



ALIANSC SONAE

— Earnings Report **4Q19**

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CONFERENCE CALL IN PORTUGUESE

March 12th, 2020 – Thursday
11:00 am (BR) | 10:00 am (US ET)
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Code: Aliansce Sonae

CONFERENCE CALL IN ENGLISH

March 12th, 2020 – Thursday
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4Q19

— Net Revenue growth of 10.0% and EBITDA expansion of 13.5%

Rio de Janeiro, March 11th, 2020 – Aliansce Sonae Shopping Centers S.A. (B3: ALSO3), one of the largest shopping mall owners and operators in Brazil, announces its results for the fourth quarter of 2019 (4Q19). At the end of 4Q19, the Company held ownership interests in 28 shopping malls, totaling 833.4 thousand sqm of owned GLA and 1,163.5 thousand sqm of total GLA. The Company also provides planning, management and leasing services to 13 shopping malls owned by third parties, with total GLA of 319.8 thousand sqm. The Company held 1,460.2 thousand sqm of GLA under its management at the end of 4Q19.

4Q19 HIGHLIGHTS

- **Net revenue growth of 10.0%.** Rent revenue and parking result increased by 9.1% and 9.7%, respectively, contributing to the increment of the consolidated revenue.
- **NOI and EBITDA expansion of 11.7% and 13.5%, respectively.** Operational results were leveraged by the increase in net revenue and operational cost reduction, such as the 38.3% yoy drop in PDA. NOI and EBITDA reached R\$ 246.0 million and R\$ 215.6 million, respectively.
- **Total sales grew 10.3%.** Aliansce Sonae's malls registered total sales of R\$ 3.4 billion. SAS increased by 4.5% and SSS were up by 3.8% yoy.
- **SSR and SAR increased 6.5% and 5.7%, respectively.** The growth of these indicators in real terms were of 1.9% and 1.1%, respectively.
- **Expressive AFFO growth of 26.3%.** Effective liability management strategy and drop in interest rates contributed to a 16.9% yoy reduction in financial expenses. The AFFO reached R\$ 158.1 million, with a 57.8% margin (+ 819 bps yoy).
- **Average cost of debt drops to 6.3%.** During 4Q19, the Company pre-paid a total of R\$ 533 million and renegotiated rates of financings in the amount of R\$ 349 million. These pre-payments and renegotiations should lead to savings of nearly R\$ 38 million in financial results. Considering that the largest part of the pre-payments and renegotiations were concentrated at the end of December 2019, the impact of these savings should be observed throughout 2020.
- **Follow-On.** In December 2019, Aliansce Sonae concluded a primary offering of shares of approximately R\$ 1.2 billion. The resources should be allocated to fund the Company's growth strategy and to adequate its capital structure.

The Company's managerial financial information and other non-accounting information presented in this Earnings Release have not been reviewed by independent auditors. For an analysis of the reconciliation between such managerial financial information and the Company's consolidated financial statements, as well as other relevant information, please refer to the comments and tables in the "Appendices" section. The historical managerial information presented in this document refer to the sum of information from Aliansce Shopping Centers and Sonae Sierra Brasil, as if the companies had already been combined at the time.

Message from Management

The year of 2019 marked the beginning of the combined activities of Aliansce Sonae. With the conclusion of the merger in August, we have created the largest shopping mall manager in Brazil. Throughout the second half of the year, we moved forward along the integration process, validating the operational synergies calculations and confirming our guidance to of R\$70-80 million per year, to be captured over the next 3 years. At the end of 2019, we concluded a primary offering of shares, raising funds to finance our growth strategy through expansion projects and acquisition opportunities, in addition to continuing with our liability management initiatives. We priced the follow-on on December 5th, reaching a total of R\$1.2 million in funds.

During 2019, despite having a very active year, because of the merger and integration process, we have successfully continued with our strategy of increasing stakes in dominant assets. We acquired additional stakes of high-performing malls in our portfolio, such as 30% of Shopping Plaza Sul in April, 5% of Shopping Leblon in July, 25% of Shopping Grande Rio and 14% of Shopping Taboão in December. In addition, we concluded significant divestments, such as the total sale of our stakes in Shopping West Plaza and Shopping Santa Úrsula.

Our growth strategy consists on the continuous valuation of our assets, searching for new investment and divestment opportunities, organic expansion projects and acquisitions of third-party malls. Our focus and main goal are that the consumer experience keeps constantly improving. Therefore, we have invested in data analytics tools to precisely identify the ideal mix and bring the best offering of services and products to our clients.

At the end of December, we used part of the funds from the follow-on to prepay the amount of R\$ 491 million in fixed-rate debt at an average cost of TR + 9.3% per year. As a result of the prepayment movements conducted during 4Q19, in the total amount of R\$533 million, combined with the renegotiation of liabilities of nearly R\$ 350 million, the Company's average cost of debt decreased to 6.3% compared to 7.9%, at the end of 3Q19 and 8.9% in 2018. These prepayments and renegotiations should create an estimated annual savings of R\$ 38 million – with greater impact throughout 2020. Our debt profile ended the year with a 61.7% exposure to the CDI, 23.9% to TR and 14.4% to inflation.

We concluded 2019 with total sales expansion of 10.3% in 4Q19 and 8.7% in 2019. Throughout the year, we maintained an intense commercial activity, leasing 715 new contracts, corresponding to 84.5 thousand m² of GLA. As a result, we have already seen an increase in the occupancy rate of the portfolio, which reached 96.7% at the end of the year, compared to 96.2% at the end of 2018. The improvement in this indicator already shows the first results of the integration process. The occupancy rate in the quarter prior to the merger was of 95.8% for the combined portfolio.

Related to operational results, net revenue expanded 10.0% in the fourth quarter, which shows an acceleration throughout the year, which ended with a 9.6% growth compared to 2018. This growth allied to the reduction of operational costs and PDA, contributed to achieve the NOI and EBITDA of R\$ 802.3 million and R\$ 689.1 million, with 89.6% and 74.3% of margin respectively. The Company's AFFO was leveraged by the liability management and increased 27.4%.

