

Quarterly Information - ITR

Multiplan Empreendimentos Imobiliários S.A.

June 30, 2020

with Independent Auditor's Review Report on Quarterly Information

Multiplan Empreendimentos Imobiliários S.A.

Quarterly Information - ITR

June 30, 2020

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

Independent auditor's review report on quarterly information - ITR

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

Introduction

We have reviewed the individual and consolidated interim financial information of Multiplan Empreendimentos Imobiliários S.A. ("Company") contained in the Quarterly Information Form - (ITR) for the quarter ended June 30, 2020, which comprise the balance sheet as of June 30, 2020 and the statements of income and comprehensive income for the three and six-month periods then ended, and the statements of changes in equity and cash flows for the six-month period then ended, and notes to the quarterly information.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with NBC 21 - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM), as well as for the presentation of this information consistently with the standards issued by the CVM, relating to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and international standards on review engagements (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion on the individual and consolidated interim information

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

Emphasis of matter

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

Other matters

Statements of value added

The quarterly information referred to above includes the individual and consolidated statements of value added (SVA) for the six-month period ended June 30, 2020, prepared under the responsibility of the Company management and presented as supplementary information under IAS 34, applicable to real estate development entities in Brazil, registered with the Brazilian Securities and Exchange Commission ("CVM"). These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in NBC TG - 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that these statements of value added were not prepared, in all material respects, in accordance with the criteria set forth in this standard and consistently with the individual and consolidated interim financial information as a whole.

Rio de Janeiro, August 5, 2020.

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

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

Roberto Martorelli
Accountant CRC-1RJ106103/O-0

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

Multiplan Empreendimentos Imobiliários S.A.

Statements of financial position
July 30, 2020 and December 31, 2019
(In thousands of reais - R\$)

	Individual		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Assets				
Current assets				
Cash and cash equivalents (Note 3)	733,150	22,562	950,745	36,463
Short-term investments (Note 3)	142,076	623,912	142,076	871,506
Accounts receivable (Note 4)	253,112	195,248	361,729	284,116
Land and properties held for sale (Note 6)	6,135	6,976	25,540	25,737
Accounts receivable from related parties (Note 5)	12,086	11,046	17,838	15,167
Taxes and social contributions to be offset (Note 16)	51,500	15,193	68,526	17,917
Deferred costs (Note 18)	24,075	24,998	42,683	41,741
Other	11,905	17,357	23,538	26,648
Total current assets	1,234,039	917,292	1,632,675	1,319,295
Non-current assets held for sale (Note 9.e)			212,416	
Non-current assets				
Accounts receivable (Note 4)	16,682	20,147	47,118	56,406
Land and properties held for sale (Note 6)	19,742	19,581	426,440	424,052
Accounts receivable from related parties (Note 5)	7,667	8,823	8,091	9,143
Judicial deposits (Note 17.2)	32,446	31,861	34,679	34,848
Deferred income and social contribution taxes (Note 7)	-	-	17,222	17,171
Deferred costs (Note 18)	67,959	75,203	106,799	118,606
Other	1,333	1,785	4,855	6,102
Investments (Note 8)	3,731,881	3,315,065	153,027	176,663
Investment properties (Note 9)	4,254,043	3,976,033	7,415,906	6,948,372
Property and equipment (Note 10)	89,794	91,769	103,459	105,651
Intangible assets (Note 11)	361,529	359,768	363,791	360,440
Total Non-current assets	8,583,076	7,900,035	8,681,387	8,257,454
Total assets	9,817,115	8,817,327	10,526,478	9,576,749

	Individual		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Liabilities and equity				
Current liabilities				
Loans and financing (Note 12)	253,595	240,440	317,785	295,688
Accounts payable (Note 13)	72,300	151,111	98,445	193,202
Property acquisition obligations (Note 15)	136,136	30,758	141,458	35,755
Taxes and contributions payable (Note 16)	-	7,313	11,154	26,021
Interest on shareholders' equity (Note 19.d)	148,375	148,375	148,375	148,375
Payables to related parties (Note 5)	-	38	98	109
Deferred revenues (Note 18)	13,225	14,310	17,394	18,436
Debentures (Note 14)	201,445	204,475	201,445	204,475
Other	4,688	4,387	6,474	6,617
Total current liabilities	829,764	801,207	942,628	928,678
Non-current liabilities				
Loans and financing (Note 12)	1,305,251	862,036	1,765,041	1,361,947
Accounts payable (Note 13)	40,061	38,501	40,255	38,684
Property acquisition obligations (Note 15)	168,397	-	170,782	4,738
Debentures (Note 14)	1,243,127	1,241,327	1,243,127	1,241,327
Provision for contingencies (Note 17.1)	5,004	5,321	12,081	11,811
Payables to related parties (Note 5)	-	-	2,174	2,125
Deferred income and social contribution taxes (Note 7)	302,942	203,087	314,398	209,359
Deferred revenue (Note 18)	36,500	36,579	56,698	55,618
Advance from customers	-	-	89,861	89,861
Phantom stock options (Note 20.b)	1,698	41,600	1,698	41,600
Total Non-current liabilities	3,102,980	2,428,451	3,696,115	3,057,070
Equity (Note 19)				
Capital	2,988,062	2,988,062	2,988,062	2,988,062
Share issue costs	(43,548)	(43,548)	(43,548)	(43,548)
Capital reserves	1,033,345	1,017,475	1,033,345	1,017,475
Income reserves	1,804,831	1,804,831	1,804,831	1,804,831
Treasury shares	(57,985)	(89,155)	(57,985)	(89,155)
Effects on capital transaction	(89,996)	(89,996)	(89,996)	(89,996)
Net Income for the period	249,662	-	249,662	-
Total equity	5,884,371	5,587,669	5,884,371	5,587,669
Noncontrolling interests	-	-	3,364	3,332
Total equity	5,884,371	5,587,669	5,887,735	5,591,001
Total liabilities and equity	9,817,115	8,817,327	10,526,478	9,576,749

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of profit or loss

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

(In thousands of reais, except basic and diluted earnings per share, in reais)

	Individual			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Net operating revenue (Note 21)	191,098	426,297	240,354	466,744
Cost of services rendered and properties sold (Note 22)	(39,176)	(79,081)	(46,455)	(89,082)
Gross profit	151,922	347,216	193,899	377,662
Operating income (expenses):				
Administrative expenses - Headquarters (Note 22)	(13,571)	(47,059)	(40,960)	(79,226)
Administrative expenses - Properties (Note 22)	(20,902)	(26,258)	(3,831)	(5,447)
Projects for lease expenses (Note 22)	(1,117)	(2,643)	(265)	(405)
Projects for sale expenses (Note 22)	(194)	(653)	(351)	(678)
Expenses on share-based compensation (Note 20)	(6,194)	15,808	(21,659)	(32,639)
Equity pickup (Note 8)	17,143	51,264	20,812	41,823
Depreciation and amortization	(4,758)	(9,637)	(4,017)	(7,657)
Other operating income (expenses), net	(4,607)	64,500	(2,649)	7,026
Operating income before finance income (costs)	117,722	392,538	140,979	300,459
Finance income (costs), net (Note 23)	(19,276)	(39,456)	(31,451)	(58,817)
Income before income and social contribution taxes	98,446	353,082	109,528	241,642
Income and social contribution taxes (Note 7)				
Current	20,520	(3,564)	7,510	(29,383)
Deferred	(47,951)	(99,856)	(1,851)	(5,108)
Total current and deferred income and social contribution taxes	(27,431)	(103,420)	5,659	(34,491)
Net income for the period	71,015	249,662	115,187	207,151
Basic earnings per share (Note 26)	-	0.4175	-	0.3483
Diluted earnings per share (Note 26)	-	0.4150	-	0.3468

Multiplan Empreendimentos Imobiliários S.A.

Statements of profit or loss (Continued)

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

(In thousands of reais, except basic and diluted earnings per share, in reais)

	Consolidated			
	04/01/2020 to 06/30/2020	04/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Net operating revenue (Note 21)	254,049	574,723	319,357	621,695
Cost of services rendered and properties sold (Note 22)	(66,217)	(137,448)	(78,121)	(153,491)
Gross profit	187,832	437,275	241,236	468,204
Operating income (expenses):				
Administrative expenses - Headquarters (Note 22)	(13,456)	(47,626)	(41,628)	(80,347)
Administrative expenses - Properties (Note 22)	(30,748)	(41,142)	(7,881)	(13,120)
Projects for lease expenses (Note 22)	(2,840)	(6,040)	(5,611)	(7,729)
Projects for sale expenses (Note 22)	(1,128)	(2,480)	(1,655)	(2,476)
Expenses on share-based compensation (Note 20)	(6,194)	15,808	(21,659)	(32,639)
Equity pickup (Note 8)	(1,141)	154	2,293	4,708
Depreciation and amortization	(5,000)	(10,121)	(4,195)	(8,016)
Other operating income (expenses), net	(5,414)	60,758	(2,699)	6,653
Operating income before finance income (costs)	121,911	406,586	158,201	335,238
Finance income (costs), net (Note 23)	(23,943)	(47,085)	(39,501)	(73,690)
Income before income and social contribution taxes	97,968	359,501	118,700	261,548
Income and social contribution taxes (Note 7)				
Current	30,446	(480)	(2,881)	(50,676)
Deferred	(57,678)	(110,562)	(1,182)	(4,904)
Total current and deferred income and social contribution taxes	(27,232)	(111,042)	(4,063)	(55,580)
Net income for the period	70,736	248,459	114,637	205,968
Income attributable to:				
Noncontrolling interest	(66)	(92)	(602)	(1,217)
Owners of the Company	70,802	248,551	115,239	207,185
Basic earnings per share (Note 26)	-	0.4157	-	0.3483
Diluted earnings per share (Note 26)	-	0.4131	-	0.3469

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of comprehensive income

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

(In thousands of reais - R\$)

	Individual			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Net income for the period	71,015	249,662	115,187	207,151
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	71,015	249,662	115,187	207,151
	Consolidated			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Net income for the period	70,736	248,459	114,637	205,968
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	70,736	248,459	114,637	205,968
Total comprehensive income attributed to:				
Noncontrolling interests	(66)	(92)	(602)	(1,217)
Owners of the Company	70,802	248,551	115,239	207,185

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity - Individual
 Three and six-month period ended June 30, 2020 and 2019
 (In thousands of reais - R\$)

	Capital	Expenses on issue of shares	Stock options granted	Capital reserves			Income reserves			Effects on capital transactions	Retained earnings	Total
				Special Goodwill reserve upon merger	Goodwill reserve on issue of shares	Other capital reserves	Legal reserve	Expansion reserve	Treasury shares			
Balances on December 31, 2018	2,988,062	(43,548)	106,918	186,548	706,517	-	164,330	1,449,378	(132,229)	(89,996)	-	5,335,980
Stock option exercise	-	-	-	-	830	-	-	-	31,917	-	-	32,747
Stock options granted (Note 20.c)	-	-	7,022	-	-	-	-	-	-	-	-	7,022
Net income for the period	-	-	-	-	-	-	-	-	-	-	207,151	207,151
Interest on shareholders' equity												
Interest on shareholders' equity prepaid (Note 19.d)											(110,000)	(110,000)
Balances on June 30, 2019	2,988,062	(43,548)	113,940	186,548	707,347	-	164,330	1,449,378	(100,312)	(89,996)	97,151	5,472,900
Balances on December 31, 2019	2,988,062	(43,548)	122,232	186,548	707,710	985	187,886	1,616,945	(89,155)	(89,996)	-	5,587,669
Stock option exercise (Note 20.a)	-	-	-	-	1,230	-	-	-	31,170	-	-	32,400
Stock options granted (Note 20.c)	-	-	14,640	-	-	-	-	-	-	-	-	14,640
Net income for the period	-	-	-	-	-	-	-	-	-	-	249,662	249,662
Balances on June 30, 2020	2,988,062	(43,548)	136,872	186,548	708,940	985	187,886	1,616,945	(57,985)	(89,996)	249,662	5,884,371

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity - Consolidated
 Three and six-month period ended June 30, 2020 and 2019
 (In thousands of reais - R\$)

	Capital reserves					Income reserves					Total	Non controlling interest	Total	
	Capital	Share issue costs	Stock options granted	Special goodwill reserve upon merger	Other capital reserves	Goodwill reserve on issue of shares	Legal reserve	Expansion reserve	Effects on capital transaction	Treasury shares				Retained earnings
Balances on December 31, 2018	2,988,062	(43,548)	106,918	186,548	-	706,517	164,330	1,449,378	(89,996)	(132,229)	-	5,335,980	16,207	5,352,187
Equity pickup - subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	-	(34)	(34)	-	(34)
Capital increase by Non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	552	552
Exercise of stock options	-	-	-	-	-	830	-	-	-	31,917	-	32,747	-	32,747
Stock options granted	-	-	7,022	-	-	-	-	-	-	-	-	7,022	-	7,022
Interest on shareholders' equity														
Interest on shareholders' equity prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	-	(110,000)	(110,000)	-	(110,000)
Net income for the year	-	-	-	-	-	-	-	-	-	-	207,185	207,185	(1,217)	205,968
Balances on June 30, 2019	2,988,062	(43,548)	113,940	186,548	-	707,347	164,330	1,449,378	(89,996)	(100,312)	97,151	5,472,900	15,542	5,488,442
Balances on December 31, 2019	2,988,062	(43,548)	122,232	186,548	985	707,710	187,886	1,616,945	(89,996)	(89,155)	-	5,587,669	3,332	5,591,001
Equity pickup - subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	-	1,111	1,111	-	1,111
Capital increase by Non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	124	124
Exercise of stock options (Note 20.a)	-	-	-	-	-	1,230	-	-	-	31,170	-	32,400	-	32,400
Stock options granted (Note 20.c)	-	-	14,640	-	-	-	-	-	-	-	-	14,640	-	14,640
Net income for the period	-	-	-	-	-	-	-	-	-	-	248,551	248,551	(92)	248,459
Balances on June 30, 2020	2,988,062	(43,548)	136,872	186,548	985	708,940	187,886	1,616,945	(89,996)	(57,985)	249,662	5,884,371	3,364	5,887,735

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows

Six-month period ended June 30, 2020 and 2019

(In thousands of reais - R\$)

	Individual		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Cash flows from operating activities				
Income before taxes	353,082	241,642	359,501	261,548
Adjustments to:				
Depreciation and amortization	69,450	61,199	116,184	106,320
Equity pickup	(51,264)	(41,823)	(154)	(4,708)
Stock option-based payments	(15,809)	32,639	(15,809)	32,639
Allocation of store buyback	829	1,645	976	1,798
Allocation of deferred revenues and costs	(17,873)	(15,152)	(28,718)	(25,588)
Interest accrual of debentures	26,720	44,487	26,720	44,487
Interest accrual of loans and financing	22,539	32,694	39,045	58,411
Business combination gain	(73,169)	-	(73,169)	-
Swap transactions	(2,365)	-	(2,365)	-
Interest accrual of property acquisition obligations	4,593	210	6,473	1,115
Interest accrual of related-party transactions	(168)	(539)	(187)	(552)
Allowance for doubtful accounts	23,130	4,519	32,576	8,815
Capital loss	3,462	-	3,462	-
Straight-line effect accounts receivable	(172,945)	(17,336)	(212,477)	(19,824)
Other	6,016	6,106	8,586	6,485
	176,228	350,291	260,644	470,946
Changes in operating assets and liabilities				
Land and properties held for sale	680	440	(4,716)	(8,829)
Accounts receivable	96,535	32,762	118,699	44,596
Judicial deposits	(585)	1,286	216	1,103
Deferred costs	17,517	(2,923)	33,518	10,333
Other assets	5,904	(3,140)	4,357	(3,720)
Accounts payable	(79,414)	(17,838)	(95,579)	(30,299)
Property acquisition obligations	(1,601)	-	(2,984)	(6)
Taxes and contributions payable	(23,838)	(6,196)	(27,731)	(8,240)
Deferred revenue	7,359	18,988	11,108	25,283
Other obligations	(7,897)	(19,632)	(8,266)	(19,544)
Income and social contribution taxes paid	(23,347)	(49,446)	(38,095)	(71,056)
Net cash from operating activities	167,541	304,592	251,171	410,567
Cash flows from investing activities				
Increase in investments	(383,674)	(72,027)	(12,499)	(39)
Dividends received	125,459	240,682	-	2,750
Receipt (payment) in related-party transactions	(1,878)	(736)	(5,948)	(5,065)
Additions to property and equipment	(1,410)	(5,267)	(1,410)	(5,265)
Additions to investment properties	(92,106)	(385,897)	(395,952)	(440,606)
Write-off of investment properties	18,249	51	249	51
Additions to intangible assets	(8,130)	(6,297)	(8,130)	(6,297)
Short-term investments	481,836	(218,160)	730,166	(64,955)
Acquisition of interest in subsidiary	(19,118)	-	(19,118)	-
Acquisition of subsidiary	-	-	217	-
Net cash used in investing activities	119,228	(447,651)	287,575	(519,426)
Cash flows from financing activities				
Repayment of loans and financing	(25,518)	(32,422)	(51,867)	(48,168)
Payment of interest on loans and financing	(22,423)	(34,854)	(44,481)	(61,579)
Cash from stock options exercised	32,400	32,747	32,400	32,747
Payment of charges on debentures	(30,095)	(41,634)	(30,095)	(41,634)
Debentures issued	-	348,838	-	348,838
Loans taken out	469,455	-	469,455	-
Dividends and interest on shareholders' equity	-	(129,528)	-	(129,528)
Non-controlling interest	-	-	124	552
Net cash from (used in) financing activities	423,819	143,147	375,536	101,228
Increase in cash and cash equivalents	710,588	88	914,282	(7,631)
Cash and cash equivalents at beginning of year	22,562	24,717	36,463	38,864
Cash and cash equivalents at end of period	733,150	24,805	950,745	31,233
Increase in cash and cash equivalents	710,588	88	914,282	(7,631)

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of value added

Six-month period ended June 30, 2020 and 2019

(In thousands of reais - R\$)

	Individual		Consolidated	
	06/30/2020	06/30/2019	06/30/2020	06/30/2019
Revenues:				
Revenue from sales and services	438,733	513,817	592,757	685,745
Other revenues	83,804	17,334	87,795	17,325
Allowance for doubtful accounts	(23,130)	(4,519)	(32,576)	(8,815)
	499,407	526,632	647,976	694,255
Bought-in inputs				
Cost of sales and services	(25,666)	(38,880)	(39,261)	(56,042)
Power, outsourced services and others	(30,459)	(25,560)	(41,256)	(36,134)
	(56,125)	(64,440)	(80,517)	(92,176)
Gross value added	443,282	462,192	567,459	602,079
Retentions				
Depreciation and amortization	(69,451)	(61,199)	(116,186)	(106,320)
Net value added produced by the Entity	373,831	400,993	451,273	495,759
Value added received in transfer				
Equity pickup	51,264	41,823	154	4,708
Finance income	22,752	27,624	35,154	40,880
	74,016	69,447	35,308	45,588
Total value added to be distributed	447,847	470,440	486,581	541,347
Distribution of value added				
Personnel				
Direct compensation	(1,710)	(72,267)	(2,297)	(72,837)
Benefits	(4,404)	(4,342)	(4,485)	(4,367)
Unemployment Compensation Fund (FGTS)	(3,062)	(2,105)	(3,103)	(2,113)
	(9,176)	(78,714)	(9,885)	(79,317)
Taxes, charges and contributions				
Federal	(122,564)	(90,651)	(132,981)	(121,917)
State	(15)	(49)	(38)	(89)
Local	(2,627)	(3,345)	(10,390)	(14,807)
	(125,206)	(94,045)	(143,409)	(136,813)
Debt remuneration				
Interest, monetary difference and foreign exchange difference	(60,683)	(87,266)	(80,238)	(115,254)
Lease expenses	(3,120)	(3,264)	(4,590)	(3,995)
	(63,803)	(90,530)	(84,828)	(119,249)
Equity remuneration				
Noncontrolling interests in retained profits				
Interest on shareholders' equity	-	-	92	1,217
Interest on shareholders' equity	-	(110,000)	-	(110,000)
Retained profits	(249,662)	(97,151)	(248,551)	(97,185)
	(249,662)	(207,151)	(248,459)	(205,968)
Value added distributed	(447,847)	(470,440)	(486,581)	(541,347)

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information

June 30, 2020

(In thousands of reais, unless otherwise stated)

1. Company information

The issue of the individual and consolidated quarterly information of Multiplan Empreendimentos Imobiliários S.A. (the “Company”, “Multiplan” or “Multiplan Group” when referred to jointly with its subsidiaries) as of June 30, 2020 was authorized by management on August 05, 2020. The Company was organized as a “limited liability company” and subsequently was transformed into a “joint-stock corporation”, and its registered office is located in the city and state of Rio de Janeiro, at Avenida das Américas 4.200, Bloco 2, sala 501, Barra da Tijuca, CEP 22.640-102.

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

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

The Company holds direct and indirect interest in several shopping malls as at June 30, 2020 and December 31, 2019, in the following projects:

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

Project	Location	Operations started up in	interest % as at	
			06/30/2020	12/31/2019
Malls				
BH Shopping	Belo Horizonte	1979	100.0	100.0
RibeirãoShopping	Ribeirão Preto	1981	81.6	81.6
BarraShopping	Rio de Janeiro	1981	65.8	65.8
MorumbiShopping	São Paulo	1982	73.7	73.7
ParkShopping	Brasília	1983	73.4	61.7
Diamond Mall	Belo Horizonte	1996	90.0	90.0
New York City Center	Rio de Janeiro	1999	50.0	50.0
Shopping Anália Franco	São Paulo	1999	30.0	30.0
ParkShopping Barigui (i)	Curitiba	2003	93.3	93.3
Pátio Savassi	Belo Horizonte	2004	96.5	96.5
Shopping Santa Úrsula	Ribeirão Preto	1999	100.0	62.5
Barra Shopping Sul	Porto Alegre	2008	100.0	100.0
Shopping Vila Olímpia	São Paulo	2009	60.0	60.0
ParkShopping São Caetano	São Caetano	2011	100.0	100.0
Jundiá Shopping	Jundiá	2012	100.0	100.0
ParkShopping Campo Grande	Rio de Janeiro	2012	90.0	90.0
Village Mall	Rio de Janeiro	2012	100.0	100.0
Parque Shopping Maceió	Maceió	2013	50.0	50.0
ParkShopping Canoas (i)	Canoas	2017	82.3	82.3

Further to the Private Instrument of Purchase and Sale Commitment and Other Covenants Subject to Suspensive Conditions, executed with Clube Atlético Mineiro on July 3, 2017, the Company signed on January 20, 2020, the Public Deed of Purchase and Sale, whereby it acquired 50.1% of Clube Atlético Mineiro's interest in DiamondMall shopping mall for R\$268,000, corresponding to R\$296,773, as restated on the closing date of the transaction. Of this amount, R\$5,935 were paid in January 2020, and the remaining balance of R\$290,838 was agreed to be settled in 36 consecutive monthly installments as follows: (i) one installment in the amount of R\$23,742; (ii) three monthly installments in the amount of R\$11,871; (iii) two monthly installments of R\$8,903; and (iv) thirty monthly installments in the amount of R\$7,123. All installments will be adjusted for inflation by reference to the CDI variation. The Company has already settled the installment provided for in subitem i, and two of the installments provided for in subitem ii, totaling R\$47,484, remaining a balance payable of R\$247,095.

Additionally, Clube Atlético Mineiro will receive for 48 successive months 7.515% of Diamond Mall's gross monthly revenue, using the same calculation criteria as the lease contract currently in force. These installments are estimated to total R\$18,000. There are no adjustments on this amount.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

On February 20, 2020, the Company executed a public deed of purchase and sale commitment as a result of the exercise of its preemptive right in the acquisition of equity interest of IRB Investimentos e Participações Imobiliárias S.A. in Parkshopping, corresponding to 20% of the property of certain units of the project for R\$225,000. Of this amount, R\$18,000 were paid through two deposits of R\$11,250 and R\$6,750, made on November 19 and 25, 2019, respectively; R\$94,500 were paid upon the execution of the public deed of purchase and sale commitment; and R\$112,500 paid on June 10, 2020 restated by reference to the positive variation of 120% of the CDI. Continuing with the provisions of the public deed of purchase and sale commitment referred to above, on June 10, 2020, the Company entered into the Public Deed of Purchase and Sale, performing in the same act the early settlement of the balance, which restated totaled R\$113,883, thus holding the total equity interest of IRB Investimentos e Participações Imobiliárias S.A. in Parkshopping.

On April 11, 2019, the Company executed a public deed of purchase and sale commitment as a result of the exercise of its preemptive right in the acquisition of the participation of its partner in BH Shopping, corresponding to 20% of the venture, for the amount of R\$360,000. Of this amount, R\$330,000 was paid on the date the business was formally carried out and R\$30,000 ("Balance") would be paid within 12 months, adjusted by the positive variation of Brazil's Extended Consumer Price Index (IPCA), disclosed by the Brazilian Institute of Geography and Statistics (IBGE), until the settlement date. On April 8, 2020, the Company signed the re-ratification of the aforementioned public deed of purchase and sale commitment, changing the Balance's maturity to April 14, 2021, to be adjusted until its effective payment by the positive variation of the IPCA, disclosed by IBGE, plus interest of 4.9% per year. After the acquisition, the Company now holds 100% interest in BH Shopping.

On April 15, 2020, the Company entered into a Bank Credit Bill ("CCB") with Banco Itaú Unibanco S.A. to finance the acquisition of equity interest in ParkShopping, through its subsidiary Multiplan Parkshopping e Participações Ltda., of the fraction of 20% of registrations held by seller IRB Investimentos e Participações Imobiliárias S.A. Financing totaled R\$225,000 to be drawn down in two tranches of R\$112,500 on April 17, 2020 and June 17, 2020. Charges thereon vary by reference to the Selic rate, according to the table described at the end of this note. This financing will be repaid in 180 monthly and consecutive installments from May 17, 2020. The loan is guaranteed by statutory lien of the fraction of 67.56% on the 50% fraction that the Company held in the registrations involved in the transaction.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

The Company also recorded assignment in trust of credit rights arising from the same fraction above the ParkShopping's net operating income.

