	27,744	86,772
Market Place - Tower I	59,708	-	59,708
Market Place - Tower II	132,124	25,857	157,981
Shopping Center Galleria	275,382	68,169	343,551
Shopping Center Iguatemi Brasília	314,696	61,362	376,058
Shopping Center Iguatemi Alphaville	297,864	55,796	353,660
Shopping Center Esplanada	149,374	50,827	200,201
Shopping Center Iguatemi JK	414,157	142,807	556,964
Área Comum Iguatemi JK	170,929	5,095	176,024
Outlet Novo Hamburgo	69,533	15,510	85,043
Shopping Center Iguatemi Ribeirão Preto	326,170	24,277	350,447
Shopping Center Iguatemi Esplanada	368,565	48,905	417,470
Shopping Center Iguatemi São José do Rio Preto	290,356	26,499	316,855
Shopping Pátio Higienópolis	368,638	160,250	528,888
Tijucas Fashion Outlet	56,808	2,100	58,908

b. General civil liability insurance

A The Company and Pátio Higienópolis has a general civil liability insurance that covers usual risks applicable to its activities. In insurance taken out from Sompo Seguros S.A., such policies refer to amounts for which the Company may be liable, in a final legal decision or decision by the insurer, with respect to repairs for involuntary bodily and/or material damages caused to third parties. The insured period of general civil liability insurance extends until September 28, 2020.

The insured amount will have the maximum indemnity from R\$ 13,500 and can be divided into: ((a) shopping malls and condominium; (b) commercial and/or industrial facilities: for holdings; (c) personal objects of employees; (d) hotels, restaurants, bars, nightclubs and similar; (e) employer civil liability; (f) vehicles contingent risks; (g) damages to store contents; (h) medical error; (i) civil construction work and/or assembly services, conditional to: project error, property damage to the construction owner; (j) civil liability of garage: fire/theft of vehicles for places that do not have Valet service and fire/theft/collision for places that have Valet service; (k) flooding for garage civil liability and (l) property damages for all coverages.

18 Net revenue from leases and services

Net revenue from leases and services is represented by:

	Individual				Consolidated			
	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019
Rents	59,454	121,677	61,127	118,895	141,284	291,146	147,377	286,225
Parking lots	1,034	12,456	12,790	25,401	3,119	35,760	38,253	75,454
Services rendered	400	1,042	1,689	3,837	10,297	22,948	18,728	32,453
Others	140	547	419	838	3,188	10,386	9,684	16,919
Gross revenue from rent and services	<u>61,028</u>	<u>135,722</u>	<u>76,025</u>	<u>148,971</u>	<u>157,888</u>	<u>360,240</u>	<u>214,042</u>	<u>411,051</u>
Taxes and deductions (i)	9,718	(8,176)	(7,883)	(14,990)	1,157	(46,311)	(26,368)	(50,384)
Net revenue from rent and services	<u>70,746</u>	<u>127,546</u>	<u>68,142</u>	<u>133,981</u>	<u>159,045</u>	<u>313,929</u>	<u>187,674</u>	<u>360,667</u>

- (i). The net revenue from rentals and services as of June 30, 2020 was impacted by straight line of COVID-19 discounts, according to note 04 item (ii).

19 Cost of services and expenses

The Company opted for presenting the consolidated income statement by nature. As required by the IFRS, detailed costs of services rendered and administrative expenses by nature are as follows:

Individual

	04.01.2020 - 06.30.2020			04.01.2019 - 06.30.2019			Total	
	Total	Cost of services	Administrative costs	Total	Total	Cost of services		Administrative costs
Depreciation and amortization	(13,333)	(17,755)	(8,588)	(26,343)	(11,821)	(16,021)	(7,559)	(23,580)
Personal	(6,737)	(8,883)	(7,524)	(16,407)	(13,068)	(9,053)	(13,880)	(22,933)
Share remuneration	(2,096)	-	(4,193)	(4,193)	(1,870)	-	(3,241)	(3,241)
Third Party Services	(2,920)	(2,198)	(4,790)	(6,988)	(5,378)	(3,521)	(5,719)	(9,240)
Promotion fund	(32)	(94)	-	(94)	(78)	(154)	-	(154)
Parking	(2,453)	(6,242)	-	(6,242)	(3,739)	(7,516)	-	(7,516)
Others	(4,266)	(6,986)	(4,132)	(11,118)	(7,487)	(10,161)	(4,733)	(14,894)
	<u>(31,837)</u>	<u>(42,158)</u>	<u>(29,227)</u>	<u>(71,385)</u>	<u>(43,441)</u>	<u>(46,426)</u>	<u>(35,132)</u>	<u>(81,558)</u>

Consolidated

	04.01.2020 - 06.30.2020			04.01.2019 - 06.30.2019			Total	
	Total	Cost of services	Administrative costs	Total	Total	Cost of services		Administrative costs
Depreciation and amortization	(37,282)	(60,405)	(13,881)	(74,286)	(31,524)	(51,146)	(11,482)	(62,628)
Personal	(11,178)	(12,842)	(10,864)	(23,706)	(18,923)	(13,028)	(20,503)	(33,531)
Share remuneration	(2,096)	-	(4,193)	(4,193)	(1,870)	-	(3,241)	(3,241)
Third Party Services	(3,657)	(3,176)	(8,008)	(11,184)	(5,523)	(4,314)	(5,793)	(10,107)
Promotion fund	(95)	(567)	-	(567)	(489)	(975)	-	(975)
Parking	(6,603)	(14,790)	-	(14,790)	(8,335)	(16,404)	-	(16,404)
Others	(15,217)	(30,659)	(4,875)	(35,534)	(19,523)	(33,562)	(5,364)	(38,926)
	<u>(76,128)</u>	<u>(122,439)</u>	<u>(41,821)</u>	<u>(164,260)</u>	<u>(86,187)</u>	<u>(119,429)</u>	<u>(46,383)</u>	<u>(165,812)</u>