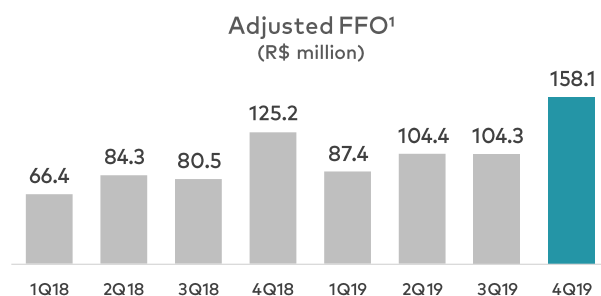
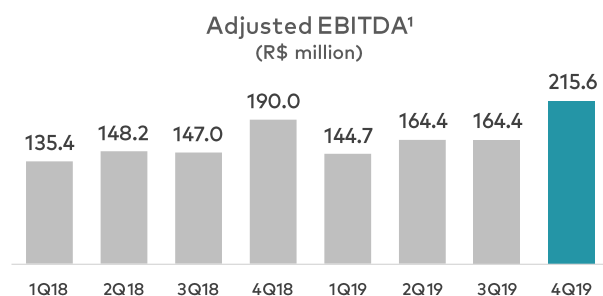
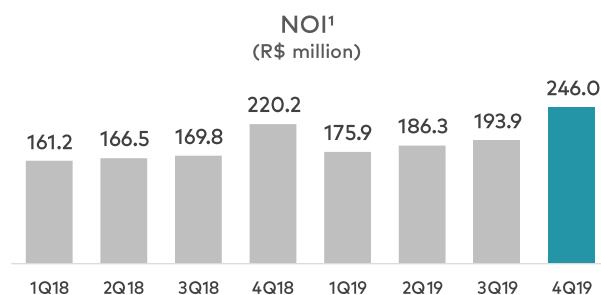
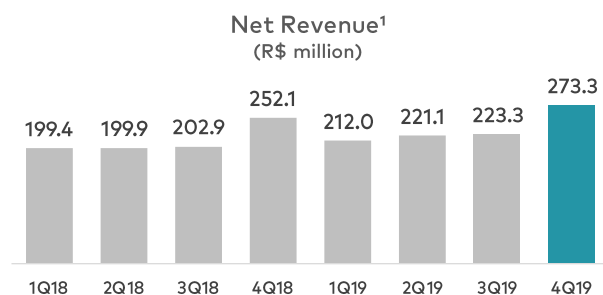
Especially over the past two years, we have seen a higher correlation between NOI expansion and total sales growth. When we attract more suitable tenants to our malls, we observe overall better business activity, which translate into better rent revenues for the Company over time.

Aliansce Sonae Team

Main Indicators

| Main indicators | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 4Q19/4Q18 Δ% Same Malls | 2019 | 2018 | 2019/2018 Δ% | 2019/2018 Δ% Same Malls |
|---|-----------|-----------|-----------------|----------------------------|------------|------------|-----------------|----------------------------|
| Financial Performance <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | | | |
| Gross revenue | 294,283 | 269,051 | 9.4% | 7.1% | 1,028,568 | 941,770 | 9.2% | 7.9% |
| Net revenue | 268,008 | 243,653 | 10.0% | 7.5% | 931,797 | 850,295 | 9.6% | 8.2% |
| NOI ¹ | 245,983 | 220,234 | 11.7% | 8.5% | 802,341 | 717,823 | 11.8% | 9.8% |
| Margin % | 91.8% | 89.1% | 268 bps | 266 bps | 89.6% | 86.9% | 275 bps | 267 bps |
| NOI/sqm | 111.9 | 106.6 | 5.0% | 4.0% | 125.7 | 118.8 | 5.8% | 6.8% |
| Adjusted EBITDA ^{1 2} | 215,626 | 189,982 | 13.5% | 10.4% | 689,059 | 620,495 | 11.0% | 9.5% |
| Margin % | 78.9% | 75.4% | 354 bps | 324 bps | 74.3% | 72.6% | 167 bps | 161 bps |
| Net Income | 100,623 | 157,964 | -36.3% | n/a | 84,317 | 303,221 | -72.2% | n/a |
| Margin % | 37.5% | 64.8% | -42.1% | n/a | 9.0% | 35.7% | -74.6% | n/a |
| Adjusted FFO (AFFO) ^{1 2} | 158,073 | 125,167 | 26.3% | n/a | 454,056 | 356,346 | 27.4% | n/a |
| Margin % | 57.8% | 49.6% | 819 bps | n/a | 49.0% | 41.7% | 725 bps | n/a |
| AFFO per share | 0.59 | 0.53 | 13.1% | n/a | 1.71 | 1.50 | 14.1% | n/a |
| Total rent/sqm | 100.4 | 97.9 | 2.6% | 1.7% | 86.0 | 83.3 | 3.3% | 4.3% |
| SAR (same area rent) | 5.7% | 5.7% | -2 bps | n/a | 6.4% | 3.6% | 281 bps | n/a |
| SSR (same store rent) | 6.5% | 6.0% | 47 bps | n/a | 7.0% | 3.9% | 314 bps | n/a |
| Operating Performance | | | | | | | | |
| Total Sales @share ('000 Reais) | 3,396,271 | 3,078,428 | 10.3% | 7.5% | 10,659,441 | 9,810,705 | 8.7% | 6.9% |
| Total Sales same malls ('000 Reais) | 3,417,441 | 3,177,989 | 7.5% | n/a | 10,817,497 | 10,123,821 | 6.9% | n/a |
| Sales/sqm @share (in Reais) | 1,595 | 1,503 | 6.2% | 5.0% | 1,270 | 1,206 | 5.3% | 4.6% |
| Sales/sqm same malls (in Reais) | 1,600 | 1,524 | 5.0% | n/a | 1,279 | 1,222 | 4.6% | n/a |
| SAS (same area sales) | 4.5% | 4.2% | 36 bps | n/a | 4.2% | 2.5% | 178 bps | n/a |
| SSS (same store sales) | 3.8% | 3.4% | 35 bps | n/a | 3.6% | 1.9% | 163 bps | n/a |
| Occupancy costs (% of sales) | 9.1% | 9.3% | -11 bps | n/a | 10.1% | 10.2% | -11 bps | n/a |
| Net Delinquency (% of revenues) | 0.1% | 0.4% | -24 bps | n/a | 1.6% | 2.3% | -68 bps | n/a |
| Occupancy Rate | 96.7% | 96.2% | 57 bps | n/a | 96.7% | 96.2% | 57 bps | n/a |
| Total GLA (sqm) | 1,163,459 | 1,193,845 | -2.5% | n/a | 1,163,459 | 1,193,845 | -2.5% | n/a |
| Owned GLA (sqm) | 833,421 | 812,788 | 2.5% | 2.2% | 833,421 | 812,788 | 2.5% | 2.2% |
| GLA that reported sales (sqm) | 709,735 | 682,885 | 3.9% | 3.0% | 709,735 | 682,885 | 3.9% | 3.0% |

¹ Excludes straight-line rent

² Excludes non-recurring and non-cash items

¹ Excludes straight-line rent

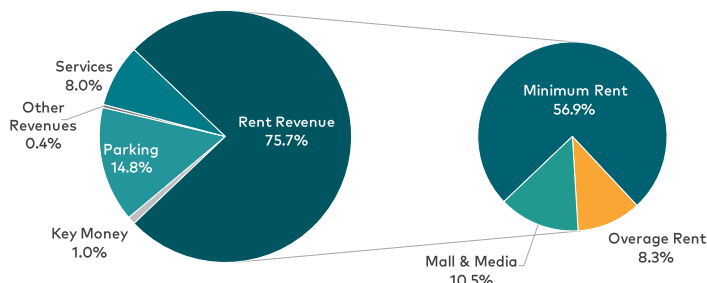
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Financial Highlights

REVENUES

Aliansce Sonae's net revenue amounted to R\$ 268.0 million in 4Q19, posting an increase of 10.0% yoy. In 4Q19, rent revenue¹ grew 9.1% yoy, reflecting the Company's continued efforts towards qualifying the malls' tenant mix and recent stake acquisitions. Disregarding the non-cash impact from straight-line rent, net revenue expanded by 8.4% vs. 4Q18.