<u>Range</u>	<u>Contract rate</u>
Se Selic \leq 3.75%	TR + 5.00%
Se Selic between $>$ 3.75% and \leq 4.25%	TR + 5.50%
Se Selic between $>$ 4.25% and \leq 5.00%	TR + 6.00%
Se Selic between $>$ 5.00 % and \leq 6.0%	TR + 6.50%
Se Selic between $>$ 6.0% and \leq 7.25%	TR + 7.50%
Se Selic between $>$ 7.25% and \leq 8.25%	TR + 8.20%
Se Selic $>$ 8.25%	TR + 8.60%

On April 23, 2020, the Company completed the transaction provided for in the Investment Agreement entered into on January 20, 2020, which was subsequently amended on April 16, 2020, through which it increased its equity interest held in Delivery Center Holding S.A.'s capital to 22.95%, through subscription of 159,675 new common shares, at the issue price of R\$117,42 each. Referred to contribution, amounting to R\$18.7 million, will be paid in nine consecutive and equal monthly installments. The first four installments were paid on the 23rd day of April to July, 2020 and the remaining installments will be due on the same day of subsequent months until December 2020.

On June 30, 2020 and December 31, 2019, the Company is the legal representative and manager of all shopping malls, except for Parque Shopping Maceió.

Business Combination

On February 7, 2020, the Company concluded a transaction whereby it acquired the remaining 50.0% interest in Manati Empreendimentos e Participações SA held by Aliansce Sonae Shopping Centers S.A., corresponding to an indirect interest of 37.5% in Shopping Santa Úrsula, for the total amount of R\$28,500, adjustable by the accumulated positive variation of the CDI from October 18, 2019 until the business day immediately prior to payment, of which R\$ 19,000 were paid on the closing date of the transaction and the balance will be paid in four equal, fixed and half-yearly installments, starting in six months from that date. On March 6, 2020, the acquisition price was increased by R\$368 thousand, corresponding to Manati's cash on the closing date in proportion to the interest then held by Aliansce. With this acquisition, the Company now holds, directly and indirectly, 100% interest in Shopping Santa Úrsula.

The Company made a phased acquisition (by first purchasing control of a Joint Venture), thus, as provided for in CPC 15, it also revalued its previous participation at fair value against Profit or loss for the period.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

Business Combination (Continued)

The fair value of Manati's assets acquired and liabilities assumed on the acquisition date was calculated by the Company's management through the individualized analysis of each statement of financial position account, with the impact basically attributed to the fair value of the investment property (Shopping Santa Úrsula). Worth noticing that the net assets acquired in the quarterly information as of March 31, 2020 were accounted for based on a preliminary assessment carried out through an internal study, since the Company will engage an independent appraiser to prepare a report. Management expects this transaction to be completed by December 31, 2020, and, if so necessary, it will make final adjustments as required by IFRS 3/CPC 15.

Additional interest acquired (%)	50.0%
Total consideration	28,868
Consideration transferred on acquisition date	19,118
Accounts payable for acquisition (Note 15)	9,750
Interest prior to fair value	67,270
Interest prior to book value	32,503
Gain on business combination due to the revaluation of the portion previously held	34,767
Deferred income and social contribution taxes	(11,821)
Net gain on phased business combination	22,946
<u>Assets</u>	
Cash and cash equivalents	109
Short-term investments	367
Accounts receivable, net	1,830
Accounts receivable from related parties	69
Taxes recoverable	118
Deferred costs	2,523
Judicial deposits	24
Deferred income and social contribution taxes	2,787
Investment properties	58,786
Intangible assets	838
<u>Liabilities</u>	
Accounts payable	109
Taxes payable	53
Deferred revenue	19
Total identifiable assets, net	67,270
Total consideration	28,868
Gain on bargain purchase in the acquisition	38,402
Gain on business combination due to revaluation of previously held portion	34,767
Total gain on bargain purchase (i)	73,169
(-) tax effects (34%)	(24,877)
Net gain	48,292
Contribution to the Group with revenue from acquisition date	2,078
Contribution to the Group with income before taxes from acquisition date	(18)
Acquirees revenue since beginning of year	2,751
Acquiree's income before taxes since beginning of year	69

(i) This amount is recorded in the statement of profit or loss for the period.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

2. Presentation of quarterly information and accounting policies

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

This quarterly information includes the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting and the international standard IAS 34 - Interim Financial Reporting, applicable to real estate development entities in Brazil, registered with Brazil's Securities and Exchange Commission ("CVM"). This information is also presented in a manner consistent with the rules issued by CVM, applicable to the preparation of the Quarterly Information - ITR. Accordingly, the determination of the accounting policy adopted by the Company, for the recognition of revenue in purchase and sale contracts for unfinished real estate units, on the aspects related to the transfer of control follow the understanding expressed by CVM in Memorandum Circular/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15).

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

2.2. Basis of measurement

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

2.3. Basis of consolidation

The consolidated quarterly information includes the quarterly information of the Company and its subsidiaries as at June 30, 2020 and are in line with the financial statements as at December 31, 2019 disclosed on February 14, 2020, except in relation to the subsidiary Manati Empreendimentos e Participações S.A. which became consolidated after the acquisition of the remaining 50% interest on February 7, 2020 held by Aliance Sonae Shopping Center S.A., as detailed in Note 1 above.

The reconciliation between the net income for the six-month periods ended June 30, 2020 and 2019 between Individual and Consolidated is as follows:

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

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

2.3. Basis of consolidation (Continued)

	Net income for the period	
	06/30/2020	06/30/2019
Individual	256,858	207,151
Equity pickup for the period - County (a)	(1,111)	34
Consolidated	<u>255,747</u>	<u>207,185</u>

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

2.4. Significant accounting policies adopted in the quarterly information

The significant accounting policies adopted by the Company in this quarterly information are consistent with those adopted in the financial statements for the year ended December 31, 2019, disclosed on February 14, 2020, complemented by the accounting policy included below about the business combination that occurred in this first half of 2020.

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the sum of the consideration transferred, measured at the fair value on the acquisition date, and the value of any Non-controlling interests in the acquiree. For each business combination, the acquirer should measure Non-controlling interests at fair value or based on the proportionate share in the identifiable net assets of the acquiree. Costs directly attributable to the acquisition are recognized as expenses, as incurred.

When acquiring a business, the Company analyzes the financial assets and liabilities assumed, in order to classify and allocate them according to the contractual terms, economic circumstances and applicable conditions on the acquisition date, including segregation, by the acquiree, of embedded derivatives existing in host contracts in the acquiree.

If the business combination is conducted in stages, the fair value on the date of acquisition of the interest previously held in the capital of the acquired company is remeasured on the acquisition date, and any impacts are recognized in P&L.

If the consideration is lower than the fair value of net assets acquired, the difference is recognized as a gain in P&L.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

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

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Cash and cash equivalents				
Cash and banks	43,055	64,720	20,929	34,830
Short-term investments - Bank Deposit Certificates (CDB)	690,095	886,025	1,633	1,633
Total cash and cash equivalents	733,150	950,745	22,562	36,463

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

The short-term investments presented as cash and cash equivalents can be redeemed at any time without penalty and without affecting earnings recognized or any risk of significant change in value. These investments bear interest at an average effective rate of 100.81% of the Interbank deposit certificate (CDI) on June 30, 2020 (99.25% at December 31, 2019).

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Short-term investments with daily liquidity				
Investment fund DI - Fixed Income	142,076	142,076	623,912	871,506
Total short-term investments	142,076	142,076	623,912	871,506

The Fixed Income Investment Funds - DI are non-boutique funds classified by the Brazilian Financial and Capital Markets Association (ANBIMA) as short-term and low-risk funds, which bear interest at an average effective rate of 98.06% of the CDI at June 30, 2020 (94.40% at December 31, 2019). The funds' portfolios are managed by Bradesco Asset Management, Santander Asset Management, Itaú Asset and BB DTVM. The Company does not interfere with or influence the management of the portfolios or the acquisition and sale of the securities included in the portfolios.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

4. Accounts receivable

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Lease	80,727	116,198	163,836	209,121
Straight-line effect	192,390	245,690	19,445	33,213
Key money	24,728	39,282	24,923	38,617
Parking	1,477	3,705	14,473	23,980
Management fees (a)	7,630	7,630	8,566	8,566
Brokerage	150	150	746	746
Merchandising	181	181	993	993
Real Estate for sale	14,290	62,626	15,886	67,256
Other	5,875	8,975	5,962	8,359
	327,448	484,437	254,830	390,851
Allowance for doubtful accounts (ADA)	(57,654)	(75,590)	(39,435)	(50,329)
	269,794	408,847	215,395	340,522
Non-current	(16,682)	(47,118)	(20,147)	(56,406)
Current	253,112	361,729	195,248	284,116

Since March 2020, due to the COVID-19 pandemic that had a direct impact on the Company's operations, management has introduced a change in its relationship with storeowners, allowing them to make such payments with a one-off reduction in the rent due, in addition to a reduction in the amounts due as condominium fees and promotion fund. These reductions were applicable from March to June 2020 and will not be offset against the remaining portions of the lease agreements. Accordingly, this condition was treated as a change in the lease agreement flow and, therefore, the Company reviewed the straight-line basis of its minimum rents according to the remaining term of each agreement, as provided for in CPC 06 (R2)/IFRS 16.

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

The aging list of accounts receivable is as follows:

Individual	Balance falling due with no impairment loss	< 30 days	Balance overdue with no impairment loss					Total
			30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	24,486	3,485	1,611	9,720	4,339	5,862	31,225	80,728
Straight-line effect	192,390	-	-	-	-	-	-	192,390
Key money (*)	21,256	596	586	561	747	319	662	24,727
Parking	1,477	-	-	-	-	-	-	1,477
Management fees	3,376	331	604	941	880	175	1,323	7,630
Brokerage	118	13	-	4	-	8	6	149
Merchandising	142	3	-	2	-	29	4	180
Real Estate for sale	12,281	65	96	54	49	116	1,629	14,290
Other	3,236	218	61	61	157	-	2,144	5,877
Total at 06/30/2020	258,762	4,711	2,958	11,343	6,172	6,509	36,993	327,448
(-) ADA	(2,146)	(2,483)	(1,513)	(7,691)	(4,350)	(5,486)	(33,985)	(57,654)
Net balance at 06/30/2020	256,616	2,228	1,445	3,652	1,822	1,023	3,008	269,794

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Individual	Balance falling due with no impairment loss			Balance overdue with no impairment loss				Total
		< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	125,075	3,317	1,719	1,364	1,588	3,058	27,715	163,836
Straight-line effect	19,445	-	-	-	-	-	-	19,445
Key money (*)	23,540	241	116	107	175	187	557	24,923
Parking	14,473	-	-	-	-	-	-	14,473
Management fees	7,243	-	-	-	15	-	1,308	8,566
Brokerage	740	-	-	-	-	-	6	746
Merchandising	805	-	5	3	5	11	164	993
Real Estate for sale	13,941	612	48	27	24	30	1,204	15,886
Other	2,553	931	26	2	1	1	2,448	5,962
Total at 12/31/2019	207,815	5,101	1,914	1,503	1,808	3,287	33,402	254,830
(-) ADA	(3,462)	(1,722)	(1,070)	(968)	(1,325)	(2,626)	(28,262)	(39,435)
Net balance at 12/31/2019	204,353	3,379	844	535	483	661	5,140	215,395

Consolidated	Balance falling due with no impairment loss			Balance overdue with no impairment loss				Total
		< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	42,843	4,651	2,188	12,746	5,934	8,076	39,760	116,198
Straight-line effect	245,690	-	-	-	-	-	-	245,690
Key money (*)	33,008	975	819	807	1,024	447	2,202	39,282
Parking	2,736	584	47	127	104	55	53	3,706
Management fees	3,376	331	604	941	880	175	1,323	7,630
Brokerage	118	13	-	4	-	8	6	149
Merchandising	142	3	-	2	-	29	4	180
Real Estate for sale	52,519	364	473	752	443	409	7,665	62,625
Other	5,496	256	169	117	358	9	2,572	8,977
Total at 03/31/2020	385,928	7,177	4,300	15,496	8,743	9,208	53,585	484,437
(-) ADA	(2,831)	(3,217)	(2,047)	(10,209)	(5,862)	(7,556)	(43,868)	(75,590)
Net balance at 06/30/2020	383,097	3,960	2,253	5,287	2,881	1,652	9,717	408,847

Consolidated	Balance falling due with no impairment loss			Balance overdue with no impairment loss				Total
		< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	159,811	4,181	2,561	2,075	2,139	4,058	34,296	209,121
Straight-line effect	33,213	-	-	-	-	-	-	33,213
Key money (*)	35,499	305	148	144	213	248	2,060	38,617
Parking	21,339	2,240	134	191	10	45	21	23,980
Management fees	7,243	-	-	-	15	-	1,308	8,566
Brokerage	740	-	-	-	-	-	6	746
Merchandising	805	-	5	3	5	11	164	993
Real Estate for sale	58,691	829	200	423	428	241	6,444	67,256
Other	4,171	1,019	75	3	1	18	3,073	8,359
Total at 12/31/2019	321,512	8,574	3,123	2,839	2,811	4,621	47,372	390,851
(-) ADA	(4,250)	(2,131)	(1,565)	(1,453)	(1,743)	(3,495)	(35,692)	(50,329)
Net balance at 12/31/2019	317,262	6,443	1,558	1,386	1,068	1,126	11,680	340,522

(*) The accounts receivable from lease and key money is net of a provision for tax loss amounting to R\$16,180 at September 30, 2019 (R\$15,588 at December 31, 2018) in individual and R\$30,884 at June 30, 2020 (R\$27,187 at December 31, 2019) in consolidated, recorded in the statement of income as "Mall expenses".

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Lease and key money

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

The information on exposure to average credit risk of the Company's lease receivables and key money as of June 30, 2020 and December 31, 2019 is presented below, using a provision matrix:

<u>Risk</u>	<u>06/30/2020</u>	<u>12/31/2019</u>
Falling due	2.6%	2.3%
Overdue up to 30 days	56.5%	48.4%
Overdue up to 60 days	68.5%	58.3%
Overdue up to 90 days	76.5%	65.8%
Overdue up to 120 days	84.8%	75.2%
Overdue up to 180 days	88.2%	80.9%
Overdue for more than 180 days	100.0%	92.6%

The balances of accounts receivable for rent, assignment of rights and acknowledgment of debt at June 30, 2020 were impacted by Covid-19. This impact was considered in accounts receivable upon reducing its expectation of recovery from default in all ranges of the provision matrix.

Real Estate for sale

The allowance for doubtful accounts is recorded to write down trade accounts receivable to their recoverable amount, based on an individual analysis of such receivables. As trade accounts receivable are guaranteed by the real estate units sold, when a customer becomes a defaulter, the total balance due on the unit is compared with the best estimate of the unit's market value, less costs to recover and sell. An allowance for doubtful accounts is set up when the total balance due is higher than the net value given in guarantee. At June 30, 2020, even considering the impacts of COVID-19, and December 31, 2019, the Company did not identify the need for an allowance for doubtful accounts on the real estate receivables.

Parking, management fee, brokerage and merchandising and others

The Company understands that the credit risk from accounts receivable for parking, management fee, brokerage and merchandising is very low and has no history of default. Therefore, on June 30, 2020, even considering the impacts of COVID-19, and December 31, 2019, the Company did not identify the need for an allowance for doubtful accounts on the respective balances.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

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

The balance of accounts receivable for parking, administration, marketing and advertising fee as of June 30, 2020 was impacted by Covid-19. This impact was considered in accounts receivable when reducing parking, services and other revenue from June 2020. This reduction is due to a reduction in the flow of cars, condominium costs and sales in the Company's properties.

For "Others", the Company identified the need for an allowance for doubtful accounts in the amount of R\$2,097 on June 30, 2020 and December 31, 2019.

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

	ADA	
	Individual	Consolidated
Balances on December 31, 2018	(28,677)	(38,081)
Additions	(30,584)	(44,336)
Write-offs	19,826	32,088
Balances on December 31, 2019	(39,435)	(50,329)
Manati acquisition	-	(1,146)
Additions	(23,901)	(33,941)
Write-offs	5,682	9,826
Balances on June 30, 2020	<u>57,654</u>	<u>75,590</u>

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

For the quarters ended June 30, 2020 and 2019, the Company earned R\$205,667 and R\$216,946, respectively, from base rent only in relation to agreements prevailing at the end of each year, which presented the following renewal schedule:

	Consolidated	
	June 30, 2020	June 30, 2019
In 2019	-	4.9%
In 2020	4.9%	14.1%
In 2021	14.3%	16.2%
In 2022	15.1%	16.9%
In 2023	18.1%	16.6%
After 2023	36.2%	19.5%
Undetermined (*)	11.4%	11.8%
Total	<u>100.0%</u>	<u>100.0%</u>

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

5. Transactions with related parties

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

	June 30, 2020		December 31, 2019	
	Company	Consolidated	Company	Consolidated
Current assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	30,404	53,563	27,024	46,682
Shopping Mall Associations (b)	1,241	1,241	932	932
Park Jacarepaguá (i)	65	-	72	-
JundiaíShopping (i)	26	-	26	-
Danville (g)	-	-	428	-
Ribeirão Residencial (g)	-	-	544	-
Fulllab (h)	-	81	-	80
Loans - other (d)	208	208	197	197
Shopping Mall Condominiums (c)	2,528	3,315	2,244	3,390
Subtotal	34,472	58,408	31,270	51,084
Allowance for doubtful accounts (a)	(22,386)	(40,570)	(20,224)	(35,917)
Total sundry loans and advances - current	12,086	17,838	11,046	15,167
Accounts receivable				
Multiplan Administradora de Shopping Centers Ltda. (e)	1,477	-	14,473	-
Total accounts receivable - Non-current	1,477	-	14,473	-
Total current assets	13,563	17,838	25,519	15,167
Non-current assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	56	60	56	60
Shopping Mall Condominiums (c)	604	1,024	1,511	1,827
Shopping Mall Associations (b)	6,661	6,661	7,099	7,099
Loans - other (d)	346	346	197	197
Subtotal	7,667	8,091	8,863	9,183
Provision for losses (a)	-	-	(40)	(40)
Total sundry loans and advances - Non-current	7,667	8,091	8,823	9,143
Current liabilities:				
Payables to related parties				
Fulllab (h)	-	98	-	94
MPH Empreendimento Imobiliário Ltda. (k)	-	-	38	15
Total Payables to related parties - current	-	98	38	109
Non-current liabilities:				
Payables to related parties				
Fulllab (h)	-	2,174	-	2,125
Total Payables to related parties - Non-current	-	2,174	-	2,125

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

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

	Company	
	06/30/2020	06/30/2019
Statement of profit or loss:		
Service revenue		
Multiplan Administradora de Shopping Centers Ltda. (e)	26,717	57,422
Revenue from Hot Zone lease (f)	258	353
Shopping centers expenses:		
Multiplan Arrecadadora Ltda. (g)	516	516
Service agreement		
Peres - Advogados, Associados S/C (h)	305	951
Finance income (costs), net		
Interest on loans and sundry advances (j)	278	539
	Consolidated	
	06/30/2020	06/30/2019
Profit or loss statement:		
Rental revenue from Hot Zone (f)	358	504
Service agreement		
Peres - Advogados, Associados S/C (h)	305	951
Finance income (costs), net		
Interest on loans and sundry advances (j)	311	552

- (a) Prepayments of charges granted to condominiums of shopping malls owned by Multiplan Group, in light of the default of storeowners with the condominiums. At June 30, 2020, based on a study of expected credit losses for the balance, which identified a 26.5% (28.7% at June 30, 2019) historical percentage of return of all prepaid charges, the provision was adjusted to 73.5% (71.3% at June 2019) of the prepaid balance, with an average effect of R\$3,755 (R\$1,346 due to effect of acquisition of MANATI) as provision at June 30, 2020 (provision of R\$3,623 at June 30, 2019) recorded against income, as "Shopping Expenses".
- (b) These refer to advances granted to the Storeowners Association of the following Shopping Malls: BarraShopping Sul and ParkShopping Barigui. These advances bear interest based on the CDI fluctuation, and will be fully settled up to 2022.
- (c) These refer to loans made with the condominiums of Village Mall, Barra Shopping, ParkShopping Canoas, ParkShopping São Caetano and Morumbi Corporate Towers that bear interest based on the CDI fluctuation, and will be fully settled up to 2023.
- (d) This refers to loans granted to employees, which has been repaid in annual installments.
- (e) Refers to the portion of accounts receivable and income (loss) that the Company has with subsidiary Multiplan Administradora de Shopping Centers Ltda., which manages the shopping malls' parking lots and transfer from 93% to 97.5% of net income to the Company. It should be noted that whenever total expenses exceed the income generated, the Company is required to reimburse such difference to Multiplan Administradora de Shopping Centers Ltda. plus 3% of monthly gross revenue. These amounts are billed and received on a monthly basis.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

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

- (f) This refers to amounts billed as Hot Zone store leases entered into with Divertplan Comércio e Indústria Ltda. (lessee), in which Multiplan Planejamento Participações e Administração S/A, a Company shareholder, holds 99% of the capital.
- (g) These are amounts recoverable from subsidiaries Ribeirão Residencial and Danville relating to construction cost. They refer to regularization of future capital contribution in subsidiary Ribeirão Residencial as well.
- (h) Receivables from and payables to Fullab refer to an advance of R\$135 remunerated based on the CDI variation, which will be fully settled by 2020, and a purchase of equity interest amounting to R\$2,243 annually restated by reference to the SELIC rate, which will be settled by 2043.
- (i) These are amounts recoverable from subsidiary Jundiá Shopping Center Ltda., ParkShopping Jacarepaguá Ltda. and ParkShopping Canoas Ltda., referring to the sharing of payroll expenses.
- (j) This refers to the addendum to the legal service agreement entered into by the Company and Peres - Advogados, Associados S/C, owned by a close family member of the Company's controlling shareholder, dated May 1, 2011. The agreement has an indefinite term and establishes a monthly compensation of R\$50, restated by reference to the Consumer Price Index (IPC) on an annual basis.
- (k) This refers to amounts to be transferred to subsidiary MPH Empreendimento Imobiliário Ltda. referring to settlement of a labor lawsuit.
- (l) This refers to the net finance income of interest on the various loans granted to related parties.
- (m) This refers to lease collection services, common and specific charges, revenue from promotion funds and other revenue deriving from the operation and sale of office spaces of the Company and/or its subsidiaries.

5.2. Key management personnel compensation

Management Compensation

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

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

	<u>06/30/2020</u>	<u>06/30/2019</u>
Short-term benefits	8,432	11,466
Compensation based on variation of the share value (phantom) (*)	(13,131)	11,210
Compensation based on variation of the share value (restricted) (Note 20.c)	4,790	2,173
	<u>91</u>	<u>24,849</u>

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

5.2. Key management personnel compensation (Continued)

On June 30, 2020, key management personnel comprised seven members of the Board of Directors, six executive officers and three members of the supervisory board.

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

6. Land and properties held for sale

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Land	19,742	426,440	19,581	424,052
Properties completed	6,135	25,540	6,976	25,737
	25,877	451,980	26,557	449,789
Current	6,135	25,540	6,976	25,737
Non-current	19,742	426,440	19,581	424,052
	25,877	451,980	26,557	449,789

The Company reclassifies part of its inventories from Non-current assets to “Land”, according to launches scheduled for projects, and to “Construction in progress” based on the completion schedule of its construction works. It should be noted that as of June 30, 2020 and December 31, 2019, the Company does not have any properties under construction. There were no indicators of impairment of land and properties held for sale as of June 30, 2020 and December 31, 2019. The Company reviewed its projections for launching projects for sale as of June 30, 2020 due to the impacts arising from the COVID-19 pandemic and concluded that there was no impact on the classification and evaluation of its inventory.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

7. Income and social contribution taxes

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

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Assets:				
Provision for legal and administrative proceedings	5,004	5,374	5,321	5,649
Allowance for doubtful accounts	54,346	68,310	36,885	44,231
Provision for losses on advances of charges	22,386	22,386	20,264	20,264
Accrued annual bonus (a)	27,167	27,167	27,186	27,186
Phantom stock options	37,307	37,307	67,605	67,605
Others (b)	1,999	1,999	4,278	4,278
Income and social contribution tax loss	-	121,480	-	118,572
Deferred tax asset base	148,209	284,023	161,539	287,785
Deferred income tax asset (c)	33,317	67,263	36,647	67,951
Deferred social contribution tax asset (c)	13,339	25,562	14,539	25,811
Subtotal	46,656	92,825	51,186	93,762
Liabilities:				
Difference between accounting vs. tax goodwill (d)	(316,845)	(316,845)	(316,845)	(316,845)
Straight-line effect revenue (e)	(174,107)	(189,592)	(1,540)	878
Income (loss) from real estate projects (f)	-	(20,147)	-	(26,745)
Depreciation (g)	(403,100)	(467,571)	(370,686)	(426,436)
Business Combination Gain	(73,169)	(73,169)	-	-
Interest capitalized (h)	(61,008)	(98,047)	(58,786)	(96,183)
Deferred tax liabilities base	(1,028,229)	(1,165,371)	(747,857)	(865,331)
Deferred income tax liabilities (c)	(257,057)	(286,712)	(186,965)	(210,186)
Deferred social contribution tax liabilities (c)	(92,541)	(103,289)	(67,308)	(75,764)
Subtotal	(349,598)	(390,001)	(254,273)	(285,950)
Deferred income and social contribution taxes, net	(302,942)	(297,176)	(203,087)	(192,188)
Non-current assets	-	17,222	-	17,171
Non-current liabilities	(302,942)	(314,398)	(203,087)	(209,359)

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

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

7. Income and social contribution taxes (Continued)

- (d) Goodwill on acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A. and Realejo Participações S.A. based on expected future earnings. Such companies were then merged and the respective goodwill reclassified to intangible assets. Pursuant to the new accounting standards, beginning January 1, 2009 such goodwill is no longer amortized and deferred income and social contribution tax liabilities were recognized on the difference between the tax base and the carrying amount of the related goodwill. For tax purposes, the amortization of goodwill ended November 2014.
- (e) The Company formed income and social contribution taxes on deferred taxation of straight-line income during the term of the contract, regardless of the receipt term. As of 2015, after the enactment of Law No. 12973 of May 13, 2014, this income has been subject to taxation on an accrual basis. Thus, the deferred balance up to December 31, 2014 will be subjected to taxation upon its realization.
- (f) According to the tax criterion, the income (loss) on the sale of real estate units is determined based on the financial realization of income (cash basis) while for accounting purposes such income (loss) is accounted for on an accrual basis.
- (g) The Company recognized deferred income and social contribution tax liabilities on differences between the amounts calculated based on the accounting method and criteria provided for in Law No. 12973 of May 13, 2014.
- (h) The Company recognized deferred income and social contribution tax liabilities on the immediate tax deduction of interest on loans taken out for the construction of assets and recorded as a cost of its original asset. The deferred liability will be reversed as the original asset is realized through depreciation.
- (i) Recognition of deferred liabilities due to gain on bargain purchase, which was excluded from the calculations of IRPJ and CSLL. Taxation will only occur if the investment is sold. See business combination (Note 1).