20 Finance Income (costs)

	Individual				Consolidated			
	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019
Financial income:								
Interest income	321	1,180	1,177	2,304	-	-	2,058	4,660
Monetary and exchange rate variations	1,410	6,999	4	22	1,415	7,004	7	88
Income from financial investments	2,153	6,115	6,064	13,151	7,887	14,617	10,304	20,405
Gain on swap operation	(760)	2,590	2,690	5,270	(760)	2,590	2,690	5,270
Other financial income	-	-	-	-	80	110	17	19
	<u>3,124</u>	<u>16,884</u>	<u>9,935</u>	<u>20,747</u>	<u>8,622</u>	<u>24,321</u>	<u>15,076</u>	<u>30,442</u>
	Individual				Consolidated			
	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019	04.01.2020 - 06.30.2020	06.30.2020	04.01.2019 - 06.30.2019	06.30.2019
Financial expenses:								
Interest on borrowing and financing	(11,441)	(27,374)	(22,728)	(40,727)	(17,642)	(41,104)	(34,017)	(63,385)
Monetary and exchange rate variations	(14)	(49)	(59)	(100)	(23)	(70)	(70)	(116)
Debtenture charges	(4,786)	(11,532)	(9,307)	(18,133)	(4,786)	(11,532)	(9,307)	(18,133)
Taxes and fees	(474)	(1,122)	(801)	(1,424)	(757)	(1,685)	(1,169)	(1,912)
Other financial expenses	(3,472)	(5,583)	1,779	(228)	(3,708)	(11,783)	426	(3,809)
	<u>(20,187)</u>	<u>(45,660)</u>	<u>(31,116)</u>	<u>(60,612)</u>	<u>(26,916)</u>	<u>(66,174)</u>	<u>(44,137)</u>	<u>(87,355)</u>
Financial result	<u>(17,063)</u>	<u>(28,776)</u>	<u>(21,181)</u>	<u>(39,865)</u>	<u>(18,294)</u>	<u>(41,853)</u>	<u>(29,061)</u>	<u>(56,913)</u>

21 Other operating income (expenses)

Other operating income refers basically to revenues from resale of spaces, store transfer fees, fines for termination of contracts with storekeepers and sale of assets, while other operating expenses refer mainly to the allowance for doubtful accounts.

22 Segment reporting

The information presented to the chief decision-maker to allocate resources and evaluate the Company's performance does not present any reportable segment of the Group in accordance with CPC 22/IFRS 8. The statement of profit or loss is the lowest level for purpose of analysis of the Company's performance.

23 Employee benefits

a. Supplementary private pension plan

The Company maintains a supplementary private pension plan (defined contribution) at Itaú Vida e Previdência S.A. This plan is optional to employees and the Company contributes with 100% of the monthly amount contributed by employees.

The Company has no obligation nor right in relation to any surplus or deficit from the plan.

As of June 30, 2020, the Company's contribution reached R\$ 887 (R\$ 1,874 at December 31, 2019).

b. Iguatemi Bonus Plan

The Company has a bonus plan linked to the attainment of budget and operational goals for all employees.

As of June 30, 2020, the amount paid to eligible employees was approximately R\$ 10,763 (R\$11,967 in December 2019). Payments are made annually.

c. Share-based payment plan

On April 19, 2018, the long-term incentive program was approved. The description of the key characteristics of the share-based payment plan is disclosed in Note 25 to the annual individual and consolidated financial statements for the year ended December 31, 2019, and remain effective.

The table below presents the amounts granted per lot:

	Amout granted	Due date	2018 Total plan expense	2018 Acumulated plan expense
Vesting 1st Year	94,373	05/01/2019	3,954	3,478
Vesting 2st Year	94,373	05/01/2020	3,298	2,901
Vesting 3st Year	94,402	05/01/2021	1,856	1,633
Total	283,148		9,108	8,012

	Amout granted	Due date	2019 Total plan expense	2019 Acumulated plan expense
Vesting 1st Year	78,637	05/01/2020	3,183	1,916
Vesting 2st Year	78,637	05/01/2021	3,038	1,829
Vesting 3st Year	78,661	05/01/2022	1,592	958
Total	235,935		7,813	4,703

	Amout granted	Due date	2020 Total plan expense	2020 Acumulated plan expense
Vesting 1st Year	76,659	05/01/2021	3,535	779
Vesting 2st Year	76,659	05/01/2022	3,374	742
Vesting 3st Year	76,682	05/01/2023	1,768	389
Total	230,000		8,677	1,910

24 Subsequent Events

In July 2020, the Company reduced its headcount by 13%, as a result of an assessment aimed at optimizing the corporate structure.

Comments about of Business Projection Behavior

As of March 31, 2020, due to the impacts caused by the global pandemic generated by COVID - 19, the Company has cancels the projections disclosed in the 2019 Financial Statements (more details see Comments of the Performance of this ITR).