Revenue Composition | 4Q19

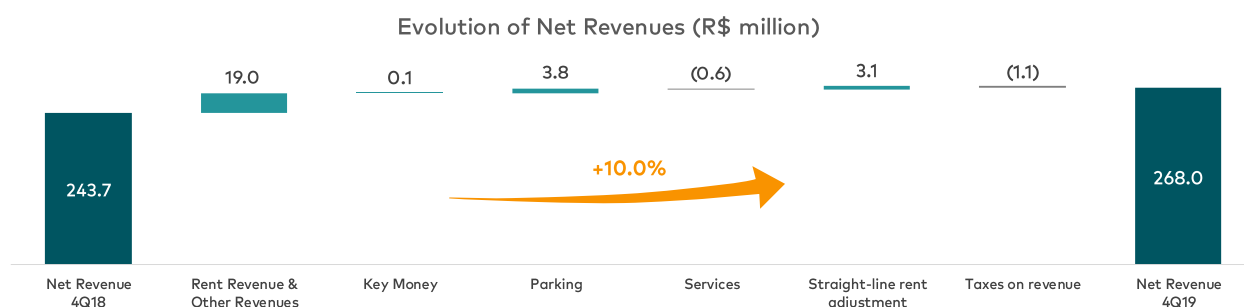


| Revenues per Type | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 4Q19/4Q18 Δ% Same Malls | 2019 | 2018 | 2019/2018 Δ% | 2019/2018 Δ%² Same Malls |
|--|----------------|----------------|--------------|-------------------------|----------------|----------------|--------------|--------------------------|
| <i>Managerial financial information</i> | | | | | | | | |
| <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | | | |
| Rent Revenue | 220,707 | 202,209 | 9.1% | 6.2% | 731,924 | 671,051 | 9.1% | 7.2% |
| Key Money | 2,963 | 2,873 | 3.1% | 1.3% | 10,793 | 12,502 | -13.7% | -14.4% |
| Parking result | 43,130 | 39,331 | 9.7% | 5.9% | 148,117 | 130,678 | 13.3% | 11.2% |
| Other revenues | 1,159 | 639 | 81.4% | 76.5% | 4,252 | 3,379 | 25.8% | 24.3% |
| Services | 23,405 | 23,982 | -2.4% | 1.7% | 96,050 | 92,650 | 3.7% | 7.3% |
| Straight-line rent adjustment | (5,329) | (8,473) | -37.1% | -40.4% | 4,510 | (3,947) | n/a | n/a |
| Taxes on revenue | (18,028) | (16,908) | 6.6% | 6.0% | (63,849) | (56,018) | 14.0% | 13.6% |
| Net Revenue | 268,008 | 243,653 | 10.0% | 7.5% | 931,797 | 850,295 | 9.6% | 8.2% |

| Total Revenue per Mall | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 4Q19/4Q18 Δ% Same Malls | 2019 | 2018 | 2019/2018 Δ% | 2019/2018 Δ%² Same Malls |
|--|----------------|----------------|--------------|-------------------------|----------------|----------------|--------------|--------------------------|
| <i>Managerial financial information</i> | | | | | | | | |
| <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | | | |
| Bangu Shopping | 20,712 | 20,168 | 2.7% | 2.7% | 68,149 | 62,517 | 9.0% | 9.0% |
| Boulevard Londrina Shopping | 3,918 | 3,625 | 8.1% | 8.1% | 14,302 | 12,847 | 11.3% | 11.3% |
| Boulevard Shopping Bauru | 6,283 | 5,946 | 5.7% | 5.7% | 19,196 | 18,332 | 4.7% | 4.7% |
| Boulevard Shopping Belém | 16,784 | 16,126 | 4.1% | 4.1% | 56,510 | 52,118 | 8.4% | 8.4% |
| Boulevard Shopping Belo Horizonte | 11,011 | 9,953 | 10.6% | 10.6% | 35,102 | 31,978 | 9.8% | 9.8% |
| Boulevard Shopping Brasília | 3,659 | 3,333 | 9.8% | 9.8% | 12,030 | 10,820 | 11.2% | 11.2% |
| Boulevard Shopping Campos | 6,632 | 6,095 | 8.8% | 8.8% | 21,493 | 19,463 | 10.4% | 10.4% |
| Boulevard Shopping Vila Velha | 1,827 | 1,767 | 3.4% | 3.4% | 6,126 | 5,399 | 13.5% | 13.5% |
| Carioca Shopping | 15,448 | 14,175 | 9.0% | 9.0% | 50,821 | 46,350 | 9.6% | 9.6% |
| Caxias Shopping | 6,027 | 5,828 | 3.4% | 3.4% | 20,990 | 18,418 | 14.0% | 14.0% |
| Franca Shopping | 3,350 | 3,093 | 8.3% | 8.3% | 12,539 | 11,117 | 12.8% | 12.8% |
| Manauara Shopping | 20,864 | 19,758 | 5.6% | 5.6% | 73,493 | 68,654 | 7.0% | 7.0% |
| Parque D.Pedro Shopping | 23,349 | 23,842 | -2.1% | -2.1% | 86,614 | 84,379 | 2.6% | 2.6% |
| Parque Shopping Belém | 6,210 | 5,506 | 12.8% | 12.8% | 19,849 | 17,290 | 14.8% | 14.8% |
| Parque Shopping Macaé | 6,533 | 6,219 | 5.0% | 5.0% | 21,523 | 19,781 | 8.8% | 8.8% |
| Passeio das Águas Shopping | 8,630 | 7,570 | 14.0% | 14.0% | 29,731 | 26,935 | 10.4% | 10.4% |
| Plaza Sul Shopping | 12,067 | 7,595 | 58.9% | 5.9% | 37,668 | 25,796 | 46.0% | 5.7% |
| Santana Parque Shopping | 3,587 | 3,209 | 11.8% | 1.6% | 11,160 | 10,598 | 5.3% | -0.7% |
| Shopping Campo Limpo | 1,484 | 1,437 | 3.2% | 3.2% | 5,348 | 5,211 | 2.6% | 2.6% |
| Shopping da Bahia | 26,705 | 25,693 | 3.9% | 3.9% | 88,531 | 84,997 | 4.2% | 4.2% |
| Shopping Grande Rio | 6,435 | 3,437 | 87.2% | 28.0% | 15,489 | 12,054 | 28.5% | 13.5% |
| Shopping Leblon | 8,096 | 6,142 | 31.8% | 10.3% | 24,034 | 19,798 | 21.4% | 9.8% |
| Shopping Metrôpole | 10,190 | 9,858 | 3.4% | 3.4% | 37,577 | 35,054 | 7.2% | 7.2% |
| Shopping Parangaba | 4,527 | 3,972 | 14.0% | 14.0% | 14,198 | 12,659 | 12.1% | 12.1% |
| Shopping Santa Úrsula | 1,195 | 1,093 | 9.3% | 9.3% | 4,172 | 3,530 | 18.2% | 18.2% |
| Shopping Taboão | 14,661 | 12,664 | 15.8% | 6.8% | 46,593 | 42,109 | 10.6% | 7.9% |
| Shopping West Plaza | 1,298 | 2,005 | -35.3% | 18.9% | 6,798 | 6,741 | 0.8% | 16.6% |
| Uberlândia Shopping | 5,623 | 4,890 | 15.0% | 15.0% | 17,240 | 15,075 | 14.4% | 14.4% |
| Via Parque Shopping | 6,607 | 6,045 | 9.3% | 9.3% | 22,284 | 20,644 | 7.9% | 7.9% |
| C&A Stores | 1,286 | 1,135 | 13.3% | 13.3% | 4,734 | 4,444 | 6.5% | 6.5% |
| Subtotal | 264,996 | 242,179 | 9.4% | 6.3% | 884,293 | 805,108 | 9.8% | 7.9% |
| Key Money | 2,963 | 2,873 | 3.1% | 1.3% | 10,793 | 12,502 | -13.7% | -14.4% |
| Services | 23,405 | 23,982 | -2.4% | 1.7% | 96,050 | 92,650 | 3.7% | 7.3% |
| Straight-line rent adjustment | (5,329) | (8,473) | -37.1% | -40.4% | 4,510 | (3,947) | n/a | n/a |
| Taxes on revenue | (18,028) | (16,908) | 6.6% | 6.0% | (63,849) | (56,018) | 14.0% | 13.6% |
| Total | 268,008 | 243,653 | 10.0% | 7.5% | 931,797 | 850,295 | 9.6% | 8.2% |