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

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
2019	14,811	16,599	17,606	18,801
2020	8,904	11,180	12,100	20,867
2021	8,986	20,708	12,182	20,785
2022 to 2023	7,354	27,609	5,044	21,051
2024 to 2025	6,601	16,729	4,254	12,257
	46,656	92,825	51,186	93,761

The Company revised its taxable profit projections on June 30, 2010 due to the impacts arising from COVID-19 and concluded that there is no need for a valuation allowance on the recorded.

Reconciliation of income and social contribution tax expenses

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

7. Income and social contribution taxes (Continued)

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

Description	Individual			
	June 30, 2020		June 30, 2019	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	353,082	353,082	241,642	241,642
Rate	25%	9%	25%	9%
Statutory rate	(88,271)	(31,777)	(60,411)	(21,748)
Permanent additions and exclusions				
Equity pickup	12,816	4,614	10,456	3,764
Interest on shareholders' equity approved	-	-	27,500	9,900
Interest on shareholders' equity received	-	-	(720)	(259)
Other	(551)	(251)	(2,482)	(492)
Total additions and exclusions	12,265	4,363	34,754	12,913
Current income and social contribution taxes on P&L	(2,583)	(981)	(22,322)	(7,061)
Deferred income and social contribution taxes on P&L	(73,423)	(26,433)	(3,334)	(1,774)
Total	(76,006)	(27,414)	(25,656)	(8,835)
Description	Consolidated			
	June 30, 2020		June 30, 2019	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	359,501	359,501	261,548	261,548
Rate	25%	9%	25%	9%
Statutory rate	(89,875)	(32,355)	(65,387)	(23,539)
Permanent additions and exclusions				
Equity pickup	39	14	1,177	424
Interest on shareholders' equity approved	-	-	27,500	9,900
Interest on shareholders' equity received	-	-	(720)	(259)
Current losses without credit	(6,288)	(2,264)	(6,543)	(2,355)
Income and social contribution taxes on companies operating under the taxable profit computed as a percentage of gross revenue regime	15,399	5,544	5,851	2,106
Other	(925)	(333)	(2,746)	(989)
Total additions and exclusions	8,225	2,961	24,519	8,827
Current income and social contribution taxes on income	(354)	(126)	(37,262)	(13,414)
Deferred income and social contribution taxes on income	(81,295)	(29,267)	(3,606)	(1,298)
Total	(81,649)	(29,393)	(40,868)	(14,712)

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments

Significant information on investees:

Investees	June 30, 2020			June 30, 2019		December 31, 2019	
	Number of units of interest/shares	Interest (%)	Capital	Net income (loss) for the period	Equity	Net income (loss) for the period	Equity
CAA-Corretagem e Consultoria Publicitária Ltda.	40,000	99.00	400	220	620	(16)	1,070
RENASCE - Rede Nacional de Shopping Centers Ltda.	1,761,500	99.99	17,615	(1,264)	5,720	(644)	5,073
CAA-Corretagem Imobiliária Ltda.	182,477	99.61	1,825	-	1	(2)	1
MPH Empreendimento Imobiliário Ltda. (*)	154,940,898	100.00 (*)	154,941	9,276	163,165	8,257	172,425
Multiplan Administr. Shopping Center Ltda.	20,000	99.00	20	2,503	13,156	5,376	17,952
Pátio Savassi Administração de Shopping Center Ltda.	10,750,000	100.00	107	(12)	166	(9)	161
Royal Green Península	-	98.00	51,582	-	2500	-	2,500
Manati Empreendimentos e Participações S.A.	42,885,388	100.00	73,758	(1,453)	64,102	(218)	65,439
Delivery Center Holding S.A.	1,082,034	22.95	1,541	(22,701)	36,554	-	82,515
Parque Shopping Maceió S.A.	182,505,268	50.00	230,505	9,994	252,763	10,354	242,769
Danville SP Empreendimento Imobiliário Ltda.	54,083,073	99.99	54,083	(172)	49,714	(169)	48,885
Multiplan Holding S.A.	1,000	100.00	3,393	30	3,545	46	2,816
Embraplan Empresa Brasileira de Planejamento Ltda.	5,110,438	99.99	5,110	3	258	5	256
Multiplan Greenfield I Emp Imob Ltda.	35,943,556	99.99	35,944	(4)	38,690	1,550	45,346
Barrasul Empreendimento Imobiliário Ltda.	27,520,443	99.99	27,520	1,874	29,394	2,285	29,757
Ribeirão Residencial Emp. Imob. Ltda.	22,687,056	99.90	22,687	(158)	19,452	(246)	18,610
Morumbi Business Center Empreendimento Imobiliário Ltda.	125,852,380	99.90	125,852	4,848	150,630	4,567	147,506
Multiplan Greenfield II Empr. Imob. Ltda.	115,024,966	99.90	115,025	14,077	140,756	9,725	141,168
Multiplan Greenfield IV Empr. Imob. Ltda.	103,876,853	99.90	103,877	13,371	121,846	8,874	125,762
Multiplan Greenfield III Empr. Imob. Ltda.	271,805,648	99.90	271,806	(1,325)	249,448	(1,353)	250,773
ParkShopping Campo Grande Ltda.	-	-	-	-	-	5,843	-
Jundiai Shopping Center Ltda.	54,243,251	99.90	258,876	16,227	306,441	13,085	326,357
ParkShopping Corporate Empr. Imob. Ltda.	1,000	99.90	54,243	506	41,135	64	40,629
Multiplan Arrecadadora Ltda.	34,160,010	99.90	1	355	5,529	396	5,174
ParkShopping Global Ltda.	868,907,187	87.00	34,160	(903)	24,864	(717)	24,252
Multiplan ParkShopping e Participações Ltda.	16,979	99.99	868,907	(7,463)	857,802	(22,092)	591,265
Multishopping Shopping Center Ltda.	384,260,731	99.90	17	-	5	-	5
ParkShopping Jacarepagua Ltda.	90,103,755	99.90	384,261	(1,941)	396,652	(3,507)	320,163
Multiplan Greenfield XI Empr. Imob. Ltda.	7,305,881	99.90	90,104	2,013	92,116	1,757	95,700
Multiplan Greenfield XII Empr. Imob. Ltda.	7,305,881	99.90	7,306	(317)	5,424	(352)	5,742
Teatro VillageMall Ltda.	463,135,848	99.90	4,653	(3,900)	1,878	-	1,111
Multiplan Barra 1 Empr. Imob. Ltda.	190,332,604	99.90	463,136	5,932	469,068	5,885	477,232
Multiplan Morumbi 1 Empr. Imob. Ltda.	20,796,256	99.90	190,333	3,221	193,553	2,845	197,509
Multiplan Golden I Empr. Imob. Ltda.	21,000	99.90	20,796	(134)	19,783	(238)	19,062

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

Investees	June 30, 2020			June 30, 2019		December 31, 2019	
	Number of units of interest/shares	Interest (%)	Capital	Net income (loss) for the period	Equity	Net income (loss) for the period	Equity
Multiplan Golden II Empr. Imob. Ltda.	11,000	99.90	21	-	19	-	19
Multiplan Golden III Empr. Imob. Ltda.	41,000	99.90	11	-	6	-	6
Multiplan Golden IV Empr. Imob. Ltda.	8,746,601	99.90	41	-	40	1	39
Multiplan Golden V Empr. Imob. Ltda.	9,524,144	99.90	8,747	(66)	8,484	(98)	8,136
Multiplan Golden VI Empr. Imob. Ltda.	9,525,144	99.90	9,524	(72)	9,239	(107)	8,860
Multiplan Golden VII Empr. Imob. Ltda.	8,510,308	99.90	9,525	(72)	9,240	(107)	8,861
Multiplan Golden VIII Empr. Imob. Ltda.	2,787,009	99.90	8,510	(64)	8,254	(96)	7,915
Multiplan Golden IX Empr. Imob. Ltda.	5,615,245	99.90	2,787	(20)	2,700	(30)	2,591
Multiplan Golden X Empr. Imob. Ltda.	5,803,207	99.90	5,615	(42)	5,443	(63)	5,218
Multiplan Golden XI Empr. Imob. Ltda.	3,930,270	99.90	5,803	(44)	5,624	(65)	5,393
Multiplan Golden XII Empr. Imob. Ltda.	9,986,297	99.90	3,930	(30)	3,805	(44)	3,650
Multiplan Golden XIII Empr. Imob. Ltda.	8,746,603	99.90	9,986	(75)	9,688	(112)	9,281
Multiplan Golden XIV Empr. Imob. Ltda.	8,509,292	99.90	8,747	(66)	8,484	(98)	8,136
Multiplan Golden XV Empr. Imob. Ltda.	9,980,297	99.90	8,509	(64)	8,254	(96)	7,906
Multiplan Golden XVI Empr. Imob. Ltda.	11,405,410	99.90	9,980	(75)	9,682	(112)	9,284
Multiplan Golden XVII Empr. Imob. Ltda.	11,189,964	99.90	11,405	(84)	11,075	(123)	10,625
Multiplan Golden XVIII Empr. Imob. Ltda.	2,000	99.90	11,190	(84)	10,859	(125)	10,415
MultiplanXVI Empr. Imob. Ltda.	6,000	99.90	2	(1)	3	-	-
MultiplanXVII Empr. Imob. Ltda.	2,000	99.90	6	-	2	(125)	2
MultiplanXVIII Empr. Imob. Ltda.	2,000	99.90	2	(1)	2	-	-
MultiplanXIX Empr. Imob. Ltda.	2,000	99.90	2	(1)	2	-	-
MultiplanXX Empr. Imob. Ltda.	2,000	99.90	2	(1)	2	-	-

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Interest Capitalized	Capital (loss) gain(i)	Equity pickup	06/30/2020
<u>Investments</u>									
CAA Corretagem e Consultoria Publicitária Ltda.	1,059	-	-	(663)	-	-	-	218	614
CAA Corretagem Imobiliária Ltda.	-	-	-	-	-	-	-	-	-
RENASCE - Rede Nacional de Shopping Centers Ltda.	5,071	-	800	-	-	-	(152)	(571)	5,719
Delivery Center Holding S.A.	4,127	12,500	-	-	-	-	(3,462)	(4,776)	8,389
Royal Green Peninsula	2,003	-	-	-	-	-	-	-	2,003
Multiplan Admin. Shopping Center Ltda.	17,774	-	-	(7,227)	-	-	-	2,478	13,025
MPH Empreendimento Imobiliário Ltda.	86,213	-	-	(9,268)	-	-	-	4,637	81,582
Manati Empreendimentos e Participações S.A. (Nota 1)	32,531	102,037	-	-	-	-	-	(1,481)	133,087
Parque Shopping Maceió S.A.	121,385	-	-	-	-	-	-	4,997	126,382
Pátio Savassi Administração de Shopping Center Ltda.	160	-	17	-	-	-	-	(12)	165
Danville SP Empreendimento Imobiliário Ltda.	48,885	-	1,000	-	-	-	-	(171)	49,714
Multiplan Holding S.A.	2,816	-	700	-	-	-	-	30	3,546
Embraplan Empresa Brasileira de Planejamento Ltda.	257	-	-	-	-	-	-	2	259
Ribeirão Residencial Emp Im Ltda.	18,592	-	999	-	-	-	-	(158)	19,433
Morumbi Business Center Empreendimento Imobiliário Ltda.	147,358	-	-	(1,722)	-	-	-	4,844	150,480
Barrasul Empreendimento Imobiliário Ltda.	29,757	-	-	(2,237)	-	-	-	1,874	29,394
Multiplan Greenfield I Emp. Imobiliário Ltda.	45,347	-	-	(6,652)	-	-	-	(5)	38,690
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	141,026	-	2,997	(17,473)	-	-	-	14,064	140,614
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	250,523	-	-	-	-	-	-	(1,324)	249,199
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	125,636	-	-	(17,270)	-	-	-	13,358	121,724
Jundiá Shopping Center Ltda.	326,029	-	-	(36,107)	-	-	-	16,211	306,133
ParkShopping Corporate Empreendimento Imobiliário Ltda.	40,588	-	-	-	-	-	-	506	41,094

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Interest Capitalized	Capital (loss) gain(i)	Equity pickup	06/30/2020
Multiplan Arrecadadora Ltda.	5,169	-	-	-	-	-	-	355	5,524
ParkShopping Global Ltda.	21,099	-	331	-	-	-	-	(784)	20,646
Multiplan ParkShopping e Participações Ltda.	590,894	-	273,505	-	-	-	1	(7,454)	856,946
Multishopping Shopping Center Ltda.	5	-	-	-	-	-	-	-	5
ParkJacarepaguá Empreendimento Imobiliário Ltda.	319,844	-	55,145	-	-	-	-	(1,939)	373,050
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	95,604	-	-	(5,591)	-	-	-	2,010	92,023
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	5,736	-	-	-	-	-	-	(317)	5,419
Teatro VillageMall Ltda.Ltda.	1,111	-	3,287	-	-	-	-	(3,897)	501
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	476,754	-	-	(14,081)	-	-	-	5,926	468,599
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	197,312	-	-	(7,170)	-	-	-	3,218	193,360
Multiplan Golden I Empreendimento Imobiliário Ltda.	19,044	-	540	-	-	-	-	(134)	19,450
Multiplan Golden II Empreendimento Imobiliário Ltda.	19	-	-	-	-	-	-	-	19
Multiplan Golden III Empreendimento Imobiliário Ltda.	6	-	-	-	-	-	-	-	6
Multiplan Golden IV Empreendimento Imobiliário Ltda.	39	-	-	-	-	-	-	-	39
Multiplan Golden V Empreendimento Imobiliário Ltda.	8,127	-	261	-	-	-	-	(66)	8,322
Multiplan Golden VI Empreendimento Imobiliário Ltda.	8,850	-	285	-	-	-	-	(72)	9,063
9.Multiplan Golden VII Empreendimento Imobiliário Ltda.	8,851	-	285	-	-	-	-	(72)	9,064
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	7,908	-	254	-	-	-	-	(64)	8,098
Multiplan Golden IX Empreendimento Imobiliário Ltda.	2,587	-	82	-	-	-	-	(21)	2,648
Multiplan Golden X Empreendimento Imobiliário Ltda.	5,212	-	168	-	-	-	-	(42)	5,338
Multiplan Golden XI Empreendimento Imobiliário Ltda.	5,388	-	173	-	-	-	-	(44)	5,517
Multiplan Golden XII Empreendimento Imobiliário Ltda.	3,645	-	117	-	-	-	-	(30)	3,732
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	9,276	-	308	-	-	-	-	(75)	9,509
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	8,128	-	260	-	-	-	-	(66)	8,322
Multiplan Golden XV Empreendimento Imobiliário Ltda.	7,898	-	264	-	-	-	-	(64)	8,098

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Interest Capitalized	Capital (loss) gain(i)	Equity pickup	06/30/2020
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	9,275	-	298	-	-	-	-	(75)	9,498
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	10,613	-	338	-	-	-	-	(83)	10,868
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	10,406	-	333	-	-	-	-	(84)	10,655
Multiplan XVI Empreendimento Imobiliário Ltda.	1	-	-	-	-	-	-	(1)	-
Multiplan XVII Empreendimento Imobiliário Ltda.	3	-	-	-	-	-	-	-	3
Multiplan XVIII Empreendimento Imobiliário Ltda.	1	-	-	-	-	-	-	(1)	-
Multiplan XIX Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	-	-	-
Multiplan XX Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	-	-	-
Other	94	-	-	-	-	-	-	-	94
Subtotal - Investments	3,286,036	114,537	342,747	(125,461)	-	-	(3,461)	51,264	3,665,662
<u>Future capital contributions</u>									
Reansce - Rede Nacional de Shopping Centers Ltda.	-	800	(800)	-	-	-	-	-	-
Pátio Savassi Administração de Shopping Center Ltda.	-	17	(17)	-	-	-	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	1,000	(1,000)	-	-	-	-	-	-
Manti Empreendimentos e Participações S.A.	-	550	-	-	-	-	-	-	550
Ribeirão Residencial Empreendimento Imobiliário Ltda.	-	999	(999)	-	-	-	-	-	-
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	-	2,997	(2,997)	-	-	-	-	-	-
ParkShopping Global Ltda.	-	1,317	(331)	-	-	-	-	-	986
Multiplan ParkShopping e Participações Ltda.	-	273,505	(273,505)	-	-	-	-	-	-
ParkJacarepaguá Empreendimento Imobiliário Ltda.	-	78,352	(55,145)	-	-	-	-	-	23,207
Multiplan Holding SA	-	700	(700)	-	-	-	-	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Interest Capitalized	Capital (loss) gain(i)	Equity pickup	06/30/2020
Teatro VillageMall Ltda.	-	4,663	(3,287)	-	-	-	-	-	1,376
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	854	(540)	-	-	-	-	-	314
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	413	(261)	-	-	-	-	-	152
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	450	(285)	-	-	-	-	-	165
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	451	(285)	-	-	-	-	-	166
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	402	(254)	-	-	-	-	-	148
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	130	(82)	-	-	-	-	-	48
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	268	(168)	-	-	-	-	-	100
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	274	(173)	-	-	-	-	-	101
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	185	(117)	-	-	-	-	-	68
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	482	(308)	-	-	-	-	-	174
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	412	(261)	-	-	-	-	-	151
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	412	(264)	-	-	-	-	-	148
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	472	(298)	-	-	-	-	-	174
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	533	(337)	-	-	-	-	-	196
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	527	(333)	-	-	-	-	-	194
Multiplan XVI Empreendimento Imobiliário Ltda.	-	3	-	-	-	-	-	-	3
Multiplan XVIII Empreendimento Imobiliário Ltda.	-	2	-	-	-	-	-	-	2
Multiplan XIX Empreendimento Imobiliário Ltda.	-	2	-	-	-	-	-	-	2
Multiplan XX Empreendimento Imobiliário Ltda.	-	3	-	-	-	-	-	-	3
Subtotal - Future capital contributions	-	371,175	(342,747)	-	-	-	-	-	28,428
Subtotal - Investments	3,286,036	485,712	-	(125,461)	-	-	(3,461)	51,264	3,694,090
Capitalization of interest in investees									
ParkJacarepaguá Empreendimento Imobiliário Ltda.	3,440	-	-	-	-	8,906	-	-	12,346
Danville SP Empreendimento Imobiliário Ltda.	14,443	-	-	-	-	-	-	-	14,443
Ribeirão Residencial Empreendimento Imobiliário Ltda.	2,501	-	-	-	-	-	-	-	2,501
Total Capitalization of interest in investees	20,384	-	-	-	-	8,906	-	-	29,290
Goodwill									
Finite useful life	144	-	-	-	(144)	-	-	-	-
Indefinite useful life	8,501	-	-	-	-	-	-	-	8,501
Total goodwill	8,645	-	-	-	(144)	-	-	-	8,501
Total net investments	3,315,065	485,712	-	(125,461)	(144)	8,906	(3,461)	51,264	3,731,881

(i) See corporate restructuring (Note 1).

(ii) The capital gain refers to the changes in participation that occurred during the year in the Delivery Center.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Development(i)	Interest Capitalized	Capital gain(ii)	Equity pickup	12/31/2019
<u>Investments</u>										
CAA Corretagem e Consultoria Publicitária Ltda.	2,421	-	-	(1,881)	-	-	-	-	519	1,059
CAA Corretagem Imobiliária Ltda.	4	-	-	-	-	-	-	-	(4)	-
RENASCE - Rede Nacional de Shopping Centers Ltda.	4,219	-	1,949	-	-	-	-	-	(1,097)	5,071
Delivery Center Holding S.A.	-	3,962	-	-	-	-	-	4,175	(4,010)	4,127
Royal Green Peninsula	1,983	83	-	-	-	-	-	-	(63)	2,003
Multiplan Admin. Shopping Center Ltda.	32,061	-	-	(25,244)	-	-	-	-	10,957	17,774
MPH Empreendimento Imobiliário Ltda.	94,137	-	-	(17,150)	-	-	-	-	9,226	86,213
Manati Empreendimentos Participações S.A.	33,346	-	-	-	-	-	-	-	(815)	32,531
Parque Shopping Maceió S.A.	95,607	24,000	-	(8,740)	-	-	-	-	10,518	121,385
Pátio Savassi Administração de Shopping Center Ltda.	179	-	-	-	-	-	-	-	(19)	160
Darville SP Empreendimento Imobiliário Ltda.	61,204	-	2,470	-	-	-	(14,443)	-	(346)	48,885
Multiplan Holding S.A.	2,711	-	-	-	-	-	-	-	105	2,816
Embraplan Empresa Brasileira de Planejamento Ltda.	252	-	-	-	-	-	-	-	5	257
Ribeirão Residencial Emp Im Ltda.	18,291	-	3,238	-	-	-	(2,501)	-	(436)	18,592
Morumbi Business Center Empreendimento Imobiliário Ltda.	155,457	-	-	(18,232)	-	-	-	-	10,133	147,358
Barrasul Empreendimento Imobiliário Ltda.	47,357	-	-	(19,800)	-	-	-	-	2,200	29,757
Multiplan Greenfield I Emp. Imobiliário Ltda.	63,003	-	-	(20,500)	-	-	-	-	2,844	45,347
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	141,517	-	-	(20,480)	-	-	-	-	19,989	141,026
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	253,013	-	-	-	-	-	-	-	(2,490)	250,523
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	130,476	-	-	(22,977)	-	-	-	-	18,137	125,636
ParkShopping Campo Grande Ltda.	373,054	-	-	(13,686)	-	(369,798)	-	-	10,430	-
Jundiá Shopping Center Ltda.	329,524	-	-	(31,469)	-	-	-	-	27,974	326,029
ParkShopping Corporate Empreendimento Imobiliário Ltda.	39,172	-	999	-	-	-	-	-	417	40,588

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Development(i)	Interest Capitalized	Capital gain(ii)	Equity pickup	12/31/2019
Multiplan Arrecadadora Ltda.	4,381	-	-	-	-	-	-	-	788	5,169
ParkShopping Global Ltda.	19,208	-	3,482	-	-	-	-	-	(1,591)	21,099
Multiplan ParkShopping e Participações Ltda.	230,693	985	24,936	-	-	369,798	-	-	(35,518)	590,894
Multishopping Shopping Center Ltda.	6	-	-	-	-	-	-	-	(1)	5
ParkJacarepaguá Empreendimento Imobiliário Ltda.	196,691	-	129,770	-	-	-	-	-	(6,617)	319,844
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	86,673	-	4,525	-	-	-	-	-	4,406	95,604
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	6,015	-	193	-	-	-	-	-	(472)	5,736
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	7	-	1,349	-	-	-	-	-	(245)	1,111
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	493,667	-	-	(30,969)	-	-	-	-	14,056	476,754
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	203,848	-	-	(13,686)	-	-	-	-	7,150	197,312
Multiplan Golden I Empreendimento Imobiliário Ltda.	16,512	-	3,337	-	-	-	-	-	(805)	19,044
Multiplan Golden II Empreendimento Imobiliário Ltda.	19	-	-	-	-	-	-	-	-	19
Multiplan Golden III Empreendimento Imobiliário Ltda.	7	-	-	-	-	-	-	-	(1)	6
Multiplan Golden IV Empreendimento Imobiliário Ltda.	38	-	-	-	-	-	-	-	1	39
Multiplan Golden V Empreendimento Imobiliário Ltda.	7,295	-	994	-	-	-	-	-	(162)	8,127
Multiplan Golden VI Empreendimento Imobiliário Ltda.	7,944	-	1,082	-	-	-	-	-	(176)	8,850
Multiplan Golden VII Empreendimento Imobiliário Ltda.	7,942	-	1,084	-	-	-	-	-	(175)	8,851
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	7,096	-	969	-	-	-	-	-	(157)	7,908
Multiplan Golden IX Empreendimento Imobiliário Ltda.	2,329	-	308	-	-	-	-	-	(50)	2,587
Multiplan Golden X Empreendimento Imobiliário Ltda.	4,684	-	633	-	-	-	-	-	(105)	5,212
Multiplan Golden XI Empreendimento Imobiliário Ltda.	4,843	-	653	-	-	-	-	-	(108)	5,388
Multiplan Golden XII Empreendimento Imobiliário Ltda.	3,277	-	442	-	-	-	-	-	(74)	3,645
Teatro VillageMall Ltda.	8,331	-	1,127	-	-	-	-	-	(182)	9,276
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	7,305	-	984	-	-	-	-	-	(161)	8,128
Multiplan Golden XV Empreendimento Imobiliário Ltda.	7,096	-	959	-	-	-	-	-	(157)	7,898

Multiplan Empreendimentos Imobiliários S.A.

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June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Development(i)	Interest Capitalized	Capital gain(ii)	Equity pickup	12/31/2019
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	8,335	-	1,124	-	-	-	-	-	(184)	9.275
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	9,544	-	1,271	-	-	-	-	-	(202)	10.613
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	9,298	-	1,313	-	-	-	-	-	(205)	10.406
Multiplan XVI Empreendimento Imobiliário Ltda.	1	-	1	-	-	-	-	-	(1)	1
Multiplan XVII Empreendimento Imobiliário Ltda.	5	-	-	-	-	-	-	-	(2)	3
Multiplan XVIII Empreendimento Imobiliário Ltda.	1	-	1	-	-	-	-	-	(1)	1
Multiplan XIX Empreendimento Imobiliário Ltda.	1	-	1	-	-	-	-	-	(2)	-
Multiplan XX Empreendimento Imobiliário Ltda.	1	-	1	-	-	-	-	-	(2)	-
Other	94	-	-	-	-	-	-	-	-	94
Subtotal - Investments	3,232,175	29,030	189,195	(244,814)	-	-	(16.944)	4,175	93,219	3,286,036
<u>Future capital contributions</u>										
Reansce - Rede Nacional de Shopping Centers Ltda.	-	1,949	(1,949)	-	-	-	-	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	2,470	(2,470)	-	-	-	-	-	-	-
Ribeirão Residencial Empreendimento Imobiliário Ltda.	-	3,238	(3,238)	-	-	-	-	-	-	-
ParkShopping Global Ltda.	-	3,482	(3,482)	-	-	-	-	-	-	-
Multiplan ParkShopping e Participações Ltda.	-	24,936	(24,936)	-	-	-	-	-	-	-
ParkJacarepaguá Empreendimento Imobiliário Ltda.	-	129,770	(129,770)	-	-	-	-	-	-	-
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	-	4,525	(4,525)	-	-	-	-	-	-	-
ParkShopping Corporate Empreendimento Imobiliário Ltda.	-	999	(999)	-	-	-	-	-	-	-
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	-	193	(193)	-	-	-	-	-	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments - individual (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Development(i)	Interest Capitalized	Capital gain(ii)	Equity pickup	12/31/2019
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	1,349	(1,349)	-	-	-	-	-	-	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	3,337	(3,337)	-	-	-	-	-	-	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	994	(994)	-	-	-	-	-	-	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	1,082	(1,082)	-	-	-	-	-	-	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	1,084	(1,084)	-	-	-	-	-	-	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	969	(969)	-	-	-	-	-	-	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	308	(308)	-	-	-	-	-	-	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	633	(633)	-	-	-	-	-	-	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	653	(653)	-	-	-	-	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	442	(442)	-	-	-	-	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	1,127	(1,127)	-	-	-	-	-	-	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	984	(984)	-	-	-	-	-	-	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	959	(959)	-	-	-	-	-	-	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	1,124	(1,124)	-	-	-	-	-	-	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	1,271	(1,271)	-	-	-	-	-	-	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	1,313	(1,313)	-	-	-	-	-	-	-
Multiplan XVI Empreendimento Imobiliário Ltda.	-	1	(1)	-	-	-	-	-	-	-
Multiplan XVIII Empreendimento Imobiliário Ltda.	-	1	(1)	-	-	-	-	-	-	-
Multiplan XIX Empreendimento Imobiliário Ltda.	-	1	(1)	-	-	-	-	-	-	-
Multiplan XX Empreendimento Imobiliário Ltda.	-	1	(1)	-	-	-	-	-	-	-
Subtotal - Future capital contributions	-	189,195	(189,195)	-	-	-	-	-	-	-
Subtotal - Investments	3,232,175	218,225	-	(244,814)	-	-	(16,944)	4,175	93,219	3,286,036
Capitalization of interest in investees										
ParkJacarepaguá Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	3,440	-	-	3,440
Danville SP Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	14,443	-	-	14,443
Ribeirão Residencial Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	2,501	-	-	2,501
Total capitalization of interest in investees	-	-	-	-	-	-	20,384	-	-	20,384
Goodwill										
Finite useful life	-	675	-	-	(531)	-	-	-	-	144
Indefinite useful life	-	8,501	-	-	-	-	-	-	-	8,501
Total goodwill	-	9,176	-	-	(531)	-	-	-	-	8,645
Total net investments	3,232,175	227,401	-	(244,814)	(531)	-	3,440	4,175	93,219	3,315,065

(i) On November 30, 2019, Multiplan ParkShopping e Participações Ltda. and ParkShopping Campo Grande Ltda. executed the Merger Agreement of ParkShopping Campo Grande Ltda. into Multiplan ParkShopping e Participações Ltda.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.2. Changes in investments - consolidated

Investees	12/31/2019	Additions	Amortization	Write-offs	Capital loss	Equity pickup	06/30/2020
SCP - Royal Green Península (*)	2,003	-	-	-	-	-	2,003
Manati Empreendimentos e Participações S.A. (***)	32,531	-	-	(32,503)	-	(28)	-
Parque Shopping Maceió S.A.	121,385	-	-	-	-	4,997	126,382
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	180	-	-	-	-	(40)	140
Delivery Center Holding S.A. (**)	4,127	12,499	-	-	(3,462)	(4,775)	8,389
Other	153	-	-	-	-	-	153
Subtotal - Investments	160,379	12,499	-	(32,503)	(3,462)	154	137,067
Intangible assets - finite useful life	1,045	-	(324)	-	-	-	721
Goodwill - indefinite useful life	15,239	-	-	-	-	-	15,239
Subtotal - Goodwill	16,284	-	(324)	-	-	-	15,960
Total net investments	176,663	12,499	(324)	(32,503)	(3,462)	154	153,027

Investidas	12/31/2018	Additions	Transfers	Dividends	Amortization	Capital loss	Equity pickup	12/31/2019
SCP - Royal Green Península (*)	1,983	83	-	-	-	-	(63)	2,003
Manati Empreendimentos e Participações S.A.	33,346	-	-	-	-	-	(815)	32,531
Parque Shopping Maceió S.A.	95,607	24,000	-	(8,740)	-	-	10,518	121,385
Multiplan Greenfield XII Empreendimento Imobiliário Ltda. (**)	162	-	-	-	-	-	18	180
Delivery Center Holding S.A. (***)	-	3,962	-	-	-	4,175	(4,010)	4,127
Outros	153	-	-	-	-	-	-	153
Subtotal - investimento	131,251	28,045	-	(8,740)	-	4,175	5,648	160,379
Intangível - vida útil definida	1,261	675	-	-	(891)	-	-	1,045
Ágio - vida útil indefinida	6,738	8,501	-	-	-	-	-	15,239
Subtotal - Ágio	7,999	9,176	-	-	(891)	-	-	16,284
Total investimento líquido	139,250	37,221	-	(8,740)	(891)	4,175	5,648	176,663

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.2. Changes in investments - consolidated (Continued)

On January 20, 2020, the Company subscribed for 53,225 new common shares issued within the scope of the capital increase of Delivery Center Holding S.A. ("DC"), for the total amount of R\$ 6,200, which was paid up in local currency on the January 24, 2020. As a result, the Company now holds an 18.76% interest in DC's capital.

On April 23, 2020, the Company subscribed 159,675 new common shares, with no par value, issued within the scope of the capital increase of Delivery Center Holding S.A. ("DC"), now holding 22.95% of capital.

(***) Acquisition of full control on February 7, 2020 of subsidiary Manati Empreendimentos e Participações S.A., as per Business Combination (Note 1).

Investees	12/31/2018	Additions	Transfers	Dividends	Amortization	Capital gain	Equity pickup	12/31/2019
SCP - Royal Green Península (*)	1,983	83	-	-	-	-	(63)	2,003
Manati Empreendimentos Participações S.A.	33,346	-	-	-	-	-	(815)	32,531
Parque Shopping Maceió S.A.	95,607	24,000	-	(8,740)	-	-	10,518	121,385
Multiplan Greenfield XII Empreendimento Imobiliário Ltda. (**)	162	-	-	-	-	-	18	180
Delivery Center Holding S.A. (***)	-	3,962	-	-	-	4,175	(4,010)	4,127
Other	153	-	-	-	-	-	-	153
Subtotal - Investments	131,251	28,045	-	(8,740)	-	4,175	5,648	160,379
Intangible assets - finite useful life	1,261	675	-	-	(892)	-	-	1,044
Goodwill - indefinite useful life	6,738	8,501	-	-	-	-	-	15,239
Subtotal - Goodwill	7,999	9,176	-	-	(892)	-	-	16,283
Total net investments	139,250	37,221	-	(8,740)	(892)	4,175	5,648	176,662

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries

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

	June 30, 2020				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda. (a)	650	-	30	-	220
RENASCE - Rede Nacional de Shopping Centers Ltda.	1,293	6,000	1,293	280	(1,264)
CAA Corretagem Imobiliária Ltda. (a)	1	-	-	-	-
MPH Empreendimento Imobiliário Ltda.	20,473	144,740	1,185	863	9,276
Multiplan Administr. Shopping Center Ltda.	27,858	98	14,691	110	2,503
Pátio Savassi Administração de Shopping Center Ltda.	26	156	17	-	(12)
Manati Empreend.e Participações	6,683	57,809	371	19	(1,453)
Danville SP Empreendimento Imobiliário Ltda. (c)	454	49,261	1	-	(172)
Multiplan Holding S.A.	357	3,196	1	-	30
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	261	-	2	-	3
Multiplan Greenfield I Emp. Imob. Ltda.	30,466	15,638	2,531	4,884	(4)
Barrasul Empreendimento Imobiliário Ltda.	20,711	11,407	527	2,197	1,874
Ribeirão Residencial Emp. Imob. Ltda. (c)	271	19,182	1	-	(158)
Morumbi Business Center Empr. Imob. Ltda. (d)	9,970	141,061	401	-	4,848
Multiplan Greenfield II Empr. Imob. Ltda.	18,822	237,914	27,367	88,613	14,077
Multiplan Greenfield IV Empr. Imob. Ltda.	231,367	13,474	24,643	91,156	13,371
Multiplan Greenfield III Empr. Imob. Ltda. (c)	18,783	233,146	2,481	-	(1,325)
Jundiaí Shopping Center Ltda	24,535	284,038	1,535	597	16,227
ParkShopping Corporate Empr. Imob. Ltda.	5,472	37,596	492	1,441	506
Multiplan Arrecadadora Ltda.	53,504	8,316	56,290	-	355
ParkShopping Global Ltda.	1,341	24,491	968	-	(903)
Multiplan ParkShopping e Participações Ltda.	90,069	1,096,514	34,979	293,802	(7,463)
Multishopping Shopping Center Ltda.	5	-	-	-	-
ParkJacarepaguá Empreendimento Imobiliário Ltda.	13,641	403,282	9,563	10,707	(1,941)
Multiplan Greenfield XI Empr. Imob. Ltda.	4,479	88,042	183	222	2,013
Multiplan Greenfield XII Empr. Imob. Ltda.	163	7,599	164	2,174	(317)
Teatro VillageMall Ltda..	750	1,209	80	-	(3,900)
Multiplan Barra 1 Empr. Imob. Ltda.	59,136	414,028	1,817	2,279	5,932
Multiplan Morumbi 1 Empr. Imob. Ltda.	33,207	162,505	615	1,544	3,221
Multiplan Golden I Empr. Imob. Ltda.	402	32,734	734	12,619	(134)
Multiplan Golden II Empr. Imob. Ltda.	19	-	-	-	-
Multiplan Golden III Empr. Imob. Ltda.	6	-	-	-	-
Multiplan Golden IV Empr. Imob. Ltda.	40	-	-	-	-
Multiplan Golden V Empr. Imob. Ltda.	161	14,784	355	6,107	(66)
Multiplan Golden VI Empr. Imob. Ltda.	175	16,102	387	6,651	(72)
Multiplan Golden VII Empr. Imob. Ltda.	176	16,102	387	6,651	(72)
Multiplan Golden VIII Empr. Imob. Ltda.	158	14,383	346	5,941	(64)
Multiplan Golden IX Empr. Imob. Ltda.	99	4,621	111	1,909	(20)
Multiplan Golden X Empr. Imob. Ltda.	103	9,488	228	3,920	(42)
Multiplan Golden XI Empr. Imob. Ltda.	108	9,801	236	4,050	(44)
Multiplan Golden XII Empr. Imob. Ltda.	74	6,631	159	2,740	(30)
Multiplan Golden XIII Empr. Imob. Ltda.	190	16,878	406	6,974	(75)
Multiplan Golden XIV Empr. Imob. Ltda.	167	14,779	355	6,107	(66)
Multiplan Golden XV Empr. Imob. Ltda.	163	14,378	346	5,941	(64)
Multiplan Golden XVI Empr. Imob. Ltda.	183	16,878	406	6,974	(75)
Multiplan Golden XVII Empr. Imob. Ltda.	273	19,148	459	7,887	(84)
Multiplan Golden XVIII Empr. Imob. Ltda.	207	18,880	452	7,776	(84)
Multiplan XVI Empreendimento Imob. Ltda.	3	-	-	-	(1)
Multiplan XVII Empreendimento Imob. Ltda.	2	-	-	-	-
Multiplan XVIII Empreendimento Imob. Ltda.	2	-	-	-	(1)
Multiplan XIX Empreendimento Imob. Ltda.	2	-	-	-	(1)
Multiplan XX Empreendimento Imob. Ltda.	3	-	-	-	(1)
Balances at June 30, 2020	677,464	3,686,289	187,595	593,135	54,548

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries (Continued)

	December 31, 2019				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda. (a)	1,165	-	95	-	524
RENASCE - Rede Nacional de Shopping Centers Ltda.	744	6,125	1,546	250	(1,219)
CAA Corretagem Imobiliária Ltda. (a)	1	-	-	-	(4)
MPH Empreendimento Imobiliário Ltda.	29,512	146,168	2,031	1,224	18,454
Multiplan Administr. Shopping Center Ltda	60,082	124	42,068	186	11,068
Pátio Savassi Administração de Shopping Center Ltda.	5	156	-	-	(19)
Danville SP Empreendimento Imobiliário Ltda. (c)	396	49,261	771	-	(346)
Multiplan Holding S.A.	155	2,290	-	-	105
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	257	-	2	-	5
Multiplan Greenfield I Emp. Imob. Ltda.	32,951	18,414	1,437	4,581	2,844
Barrasul Empreendimento Imobiliário Ltda.	19,667	12,881	568	2,223	2,200
Ribeirão Residencial Emp. Imob. Ltda. (c)	321	19,146	857	-	(436)
Morumbi Business Center Empr Imob Ltda. (d)	2,087	145,773	355	-	10,143
Multiplan Greenfield II Empr Imob Ltda.	27,629	236,658	19,452	103,667	20,009
Multiplan Greenfield IV Empr Imob Ltda.	22,545	229,674	19,889	106,567	18,155
Multiplan Greenfield III Empr. Imob. Ltda. (c)	17,241	233,836	303	-	(2,492)
ParkShopping Campo Grande Ltda.	-	-	-	-	10,440
Jundiaí Shopping Center Ltda.	41,542	288,745	3,173	758	28,002
ParkShopping Corporate Empr. Imob. Ltda.	3,980	38,445	502	1,294	418
Multiplan Arrecadadora Ltda.	251,171	10,122	256,119	-	789
ParkShopping Global Ltda.	142	24,113	3	-	(1,828)
Multiplan ParkShopping e Participações Ltda.	56,079	873,773	34,216	304,371	(37,193)
Multishopping Shopping Center Ltda.	5	-	-	-	(1)
ParkJacarepaguá Empreendimento Imobiliário Ltda.	6,670	342,342	20,386	8,462	(6,625)
Multiplan Greenfield XI Empr. Imob. Ltda.	7,230	89,140	476	193	4,411
Multiplan Greenfield XII Empr. Imob. Ltda.	208	7,818	160	2,125	(472)
Multiplan Greenfield XIII Empr. Imob. Ltda.	1,921	47	857	-	(245)
Multiplan Barra 1 Empr. Imob. Ltda.	59,779	422,604	3,004	2,148	14,070
Multiplan Morumbi 1 Empr. Imob. Ltda.	33,887	166,455	1,256	1,577	7,157
Multiplan Golden I Empr. Imob. Ltda.	474	32,116	795	12,733	(806)
Multiplan Golden II Empr. Imob. Ltda.	19	-	-	-	-
Multiplan Golden III Empr. Imob. Ltda.	6	-	-	-	(1)
Multiplan Golden IV Empr. Imob. Ltda.	39	-	-	-	-
Multiplan Golden V Empr. Imob. Ltda.	126	14,550	379	6,162	(162)
Multiplan Golden VI Empr. Imob. Ltda.	137	15,846	413	6,711	(176)
Multiplan Golden VII Empr. Imob. Ltda.	138	15,846	413	6,711	(176)
Multiplan Golden VIII Empr. Imob. Ltda.	124	14,155	369	5,994	(157)
Multiplan Golden IX Empr. Imob. Ltda.	88	4,548	119	1,927	(50)
Multiplan Golden X Empr. Imob. Ltda.	79	9,338	243	3,956	(105)
Multiplan Golden XI Empr. Imob. Ltda.	85	9,645	251	4,086	(108)
Multiplan Golden XII Empr. Imob. Ltda.	59	6,526	170	2,764	(74)
Teatro VillageMall Ltda.	140	16,610	433	7,037	(184)
Multiplan Golden XIV Empr. Imob. Ltda.	132	14,545	379	6,162	(162)
Multiplan Golden XV Empr. Imob. Ltda.	119	14,150	369	5,994	(158)
Multiplan Golden XVI Empr. Imob. Ltda.	143	16,610	433	7,037	(184)
Multiplan Golden XVII Empr. Imob. Ltda.	227	18,846	489	7,958	(202)
Multiplan Golden XVIII Empr. Imob. Ltda.	162	18,582	482	7,846	(205)
Multiplan XVI Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XVII Empreendimento Imob. Ltda.	2	-	-	-	(2)
Multiplan XVIII Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XIX Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XX Empreendimento Imob. Ltda.	-	-	-	-	(2)
Balances at December 31, 2019	679,674	3,586,023	415,263	632,704	94,997

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

(b) Dormant company since 2003.

(c) Companies with buildings under construction.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint ventures

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

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

	Parque Shopping Maceió S.A.	
	June 30, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	14,608	11,426
Accounts receivable	10,697	8,003
Related-party receivables	68	100
Taxes and contributions recoverable	932	2,235
Sundry advances	430	429
Other	2,265	771
	29,000	22,964
Non-current assets		
Judicial deposits	55	55
Investment properties	245,268	245,463
Intangible assets	59	29
	245,382	245,547
Total assets	274,382	268,511
Liabilities		
Current liabilities		
Accounts payable	213	739
Taxes and contributions payable	1,340	1,785
Dividends payable	-	3,587
Other	-	345
	1,553	6,456
Non-current liabilities		
Deferred income and social contribution taxes	18,839	17,894
Deferred revenue and costs	1,227	1,392
	20,066	19,286
Equity:		
Capital	230,505	230,505
Legal reserve	2,527	1,475
Reserve for new investments	9,737	28,269
Prepaid Interest on shareholders' equity	-	(17,480)
Retained earnings	9,994	-
	252,763	242,769
Total liabilities and equity	274,382	268,511

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint ventures (Continued)

	Parque Shopping Maceió S.A.	
	June 30, 2020	June 30, 2019
Statement of profit or loss		
Net revenue	16,475	19,598
Cost of services	(4,181)	(4,364)
Gross profit (loss)	12,294	15,234
Administrative expenses - properties	(123)	(118)
Parking	(488)	(577)
Other operating income	4	56
Income before finance income (costs)	11,687	14,595
Finance income (costs)	260	(2,051)
Income before income and social contribution taxes	11,947	12,544
Income and social contribution taxes		
Current	(1,009)	(672)
Deferred	(944)	(1,517)
Net income for the year period	9,994	10,355

The financial information referring to the joint ventures was based on the trial balances presented by the Companies in the closing of the six-month period.

At June 30, 2020, the Company has no commitments assumed with its joint ventures. Additionally, these joint ventures have no contingent liabilities, comprehensive income and other disclosures required by CPC 45 - Disclosure of Interests in Other Entities (IFRS 12) other than those mentioned above.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties/Non-current assets held for sale

Changes in investment properties are as follows:

	Weighted average depreciation rate (%)	Individual							June 30, 2020
		December 31, 2019	Additions(a)	Write-offs(c)	Capitalized interest	Allocation	Depreciation	Transfers	
Cost									
Land		751,198	102,535	-	407	-	-	-	854,140
Buildings and improvements	2.25	3,350,845	222,331	(252)	-	-	-	-	3,572,924
(-) Accumulated depreciation		(686,740)	-	3	-	-	(36,333)	-	(723,070)
Net value		2,664,105	222,331	(249)	-	-	(36,333)	-	2,849,854
Facilities	15.88	475,296	984	-	-	-	-	-	476,280
(-) Accumulated depreciation		(313,422)	-	-	-	-	(18,391)	-	(331,813)
Net value		161,874	984	-	-	-	(18,391)	-	144,467
Machinery, equipment, furniture and fixtures	10	48,389	607	-	-	-	-	-	48,996
(-) Accumulated depreciation		(32,644)	-	-	-	-	(2,034)	-	(34,678)
Net value		15,745	607	-	-	-	(2,034)	-	14,318
Lease	12.6	48,576	44,354	(48,576)	-	-	-	-	44,354
(-) Accumulated depreciation		(6,136)	-	6,647	-	-	(2,204)	-	(1,693)
Net value		42,440	44,354	(41,929)	-	-	(2,204)	-	42,661
Other	10	10,358	689	-	-	-	-	-	11,047
(-) Accumulated depreciation		(5,722)	-	-	-	-	(852)	-	(6,574)
Net value		4,636	689	-	-	-	(852)	-	4,473
Construction in progress		289,473	21,497	(18,000)	2,222	-	-	-	295,192
Stores buyback		46,562	3,205	-	-	(829)	-	-	48,938
		3,976,033	396,202	(60,178)	2,629	(829)	(59,814)	-	4,254,043

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties/Non-current assets held for sale (Continued)

	Weighted average depreciation rate (%)	December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	Individual						December 31, 2019	
				January 1, 2019	Additions (a)	Write-offs (b)	Capitalized interest	Allocation	Depreciation		Transfers (c)
Cost											
Land		672,093	-	672,093	77,821	-	1,284	-	-	-	751,198
Buildings and improvements	2.25	2,975,950	-	2,975,950	332,773	-	-	-	-	42,122	3,350,845
(-) Accumulated depreciation		(622,795)	-	(622,795)	-	-	-	-	(63,945)	-	(686,740)
Net value		2,353,155	-	2,353,155	332,773	-	-	-	(63,945)	42,122	2,664,105
Facilities	15.88	432,070	-	432,070	41,708	(612)	-	-	-	2,130	475,296
(-) Accumulated depreciation		(277,567)	-	(277,567)	-	260	-	-	(36,115)	-	(313,422)
Net value		154,503	-	154,503	41,708	(352)	-	-	(36,115)	2,130	161,874
Machinery, equipment, furniture and fixtures	10	47,063	-	47,063	1,185	-	-	-	-	141	48,389
(-) Accumulated depreciation		(28,534)	-	(28,534)	-	-	-	-	(4,110)	-	(32,644)
Net value		18,529	-	18,529	1,185	-	-	-	(4,110)	141	15,745
Lease	12.6	-	48,576	48,576	-	-	-	-	-	-	48,576
(-) Accumulated depreciation		-	-	-	-	-	-	-	(6,136)	-	(6,136)
Net value		-	48,576	48,576	-	-	-	-	(6,136)	-	42,440
Other	10	9,859	-	9,859	499	-	-	-	-	-	10,358
(-) Accumulated depreciation		(4,839)	-	(4,839)	-	-	-	-	(883)	-	(5,722)
Net value		5,020	-	5,020	499	-	-	-	(883)	-	4,636
Construction in progress		194,698	-	194,698	134,819	-	4,349	-	-	(44,393)	289,473
Stores buyback		42,644	-	42,644	6,929	-	-	(3,011)	-	-	46,562
		3,440,642	48,576	3,489,218	595,734	(352)	5,633	(3,011)	(111,189)	-	3,976,033

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties/Non-current assets held for sale (Continued)

	Weighted average depreciation rate (%)	Consolidated									
		December 31, 2019	Acquisition Manati (b)	Additions (a)	Write-offs (c)	Capitalized interest	Allocation	Depreciation	Reclassification	Transfer	June 30, 2020
Cost											
Land		1,536,158	12,707	181,785	-	407	-	-	(48,302)	-	1,682,755
Buildings and improvements	2.23	5,273,332	114,278	374,480	(252)	-	-	-	(161,667)	18,000	5,618,171
(-) Accumulated depreciation		(877,802)	(10,489)	-	3	-	-	(57,718)	20,199	-	(925,807)
Net amount		4,395,530	103,789	374,480	(249)	-	-	(57,718)	(141,468)	18,000	4,692,364
Facilities	15.04	897,012	8,442	8,251	-	-	-	-	(51,499)	-	862,206
(-) Accumulated depreciation		(535,703)	(7,794)	-	-	-	-	(39,999)	32,893	-	(550,603)
Net amount		361,309	648	8,251	-	-	-	(39,999)	(18,606)	-	311,603
Machinery, equipment, furniture and fixtures	10	78,333	3,315	1,157	-	-	-	-	(5,108)	-	77,697
(-) Accumulated depreciation		(46,962)	(3,259)	-	-	-	-	(3,399)	1,246	-	(52,374)
Net amount		31,371	56	1,157	-	-	-	(3,399)	(3,862)	-	25,323
Leases	12.6	48,820	-	44,354	(48,820)	-	-	-	-	-	44,354
(-) Accumulated depreciation		(6,168)	-	-	6,903	-	-	(3,625)	-	-	(2,890)
Net amount		42,652	-	44,354	(41,917)	-	-	(3,625)	-	-	41,464
Other	10	21,762	242	762	-	-	-	-	-	-	22,766
(-) Accumulated depreciation		(10,688)	(144)	-	-	-	-	(1,324)	-	-	(12,156)
Net amount		11,074	98	762	-	-	-	(1,324)	-	-	10,610
Construction in progress		516,754	108	85,433	-	11,128	-	-	(178)	(18,000)	595,245
Stores buyback		53,524	167	3,827	-	-	(976)	-	-	-	56,542
		6,948,372	117,573	700,049	(42,166)	11,535	(976)	(106,065)	(212,416)	-	7,415,906

(a) As described in Note 1, the Company increased its equity interest in certain shopping malls, distributed as follows: Land: R\$102,505 DMM, R\$67,521 PKS, R\$4,901 PKC; Buildings and Improvements: R\$220,517 DMM, R\$138,361 PKS, R\$11,468 PKS.