¹Rent revenue is presented net of discounts.

²Same Malls: Analysis replicating current stakes over historical base.



RENT REVENUE

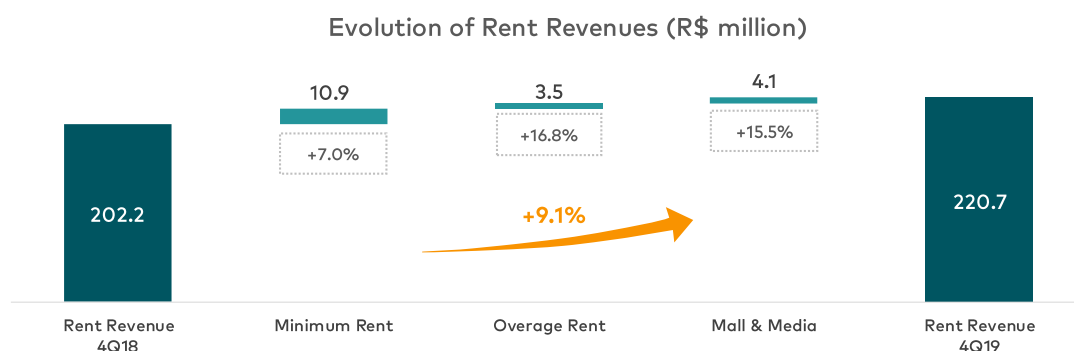
Rent revenue reached R\$ 220.7 million in 4Q19, an increase of 9.1% yoy, the same growth for the full year of 2019. On a same malls basis, rent revenue increased 6.2% yoy in 4Q19 and 7.2% in 2019. Among the Company's best performing malls in terms of rent revenue, the highlights were Shopping Grande Rio, which expanded 28.7% yoy, reflecting the changes implemented by the revitalization project, and Uberlândia Shopping and Shopping Parangaba – that are advancing in their respective ramp up curves and recorded increases of 15.1% and 14.9% yoy, respectively. Parque D. Pedro Shopping's rent revenue was impacted by a positive non-recurring event in 4Q18, which affected its comparison with 4Q19.

Minimum and overage rent revenues together increased 8.2% yoy in the quarter and this increment can be explained by the decrease of discounts, real-term growth of rents and stake acquisitions in the period. Rent revenue increased by 5.1% on a same mall basis.

Aliansce Sonae's Same Store Rent (SSR) posted an expansion of 6.5% in the fourth quarter, which represented a real growth of 1.9%. The Company's Same Area Rent (SAR) was also positive in 4Q19, increasing 5.7% yoy, a real growth of 1.1%.