(b) See business combination (Note 1).

(c) Write-offs refer to the following events: (i) advance amounting to R\$18,000 made in November 2019 by the parent company and allocated as advance in the investment property account, upon execution of the deed for the acquisition of Parkshopping (see Note 1). This amount was reimbursed by subsidiary Multiplan Parkshopping e Participações Ltda. resulting in a write-off of investment property in the parent company at the same amount; (ii) write-off of the lease balance and recognition of a new amount due to the postponement of the lease agreement term with Diamond Mall, from 2026 to 2030. Therefore, Company started to pay the percentage of 7.5% instead of 15.0% on the shopping mall's gross monthly revenue as lease.

(d) Of the addition amount of R\$85,433, the main one refers to the construction in progress of Parkshopping Jacarepagua in the amount of R\$61,671.

(e) On May 14, 2020, the Company agreed with the Proposal Letter sent by BTG Pactual Gestora de Recursos Ltda., proposing the acquisition of the totality of Diamond Tower building, one of the two towers composing Morumbi Corporate Towers, by the Investment Fund Real Estate - FII BTG Pactual Corporate Office Fund, one of the funds administered by BTG Pactual Gestora de Recursos Ltda. The proposal is in the amount of R\$810,000, to be fully paid at the time of the definitive purchase and sale deed, which shall be entered into by July 29, 2020. As a result, the Company reclassified the amount of R\$212,416 from Investment property to Non-current assets held for sale.

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties/Non-current assets held for sale (Continued)

Consolidated											
	Weighted average depreciation rate (%)	December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	January 1, 2019	Additions (a)	Write-offs (b)	Capitalized interest	Allocation	Depreciation	Transfers (c)	December 31, 2019
Cost											
Land		1,416,181	-	1,416,181	85,950	(1,399)	1,319	-	-	34,107	1,536,158
Buildings and improvements	2.23	4,877,434	-	4,877,434	335,889	(8,050)	-	-	-	68,059	5,273,332
(-) Accumulated depreciation		(774,466)	-	(774,466)	-	249	-	-	(103,585)	-	(877,802)
Net value		4,102,968	-	4,102,968	335,889	(7,801)	-	-	(103,585)	68,059	4,395,530
Facilities	15.04	850,586	-	850,586	42,690	(3,016)	-	-	-	6,752	897,012
(-) Accumulated depreciation		(454,143)	-	(454,143)	-	670	-	-	(82,230)	-	(535,703)
Net value		396,443	-	396,443	42,690	(2,346)	-	-	(82,230)	6,752	361,309
Machinery, equipment, furniture and fixtures	10	76,613	-	76,613	1,673	(146)	-	-	-	193	78,333
(-) Accumulated depreciation		(39,601)	-	(39,601)	-	22	-	-	(7,383)	-	(46,962)
Net value		37,012	-	37,012	1,673	(124)	-	-	(7,383)	193	31,371
Lease	12.6	-	48,820	48,820	-	-	-	-	-	-	48,820
(-) Accumulated depreciation		-	-	-	-	-	-	-	(6,168)	-	(6,168)
Net value		-	48,820	48,820	-	-	-	-	(6,168)	-	42,652
Other	10	18,199	-	18,199	3,567	(4)	-	-	-	-	21,762
(-) Accumulated depreciation		(7,595)	-	(7,595)	-	3	-	-	(3,096)	-	(10,688)
Net value		10,604	-	10,604	3,567	(1)	-	-	(3,096)	-	11,074
Construction in progress		348,374	-	348,374	269,718	(16)	7,789	-	-	(109,111)	516,754
Stores buyback		49,785	-	49,785	7,056	-	-	(3,317)	-	-	53,524
		6,361,367	48,820	6,410,187	746,543	(11,687)	9,108	(3,317)	(202,462)	-	6,948,372

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties/Non-current assets held for sale (Continued)

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

In 2019, the Company updated its methodology to calculate the discount rate by aligning the country risk rate with market practices, and now uses the original unlevered beta before adjustments. In 2020, it started to use the average leverage level of the last 20 quarters to calculate the unlevered beta, as we believe it better reflects the current market volatility.

Based on these assumptions, the Company used a nominal, unlevered weighted average discount rate of 12.04% as of June 30, 2020, resulting from a statutory discount rate of 11.77% calculated in accordance with the CAPM model and, based on internal analyses, a spread from 0 to 150 base points was added to this rate, resulting in an additional weighted average spread of 29 base points in the valuation of each shopping mall, office towers and project.

Cost of equity	June 2020	December 2019
Risk Free Rate	3.35%	3.35%
Market risk premium	6.35%	6.35%
Beta	0.84	0.80
Country risk	243 p.b.	245 b.p.
Additional spread	27 p.b.	27 b.p.
Cost of equity - US\$	10.99%	10.67%
Inflation assumptions	June 2020	December 2019
Inflation (BR) - (i)	3.55%	3.64%
Inflation (USA)	2.40%	2.40%
Cost of equity - R\$	12.24%	12.01%

(i) Inflation (BR) of September 2019 refers to the weighted average of estimates for the period between January 2019 and December 2022. Inflation (BR) of June 2020 refers to the weighted average of estimates for the period between June 2020 and June 2024.

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

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties/Non-current assets held for sale (Continued)

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

The discount rate calculation methodology, which uses long-term averages, considers the effects of the coronavirus pandemic (Covid-19) until June 2020. Additionally, the projected future cash flow considers a preliminary estimate by the Company of possible impacts of the coronavirus pandemic.

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

	Individual	
	June 2020	December 2019
Valuation of investment properties		
Shopping malls and office towers in operation	15,548,008	16,019,117
Projects in progress (disclosed) (i)	9,328	6,418
Projects in progress (not disclosed) (i)	148,933	148,599
	15,706,269	16,174,134
	Consolidated	
	June 2020	December 2019
Valuation of investment properties		
Shopping malls and office towers in operation	20,253,501	21,155,015
Projects in progress (disclosed) (i)	405,917	342,782
Projects in progress (not disclosed) (i)	175,185	174,473
Total	20,834,603	21,672,270

(i) Projects in progress were valued at cost.

In June 2020, in line with the letter of intent for the sale of Diamond Tower building executed in May 2020, the accounting balances of the investment property project were transferred to land and properties for sale, which was not considered in the assessment of investment property for June 30, 2020.

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Notes to quarterly information (Continued)

June 30, 2020

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9. Investment properties/Non-current assets held for sale (Continued)

The interest of 37.5% held in Santa Úrsula Shopping Mall and 50.0% in the Parque Shopping Maceió project through joint ventures were not considered in the consolidated valuation. In March 2020, the 50.0% interest in Parque Shopping Maceió project through a jointly-controlled subsidiary was not yet considered in the consolidated evaluation. The 37.5% stake in Santa Úrsula shopping mall held in the company Manati, after its acquisition in February 2020, started to be considered in the valuation of the Company's investment property. In addition to this acquisition, the Company also completed acquisitions of minority interest in ParkShopping, ParkShopping Corporate and DiamondMall (including the extension of its lease), leading to an increase in the value of its investment properties in this quarter. No need for provision for impairment of investment properties was identified as of June 30, 2020 and December 31, 2019.

10. Property and equipment

	Annual depreciation rates (%)	Individual				June 30, 2020
		December 31, 2019	Additions	Write-offs	Depreciation	
Cost						
Land	-	2,015	-	-	-	2,015
Buildings and improvements	4	5,145	-	-	-	5,145
(-) Accumulated depreciation		(2,168)	-	-	(104)	(2,272)
Net value		2,977	-	-	(104)	2,873
Facilities	10	3,922	-	-	-	3,922
(-) Accumulated depreciation		(3,133)	-	-	(176)	(3,309)
Net value		789	-	-	(176)	613
Machinery, equipment, furniture and fixtures	10	13,531	257	-	-	13,788
(-) Accumulated depreciation		(8,417)	-	-	(564)	(8,981)
Net value		5,114	257	-	(564)	4,807
Vehicles (a)	10	59,950	-	-	-	59,950
(-) Accumulated depreciation		(4,066)	-	-	(1,016)	(5,082)
Net value		55,884	-	-	(1,016)	54,868
Lease	1.6 to 7.4	6,019	-	(2,449)	-	3,570
(-) Accumulated depreciation		(1,780)	-	2,187	(915)	(508)
Net value		4,239	-	(262)	(915)	3,062
Other	10	22,038	1,153	-	-	23,191
(-) Accumulated depreciation		(2,840)	-	-	(348)	(3,188)
Net value		19,198	1,153	-	(348)	20,003
Construction in progress		1,553	-	-	-	1,553
		91,769	1,410	(262)	(3,123)	89,794

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Notes to quarterly information (Continued)
June 30, 2020
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10. Property and equipment (Continued)

	Annual depreciation rates (%)	Individual						
		December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	January 1, 2019	Additions	Write-offs	Depreciation	December 31, 2019
Cost								
Land	-	2,015	-	2,015	-	-	-	2,015
Buildings and improvements	4	5,145	-	5,145	-	-	-	5,145
(-) Accumulated depreciation		(1,960)	-	(1,960)	-	-	(208)	(2,168)
Net value		3,185	-	3,185	-	-	(208)	2,977
Facilities	10	3,908	-	3,908	14	-	-	3,922
(-) Accumulated depreciation		(2,776)	-	(2,776)	-	-	(357)	(3,133)
Net value		1,132	-	1,132	14	-	(357)	789
Machinery, equipment, furniture and fixtures	10	11,156	-	11,156	2,375	-	-	13,531
(-) Accumulated depreciation		(7,391)	-	(7,391)	-	-	(1,026)	(8,417)
Net value		3,765	-	3,765	2,375	-	(1,026)	5,114
Vehicles (a)	10	78,574	-	78,574	55	(18,679)	-	59,950
(-) Accumulated depreciation		(20,721)	-	(20,721)	-	18,679	(2,024)	(4,066)
Net value		57,853	-	57,853	55	-	(2,024)	55,884
Lease	1.6 to 7.4	-	6,019	6,019	-	-	-	6,019
(-) Accumulated depreciation		-	-	-	-	-	(1,780)	(1,780)
Net value		-	6,019	6,019	-	-	(1,780)	4,239
Other	10	9,788	-	9,788	12,250	-	-	22,038
(-) Accumulated depreciation		(2,118)	-	(2,118)	-	-	(722)	(2,840)
Net value		7,670	-	7,670	12,250	-	(722)	19,198
Construction in progress		-	-	-	1,553	-	-	1,553
		75,620	6,019	81,639	16,247	-	(6,117)	91,769

(a) The Company sold an aircraft unit for R\$14 million and this amount was recorded under "Other operating income" in the statement of profit or loss for the year. It should be noticed that the recorded cost of the aircraft was R\$18,631 and was fully depreciated. In addition, a fully depreciated vehicle was written off, amounting to R\$ 48.

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Notes to quarterly information (Continued)
 June 30, 2020
 (In thousands of reais, unless otherwise stated)

10. Property and equipment (Continued)

	Annual depreciation rates (%)	Consolidated				
		December 31, 2019	Additions	Write-offs	Depreciation	June 30, 2020
Cost						
Land	-	6,193	-	-	-	6,193
Buildings and improvements	4	18,809	-	-	-	18,809
(-) Accumulated depreciation		(6,080)	-	-	(302)	(6,382)
Net value		12,729	-	-	(302)	12,427
Facilities	10	5,153	-	-	-	5,153
(-) Accumulated depreciation		(4,334)	-	-	(176)	(4,510)
Net value		819	-	-	(176)	643
Machinery, equipment, furniture and fixtures	10	15,222	257	-	-	15,479
(-) Accumulated depreciation		(10,135)	-	-	(564)	(10,699)
Net value		5,087	257	-	(564)	4,780
Vehicles	10	59,950	-	-	-	59,950
(-) Accumulated depreciation		(4,068)	-	-	(1,016)	(5,084)
Net value		55,882	-	-	(1,016)	54,866
Lease	1.6 a 7.4	6,019	-	(2,449)	-	3,570
(-) Accumulated depreciation		(1,780)	-	2,187	(915)	(508)
Net value		4,239	-	(262)	(915)	3,062
Other	10	22,533	1,153	-	-	23,686
(-) Accumulated depreciation		(3,384)	-	-	(367)	(3,751)
Net value		19,149	1,153	-	(367)	19,935
Construction in progress		1,553	-	-	-	1,553
		105,651	1,410	(262)	(3,340)	103,459

No need to recognize a provision for impairment of property and equipment was identified as at June 30, 2020 and December 31, 2019.

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Notes to quarterly information (Continued)
June 30, 2020
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10. Property and equipment (Continued)

	Annual depreciation rates (%)	Consolidated						
		December 31, 2018	Impacts of adoption of IFRS 16/CPC 06 (R2)	January 1, 2019	Additions	Write-offs	Depreciation	December 31, 2019
Cost								
Land	-	4,442	-	4,442	1,751	-	-	6,193
Buildings and improvements	4	11,344	-	11,344	7,465	-	-	18,809
(-) Accumulated depreciation		(5,576)	-	(5,576)	-	-	(504)	(6,080)
Net value		5,768	-	5,768	7,465	-	(504)	12,729
Facilities	10	5,139	-	5,139	14	-	-	5,153
(-) Accumulated depreciation		(3,977)	-	(3,977)	-	-	(357)	(4,334)
Net value		1,162	-	1,162	14	-	(357)	819
Machinery, equipment, furniture and fixtures	10	12,849	-	12,849	2,373	-	-	15,222
(-) Accumulated depreciation		(9,109)	-	(9,109)	-	-	(1,026)	(10,135)
Net value		3,740	-	3,740	2,373	-	(1,026)	5,087
Vehicles (a)	10	78,574	-	78,574	55	(18,679)	-	59,950
(-) Accumulated depreciation		(20,723)	-	(20,723)	-	18,679	(2,024)	(4,068)
Net value		57,851	-	57,851	55	-	(2,024)	55,882
Lease	1.6 to 7.4	-	6,019	6,019	-	-	-	6,019
(-) Accumulated depreciation		-	-	-	-	-	(1,780)	(1,780)
Net value		-	6,019	6,019	-	-	(1,780)	4,239
Other (b)	10	10,283	-	10,283	12,250	-	-	22,533
(-) Accumulated depreciation		(2,662)	-	(2,662)	-	-	(722)	(3,384)
Net value		7,621	-	7,621	12,250	-	(722)	19,149
Construction in progress		-	-	-	1,553	-	-	1,553
		80,584	6,019	86,603	25,461	-	(6,413)	105,651

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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11. Intangible assets

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

	Annual amortization rates	Individual				June 30, 2020
		December 31, 2019	Additions	Write-offs	Amortization	
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems						
Software license (c)	10	119,603	8,130	-	-	127,733
Brands and patents	10	341	-	-	-	341
Accumulated amortization		(63,606)	-	-	(6,369)	(69,975)
		<u>56,338</u>	<u>8,130</u>	<u>-</u>	<u>(6,369)</u>	<u>58,099</u>
		<u>359,768</u>	<u>8,130</u>	<u>-</u>	<u>(6,369)</u>	<u>361,529</u>

	Annual amortization rates	Individual				December 31, 2019
		December 31, 2018	Additions	Write-offs	Amortization	
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems						
Software license (c)	10	104,107	16,088	(592)	-	119,603
Brands and patents	10	341	-	-	-	341
Accumulated amortization		(53,007)	-	-	(10,599)	(63,606)
		<u>51,441</u>	<u>16,088</u>	<u>(592)</u>	<u>(10,599)</u>	<u>56,338</u>
		<u>354,871</u>	<u>16,088</u>	<u>(592)</u>	<u>(10,599)</u>	<u>359,768</u>

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
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11. Intangible assets (Continued)

	Annual amortization rates	Consolidated					June 30, 2020
		December 31, 2019	Acquisition Manati (d)	Additions	Write-offs	Amortization	
Goodwill of merged companies (a)							
Bozano		118,610	-	-	-	-	118,610
Realejo		51,966	-	-	-	-	51,966
Multishopping		84,095	-	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)							
Brazilian Realty LLC.		33,202	-	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
							<u>131,319</u>
Right of use of systems							
Software license (c)	10	120,822	2,367	8,130	-	-	442
Brands and patents	10	442	-	-	-	-	(71,400)
Accumulated amortization		(64,254)	(690)	-	-	(6,456)	60,361
		<u>57,010</u>	<u>1,677</u>	<u>8,130</u>	<u>-</u>	<u>(6,456)</u>	<u>363,791</u>
							<u>118,610</u>
		<u>360,440</u>	<u>1,677</u>	<u>8,130</u>	<u>-</u>	<u>(6,456)</u>	<u>51,966</u>

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

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

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

(d) See Business Combination (Note 1).

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

11. Intangible assets (Continued)

	Annual amortization rates	Consolidated				
		December 31, 2018	Additions	Write-offs	Amortization	December 31, 2019
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems						
Software license (c)	10	105,305	16,109	(592)	-	120,822
Brands and patents		442	-	-	-	442
Accumulated amortization		(53,538)	-	-	(10,716)	(64,254)
		<u>52,209</u>	<u>16,109</u>	<u>(592)</u>	<u>(10,716)</u>	<u>57,010</u>
		<u>355,639</u>	<u>16,109</u>	<u>(592)</u>	<u>(10,716)</u>	<u>360,440</u>

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

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

The impairment test for goodwill validation was conducted at December 31, 2019 and revised for June 30, 2020 due to the impacts of COVID-19, considering the projected cash flow of shopping malls that presented goodwill upon their establishment (cash generating unit). The assumptions used to prepare this cash flow are described in Note 9. In case of changes in the main assumptions used to determine the recoverable amount of cash-generating units, goodwill with indefinite useful life allocated to the cash-generating units plus the carrying amounts of investment properties (cash-generating units) would be substantially lower than the fair values of investment properties, i.e., there has been no indication of impairment losses in the cash-generating units since at June 30, 2020 and December 31, 2019.

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing

	Index	Annual average interest rate	June 30, 2020		December 31, 2019		
			Individual	Consolidated	Individual	Consolidated	
			June 30, 2020	June 30, 2020	December 31, 2019	December 31, 2019	
Current							
Santander	Multiplan Greenfield IV (a)	CDI +	0.85%	-	22,931	-	18,713
	Multiplan Greenfield II (a)	CDI +	0.85%	-	22,307	-	18,204
Itaú bank	São Caetano (b)	TR +	7.40%	10,629	10,629	10,644	10,644
	VillageMall (c)	TR +	7.40%	27,205	27,205	27,245	27,245
	CCB 250 (d)	CDI +	1.95%	3,590	3,590	-	-
	CCB 225 (e)	TR +	5.00%	15,479	15,479	-	-
Brazilian bank	CCB 175 (f)	% do CDI	110.00%	33,584	33,584	33,716	33,716
	CCB 50 (g)	% do CDI	110.00%	15,078	15,078	15,138	15,138
	CCB 150 (h)	% do CDI	110.00%	45,235	45,235	45,413	45,413
	BarraShopping VII (i)	TR +	7.60%	11,404	11,404	11,458	11,458
Bradesco bank	CCB 300 (j)	CDI +	1.00%	101,595	101,595	102,357	102,357
	Canoas (k)	TR +	7.50%	-	20,396	-	19,773
	MTE JPA SWAP (l)	TR +	5.15%	(2,412)	(2,412)	(47)	(47)
Others	Cia. Real de Distribuição (m)	-	-	53	53	53	53
	Funding costs	-	-	(7,845)	(9,289)	(5,537)	(6,979)
	Subtotal current	-	-	253,595	317,785	240,440	295,688

	Index	Annual average interest rate	June 30, 2020		December 31, 2019		
			Individual	Consolidated	Individual	Consolidated	
			June 30, 2020	June 30, 2020	December 31, 2019	December 31, 2019	
Non-current							
	Multiplan Greenfield IV (a)	CDI +	0.85%	-	92,988	-	108,695
	Multiplan Greenfield II (a)	CDI +	0.85%	-	90,457	-	105,738
Itaú bank	São Caetano (b)	TR +	7.40%	43,615	43,615	48,848	48,848
	VillageMall (c)	TR +	7.40%	118,245	118,245	131,632	131,632
	CCB 250 (d)	CDI +	1.95%	250,000	250,000	-	-
	CCB 225 (e)	TR +	5.00%	208,666	208,666	-	-
Brazilian bank	CCB 175 (f)	% do CDI	110.00%	44,545	44,545	44,545	44,545
	CCB 50 (g)	% do CDI	110.00%	20,000	20,000	20,000	20,000
	CCB 150 (h)	% do CDI	110.00%	60,000	60,000	60,000	60,000
	BarraShopping VII (i)	TR +	7.60%	34,733	34,733	40,365	40,365
Bradesco bank	CCB 300 (j)	CDI +	1.00%	200,000	200,000	200,000	200,000
	Canoas (k)	TR +	7.50%	-	285,228	-	295,083
	MTE JPA (l)	TR	5.15%	344,269	344,269	335,748	335,748
Others	Cia. Real de Distribuição (m)	-	-	229	229	245	245
	Funding costs	-	-	(19,051)	(27,934)	(19,347)	(28,952)
	Subtotal Non-current	-	-	1,305,251	1,765,041	862,036	1,361,947
	Total	-	-	1,558,846	2,082,826	1,102,476	1,657,635

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12. Loans and financing (Continued)

- (a) On August 7, 2013, subsidiaries Multiplan Greenfield II Empreendimento Imobiliário Ltda. and Multiplan Greenfield IV Empreendimento Imobiliário Ltda. entered into a financing agreement with Banco Santander S.A. for construction of the Morumbi Corporate project located in São Paulo. The amount raised totaled R\$400,000, and each company became individually responsible for its stake in the project, i.e., 49.3104% for Multiplan Greenfield II and 50.6896% for Multiplan Greenfield IV. The financing was subject to charges of 8.70% per year plus TR, with repayment in 141 monthly installments beginning November 15, 2013. The total financing amount had been released on December 31, 2015. The loan is guaranteed by chattel mortgage of the portion of 0.4604509 of the property being financed, represented by a certain number of autonomous units, and amounts referring to receivables from lease of the property being financed to which the Company is entitled were assigned in trust, which should correspond, at least, to 120% of one monthly installment until the total settlement of the debt.

In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiaries. On October 16, 2019, the 1st amendment to the financing agreement was executed, changing: (i) the transaction rate from TR + 8.70% p.a. to CDI + 0.85% p.a. This agreement does not provide for any financial covenants.

- (b) On August 10, 2010, the Company conducted a Bank Credit Bill transaction for the construction of ParkShopping São Caetano, totaling R\$140,000, with Banco Itaú BBA S.A. This financing was subject to TR plus 9.75% per annum, with repayment in 99 monthly consecutive installments, beginning June 15, 2012. The total financing amount had been released at December 31, 2015. As guarantee for the loan, the amounts referring to receivables from lease and key money to use the stores of the project being financed were assigned in trust, which should correspond, at least, to 120% of one monthly installment, from the project launch to the total settlement of the debt. On September 30, 2013, the 1st amendment to the financing agreement was signed, amending: (i) the agreement's rate from Referential Rate (TR) + 9.75% p.a. to TR + 9.35% p.a., and (ii) the final amortization deadline from August 15, 2020 to August 15, 2025. On August 29, 2019, the 2nd amendment to the financing agreement was signed reducing the contract rate to pre-determined levels that vary according to the Selic rate, as shown in the table below:

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

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

- (c) On November 30, 2010, the Company conducted a Bank Credit Bill transaction for the construction of Shopping Village Mall, totaling R\$270,000, with Banco Itaú BBA S.A. This financing was subject to TR plus 9.75% per annum, with repayment in 114 monthly consecutive installments, beginning March 15, 2013. The total financing amount had been released on December 31, 2015, including the additional amount of R\$50,000, raised under an addendum dated July 4, 2012. As guarantee for the loan, the Company pledged the land and all accessions, constructions, facilities and improvements existing therein or that may be added thereto, valued at that time at R\$370,000. Additionally, the amounts referring to receivables from lease and key money of the right to use the stores of the project being financed were assigned in trust, which should correspond, at least, to 100% of one monthly installment, from January 2015 to the total settlement of the debt. On July 4, 2012, the Company signed an addendum to the bank credit bill for construction of Shopping VillageMall, which amended the following: (i) the total amount contracted from R\$270,000 to R\$320,000, (ii) the covenant of net debt to EBITDA from 3.0x to 3.25x, and (iii) the starting date for checking the restricted account from January 30, 2015 to January 30, 2017. On September 30, 2013, the 2nd amendment to the financing agreement was executed, amending: (i) the agreement's rate from TR + 9.75% p.a. to TR + 9.35% p.a., (ii) the final repayment deadline from November 15, 2022 to November 15, 2025, and (iii) the net debt/EBITDA covenant from 3.25x times to 4.0x times. On August 29, 2019, the 2nd amendment to the financing agreement was signed reducing the contract rate to pre-determined levels that vary according to the Selic rate, as shown in the table below:

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

All other clauses from the original agreement remained unchanged.

Financial covenants of the agreement:

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

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

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

At June 30,2020, the Company was compliant with all covenants set forth in the financing agreement.

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

- (d) On March 18, 2020, the Company entered into a Bank Credit Bill (CCB) with Banco Itaú BBA to strengthen its cash position. No guarantees were provided for these instruments. Interest will be paid semiannually and the principal in a single installment on March 8, 2022.

<u>Start date</u>	<u>Final date</u>	<u>Amount</u>	<u>Interest rate</u>
03/18/2020	03/08/2022	250.000	CDI + 1.95% p.a.

This agreement does not provide for any financial covenants.

- (e) On April 15, 2020, the Company entered into a Bank Credit Bill (“CCB”) with Banco Itaú Unibanco S.A. to finance the acquisition of equity interest in ParkShopping, through its subsidiary Multiplan Parkshopping e Participações Ltda., of the fraction of 20% of registrations held by seller IRB Investimentos e Participações Imobiliárias S.A.

Financing totaled R\$225,000 drawn down in two tranches of R\$112,500 on April 17, 2020 and June 17, 2020. Charges thereon vary by reference to the Selic rate, according to the table described at the end of this note. This financing will be repaid in 180 monthly and consecutive installments from May 17, 2020. The loan is guaranteed by statutory lien of the fraction of 67.56% on the 50% fraction that the Company held in the registrations involved in the transaction. The Company also recorded assignment in trust of credit rights arising from the same fraction above the ParkShopping’s net operating income.

There are no financial covenants for this contract.

<u>Range</u>	<u>Contract rate</u>
Selic ≤ 3.75%	TR + 5.00%
Selic between > 3.75% and ≤ 4.25%	TR + 5.50%
Selic between > 4.25% and ≤ 5.00%	TR + 6.00%
Selic between > 5.00% and ≤ 6.0%	TR + 6.50%
Selic between > 6.0% and ≤ 7.25%	TR + 7.50%
Selic between >7.25% and ≤ 8.25%	TR + 8.20%
Selic > 8.25%	TR + 8.60%

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

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12. Loans and financing (Continued)

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

Financial covenants of the agreement:

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

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

On June 30, 2020, the Company was compliant with all covenants set forth in the bank credit bill.

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

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

Financial covenants of the agreement:

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

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

At June 30, 2020, the Company was compliant with all covenants set forth in the financing agreement.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

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

Financial covenants of the agreement:

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

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

At June 30, 2020, the Company was compliant with all covenants set forth in the financing agreement.

- (i) On October 16, 2014, the Company entered into a credit facility agreement with Banco do Brasil S/A for construction of the seventh expansion of BarraShopping, located in the city of Rio de Janeiro, which was completed in 2014. The total amount contracted was R\$100,000. This financing bears interest of 8.90% p.a., plus the Reference Rate (TR), with repayment in 108 monthly installments beginning August 15, 2015. As guarantee for the loan, a Bank Deposit Certificate (CDB) corresponding to 120% of the amount of a monthly installment was assigned in trust, until the full settlement of the debt. On December 20, 2019, the 1st amendment to the financing agreement was signed, changing: (i) the transaction rate from TR + 8.90% p.a. to TR + 7.60% p.a.

Financial covenants of the agreement:

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

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

On June 30, 2020, the Company was compliant with all covenants set forth in the financing agreement.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

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

There are no financial covenants for this contract.

- (k) On May 25, 2015, the subsidiary ParkShopping Canoas Ltda entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkShopping Canoas project in the city of Canoas, state of Rio Grande do Sul. The total amount contracted was R\$280,000 and this financing bears interest of 9.25% p.a., plus the Reference Rate (TR), payable in 144 monthly installments beginning April 25, 2019. As guarantee for the loan, the subsidiary provided a mortgage on 80% of the property for which the financing was obtained, and assigned 80% of the receivables from lease of this property in trust, which should correspond to at least 120% of the amount of one monthly installment until full settlement of the debt. In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiary. On July 24, 2016, the Company signed an addendum to the credit facility agreement collateralized by a mortgage for construction of the ParkShopping Canoas project in the city of Canoas, which sets forth the following: (i) maturity of the first installment on August 25, 2019, (ii) reduction of the term of return to 140 months, (iii) debt maturity on March 25, 2031, and (iv) final term for the construction work on August 25, 2017. On December 27, 2019, an addendum to the financing agreement was signed, changing: (i) the transaction rate from TR + 9.25% p.a. to TR + 7.50% p.a.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

- (l) On September 19, 2019, the Company entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkJacarepaguá project in the city of Rio de Janeiro. The total amount contracted was R\$350,000 and this financing bears interest of 5.15% p.a., plus the Reference Rate (TR), during the first 15 months, and of 105.85% of the CDI after this period until the end of the operation. A financial instrument (swap) was contracted for the first 15 months, changing the restatement of TR+5.15% per year provided for in the agreement to 105.85% of the CDI. During the first 15 months, there will be a grace period for principal and interest. After this period, the following 12 months will still be subject to grace period, with normal payment of interest. The debt payment period will begin on January 10, 2022, through 166 monthly installments plus interest. As guarantee for the loan, the subsidiary ParkJacarepaguá Empreendimento Imobiliário Ltda. provided a mortgage on 91% of the property for which the financing was obtained, and assigned 91% of the receivables from lease of this property in trust, which should correspond to at least 100% of the amount of one monthly installment until full settlement of the debt. The first installment of the loan was released on October 21, 2019.
- (m) The balance payable to Companhia Real de Distribuição arises from the intercompany loan with the merged subsidiary Multishopping to finance the construction of BarraShopping Sul, to be settled in 516 monthly installments of R\$4, as from the hypermarket inauguration date in November 1998, not subject to interest or monetary restatement.

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Loans and financing				
2020	356,366	389,031	373,103	433,217
2021 onwards	967,936	1,403,944	508,280	957,681
Subtotal - Loans and financing	1,324,302	1,792,975	881,383	1,390,898
Funding costs				
2020	(3,785)	(4,507)	(5,400)	(6,843)
2021 onwards	(15,266)	(23,427)	(13,947)	(22,108)
Subtotal - Funding costs	(19,051)	(27,934)	(19,347)	(28,951)
Total - Loans and financing	1,305,251	1,765,041	862,036	1,361,947

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

Reconciliation of changes in equity to cash flows from financing activities

Individual

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Total
Balances on December 31, 2019	1,102,476	1,445,802	148,375	5,587,669	8,284,322
Changes in cash flows from financing					
Loans taken out	475,000	-	-	-	475,000
Repayment of Funding	(25,518)	-	-	-	(25,518)
Payment of interest on loans and financing	(22,423)	-	-	-	(22,423)
Payment of charges on debentures	-	(30,095)	-	-	(30,095)
Cost of Funding	(5,545)	-	-	-	(5,545)
Exercise of stock options	-	-	-	32,400	32,400
Total changes in cash flows from financing	421,514	(30,095)	-	32,400	423,819
Other changes					
Allocation of interest on loans and financing raised	22,539	-	-	-	22,539
Capitalization of interest on subsidiaries	8,906	-	-	-	8,906
Capitalization of interest	2,629	-	-	-	2,629
Allocated Funding costs	3,147	-	-	-	3,147
Swap transactions	(2,365)	-	-	-	(2,365)
Debenture funding costs	-	2,144	-	-	2,144
Allocation of debenture charges	-	26,721	-	-	26,721
Stock options granted	-	-	-	14,640	14,640
Profit or loss	-	-	-	256,858	256,858
Total other changes	34,856	28,865	-	271,498	335,219
Balances on June 30, 2020	1,558,846	1,444,572	148,375	5,891,567	9,043,360

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Individual (Continued)

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Total
Balances on December 31, 2018	924,178	1,294,202	129,551	5,335,980	7,683,911
Changes in cash flows from financing					
Loans taken out	332,500	-	-	-	332,500
Repayment of Funding	(148,175)	-	-	-	(148,175)
Payment of interest on loans and financing	(67,046)	-	-	-	(67,046)
Cost of Funding	(12,364)	-	-	-	(12,364)
Debenture funding costs	-	(1,162)	-	-	(1,162)
Payment of debentures	-	(200,000)	-	-	(200,000)
Payment of charges on debentures	-	(92,137)	-	-	(92,137)
Debentures raised	-	350,000	-	-	350,000
Payment of Interest on shareholders' equity	-	-	(225,306)	-	(225,306)
Exercise of stock options	-	-	-	44,267	44,267
Total changes in cash flows from financing	104,915	56,701	(225,306)	44,267	(19,423)
Other changes					
Allocation of interest on loans and financing raised	59,417	-	-	-	59,417
Capitalization of interest on subsidiaries	3,440	-	-	-	3,440
Capitalization of interest	5,633	-	-	-	5,633
Allocated Funding costs	4,940	-	-	-	4,940
Swap transactions	(47)	-	-	-	(47)
Shareholders transactions	-	-	-	985	985
Debenture funding costs	-	4,232	-	-	4,232
Allocation of debenture charges	-	90,667	-	-	90,667
Stock options granted	-	-	-	15,314	15,314
Expansion reserve	-	-	-	165,114	165,114
Income reserve	-	-	-	23,427	23,427
Provision for Interest on shareholders' equity	-	-	244,130	-	244,130
Total other changes	73,383	94,899	244,130	204,840	617,252
Balances on December 31, 2019	1,102,476	1,445,802	148,375	5,585,087	8,281,740

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Consolidated (Continued)

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Non-controlling interest	Total
Balances on December 31, 2019	1,657,635	1,445,802	148,375	5,587,669	3,332	8,842,813
Changes in cash flows from financing						
Loans taken out	475,000	-	-	-	-	475,000
Repayment of Funding	(51,867)	-	-	-	-	(51,867)
Payment of interest on loans and financing	(44,481)	-	-	-	-	(44,481)
Payment of charges on debentures	-	(30,095)	-	-	-	(30,095)
Cost of Funding	(5,545)	-	-	-	-	(5,545)
Exercise of stock options	-	-	-	32,400	-	32,400
Noncontrolling interest	-	-	-	-	124	124
Total changes in cash flows from financing	373,107	(30,095)	-	32,400	124	375,536
Other changes						
Allocation of interest on loans and financing raised	39,045	-	-	-	-	39,045
Capitalization of interest on subsidiaries	8,906	-	-	-	-	8,906
Capitalization of interest	2,629	-	-	-	-	2,629
Allocated Funding costs	3,869	-	-	-	-	3,869
Swap transactions	(2,365)	-	-	-	-	(2,365)
Debenture funding costs	-	-	-	-	-	-
Allocation of debenture charges	-	2,144	-	-	-	2,144
Stock options granted	-	26,721	-	-	-	26,721
Profit or loss	-	-	-	14,640	-	14,640
Total other changes	-	-	-	256,858	(92)	256,766
Balances on June 30, 2020	2,082,826	1444,572	148,375	5,891,567	3,364	9,570,704

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Consolidated (Continued)

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Non-controlling interest	Total
Balances on December 31, 2018	1,519,530	1,294,202	129,551	5,335,980	16,207	8,295,470
Changes in cash flows from financing						
Loans taken out	332,500	-	-	-	-	332,500
Repayment of Funding	(187,022)	-	-	-	-	(187,022)
Payment of interest on loans and financing	(118,893)	-	-	-	-	(118,893)
Cost of Funding	(12,364)	-	-	-	-	(12,364)
Debenture funding costs	-	(1,162)	-	-	-	(1,162)
Payment of debentures	-	(200,000)	-	-	-	(200,000)
Payment of charges on debentures	-	(92,137)	-	-	-	(92,137)
Debentures raised	-	350,000	-	-	-	350,000
Exercise of stock options	-	-	-	44,267	-	44,267
Payment of Interest on shareholders' equity	-	-	(225,306)	-	-	(225,306)
Noncontrolling interest	-	-	-	-	1,250	1,250
Total changes in cash flows from financing	14,221	56,701	(225,306)	44,267	1,250	(108,867)
Other changes						
Allocation of interest on loans and financing raised	108,439	-	-	-	-	108,439
Capitalization of interest on subsidiaries	3,440	-	-	-	-	3,440
Capitalization of interest	5,668	-	-	-	-	5,668
Allocated Funding costs	6,384	-	-	-	-	6,384
Swap transactions	(47)	-	-	-	-	(47)
Shareholders transactions	-	-	-	985	-	985
Debenture funding costs	-	4,232	-	-	-	4,232
Allocation of debenture charges	-	90,667	-	-	-	90,667
Stock options granted	-	-	-	15,314	-	15,314
Noncontrolling interest	-	-	-	-	(1,803)	(1,803)
Decrease in Noncontrolling interest	-	-	-	-	(12,322)	(12,322)
Expansion reserve	-	-	-	165,114	-	165,114
Income reserve	-	-	-	23,427	-	23,427
Provision for Interest on shareholders' equity	-	-	244,130	-	-	244,130
Total other changes	123,884	94,899	244,130	204,840	(14,125)	653,628
Balances on December 31, 2019	1,657,635	1,445,802	148,375	5,585,087	3,332	8,840,231

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
 June 30, 2020
 (In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

In order to comply with the terms of paragraph 2 of article 2 of CVM Rule No. 527/12, we state below the reconciliation of EBITDA and EBIT amounts for the quarters ended June 30, 2020 and 2019.

	June 30, 2020		June 30, 2019	
	Individual	Consolidated	Individual	Consolidated
Net income for the period	249,662	248,551	207,151	207,185
Non-controlling interest		(92)	-	(1,217)
Income and social contribution taxes	103,420	111,043	34,491	55,580
Finance income (costs), net	39,456	47,085	58,817	73,690
EBIT	392,538	406,587	300,459	335,238
Depreciation and amortization	69,451	116,186	61,200	106,320
EBITDA	461,989	522,773	361,658	441,559

13. Accounts payable

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Suppliers	15,087	33,844	80,097	116,621
Ground Leases	45,768	45,788	46,722	46,753
Contractual retentions	3,956	10,461	4,560	9,127
Indemnification payable	2,279	3,233	9,071	9,916
Labor obligations	45,271	45,374	49,162	49,469
	112,361	138,700	189,612	231,886
Current	72,300	98,445	151,111	193,202
Non-current	40,061	40,255	38,501	38,684

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
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14. Debentures

The debentures are broken down as follows:

	Individual and Consolidated	
	06/30/2020	12/31/2019
Current liabilities		
3rd Issue - Debentures	201,548	202,390
4th Issue - Debentures	322	536
5th Issue - Debentures	354	585
6th Issue - Debentures	1,205	2,010
7th Issue - Debentures	1,845	3,127
Subtotal	205,274	208,648
Funding cost - 3rd issue	(229)	(573)
Funding cost - 4th issue	(2,052)	(2,052)
Funding cost - 5th issue	(1,133)	(1,133)
Funding cost - 6th issue	(249)	(249)
Funding cost - 7th issue	(166)	(166)
Total - Funding cost	(3,829)	(4,173)
Total - Current liabilities	201,445	204,475
Non-current liabilities		
4th Issue - Debentures	300,000	300,000
5th Issue - Debentures	300,000	300,000
6th Issue - Debentures	300,000	300,000
7th Issue - Debentures	350,000	350,000
Subtotal	1,250,000	1,250,000
Funding cost - 4th issue	(3,079)	(4,105)
Funding cost - 5th issue	(2,265)	(2,831)
Funding cost - 6th issue	(726)	(851)
Funding cost - 7th issue	(803)	(886)
Total - Funding cost	(6,873)	(8,673)
Total - Non-current liabilities	1,243,127	1,241,327

Third issue of debentures for primary public distribution

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

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

Interest was paid as follows: (i) R\$24,491 on April 15, 2015; (ii) R\$28,307 on October 15, 2015; (iii) R\$28,950 on April 15, 2016; (iv) R\$29,421 on October 17, 2016; (v) R\$27,016 on April 17, 2017; (vi) R\$20,677 on October 16, 2017; (vii) R\$15,110 on April 16, 2018; (viii) R\$14,374 on October 15, 2018; (ix) R\$14,160 on April 15, 2019; (x) R\$14,074 on October 15, 2019; and (xi) R\$5,243 on April 15, 2020.

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

On June 30, 2020, the Company had met all the covenants determined in the indenture.

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

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

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

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

Interest was paid as follows: (i) R\$15,182 on June 13, 2017; (ii) R\$12,070 on December 13, 2017; (iii) R\$9,031 on June 13, 2018; (iv) R\$9,035 on December 13, 2018; (v) R\$8,827 on June 13, 2019; and (vi) R\$8,166 on December 13, 2019; and (vii) R\$5,257 on June 12, 2020.

On June 30, 2020, the Company had met all the covenants determined in the indenture.

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Notes to quarterly information (Continued)

June 30, 2020

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14. Debentures (Continued)

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

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

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

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

Interest was paid as follows: (i) R\$12,105 on December 12, 2017; (ii) R\$9,036 on June 12, 2018; (iii) R\$9,035 on December 12, 2018; (iv) R\$8,827 on June 12, 2019; and (v) R\$8,188 on December 12, 2019; and (vi) R\$5,257 on June 12, 2020.

On June 30, 2020, the Company had met all the covenants determined in the indenture.

Sixth issue of debentures for primary public distribution

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

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Sixth issue of debentures for primary public distribution (Continued)

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

Interest was paid as follows: (i) R\$8,830 on November 12, 2018; (ii) R\$9,820 on May 10, 2019; and (iii) R\$9,753 on November 11, 2019; and (iv) R\$6,494 on May 11, 2020.

On June 30, 2020, the Company had met all the covenants determined in the indenture.

Seventh issue of debentures for primary public distribution

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

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

We list the interest payment events: (i) On October 25, 2019, a portion in the amount of R\$10,322 was paid; and (ii) R\$7,843 at April 27, 2020.

On June 30, 2020, the Company had met all the covenants determined in the indenture.

Eighth issue of debentures for primary public distribution

On June 30, 2020, the Company completed the 8th issue of debentures for primary public distribution, in the amount of R\$200,000, whereby 200,000 unsecured, non-convertible, book-entry, registered and non-privileged debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$1,000. This transaction will be repaid in four equal installments at the end of the third, fourth, fifth and sixth year bearing semi-annual interest. The issue price was set in the indenture, whereby conventional interest was set at 100% of the accumulated variation of average daily DI rates increased on a compound basis by a spread or surcharge equivalent to 3.00% p.a. The total estimated funding cost was R\$885. The net proceeds obtained by the Company with this debenture issue will be fully used to pay general expenses and settle short- and long-term debts and/or strengthen the working capital of the Company and/or its subsidiaries.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Eighth issue of debentures for primary public distribution (Continued)

The financial *covenants* of these debentures are as follows: (i) From January 1, 2022 (including) to December 31, 2022 (including): Net Debt / EBITDA \leq 4.5x; (ii) From January 1, 2023 (including) to Maturity Date: Net Debt / EBITDA \leq 4.0x; and (iii) EBITDA / Net Financial Expense \geq 2.0x.

This transaction was settled on July 7, 2020.

15. Property acquisition obligations

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Current				
Jockey (a)	-	5,322	-	4,997
Usiminas (c)	31,025	31,025	30,489	30,489
Atlético Mineiro (d)	99,698	99,698	-	-
Manati (e)	5,144	5,144	-	-
Others	269	269	269	269
	136,136	141,458	30,758	35,755
Non-current				
Jockey (a)	-	2,385	-	4,738
Atlético Mineiro (d)	163,522	163,522	-	-
Manati (e)	4,875	4,875	-	-
	168,397	170,782	-	4,738
Total	304,533	312,240	30,758	40,493

- (a) By means of the Deed of Purchase and Sale and the Deed of Novation, Acknowledgment of Debt with Pledge of Accord and Satisfaction and other Covenants, executed on 11/09/2016, as amended, the Company, through its subsidiaries Multiplan Golden I Empreendimento Imobiliário Ltda., Multiplan Golden V Empreendimento Imobiliário Ltda., Multiplan Golden VI Empreendimentos Imobiliário Ltda., Multiplan Golden VII Empreendimento Imobiliário Ltda., Multiplan Golden VIII Empreendimento Imobiliário Ltda., Multiplan Golden IX Empreendimento Imobiliário Ltda., Multiplan Golden X Empreendimento Imobiliário Ltda., Multiplan Golden XI Empreendimento Imobiliário Ltda., Multiplan Golden XII Empreendimentos Imobiliário Ltda., Multiplan Golden XIII Empreendimento Imobiliário Ltda., Multiplan Golden XIV Empreendimento Imobiliário Ltda., Multiplan Golden XV Empreendimento Imobiliário Ltda., Multiplan Golden XVI Empreendimentos Imobiliário Ltda., Multiplan Golden XVII Empreendimento Imobiliário Ltda. and Multiplan Golden XVIII Empreendimento Imobiliário Ltda., acquired from the Jockey Club of Rio Grande do Sul ("Jockey"), an area of 166,979.355 sqm, located in Porto Alegre/RS, for the price of R\$ 164,644, through the delivery of five (05) promissory notes for satisfaction of debt in the amounts of R\$89,861, R\$19,966, R\$28,245, R\$3,000 and R\$23,572. These promissory notes were replaced as follows: (i) R\$89,861 through the obligation to pay in full the independent units of a commercial venture to be built with an area of approximately 13,723.93 sqm in the referred to land; (ii) R\$19,966 through the obligation to build the new bay structure of Vila Hípica on the property owned by Jockey; (iii) R\$27,852, already paid in cash; (iv) R\$ 3,000 also paid in cash; and (v) R\$23,572 upon payment of the monthly amount of R\$393. This amount will be adjusted annually, based on May 2016, by the variation in the General Market Price Index (IGP-M) published by Getulio Vargas Foundation (FGV).
- (b) Through the public deed of purchase and sale executed on April 11, 2019, the Company acquired the fraction of 20.00% of BH Shopping held by Previdência Usiminas, for the agreed price of R\$360,000. The payment will be as follows: (i) down payment of R\$330,000 on April 11, 2019; and (ii) a single installment of R\$30,000 payable until April 11, 2020. The remaining outstanding balance will be adjusted by the positive variation of the Extended Consumer Price Index (IPCA) disclosed by the Brazilian Institute of Geography and Statistics (IBGE), up to the date of its settlement.

On April 8, 2020, the Company and Previdência Usiminas entered into the first amendment to PCV through the Deed of Re-ratification of the Purchase and Sale Commitment, amending the payment date of the installment of R\$ 30,000 to April 11, 2021. From April 14, 2020, the remaining debt balance started to be restated by reference to the positive variation of the Extended Consumer Price Index (IPCA), disclosed by IBGE, plus a spread of 4.90% per year until the date of its settlement.

- (c) Based on the Private Instrument of Sale and Purchase Commitment and Other Covenants, executed on July 3, 2017, the Company undertook to purchase the undivided interest of 50.1% of the Diamond Mall owned by the seller Clube Atlético Mineiro, through delivery of 02 (two) promissory notes for payment of the debt in the amounts of R\$250,000 and R\$18,000 to the seller, which were issued at the time of execution of the Final Deed of Purchase and Sale. To the amount referring to the promissory note of R\$250,000, monetary restatement was applied to the positive variation of the Extended Consumer Price Index - IPCA disclosed by IBGE, plus interest of 3% p.a. until the date of execution of the final deed.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

15. Property acquisition obligations (Continued)

On January 20, 2020, the Company concluded the acquisition of the undivided interest of 50.1% of Diamond Mall through the execution of the Public Deed of Purchase and Sale, through the delivery of 02 (two) promissory notes for payment of the debt in the amounts of R\$250,000 and R\$18,000 to the seller, Clube Atlético Mineiro.

On January 20, 2020, the Company and Clube Atlético Mineiro entered into the Public Deed of Novation, Acknowledgment of Debt and Other Covenants, replacing the aforementioned promissory notes ("NP") as follows: (i) NP in the amount of R\$250,000, which as monetarily restated totals R\$296,773, was replaced by the payment of R\$ 5,935, made on January 27, 2020 and the remaining balance of R\$290,838 will be paid in 01 (one) installment of R\$23,742. 03 (three) installments of R\$11,871.02, (two) installments of R\$8,903 and 30 (thirty) installments of R\$7,123 as of April 19, 2020, and the remainder on the same day of subsequent months. Each installment will be adjusted based on the variation of 100% of the CDI until the date of their respective payments; and (ii) NP in the amount of R\$18,000 was replaced by Clube Atlético Mineiro's right to receive, over the next 48 (forty-eight) months, the amount equivalent to 7.515% of Diamond Mall's monthly gross revenue.

(d) By means of a Share Purchase and Sale Agreement and Other Covenants, executed on January 7, 2020, the Company acquired 50% of the capital of company Manati Empreendimentos e Participações S.A., corresponding to 21,442,694 common shares of the seller Aliance Sonae Shopping Center S.A. for the total price of R\$28,500. The payment was agreed upon as follows: (i) R\$18,750 paid on January 7, 2020; and (ii) R\$9,750 in 04 (four) equal, semiannual and consecutive installments of R\$2,438 each, the first installment due on August 7, 2020. All installments must be adjusted by the accumulated variation of 100% of CDI since October 18, 2019, as stated in the agreement.

Non-current property acquisition obligations mature by 2024.