| Rent Revenues | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 4Q19/4Q18 Δ% Same Malls | 2019 | 2018 | 2019/2018 Δ% | 2019/2018 Δ% Same Malls |
|--|----------------|----------------|-----------------|----------------------------|----------------|----------------|-----------------|----------------------------|
| <i>Managerial financial information</i> | | | | | | | | |
| <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | | | |
| Bangu Shopping | 16,867 | 16,933 | -0.4% | -0.4% | 54,962 | 51,297 | 7.1% | 7.1% |
| Boulevard Londrina Shopping | 3,914 | 3,594 | 8.9% | 8.9% | 14,241 | 12,700 | 12.1% | 12.1% |
| Boulevard Shopping Bauru | 4,899 | 4,721 | 3.8% | 3.8% | 14,845 | 14,226 | 4.4% | 4.4% |
| Boulevard Shopping Belém | 14,689 | 13,814 | 6.3% | 6.3% | 48,814 | 44,618 | 9.4% | 9.4% |
| Boulevard Shopping Belo Horizonte | 8,224 | 7,517 | 9.4% | 9.4% | 25,777 | 23,651 | 9.0% | 9.0% |
| Boulevard Shopping Brasília | 3,065 | 2,727 | 12.4% | 12.4% | 9,988 | 9,054 | 10.3% | 10.3% |
| Boulevard Shopping Campos | 5,299 | 4,830 | 9.7% | 9.7% | 16,894 | 15,501 | 9.0% | 9.0% |
| Boulevard Shopping Vila Velha | 1,827 | 1,767 | 3.4% | 3.4% | 6,126 | 5,399 | 13.5% | 13.5% |
| Carioca Shopping | 12,673 | 11,655 | 8.7% | 8.7% | 40,893 | 37,788 | 8.2% | 8.2% |
| Caxias Shopping | 4,270 | 4,428 | -3.6% | -3.6% | 15,029 | 13,747 | 9.3% | 9.3% |
| Franca Shopping | 3,320 | 3,036 | 9.4% | 9.4% | 12,414 | 10,957 | 13.3% | 13.3% |
| Manauara Shopping | 17,757 | 16,402 | 8.3% | 8.3% | 62,519 | 58,126 | 7.6% | 7.6% |
| Parque D. Pedro Shopping | 18,428 | 19,276 | -4.4% | -4.4% | 69,359 | 68,084 | 1.9% | 1.9% |
| Parque Shopping Belém | 5,217 | 4,595 | 13.5% | 13.5% | 16,336 | 14,432 | 13.2% | 13.2% |
| Parque Shopping Maceió | 5,372 | 5,135 | 4.6% | 4.6% | 17,412 | 16,069 | 8.4% | 8.4% |
| Passeio das Águas Shopping | 8,629 | 7,570 | 14.0% | 14.0% | 29,686 | 26,468 | 12.2% | 12.2% |
| Plaza Sul Shopping | 9,649 | 6,027 | 60.1% | 6.7% | 30,534 | 21,261 | 43.6% | 4.1% |
| Santana Parque Shopping | 2,732 | 2,412 | 13.3% | 3.0% | 8,267 | 7,817 | 5.8% | -0.6% |
| Shopping Campo Limpo | 1,351 | 1,282 | 5.4% | 5.4% | 4,838 | 4,706 | 2.8% | 2.8% |
| Shopping da Bahia | 23,105 | 22,560 | 2.4% | 2.4% | 75,323 | 74,176 | 1.5% | 1.5% |
| Shopping Grande Rio | 5,094 | 2,693 | 89.1% | 28.7% | 11,974 | 9,366 | 27.8% | 12.6% |
| Shopping Leblon | 7,052 | 5,330 | 32.3% | 10.7% | 20,509 | 16,967 | 20.9% | 9.3% |
| Shopping Metrôpole | 8,389 | 8,182 | 2.5% | 2.5% | 31,341 | 29,439 | 6.5% | 6.5% |
| Shopping Parangaba | 3,910 | 3,403 | 14.9% | 14.9% | 12,087 | 10,679 | 13.2% | 13.2% |
| Shopping Santa Úrsula | 872 | 786 | 11.0% | 11.0% | 2,960 | 2,601 | 13.8% | 13.8% |
| Shopping Toboão | 11,381 | 9,604 | 18.5% | 9.3% | 35,896 | 32,391 | 10.8% | 8.1% |
| Shopping West Plaza | 930 | 1,542 | -39.7% | 12.8% | 5,054 | 5,155 | -2.0% | 13.9% |
| Uberlândia Shopping | 5,622 | 4,886 | 15.1% | 15.1% | 17,091 | 15,038 | 13.7% | 13.7% |
| Via Parque Shopping | 4,883 | 4,368 | 11.8% | 11.8% | 16,024 | 14,894 | 7.6% | 7.6% |
| C&A Stores | 1,286 | 1,135 | 13.3% | 13.3% | 4,734 | 4,444 | 6.5% | 6.5% |
| Total | 220,707 | 202,209 | 9.1% | 6.2% | 731,924 | 671,051 | 9.1% | 7.2% |

The Mall & Media line, which includes revenue from temporary rent contracts, kiosks and media, had a positive performance in 4Q19, expanding 15.5% yoy, with an emphasis on the growing contribution of media revenue, which increased by around R\$ 2.2 million yoy.



OTHER REVENUE

Parking result improved 9.7% yoy in 4Q19, due to higher average ticket.

Services revenue dropped 2.4% yoy, mainly impacted by the termination of management contracts with third-party malls (Shopping Penha and Floripa Shopping) and by the increase in owned malls' stakes, settled throughout 2019, which had a positive impact on rent revenue, however decreasing the Company's service revenue.

COST OF RENT AND SERVICES

Considering the accounting methodology harmonization of the two companies, rent and service costs amounted to R\$ 71.5 million in the fourth quarter of 2019, an increase of 32.2% yoy. The majority of the non-cash impact derived from the accounted depreciation for nine malls in the portfolio, originally belonging to Sonae Sierra Brasil, which used fair value to account for its assets and did not register depreciation costs. Excluding the non-cash effect of depreciation and amortization, total cash costs amounted to R\$ 33.2 million in 4Q19, a decrease of 12.5% yoy.

In the fourth quarter, mall operating costs declined 12.7% yoy, around R\$ 2.7 million, partially explained by the increase in occupancy rate and consequent reduction of costs with vacant areas. Provisions for Doubtful Accounts (PDA) posted a relevant drop of 38.3%, reaching the lowest level for the past two years, benefited from significant delinquency recovery. In the fourth quarter, PDA represented 1.4% of net revenue, compared to 2.4% in 4Q18, a 106 bps drop yoy.

Leasing and planning costs reached R\$ 3.9 million in 4Q19, posting an increase of 14.7% versus 4Q18, yet stable when compared to 3Q19. The level reported in 4Q19 reflects the company's intense leasing activity, in addition to the changes implemented in the commercial department during 2019, including its structure expansion and a new compensation model.

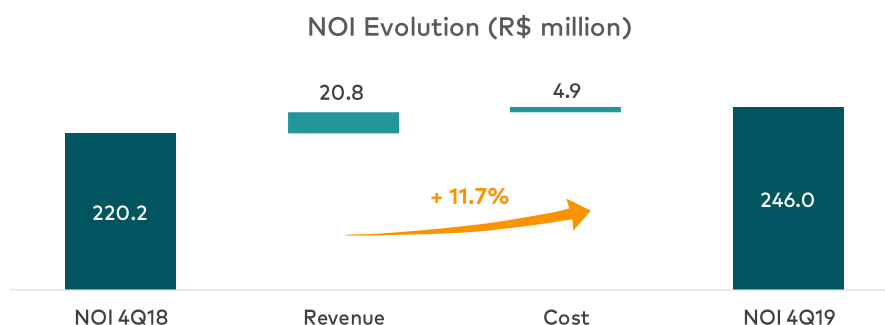
| Costs per Type | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 4Q19/4Q18 Δ% Same Malls | 2019 | 2018 | 2019/2018 Δ% | 2019/2018 Δ% Same Malls |
|---|---------------|---------------|-----------------|----------------------------|----------------|----------------|-----------------|----------------------------|
| <i>Managerial Financial Information</i> (Amounts in thousands of Reais, except percentages) | | | | | | | | |
| Depreciation and amortization | 38,309 | 16,153 | 137.2% | 135.8% | 102,940 | 66,219 | 55.5% | 54.9% |
| Mall operating costs | 18,303 | 20,970 | -12.7% | -14.0% | 72,917 | 80,367 | -9.3% | -9.9% |
| Costs of services rendered | 7,342 | 7,608 | -3.5% | -3.5% | 30,094 | 28,848 | 4.3% | 0.0% |
| Leasing and Planning costs | 3,863 | 3,367 | 14.7% | 14.7% | 15,506 | 8,329 | 86.2% | 86.2% |
| Provision for doubtful accounts | 3,627 | 5,874 | -38.3% | -42.2% | 19,944 | 28,071 | -29.0% | -30.6% |
| Pre-operating expenses | 80 | 146 | -45.1% | -45.1% | 154 | 297 | -48.2% | -48.2% |
| Total | 71,525 | 54,118 | 32.2% | 30.2% | 241,554 | 212,131 | 13.9% | 12.4% |
| Total Cash Costs | 33,216 | 37,965 | -12.5% | -14.1% | 138,615 | 145,912 | -5.0% | -6.6% |