	June 30, 2020	December 31, 2019
2021	50,472	4,738
2022	93,736	-
2023	26,200	-
2024	374	-
	<u>170,782</u>	<u>4,738</u>

16. Taxes and contributions, net

	Individual		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Taxes recoverable				
IR, IRRF and CS to be offset	89,485	65,577	117,016	78,543
PIS and COFINS to be offset	9,168	2,267	14,851	3,707
Other taxes recoverable	2,692	2,554	2,954	2,815
Total	<u>101,345</u>	<u>70,398</u>	<u>134,821</u>	<u>85,065</u>
Taxes and contributions payable				
PIS/COFINS	4,644	9,375	14,243	17,916
ISS	-	-	812	2,037
IR e CS payable	45,201	53,143	61,128	71,418
Other	-	-	1,266	1,797
Total	<u>49,845</u>	<u>62,518</u>	<u>77,449</u>	<u>93,168</u>
Current assets	51,500	15,193	68,526	17,917
Current liabilities	-	7,313	11,154	26,021

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits

17.1. Provision for contingencies

Provision for contingencies	Individual				June 30, 2020
	December 31, 2019	Additions	Write-offs	Monetary accrual	
Civil (a)	1,667	80	(51)	(176)	1,520
Labor	3,413	130	(187)	(113)	3,243
Tax	241	-	-	-	241
	5,321	210	(238)	(289)	5,004

Provision for contingencies	Individual				December 31, 2019
	December 31, 2018	Additions	Write-offs	Restatement	
Civil (a)	1,419	804	(559)	3	1,667
Labor	2,944	1,575	(1,461)	355	3,413
Tax	241	-	-	-	241
	4,604	2,379	(2,020)	358	5,321

Provision for contingencies	Consolidated				June 30, 2020
	December 31, 2019	Additions	Write-offs	Monetary accrual	
Civil (a)	7,807	190	(78)	304	8,223
Labor	3,700	370	(395)	(121)	3,554
Tax	304	-	-	-	304
	11,811	560	(473)	183	12,081

Provision for contingencies	Consolidated				December 31, 2019
	December 31, 2018	Additions	Write-offs	Restatement	
Civil (a)	8,620	865	(1,661)	(17)	7,807
Labor	3,086	1,735	(1,527)	406	3,700
Tax	304	-	-	-	304
	12,010	2,600	(3,188)	389	11,811

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

- (a) The legal advisors rated the likelihood of loss on certain legal proceedings related to real estate contract terminations as probable, totaling R\$5,815 on June 30, 2020 (R\$5,980 at June 30, 2019),

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Contingencies with likelihood of loss rated as possible

The Company is defendant in various tax, administrative, labor and civil proceedings, whose likelihood of loss is assessed by its legal advisors as possible, estimated at R\$106,713 at June 30, 2020 (R\$102,224 at December 31, 2019), as follows:

	Consolidated	
	June 30, 2020	December 31, 2019
Tax	69,244	67,568
Civil and administrative	31,155	28,303
Labor	6,314	6,353
Total	106,713	102,224

Tax

ITBI (Property Transfer Tax) collection arising from full merger of companies that own properties, The disputes regarding levy of this tax are concentrated in the municipalities of São Paulo (R\$6,332), Belo Horizonte (R\$13,968) and Brasília (R\$2,205); in all cases, the Company claims acknowledgment of the non-levy of ITBI based on the provisions of article 37, paragraph 4, of the Brazilian Tax Code.

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

In São Paulo, four tax assessment notices were drawn by the City, The discussion ended at administrative level unfavorably to the Company and is currently before the Judiciary with four tax collection claims filed by the authorities and already stayed, The amounts are guaranteed by guarantee insurance policies, So far, the judgments have been unfavorable to the Company, considering the stays of execution of the tax collection claims unfounded, and the Company has already lodged the respective appeals, which are awaiting a decision.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Tax (Continued)

In Belo Horizonte, of the four discussions, two follow the administrative level awaiting analysis of the request for non-application of the ITBI tax and the appeal filed at trial court. The other two discussions ended at the administrative level and proceeded to the legal sphere. Two Writ of Mandamus were filed by the Company and a tax collection claim by the Municipality of Belo Horizonte. In the first Writ of Mandamus, after the decision and judgment of appeal, both unfavorable, appeals to the Brazilian Higher Court of Justice (STJ) and to the Federal Supreme Court of Brazil (STF) were filed, which are currently awaiting examination of admissibility before the local Court (TJMG). In the second writ of mandamus, the preliminary injunction was favorable (suspended by the Court) which was revoked by the local Court (TJMG) and currently awaits the delivery of judgement by the trial court. The tax collection claim is currently suspended due to a decision in the trial court. To date, there was no need to provide a guarantee.

The Company also has a discussion at the administrative level referring to social security contributions, totaling R\$7,413. The tax authority issued a tax delinquency notice requesting social security contributions on amounts referring to the Company's stock option plan. The decision at the lower administrative level was unfavorable and the Company filed a voluntary appeal. The appeal was denied in June 2019 with publication of the Decision. The Company filed requests for amendment of judgment and awaits their analysis. In March 2020, the appeal to the STJ was partially admitted. An interlocutory appeal was lodged against an unfavorable part of the decision. A summons is awaited of the decision that examined the interlocutory appeal.

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

In April 2019, a tax assessment notice was served by the Rio de Janeiro City Government (R\$27,089) referring to collection of Service Tax (ISS) on certain revenues/reimbursement of expenses.

An opposition was filed, which was deemed unfounded in the trial court. The Company is preparing the appeal together with the outside lawyers and will soon lodge it to the tax authorities.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Civil, administrative and labor

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

Other

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

In 2018, the Company became aware of inquiries about the performance of one of the six members of CARF panel that analyzed the matter. In this context, expenses incurred by the Company with the engagement of a law firm to work on the referred to judgment were disallowed by the Income Tax Audit, and the Company was served a notice amounting to R\$3,3 million. The Company paid, under protest, R\$2,5 million, with 50% fine reduction applied by the Department of Finance, and lodged a suit to recover these unduly paid amounts, as it disagrees with the notice.

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

This analysis was conducted by a specialized Law Firm, supported by an international firm specialized in forensic audit and concluded that there was no proof that the Company or its management members participated in any irregular acts related to this tax notice.

On 12 February 2020, CARF rejected the annulment of the Decision, upholding the cancellation of the tax notices. Against this judgment, the Office of the Attorney General of the National Treasury filed an Administrative Appeal on April 3, 2020. The Company filed answer brief to the appeal in the due time.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.2. Judicial deposits

Judicial deposits	Individual			June 30, 2020
	December 31, 2019	Additions	Write-offs	
PIS and COFINS (a)	101	-	-	101
ITBI (b)	4,695	-	-	4,695
Civil	21,353	2,230	(1,704)	21,879
Labor	5,249	67	-	5,316
Other	463	-	(8)	455
	31,861	2,297	(1,712)	32,446

Judicial deposits	Individual			December 31, 2019
	December 31, 2018	Additions	Write-offs	
PIS and COFINS (a)	1,794	1,711	(3,404)	101
ITBI (b)	4,695	-	-	4,695
Civil	19,212	7,322	(5,181)	21,353
Labor	4,529	720	-	5,249
Other	447	16	-	463
	30,677	9,769	(8,585)	31,861

Judicial deposits	Consolidated				June 30, 2020
	December 31, 2019	Acquisition Manati (c)	Additions	Write-offs	
PIS and COFINS (a)	821	-	-	-	821
ITBI (b)	4,695	-	-	-	4,695
Civil	22,614	-	2,437	(2,907)	22,144
Labor	5,723	-	67	-	5,790
Other	995	48	344	(158)	1,229
	34,848	48	2,848	(3,065)	34,679

Judicial deposits	Consolidated			December 31, 2019
	December 31, 2018	Additions	Write-offs	
PIS and COFINS (a)	2,514	2,388	(4,081)	821
ITBI (b)	4,695	-	-	4,695
Civil	20,304	7,767	(5,457)	22,614
Labor	4,916	1,105	(298)	5,723
Other	978	17	-	995
	33,407	11,277	(9,836)	34,848

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

(b) In October 2017, a full deposit of the ITBI tax credit was made in Brasília, as mentioned under the item Tax of Note 17,1,

(c) See Business Combination (Note 1).

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

18. Deferred revenue and costs

	June 30, 2020		December 31, 2019	
	Individual	Consolidated	Individual	Consolidated
Revenue from Key money	48,586	72,953	49,726	72,890
Unallocated cost of sales (a)	(92,035)	(149,482)	(100,200)	(160,347)
Other revenues	1,140	1,138	1,164	1,164
	(42,309)	(75,391)	(49,310)	(86,293)
Current assets	(24,075)	(42,683)	(24,998)	(41,741)
Non-current assets	(67,959)	(106,799)	(75,203)	(118,606)
Current liabilities	13,225	17,394	14,310	18,436
Non-current liabilities	36,500	56,698	36,579	55,618

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

19. Equity

a) Capital

As of June 30, 2020 and December 31, 2019, the Company's share capital is represented by 600,760,875 registered book-entry common and preferred shares, with no par value.

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

Shareholder	Number of shares					
	June 30, 2020			December 31, 2019		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Multiplan Planejamento, Participações e Administração S.A.	126,371,349	-	126,371,349	126,371,349	-	126,371,349
1700480 Ontário Inc.	128,841,603	35,575,041	164,416,644	128,841,603	35,575,041	164,416,644
José Isaac Peres	20,953,673	-	20,953,673	22,453,673	-	22,453,673
Maria Helena Kaminitz Peres	7,379,268	-	7,379,268	7,379,268	-	7,379,268
Outstanding shares	278,848,567	-	278,848,567	275,848,567	-	275,848,567
Board of Directors and Executive Board	471	-	471	471	-	471
Total outstanding shares	562,394,931	35,575,041	597,969,972	560,894,931	35,575,041	596,469,972
Treasury shares	2,790,903	-	2,790,903	4,290,903	-	4,290,903
Total shares issued	565,185,834	35,575,041	600,760,875	565,185,834	35,575,041	600,760,875

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

b) Effect on capital transactions

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

c) Treasury shares

The Company acquired 26,203,500 common shares through June 30, 2020 (26,203,500 through December 31, 2019). Through June 30, 2020, 23,412,597 shares (21,912,597 shares through December 31, 2019) were used to settle the exercise of stock options. At June 30, 2020, treasury shares comprised 2,790,903 shares (4,290,903 shares at December 31, 2019), See Note 20 for more details.

On June 30, 2020, the percentage of outstanding shares (shares issued excepting treasury shares, shares held by directors, controlling shareholders and persons related thereto is 46.42% (45.92% at December 31, 2019). Treasury shares were acquired at a weighted average cost of R\$ 20.78, at a minimum cost of R\$3.27 and at a maximum cost of R\$24.65 (amounts in reais). The closing price of the shares calculated based on the last quotation prior to the end of the year was R\$28.85 (in reais).

d) Dividends and Interest on shareholders' equity

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

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

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

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

Interest on shareholders' equity approved in 2019

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

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

On March 28, 2020, in view of the substantial change in the economic and financial scenario resulting from the new coronavirus pandemic (COVID-19), the Company's Board of Directors, with a favorable opinion from the Supervisory Board ("CF"), approved the proposal for postponement of the payment of this amount until December 31, 2020, which will be submitted for resolution at the Special General Meeting (SGM) of the Company called for April 30, 2020.

On December 23, 2019, the Company's Board of Directors approved, with a favorable opinion from the Supervisory Board, the payment of Interest on shareholders' equity to the Company's shareholders in the gross amount of R\$ 90,000, attributed to the shareholders registered as such on December 30, 2019, corresponding to R\$ 0.15088772985 per share, before the application of a 15% withholding income tax, except for shareholders who were not subject to the levy of the tax, pursuant to the applicable legislation. The payment related to this amount was expected to occur until May 29, 2020.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
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19. Equity (Continued)

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

Interest on shareholders' equity approved in 2019 (Continued)

On March 28, 2020, in view of the substantial change in the economic and financial scenario resulting from the new coronavirus pandemic (COVID-19), the Company's Board of Directors, with a favorable opinion from the Supervisory Board, approved the proposal to postpone the payment of this amount until December 31, 2020 at the Company's Special General Meeting held on April 30, 2020.

	<u>2019</u>	<u>%</u>
Net income for the year	471,123	
Allocation to legal reserve	(23,556)	
Net income after deduction of the legal reserve	<u>447,567</u>	<u>100%</u>
Interest on shareholders' equity approved, net of taxes	244,130	55%

20. Share-based payment

a) Stock option plan (share-based payment)

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

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

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

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

On June 30, 2020, the percentage of stock options granted is 3.7094% of capital, without considering the CEO's options, and 4.7070% when the CEO's options are considered.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

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

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

The Company offered nine stock option grants from 2007 to June 30, 2020, which satisfy the maximum limit of 7% provided for in the plan.

No stock options were granted in 2015, 2016, 2017, 2018, 2019 and in the first half of 2020.

Until June 30, 2020, 23,412,597 stock options were exercised related to Programs 2, 3, 4, 5, 6, 7 and 9 by some beneficiaries. All options exercised were settled through common shares of the Company. On May 14, 2019, 5,068,650 share purchase options were canceled relating to Program 8 granted on May 14, 2013, which expired after the lapse of six years since their granting. On April 16, 2020, 371,970 share purchase options were canceled relating to Program 9 granted on April 16, 2014, which expired after lapsed six years since their granting. Therefore, as of June 30, 2020, there was no balance of options granted and not exercised.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

The vesting periods to exercise the options are as follows:

<u>Vesting periods as of the grant date</u>	<u>% of options released for the year</u>	<u>Maximum number of shares (1)</u>	<u>Number of options exercised through June 30, 2020</u>
Program 1			
180 days after the Initial Public Offering - 01/26/2008	100%	4,493,319	4,493,319
Program 2			
As from the second anniversary - 12/20/2009	33.4%	98,196	98,196
As from the third anniversary - 12/20/2010	33.3%	97,902	97,902
As from the fourth anniversary - 12/20/2011	33.3%	97,902	97,902
Program 3			
As from the second anniversary - 06/04/2010	33.4%	936,662	936,662
As from the third anniversary - 06/04/2011	33.3%	933,865	933,865
As from the fourth anniversary - 06/04/2012	33.3%	933,873	933,873
Program 4			
As from the second anniversary - 04/13/2011	33.4%	1,258,500	1,258,500
As from the third anniversary - 04/13/2012	33.3%	1,254,740	1,254,740
As from the fourth anniversary - 04/13/2013	33.3%	1,254,754	1,254,754
Program 5			
As from the second anniversary - 03/04/2012	33.4%	968,665	968,665
As from the third anniversary - 03/04/2013	33.3%	965,780	965,780
As from the fourth anniversary - 03/04/2014	33.3%	948,834	948,834
Program 6			
As from the second anniversary - 03/23/2013	33.4%	1,299,625	1,299,625
As from the third anniversary - 03/23/2014	33.3%	1,275,760	1,275,760
As from the fourth anniversary - 03/23/2015	33.3%	1,245,799	1,245,799
Program 7			
As from the second anniversary - 03/07/2014	33.4%	1,330,599	1,330,599
As from the third anniversary - 03/07/2015	33.3%	1,296,651	1,296,651
As from the fourth anniversary - 03/07/2016	33.3%	1,296,660	1,296,660
Program 8			
As from the second anniversary - 05/14/2015	33.4%	1,432,860	-
As from the third anniversary - 05/14/2016	33.3%	1,428,570	-
As from the fourth anniversary - 05/14/2017	33.3%	1,428,570	-
Program 9 (2)			
As from the second anniversary - 04/16/2016	33.4%	1,976,555	1,976,555
As from the third anniversary - 04/16/2017	33.3%	1,970,637	1,970,637
As from the fourth anniversary - 04/16/2018	33.3%	1,970,638	1,970,638

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

(2) In relation to Program 9, change in the vesting period of 135,000 options was approved.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

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

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

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

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

Additional information on the stock option plan:

	Number of options (1)	Price (2) (R\$)
Total stock options granted		
On December 31, 2012	22,195,185	7.92
On December 31, 2013	27,086,910	11.66
On December 31, 2014	33,400,650	13.15
On December 31, 2015	33,400,650	14.57
On December 31, 2016	33,028,329	15.47
On December 31, 2017	33,028,116	15.85
On December 31, 2018	32,567,886	16.39
On December 31, 2019	28,277,886	15.43
On June 30, 2020	28,277,886	15.69
Options granted in 2012	4,043,880	13.78
Options granted in 2013	5,008,650	19.25
Options granted in 2014	6,523,650	16.58
Options granted in 2015	-	-
Options granted in 2016	-	-
Options granted in 2017	-	-
Options granted in 2018	-	-
Options granted in 2019	-	-
Options granted in the first six months of 2020	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

	Number of options (1)	Price (2) (R\$)
Total stock options exercised		
On December 31, 2012	10,544,484	6.00
On December 31, 2013	12,822,537	6.67
On December 31, 2014	15,851,145	7.81
On December 31, 2015	17,670,459	8.42
On December 31, 2016	20,416,740	9.61
On December 31, 2017	24,012,636	11.04
On December 31, 2018	24,333,036	11.14
On December 31, 2019	26,405,916	11.95
On June 30, 2020	27,905,916	12.46
Stock options exercised in 2012	3,250,668	8.27
Stock options exercised in 2013	2,278,053	9.74
Stock options exercised in 2014	3,028,608	12.63
Stock options exercised in 2015	1,819,314	13.72
Stock options exercised in 2016	2,746,281	17.29
Stock options exercised in 2017	3,595,896	19.16
Stock options exercised in 2018	320,400	18.96
Options granted in 2019	2,072,880	21.36
Options granted in the first six months of 2020	1,500,000	21.60
	Number of options (1)	Price (2) (R\$)
Total stock options expired		
On December 31, 2012	11,112,939	6.12
On December 31, 2013	14,604,762	7.15
On December 31, 2014	18,149,121	8.56
On December 31, 2015	22,594,338	10.65
On December 31, 2016	27,309,054	12.56
On December 31, 2017	30,940,206	13.77
On December 31, 2018	32,567,886	14.27
On December 31, 2019	28,277,886	12.58
On June 30, 2020	27,905,916	12.46
Stock options expired in 2012	3,117,420	8.63
Stock options expired in 2013	3,491,823	10.51
Stock options expired in 2014	3,544,359	14.29
Stock options expired in 2015	4,445,217	18.82
Stock options expired in 2016	4,849,854	20.78
Stock options expired in 2017	3,631,365	22.11
Stock options expired in 2018	2,049,549	20.91
Options granted in 2019	-	-
Options granted in the first six months of 2020	-	-
Total not exercised		
On December 31, 2012	11,650,701	11.83
On December 31, 2013	14,264,373	15.28
On December 31, 2014	17,549,505	16.95
On December 31, 2015	15,730,191	19.25
On December 31, 2016	12,611,589	21.10
On December 31, 2017	9,015,480	22.50
On December 31, 2018	8,234,850	23.51
On December 31, 2019	1,871,970	21.58
On June 30, 2020	-	-

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

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

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

The weighted average market price of options exercised in 2013 was R\$19.40, R\$17.74 in 2014, R\$18.60 in 2015, R\$19.60 in 2016, R\$23.68 in 2017, R\$23.52 in 2018, R\$26.03 in 2019 and R\$33.50 in the first six months of 2020.

On January 9, 2020, 1,500,000 stock options were exercised by CEO José Isaac Peres, in the amount of R\$32,400, which was recorded in equity.

b) Phantom Stock Option Program

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

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

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

In 2019 and in the first six months of 2020 no investment units were granted.

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

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

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

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

	<u>Consolidated</u>
Balances on December 31, 2019	41,600
Mark-to-market	(25,807)
Labor Charges	(5,982)
Payments	(8,113)
Balances on June 30, 2020	<u><u>1,698</u></u>

i) *Measurement of fair value*

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

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

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

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

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

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

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

<u>Fair value at March, 2020</u>								
	<u>Reference value (R\$)</u>	<u>Share price (R\$)</u>	<u>Accrual index</u>	<u>Number of options</u>	<u>Volatility MULT3</u>	<u>Risk-free rate</u>	<u>Average expiry</u>	<u>Average fair value</u>
Phantom 1	15.57	27.03	IPCA	7,170,733	Mark-to-market	Mark-to-market	0 years	R\$6.65
Phantom 2	20.46	22.25	IPCA	7,083,000	9.44%	1.98%	0.1 years	R\$1.99

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

i) *Measurement of fair value* (Continued)

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

	<u>Number of options</u>	<u>Price (1) (R\$)</u>
Grant		
Total balance of investment units granted on December 31, 2017	14,957,199	19.46
Total balance of investment units granted on December 31, 2018	14,253,734	20.25
Total balance of investment units granted on December 31, 2019	14,098,639	20.90
Total balance of investment units granted on June 30, 2020	14,058,679	21.04
Investment units granted in 2017	-	-
Investment units granted in 2018	-	-
Investment units granted in 2019	-	-
Investment units granted in June 30, 2020	-	-
Exercise		
Total balance of investment units exercised on December 31, 2017	2,580,828	17.44
Total balance of investment units exercised on December 31, 2018	2,789,919	17.51
Total balance of investment units exercised on December 31, 2019	9,617,559	19.26
Total balance of investment units exercised on June 30, 2020	10,520,392	19.56
Investment units exercised in 2017	2,444,379	17.46
Investment units exercised in 2018	209,091	18.33
Investment units exercised in 2019	6,827,640	19.98
Investment units granted in June 30, 2020	902,833	22.72
Expired		
Total balance of investment units expired on December 31, 2017	2,671,704	17.45
Total balance of investment units expired on December 31, 2018	7,286,940	19.27
Total balance of investment units expired on December 31, 2019	11,791,698	19.91
Total balance of investment units expired on June 30, 2020	11,765,045	19.92
Investment units expired in 2017	2,444,379	17.46
Investment units expired in 2018	4,615,237	20.31
Investment units expired in 2019	4,504,758	20.96
Investment units expired in June 30, 2020	-	-
Not redeemed		
Total balance of investment units not redeemed on December 31, 2017	12,376,371	19.83
Total balance of investment units not redeemed on December 31, 2018	11,463,815	20.69
Total balance of investment units not redeemed on December 31, 2019	4,481,080	22.78
Total balance of investment units not redeemed on June 30, 2020	3,538,287	22.94

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

ii) *Revenue (expense) recognized in income*

On June 30, 2020, the amount of R\$29,008 ((R\$7,574) on June 30, 2019) was recognized in income, of which R\$12,759 ((R\$3,311) on June 30, 2019) refers to management's portion.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

c) Restricted Stock Option Plan (Restricted Stock Unit)

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

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

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

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

In addition, the maximum number of Restricted Stock Units that may be granted by the Board of Directors annually shall be limited to 0,5% of the shares representing the Company's total capital.

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

Plan 2: on November 20, 2019, the Board of Directors approved for year 2019 the granting of 1,538,250 Restricted Shares to the elected participants. The participant will only be fully vested in relation to the Restricted Shares if s/he remains continuously related to the Company or company under its control, in the period between the grant date and the grace period, which will be up to five years, with vesting of 25.0% on the second anniversary, 25.0% on the third anniversary, 25.0% on the fourth anniversary and 25.0% on the fifth anniversary.

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

Plan 2 (Continued)

i) Measurement of fair value

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

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

	Fair value on the grant date					Fair value
	Grant date	Reference value (R\$) (1)	Number of units granted	Discount rate (2)	Expectation of future dividends (3)	
Plan 1	08/15/2018	R\$18.92	2,197,500	7.25% to 7.70%	(R\$1.49)	R\$17.43
Plan 2	11/20/2019	R\$ 28.71	1,538,250	4.50% to 6.50%	(R\$1.60)	R\$27.11

- (1) The reference value of the Restricted Stock Units on the grant date corresponds to the closing price of the Company's shares on BM&FBOVESPA on the trading floor on the grant date.
- (2) The discount rate refers to the weighted average market expectations for the Selic rate for the vesting periods of each tranche, available in the Central Bank of Brazil (BACEN) Market Expectations System.
- (3) The expectation of future dividends is the weighted average of the present value of the annual expectation of dividends in accordance with the Company's internal models, brought to present value according to the discount rates based on market expectations for the Selic rate for the vesting periods of each tranche.
- (4) The average fair value is the result of the weighted average fair value of each of the four tranches of the program.

ii) Vesting conditions

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

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

	Vesting conditions on grant date			Number of units granted considered after cancellations
	Grant date	Number of units granted	Cancellation rate (1)	
Plan 1	08/15/2018	2,197,500	-5.79%	2,070,245
Plan 2	11/20/2019	1,538,250	-5.79%	1,449,172

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

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

Plan 2 (Continued)

iii) Recognition in equity and income

At June 30, 2020, the effect referring to the recognition of restricted stock units in equity was R\$7,320, with R\$7,006 in income and R\$314 for expenses capitalized in investment properties (R\$3,511 on June 30, 2020 in equity and investment property). We should point out that, of the total R\$10,533 effect of restricted stock units, R\$2,384 (R\$1,090 on June 30, 2019) refers to management's portion.

21. Net operating revenue

	Individual			
	04/01/2020 a 06/30/2020	01/01/2020 a 06/30/2020	04/01/2019 a 06/30/2019	01/01/2019 a 06/30/2019
Gross operating revenue from sales and services				
Rental	171,692	373,381	203,355	391,701
Parking	2,101	26,717	29,344	57,422
Services	9,877	37,299	29,877	62,026
Key money	(1,200)	(1,911)	(281)	(59)
Real Estate for sale	44	782	78	78
Other	1,526	2,466	1,750	2,649
	184,040	438,734	264,123	513,817
Taxes and contributions on sales and services	7,058	(12,437)	(23,769)	(47,073)
Net operating revenue	191,098	426,297	240,354	466,744
	Consolidated			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Gross operating revenue from sales and services:				
Stores leased	235,183	511,230	271,548	526,298
Parking lots	4,643	49,681	52,887	103,544
Services	9,811	36,847	28,511	58,202
Key money	(4,117)	(7,732)	(3,168)	(5,712)
Real Estate for sale	(2,330)	(1,129)	(545)	(628)
Other	2,077	3,860	2,544	4,041
	245,267	592,757	351,777	685,745
Taxes and contributions on sales and services	8,782	(18,034)	(32,420)	(64,050)
Net operating revenue	254,049	574,723	319,357	621,695

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

21. Net operating revenue (Continued)

Gross operating revenue from sales and services on June 30, 2020 was impacted by Covid-19. This impact was due to the reduction in the car flow, condominium costs and sale of Company's properties. In addition, store rent revenue was impacted by a condition offered to customers who remain in compliance with their obligations.