NOI

Aliansce Sonae's NOI posted a 11.7% expansion in 4Q19, reaching R\$ 246.0 million. In 2019, NOI reached R\$ 802.3 million, a growth of 11.8% yoy. Excluding the effect from Boulevard Corporate Tower – which was sold in 4Q18 – the Company's NOI posted an increase of 12.7% in 4Q19 yoy and 13.1% in 2019. The Company's rent revenue line was the main driver behind the expansion of NOI, along with the hike in parking result, decrease in operating costs and PDA drop. NOI margin reached 91.8% in the fourth quarter and 89.6% in 2019, gains of 268 bps and 275 bps, respectively.

| NOI | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 4Q19/4Q18 Δ% Same Malls | 2019 | 2018 | 2019/2018 Δ% | 2019/2018 Δ% Same Malls |
|--|----------------|----------------|-----------------|----------------------------|----------------|----------------|-----------------|----------------------------|
| <i>Managerial Financial Information</i> | | | | | | | | |
| <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | | | |
| Rent Revenue ¹ | 220,707 | 202,209 | 9.1% | 6.2% | 731,924 | 671,051 | 9.1% | 7.2% |
| Key Money | 2,963 | 2,873 | 3.1% | 1.3% | 10,793 | 12,502 | -13.7% | -14.4% |
| Transfer fee | 1,159 | 639 | 81.4% | 76.5% | 4,252 | 3,379 | 25.8% | 24.3% |
| Parking Results | 43,130 | 39,331 | 9.7% | 5.9% | 148,117 | 130,678 | 13.3% | 11.2% |
| Result from corporate towers | (46) | 2,025 | n/a | n/a | 116 | 8,650 | -98.7% | -98.7% |
| Operational Income | 267,913 | 247,078 | 8.4% | 5.4% | 895,201 | 826,261 | 8.3% | 6.5% |
| (-) Mall operational costs | (18,303) | (20,970) | -12.7% | -14.0% | (72,917) | (80,367) | -9.3% | -9.9% |
| (-) Provision for doubtful accounts | (3,627) | (5,874) | -38.3% | -42.2% | (19,944) | (28,071) | -29.0% | -30.6% |
| (=) NOI | 245,983 | 220,234 | 11.7% | 8.5% | 802,341 | 717,823 | 11.8% | 9.8% |
| NOI Margin | 91.8% | 89.1% | 268 bps | 266 bps | 89.6% | 86.9% | 275 bps | 267 bps |

¹Net of discounts



ADJUSTED EBITDA

Adjusted EBITDA improved by 13.5% in 4Q19, reaching R\$ 215.6 million, mostly driven by the growths of rent revenue and parking result and the PDA drop. In 2019, EBITDA reached R\$ 689.1 million, an increase of 11.0% yoy. Excluding the results from the BCT corporate tower (divested in 4Q18) adjacent to Boulevard Belo Horizonte, the Company's EBITDA posted an expansion of 14.7% in the fourth quarter and 12.6% in the year. The EBITDA margin reached 78.9% in 4Q19 and 74.3% in 2019 – growths of 354 bps and 167 bps, respectively.

General and administrative expenses ended 4Q19 at R\$ 23.4 million, a reduction of 1.2% over the same period of 2018, with a lower personnel expenses line, partially offset by the expenses related to the integration process.

| EBITDA | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 4Q19/4Q18 Δ% Same Malls | 2019 | 2018 | 2019/2018 Δ% | 2019/2018 Δ% Same Malls |
|--|----------------|----------------|-----------------|----------------------------|----------------|----------------|-----------------|----------------------------|
| <i>Managerial Financial Information</i> | | | | | | | | |
| <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | | | |
| NOI | 245,983 | 220,234 | 11.7% | 8.5% | 802,341 | 717,823 | 11.8% | 9.8% |
| (-) Taxes on revenue | (18,028) | (16,908) | 6.6% | 6.0% | (63,849) | (56,018) | 14.0% | 13.6% |
| (-) Net service revenue ² | 12,199 | 13,007 | -6.2% | 1.4% | 50,450 | 55,473 | -9.1% | -1.2% |
| (+) Other recurring operational (expenses)/revenues | (1,134) | (2,660) | -57.4% | -57.4% | (3,293) | (3,187) | 3.3% | 3.3% |
| (+) G&A | (23,396) | (23,690) | -1.2% | -1.2% | (96,591) | (93,596) | 3.2% | 3.2% |
| (=) Adjusted EBITDA | 215,626 | 189,982 | 13.5% | 10.4% | 689,059 | 620,495 | 11.0% | 9.5% |
| Adjusted EBITDA Margin | 78.9% | 75.4% | 354 b.p. | 324 b.p. | 74.3% | 72.6% | 167 b.p. | 161 b.p. |

² Service revenue net of leasing costs and cost of services rendered

Regarding non-recurring expenses, R\$ 9.2 million derives from the combination of businesses, mainly associated to expenses with consulting firms, lay-offs and provisions for harmonization of accounting practices. This amount already presents a significant reduction in comparison to the incurred expenses in 3Q19.

| Operating (Expenses)/Revenue | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 2019 | 2018 | 2019/2018 Δ% |
|--|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|
| <i>Managerial Financial Information</i> (Amounts in thousands of Reais, except percentages) | | | | | | |
| Administrative and general expenses | (23,396) | (23,690) | -1.2% | (96,591) | (93,596) | 3.2% |
| Other operating (expenses)/revenues | (10,365) | 318 | n/a | (208,830) | (1,629) | 12720.6% |
| Corporate towers result | (46) | 2,025 | n/a | 116 | 8,650 | -98.7% |
| Recurring (expenses)/revenues | (1,134) | (2,660) | -57.4% | (3,293) | (3,187) | 3.3% |
| Non-recurring (expenses)/revenues | (9,185) | 953 | n/a | (205,653) | (7,092) | 2799.6% |
| Total | (33,760) | (23,372) | 44.4% | (305,421) | (95,225) | 220.7% |
| Non-recurring (expenses)/revenues | 9,185 | (953) | n/a | 205,653 | 7,092 | 2799.6% |
| Total Recurring | (24,575) | (24,325) | 1.0% | (99,767) | (88,133) | 13.2% |

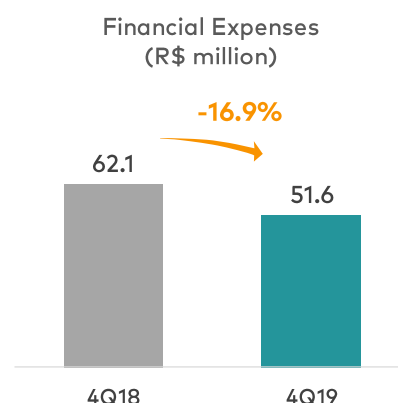
FINANCIAL RESULT

Aliansce Sonae's financial expenses totaled R\$ 51.6 million in 4Q19, a reduction of R\$ 10.5 million, corresponding to a 16.9% drop over the same period of 2018. This decrease is chiefly explained by the retraction in interest rates and inflation indexes, along with the liability management strategy.

Aliansce Sonae's financial revenue reached R\$ 10.9 million in 4Q19, a drop of R\$ 2.6 million yoy, reflecting lower interest rates.

In 2019, the financial expenses amounted to R\$ 232.8 million, a R\$ 28.9 million decrease – mostly explained by the liability management process and the drop in the main indexes of the Company's financing lines.

The non-recurring financial expenses are mainly related to accounting, non-cash pre-payment cost impacts.



| Financial Result | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 2019 | 2018 | 2019/2018 Δ% |
|--|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| <i>Managerial Financial Information</i> (Amounts in thousands of Reais, except percentages) | | | | | | |
| Net Financial Revenue | 10,890 | 13,470 | -19.2% | 57,270 | 51,766 | 10.6% |
| Financial revenue | 13,140 | 16,758 | -21.6% | 67,100 | 60,244 | 11.4% |
| Taxes on financial revenue | (2,250) | (3,288) | -31.6% | (9,829) | (8,478) | 15.9% |
| Financial Expenses | (51,568) | (62,074) | -16.9% | (232,752) | (261,639) | -11.0% |
| Interest expenses | (46,696) | (58,058) | -19.6% | (211,996) | (245,250) | -13.6% |
| Structuring cost | (2,088) | (2,331) | -10.4% | (8,912) | (8,906) | 0.1% |
| Obligation for purchase of assets | (1) | (297) | -99.6% | (199) | (1,460) | -86.4% |
| Other financial expenses | (2,782) | (1,388) | 100.5% | (11,645) | (6,022) | 93.4% |
| SWAP (Fair Value) | 155 | 1,104 | -85.9% | 2,064 | 1,820 | 13.4% |
| Recurring Financial Result | (40,523) | (47,500) | -14.7% | (173,418) | (208,052) | -16.6% |
| Other non-recurring financial expenses | (9,050) | (3,091) | 192.7% | (9,050) | (5,979) | 51.4% |
| Financial Result | (49,573) | (50,592) | -2.0% | (182,468) | (214,032) | -14.7% |

ADJUSTED FFO (AFFO)

The Company's adjusted FFO, which disregards the impact from non-recurring and non-cash items, totaled R\$ 158.1 million in 4Q19 and R\$ 454.1 million in 2019, increases of 26.3% and 27.4% yoy, respectively. Excluding the effect from the sale of Boulevard Corporate Tower, Aliansce Sonae's AFFO presented an increment of 28.4% in 4Q19.

AFFO margin reached 57.8% in the quarter and 49.0% in the year, improves of 819 bps and 725 bps yoy, respectively. The AFFO per share (AFFOPS) reached 0.59 in 4Q19 and 1,71 in 2019. Total taxes, including taxes on revenues and current income tax, reached 22.1% of AFFO in 4Q19 and 27.2% in 2019, decreases of 438 bps and 378 bps yoy, respectively.

| Funds from Operations - FFO | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 2019 | 2018 | 2019/2018 Δ% |
|---|----------------|----------------|-----------------|----------------|----------------|-----------------|
| <i>Managerial Financial Information (Amounts in thousands of Reais, except percentages)</i> | | | | | | |
| Adjusted EBITDA | 215,626 | 189,982 | 13.5% | 689,059 | 620,495 | 11.0% |
| (+) Financial revenue | 10,890 | 13,470 | -19.2% | 57,270 | 51,766 | 10.6% |
| (-) Financial expenses | (51,568) | (62,074) | -16.9% | (232,752) | (261,639) | -11.0% |
| (-) Current income and social contribution taxes | (16,875) | (16,211) | 4.1% | (59,521) | (54,276) | 9.7% |
| (=) Adjusted FFO | 158,073 | 125,167 | 26.3% | 454,056 | 356,346 | 27.4% |
| AFFO Margin % | 57.8% | 49.6% | 819 bps | 49.0% | 41.7% | 725 bps |

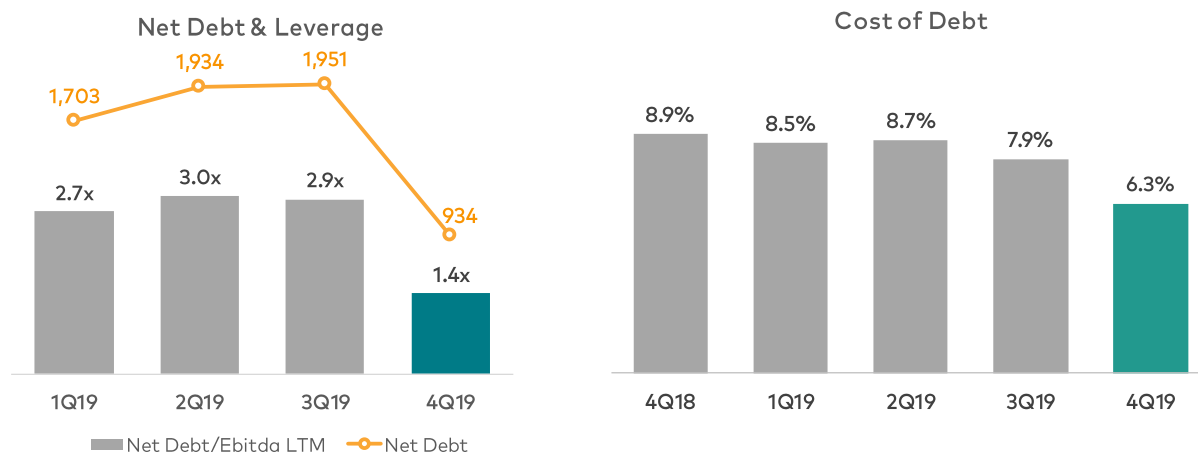
INDEBTEDNESS, CASH & CASH EQUIVALENTS AND CAPITAL STRATEGY

Aliansce Sonae's cost of debt reached 6.3% in 4Q19, compared to 8.9% in the same period of 2018. This decrease is chiefly a result of management's efforts to renegotiate rates and prepay its most costly financings, besides the drop in the base interest rate and inflation indexes.