22. Breakdown of costs and expenses by nature

During the periods ended June 30, 2020 and 2019, the Company incurred in the following costs and expenses:

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

	Individual			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Services	(554)	(1,590)	(1,126)	(2,284)
Properties (charges, IPTU, rent, condominium fees)	(5,775)	(12,242)	(8,594)	(15,915)
Other costs	(2,737)	(4,594)	(8,624)	(16,901)
Cost of properties sold	-	(841)	(439)	(439)
Depreciation and amortization	(30,110)	(59,814)	(27,672)	(53,543)
Total	(39,176)	(79,081)	(46,455)	(89,082)

	Individual			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Costs:				
Services rendered	(39,176)	(78,240)	(46,016)	(88,643)
Of properties sold	-	(841)	(439)	(439)
Total	(39,176)	(79,081)	(46,455)	(89,082)

	Consolidated			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Services	(522)	(1,672)	(1,270)	(2,467)
Parking lot	(1,293)	(2,654)	(1,147)	(2,162)
Properties (charges, IPTU, rent, condominium fees)	(9,327)	(19,742)	(11,614)	(21,373)
Other costs	(3,118)	(7,082)	(13,780)	(29,088)
Cost of properties sold	999	(233)	(203)	(98)
Depreciation and amortization	(52,956)	(106,065)	(50,107)	(98,303)
Total	(66,217)	(137,448)	(78,121)	(153,491)

	Consolidated			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Costs:				
Services rendered	(67,216)	(137,215)	(77,918)	(153,393)
Of properties sold	999	(233)	(203)	(98)
Total	(66,217)	(137,448)	(78,121)	(153,491)

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Notes to quarterly information (Continued)

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(In thousands of reais, unless otherwise stated)

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

Costs (Continued)

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

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

	Individual			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Personnel	(3,499)	(22,664)	(21,180)	(43,604)
Services	(4,335)	(9,302)	(6,259)	(12,715)
Marketing	(1,354)	(5,114)	(4,841)	(7,388)
Travel	(213)	(1,277)	(1,058)	(2,053)
Properties (charges, IPTU, lease and condominium fees)	(985)	(1,921)	(793)	(1,407)
Occupancy cost	(642)	(1,740)	(1,095)	(2,233)
Social security contribution	(2,220)	(5,575)	(6,524)	(9,351)
Other	(22,536)	(29,020)	(3,657)	(7,005)
Total	(35,784)	(76,613)	(45,407)	(85,756)
Expenses with:				
Administrative expenses - headquarters	(13,571)	(47,059)	(40,960)	(79,226)
Administrative expenses - properties	(20,902)	(26,258)	(3,831)	(5,447)
Expenses with projects for lease	(1,117)	(2,643)	(265)	(405)
Expenses with projects for sale	(194)	(653)	(351)	(678)
Total	(35,784)	(76,613)	(45,407)	(85,756)
	Consolidated			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Personnel	(3,555)	(22,837)	(21,291)	(43,790)
Services	(5,580)	(11,994)	(7,748)	(15,610)
Marketing	(2,065)	(6,486)	(9,720)	(14,230)
Travel	(224)	(1,304)	(1,216)	(2,600)
Properties (charges, IPTU, lease and condominium fees)	(4,473)	(7,723)	(4,102)	(7,108)
Occupancy cost	(887)	(2,186)	(1,426)	(2,816)
Social security contribution	(2,226)	(5,596)	(6,538)	(9,379)
Other	(29,162)	(39,162)	(4,734)	(8,139)
Total	(48,172)	(97,288)	(56,775)	(103,672)
Expenses with:				
Administrative expenses – headquarters	(13,456)	(47,626)	(41,628)	(80,347)
Administrative expenses – properties	(30,748)	(41,142)	(7,881)	(13,120)
Projects for lease expenses	(2,840)	(6,040)	(5,611)	(7,729)
Projects for sale expenses	(1,128)	(2,480)	(1,655)	(2,476)
Total	(48,172)	(97,288)	(56,775)	(103,672)

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
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23. Finance income (costs), net

	Individual			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Short-term investment yield	5,888	11,104	9,242	17,936
Interest on loans and financing and debentures	(25,624)	(52,945)	(41,840)	(80,835)
Gain on derivatives	1,684	2,365	-	-
Interest on real estate projects	339	707	293	732
Bank fees and other charges	(1,670)	(3,164)	(1,120)	(2,349)
Monetary gains	333	736	436	846
Fine and interest on lease and key money - shopping mall	610	2,715	2,312	5,031
Fine and interest on tax assessment notices	(231)	(485)	(1)	(406)
Interest and monetary restatement on transaction with related parties	110	278	268	539
Interest on property acquisition obligations	(1,320)	(4,593)	(210)	(210)
Other	605	3,826	(831)	(101)
Total	(19,276)	(39,456)	(31,451)	(58,817)

	Consolidated			
	04/01/2020 to 06/30/2020	01/01/2020 to 06/30/2020	04/01/2019 to 06/30/2019	01/01/2019 to 06/30/2019
Short-term investment yield	8,131	16,389	11,740	25,198
Interest on loans and financing and debentures	(33,565)	(69,696)	(54,782)	(106,796)
Gain on derivatives	1,684	2,365	-	-
Interest on real estate projects	1,079	2,588	1,585	3,331
Bank fees and other charges	(2,150)	(4,333)	(1,711)	(3,493)
Monetary gains	1,014	3,082	2,171	2,264
Fine and interest on lease and key money - shopping mall	769	3,376	2,840	6,138
Fine and interest on tax assessment notices	(316)	(576)	(6)	(430)
Interest and monetary restatement on transaction with related parties	126	311	268	552
Interest on property acquisition obligations	(3,101)	(6,473)	(1,108)	(1,115)
Other	2,386	5,882	(498)	661
Total	(23,943)	(47,085)	(39,501)	(73,690)

24. Segment reporting

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

a) Properties for lease

This refers to the Company's share in the civil condominium of shopping malls and their respective parking, as well as real estates for lease. This is the Company's major revenue-generating segment, accounting for 92.40% of its gross operating revenue for the period ended June 30, 2020. The determining factor for the amount of revenue and expenses in this segment is the Company's share in each venture. Its revenues and expenses are described below:

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

a) Properties for lease (Continued)

Lease revenue

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

Parking revenues

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

Expenses

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

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

Other

Includes depreciation expenses.

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

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

24. Segment reporting (Continued)

b) Real estate for sale

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

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

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

c) Projects

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

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

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

d) Management and other

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

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

d) Management and other (Continued)

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

	April 1, 2020 to June 30, 2020				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	239,826	(2,330)	(4,117)	11,888	245,267
Costs	(67,216)	999	-	-	(66,217)
Expenses	(30,748)	(544)	(3,424)	(19,649)	(54,365)
Other	(1,116)	1,407	(16)	(26,991)	(26,716)
Income before income and social contribution taxes	140,746	(468)	(7,557)	(34,752)	97,969
	January 1, 2020 to June 30, 2020				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	560,910	(1,129)	(7,732)	40,708	592,757
Costs	(137,215)	(233)	-	-	(137,448)
Expenses	(41,142)	(1,896)	(6,624)	(31,818)	(81,480)
Other	39,816	4,293	276	(58,713)	(14,328)
Income before income and social contribution taxes	422,369	1,035	(14,080)	(49,823)	359,501
Operating assets	7,754,341	851,270	649,330	1,278,733	10,533,674
	April 1, 2019 to June 30, 2019				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	324,435	(545)	(3,168)	31,056	351,778
Costs	(77,918)	(203)	-	-	(78,121)
Expenses	(7,881)	(1,655)	(5,611)	(63,286)	(78,433)
Other	(38,184)	2,245	318	(40,903)	(76,524)
Income before income and social contribution taxes	200,452	(158)	(8,461)	(73,133)	118,700
	January 1, 2019 to June 30, 2019				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	629,842	(628)	(5,712)	62,243	685,745
Costs	(153,394)	(98)	-	-	(153,492)
Expenses	(13,120)	(2,476)	(7,729)	(112,986)	(136,311)
Other	(60,794)	5,829	586	(80,015)	(134,394)
Income before income and social contribution taxes	402,534	2,627	(12,855)	(130,758)	261,548
Operating assets	7,244,846	635,796	401,034	1,071,862	9,353,538

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management

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

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

25.1. Capital risk management

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

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

Debt-to-equity ratio is as follows:

	Individual		Consolidated	
	06/30/2020	12/31/2019	06/30/2020	12/31/2019
Debt (a)	3,307,950	2,579,037	3,839,638	3,143,930
Cash and cash equivalents and short-term investments	(875,226)	(646,474)	(1,092,821)	(907,969)
Net debt	2,432,724	1,932,563	2,746,817	2,235,961
Equity (b)	5,884,371	5,585,087	5,887,735	5,588,419
Net debt-to-equity ratio	41.34%	34.60%	46.65%	40.01%

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

Of the total defined in item (a) above, R\$591,176 refers to the amount classified in the individual financial statements and maturing in the short-term at June 30, 2020 (R\$475,673 at December 31, 2019) and R\$2,716,775 classified as Non-current at June 30, 2020 (R\$2,103,363 at December 31, 2019). In the consolidated financial statements, at June 30, 2020, R\$660,688 is classified as current (R\$535,918 at December 31, 2019) and R\$ 3,178,950 as Non-current at June 30, 2020 (R\$ 2,608,012 at December 31, 2019).

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

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

25.2. Market risk management

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

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

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

25.2.1. Interest rate risk management

Interest rate risk refers to:

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

25.2.2. Credit risk related to service rendering

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

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Notes to quarterly information (Continued)
June 30, 2020
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25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.3. Financial credit risk

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

25.2.4. Sensitivity analysis

In order to analyze the sensitivity of financial asset and liability indexes to which the Company is exposed as of June 30, 2020, five different scenarios were defined and a sensitivity analysis to fluctuations in the indexes of such instruments was prepared. At June 26, 2020, the IGP-M and IPCA index projection was extracted from the FOCUS Report, the IGP-DI was extracted from FGV' official web site, the CDI index was extracted from the CETIP's official web site, and the reference rate (TR) was extracted from BM&F BOVESPA's official web site for 2020, Such indexes and rates were considered as probable scenario and 25% and 50% decreases and increases were calculated.

Indexes of financial assets and liabilities:

<u>Index</u>	<u>50% decrease</u>	<u>25% decrease</u>	<u>Probable scenario</u>	<u>25% increase</u>	<u>50% increase</u>
CDI	1.08%	1.61%	2.15%	2.69%	3.23%
IGP-DI	3.91%	5.86%	7.82%	9.77%	11.72%
IGP - M	2.82%	4.22%	5.63%	7.04%	8.45%
IPCA	0.82%	1.22%	1.63%	2.04%	2.45%

Financial assets

Gross revenue was calculated for each scenario on March 31, 2020, based on one-year projection and not taking into consideration any tax levied on income. The sensitivity for each scenario is analyzed below.

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial assets (Continued)

Sensitivity of income - 2020

		Individual					
		Balance at 06/30/2020	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	733,150	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	142,076	1,527	2,291	3,055	3,818	4,582
		875,226	1,527	2,291	3,055	3,818	4,582
Accounts receivable							
Accounts receivable - store lease	IGP-DI	28,486	1,113	1,670	2,227	2,783	3,340
Accounts receivable - straight-line effect	N/A	192,390	N/A	N/A	N/A	N/A	N/A
Accounts receivable - Key money	IGP-DI	21,412	837	1,255	1,674	2,092	2,510
Accounts receivable - real estate for sale units	IGP-M + 12%	14,290	2,117	2,318	2,519	2,720	2,922
Other accounts receivable	N/A	13,216	N/A	N/A	N/A	N/A	N/A
		269,794	4,067	5,243	6,420	7,595	8,772
Transactions with related parties							
Shopping Mall Association	N/A	7,902	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums	N/A	3,132	N/A	N/A	N/A	N/A	N/A
Charges	N/A	8,074	N/A	N/A	N/A	N/A	N/A
Sundry loans and advances	N/A	645	N/A	N/A	N/A	N/A	N/A
		19,753	-	-	-	-	-
Total		1,164,773	5,594	7,534	9,475	11,413	13,354
		Consolidated					
		Balance at 06/30/2020	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	950,745	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	142,076	1,527	2,291	3,055	3,818	4,582
		1,092,821	1,527	2,291	3,055	3,818	4,582
Accounts receivable							
Accounts receivable - store lease	IGP-DI	48,203	1,884	2,826	3,768	4,710	5,651
Straight-line effect	N/A	245,690	N/A	N/A	N/A	N/A	N/A
Accounts receivable - Key money	IGP-DI	33,784	1,320	1,980	2,641	3,301	3,961
Accounts receivable - real estate for sale units	IGP-M + 12%	14,290	2,117	2,318	2,519	2,720	2,922
Accounts receivable - real estate for sale units	IGP-M + 11%	48,336	6,678	7,358	8,038	8,719	9,399
Other trade accounts receivable	N/A	18,544	N/A	N/A	N/A	N/A	N/A
		408,847	11,999	14,482	16,966	19,450	21,933
Transactions with related parties							
Shopping Mall Associations	110% CDI	7,902	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums	110% CDI	4,339	N/A	N/A	N/A	N/A	N/A
Charges	N/A	13,053	N/A	N/A	N/A	N/A	N/A
Loans - other	N/A	635	N/A	N/A	N/A	N/A	N/A
		25,929	-	-	-	-	-
Total		1,527,597	13,526	16,773	20,021	23,268	26,515

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities

Finance cost projection - 2020

Individual

The Company calculated gross finance costs for each scenario, not taking into account the taxes levied and the aging list of contracts for 2020. The reporting date used was June 30, 2020, projecting indexes for one year and checking their sensitivity in each scenario.

	Yield	Balance at 06/30/2020	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
Banco Itaú PSC	TR + 7.4%	54,243	4,014	4,014	4,014	4,014	4,014
Banco Itaú VLG	TR + 7.4%	145,451	10,763	10,763	10,763	10,763	10,763
Bradesco MTE	CDI + 1.00%	301,595	6,258	7,879	9,500	11,121	12,742
CCB - BB 175M	110% do CDI	78,129	924	1,386	1,848	2,310	2,772
CCB - BB 50M	110% do CDI	35,078	415	622	830	1,037	1,244
CCB - BB 150M	110% do CDI	105,235	1,244	1,867	2,489	3,111	3,733
BB - BRS Exp. VII	TR + 7.60%	46,137	3,506	3,506	3,506	3,506	3,506
CCB ITAU 250	CDI+1.95%	253,590	7,671	9,034	10,397	11,760	13,123
CCB ITAU 225	TR + 5.00%	224,145	11,207	11,207	11,207	11,207	11,207
Bradesco MTE JPA	TR + 5.15%	344,269	17,730	17,730	17,730	17,730	17,730
Bradesco MTE JPA SWAP	TR + 5.15%	(2,412)	(124)	(124)	(124)	(124)	(124)
Funding costs	N/A	(26,896)	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	282	N/A	N/A	N/A	N/A	N/A
		1,558,846	63,608	67,884	72,160	76,435	80,710
Property acquisition obligations							
Usiminas	IPCA+4.9%	31,025	1,773	1,899	2,026	2,152	2,279
Atlético Mineiro	CDI+3%	263,220	2,830	4,244	5,659	7,074	8,489
Manati	100%CDI	10,019	108	162	215	269	323
Other	N/A	269	N/A	N/A	N/A	N/A	N/A
		304,533	4,711	6,305	7,900	9,495	11,091
Debentures							
3rd issue of debentures	CDI + 0.87% p.a.	201,548	3,920	5,003	6,087	7,170	8,253
3rd issue of debentures	107.25% of CDI	301,205	3,473	5,209	6,945	8,682	10,418
7th issue of debentures	106% of CDI	351,845	4,009	6,014	8,019	10,023	12,028
Funding costs		(2,173)	N/A	N/A	N/A	N/A	N/A
4th and 5th issue of debentures (CRI)	95% of CDI	600,676	6,134	9,202	12,269	15,336	18,403
Funding costs		(8,529)	N/A	N/A	N/A	N/A	N/A
		1,444,572	17,536	25,428	33,320	41,211	49,102
Total		3,307,951	85,855	99,617	113,380	127,141	140,903

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Notes to quarterly information (Continued)

June 30, 2020

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

Finance cost projection - 2020 (Continued)

Consolidated

	Yield	Balance at 06/30/2020	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
Banco Itaú PSC	TR + 7.4%	54,243	4,014	4,014	4,014	4,014	4,014
Banco Itaú VLG	TR + 7.4%	145,451	10,763	10,763	10,763	10,763	10,763
Bradesco MTE	CDI + 1.00%	301,595	6,258	7,879	9,500	11,121	12,742
Banco do Brasil 175M	110% do CDI	78,129	924	1,386	1,848	2,310	2,772
Banco do Brasil 50M	110% do CDI	35,078	415	622	830	1,037	1,244
Banco do Brasil 150M	110% do CDI	105,235	1,244	1,867	2,489	3,111	3,733
Banco do Brasil BRS Exp VII	TR + 7.6%	46,137	3,506	3,506	3,506	3,506	3,506
CCB ITAU 250	CDI + 1.95%	253,590	7,671	9,034	10,397	11,760	13,123
CCB ITAU 225	TR + 5.00%	224,145	11,207	11,207	11,207	11,207	11,207
Bradesco MTE JPA	TR 5.15%	344,269	17,730	17,730	17,730	17,730	17,730
Bradesco MTE JPA SWAP	TR + 5.15%	(2,412)	(124)	(124)	(124)	(124)	(124)
Morumbi Corporate - DTIY	CDI+0.85%	115,919	2,231	2,854	3,478	4,101	4,724
Morumbi Corporate - GTIY	CDI+0.85%	112,765	2,171	2,777	3,383	3,989	4,595
Bradesco - Canoas	TR + 7.5%	305,623	22,922	22,922	22,922	22,922	22,922
Funding costs	N/A	(37,223)	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	282	N/A	N/A	N/A	N/A	N/A
		2,082,826	90,932	96,437	101,943	107,447	112,951
Property acquisition obligations							
Usiminas	IPCA + 4.90%	31,025	1,773	1,899	2,026	2,152	2,279
Atlético Mineiro	CDI + 3%	263,220	2,830	4,244	5,659	7,074	8,489
Manati	100% CDI	10,019	108	162	215	269	323
Jockey	IGPM	7,707	217	325	434	542	651
ParkShopping	120% CDI	269	N/A	N/A	N/A	N/A	N/A
Other	N/A	312,240	4,928	6,630	8,334	10,037	11,742
Debentures							
3rd issue of debentures	CDI + 0.87%	201,548	3,920	5,003	6,087	7,170	8,253
3rd issue of debentures	107.25% of CDI	301,205	3,473	5,209	6,945	8,682	10,418
7th issue of debentures	106% of CDI	351,845	4,009	6,014	8,019	10,023	12,028
Funding costs		(2,173)	N/A	N/A	N/A	N/A	N/A
4th and 5th issue of debentures (CRI)	95% of CDI	600,676	6,134	9,202	12,269	15,336	18,403
Funding costs		(8,529)	N/A	N/A	N/A	N/A	N/A
		1,444,572	17,536	25,428	33,320	41,211	49,102
Total		3,839,638	113,396	128,495	143,597	158,695	173,795

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

In the six-month period ended June 30, 2020, the Company's financial assets and liabilities generated net finance income (costs) amounting to R\$47,085.

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

Finance cost projection - 2019 (Continued)

Consolidated (Continued)

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

25.2.5. Liquidity risk management

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

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

June 30, 2020	Individual			Total
	Up to one year	From one to three years	Over three years	
Loans and financing	308,278	847,489	873,951	2,029,718
Property acquisition obligations	138,851	175,643	2,625	317,119
Debentures	230,649	717,749	743,456	1,691,854
Total	677,778	1,740,881	1,620,032	4,038,691

December 31, 2019	Individual			Total
	Up to one year	From one to three years	Over three years	
Loans and financing	283,831	539,676	650,678	1,474,185
Property acquisition obligations	30,886	-	-	30,886
Debentures	264,958	448,541	1,073,160	1,786,659
Total	579,675	988,217	1,723,838	3,291,730

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Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.5. Liquidity risk management (Continued)

June 30, 2020	Consolidated			
	Up to one year	From one to three years	Over three years	Total
Loans and financing	400,346	1,035,353	1,293,822	2,729,521
Property acquisition obligations	144,294	178,349	4,603	327,246
Debentures	230,649	717,749	743,456	1,691,854
Total	775,289	1,931,451	2,041,881	4,748,621

December 31, 2019	Consolidated			
	Up to one year	From one to three years	Over three years	Total
Loans and financing	379,683	730,765	1,116,202	2,226,650
Property acquisition obligations	36,132	5,289	1,938	43,359
Debentures	264,958	448,541	1,073,160	1,786,659
Total	680,773	1,184,595	2,191,300	4,056,668

Derivatives

June 30, 2020									
Swap transaction	Purpose of derivative	Assets/ liabilities	Maturity	Notional value	Long position	Short position	Difference in fair value receivable (payable)	Difference in curve receivable (payable)	
Interest rate swaps									
Financing - Bradesco	Change in interest rate for financing construction - ParkJacarepaguá	TR + 5.15% v, 105.85% of CDI	12/21/2020	332,500	344,444	342,032	7,239	2,412	

December 31, 2019									
Swap transaction	Purpose of derivative	Assets/ liabilities	Maturity	Notional value	Long position	Short position	Difference in fair value receivable (payable)	Difference in curve receivable (payable)	
Interest rate swaps									
Financing - Bradesco	Change in interest rate for financing construction - ParkJacarepaguá	TR + 5.15% v, 105.85% of CDI	12/21/2020	332,500	335,809	335,762	1,476	47	

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Notes to quarterly information (Continued)
June 30, 2020
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25. Financial instruments and risk management (Continued)

25.3. Category of the main financial instruments

The main financial instruments classified by category are as follows:

	Individual		Consolidated	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Financial assets at fair value through profit or loss				
Short-term investments	142,076	623,912	142,076	871,506
Financial assets at amortized cost				
Accounts receivable	269,794	215,395	408,847	340,522
Related-party receivables	19,753	19,869	25,929	24,310
Financial liabilities at amortized cost				
Loans and financing	1,558,846	1,102,476	2,082,826	1,657,635
Property acquisition obligations	304,533	269	312,240	40,493
Debentures	1,444,572	1,445,802	1,444,572	1,445,802

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

Instruments	Individual			
	June 30, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and financing	1,585,743	1,490,032	1,127,360	1,154,344
Debentures	1,455,275	1,338,417	1,458,648	1,433,414
Total funding	3,041,018	2,828,449	2,586,008	2,587,758
Total funding costs	(37,600)		(37,730)	
Total funding, net	3,003,418		2,548,278	

Instruments	Consolidated			
	June 30, 2020		December 31, 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Loans and financing	2,120,049	1,996,971	1,693,567	1,688,368
Debentures	1,455,275	1,338,417	1,458,648	1,433,414
Total funding	3,575,324	3,335,388	3,152,215	3,121,782
Total funding costs	(47,926)		(48,777)	
Total funding, net	3,527,398		3,103,438	

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)
June 30, 2020
(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.3. Category of the main financial instruments (Continued)

Valuation techniques and assumptions applied for purposes of fair value calculation

The estimated fair values of financial assets and liabilities of the Company and its subsidiaries have been determined using available market information and appropriate valuation methodologies in conformity with the financial statements for the year ended December 31, 2019.

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

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

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

26. Earnings per share

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

		June 30, 2020		June 30, 2019	
		Individual	Consolidated	Individual	Consolidated
A	Weighted average number of shares issued	600,760,875	600,760,875	600,760,875	600,760,875
B	Weighted average number of shares	2,790,903	2,790,903	5,940,982	5,940,982
C= A - B	Average shares	597,969,972	597,969,972	594,819,893	594,819,893
D	Dilutive earnings	3,675,750	3,675,750	2,488,854	2,488,854
E	Net earnings for the period attributed to the Company's shareholders	249,662	248,551	207,151	207,185
E/C	Earnings per share	R\$0.4175	R\$0.4157	R\$0.3483	R\$0.3483
E/(C+D)	Adjusted earnings/share	R\$0.4150	R\$0.4131	R\$0.3468	R\$0.3469

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Notes to quarterly information (Continued)
June 30, 2020
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27. Subsequent events

Ninth issue of debentures for primary public distribution

On July 16, 2020, the Company completed the 9th issue of debentures for primary public distribution, in the amount of R\$200,000, whereby 200,000 unsecured, non-convertible, book-entry, registered and non-privileged debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$1,000. This transaction will be repaid in three equal installments at the end of the third, fourth, fifth and sixth year bearing annual interest. The issue price was set in the indenture, whereby conventional interest was set at 100% of the accumulated variation of average daily DI rates increased on a compound basis by a spread or surcharge equivalent to 3.00% p.a. The net proceeds obtained by the Company with this debenture Issue will be fully used to pay general expenses and short- and long-term debts and/or strengthen the working capital of the Company and/or its subsidiaries.

The financial *covenants* of these debentures are as follows: (i) From January 1, 2022 (including) to Maturity Date: Net Debt / EBITDA \leq 4.5x; and (iii) EBITDA / Net Financial Expense \geq 2.0x.

This transaction was settled on July 23, 2020.

Dividends

On July 24, 2020, the members of Multiplan Greenfield IV Empreendimento Imobiliário Ltda. resolved, by unanimous vote and without any reservations, the distribution of part of retained earnings calculated in the Company's interim statement of financial position at July 24, 2020, in the amount of R\$350,000, which was paid to said members proportionally to the interest they hold in the Company, on the present date, as follows: (i) payment of R\$ 349,650 to Multiplan Empreendimentos Imobiliários S.A., and (ii) payment of R\$ 350 to Multiplan Holding S.A., in local currency.