In 4Q19, Aliansce Sonae prepaid the total amount of R\$ 533 million, with a combined cost of 9.3%, above the Company's average. Additionally, Aliansce Sonae renegotiated approximately R\$ 350 million, lowering the average combined cost of these financing lines to 7.0% from 10.5%, per year. In the beginning of 2020, the Company prepaid one more financing in the amount of R\$ 17 million, with cost of 8.5%. These pre-payments and renegotiations, including the one made on January 2020, should create an estimated annual savings of R\$ 38 million.

| Debt breakdown | Short-Term | Long-Term | Total Debt |
|--|--------------------|------------------|--------------------|
| <i>(Amounts in thousands of Reais)</i> | | | |
| Banks | 17,773 | 389,162 | 406,935 |
| CCI/CRI | 20,442 | 160,763 | 181,205 |
| Obligation for purchase of assets | 103 | 0 | 103 |
| Debentures | 26,332 | 1,522,029 | 1,548,361 |
| Total debt | 64,650 | 2,071,954 | 2,136,605 |
| Cash and Cash Equivalents | (1,203,093) | - | (1,203,093) |
| Total cash available | (1,203,093) | - | (1,203,093) |
| Net debt | (1,138,443) | 2,071,954 | 933,511 |

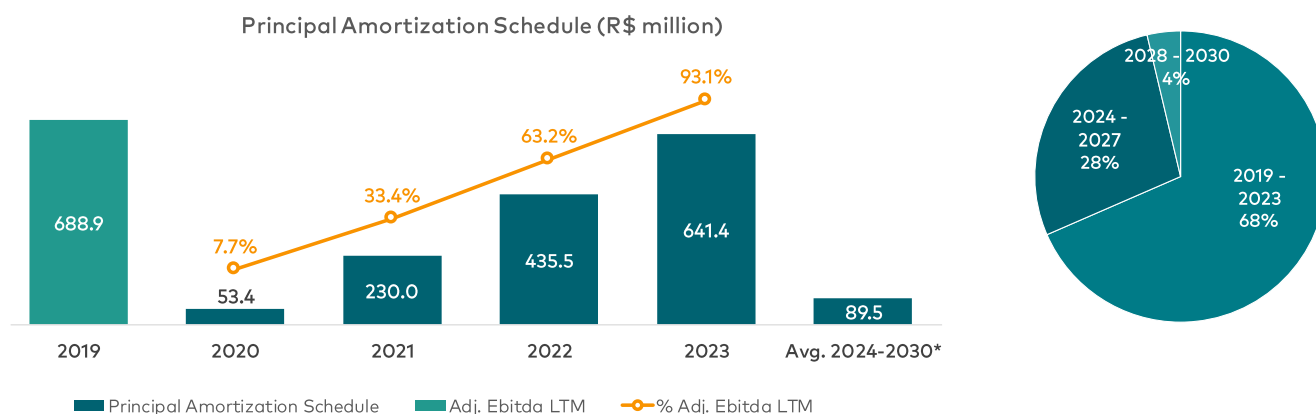
Aliansce Sonae ended the fourth quarter of 2019 with a cash position of R\$ 1.20 billion, net debt totaled R\$ 933.5 million and leverage was of 1.4x Net Debt/ EBITDA. The Company's cash position was impacted by the inflow of funds in the amount of R\$ 1.14 billion – net of fees– from the share offering successfully concluded in the beginning of December 2019.



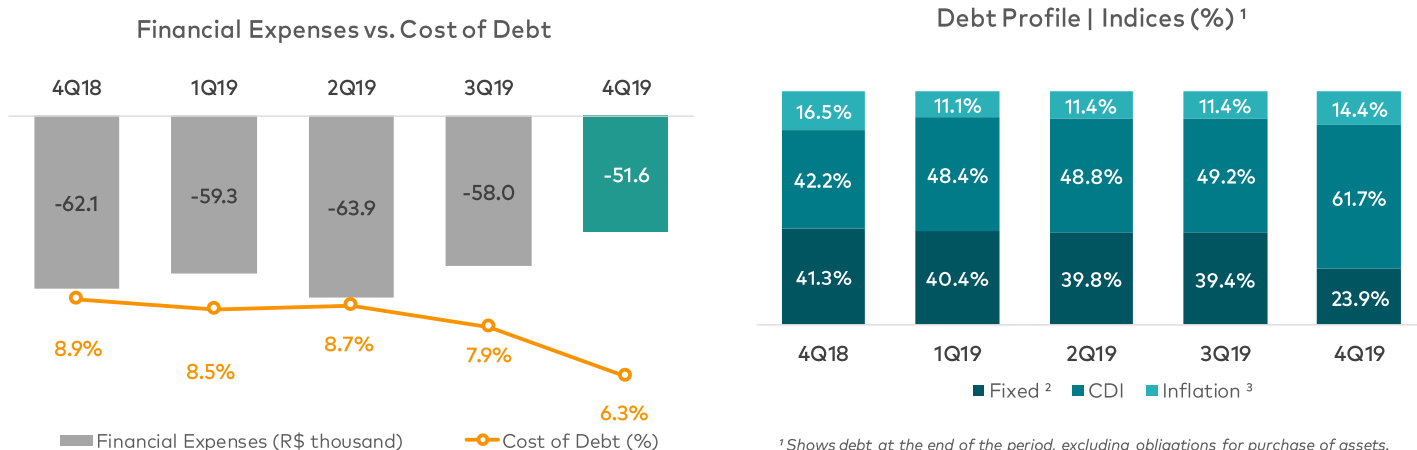
The charts below summarize the Company's debt amortization schedule and show that the cash flow of its operations should support the loans maturing in the coming years. In the short term, the principal amortization schedule remains at a comfortable level.

Aliansce Sonae's exposure to the CDI floating index reached 61.7% in December 2019.

More information about costs and maturity of each debt, as well as the reconciliation between the consolidated net debt and managerial net debt are available in the Appendix of this report.



*Refers to average annual payment



¹ Shows debt at the end of the period, excluding obligations for purchase of assets.
² Fixed indices include TR and TJLP; ³ Inflation indices include IPCA and IGP-DI.

Operating Highlights

SALES PERFORMANCE

Aliansce Sonae reported total sales of R\$ 3.4 billion, a 10.3% hike yoy. The months of October and November both expanded significantly in the quarter, slowing down in December. The miscellaneous and food & beverage categories presented sales growths above the average, of 18.9% and 11.4% yoy, respectively.

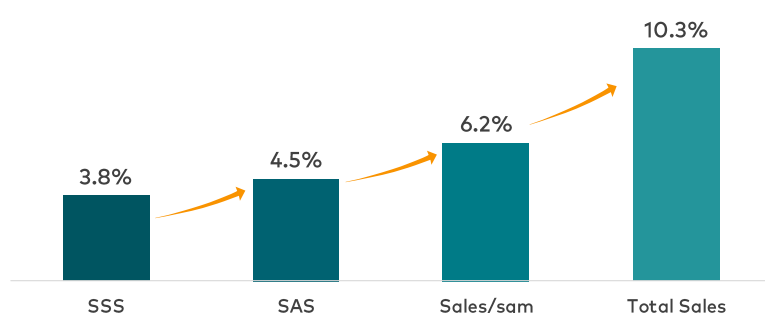
In 4Q19, Aliansce Sonae registered increase of 6.2% in sales per square meter, reaching R\$ 1.595 per square meter. Shopping Parangaba, Uberlândia Shopping and Shopping Metr pole stood out among the top performing malls in terms of sales per sqm in the quarter. In-line stores, which represent a little over 70% of the Company's rent revenue, showed an expansion of 8.6% in sales per square meter in 4Q19, reaching R\$ 2,653.

The Company's Same Store Sales (SSS) reached 3.8%, while its Same Area Sales (SAS) increased 4.5%.

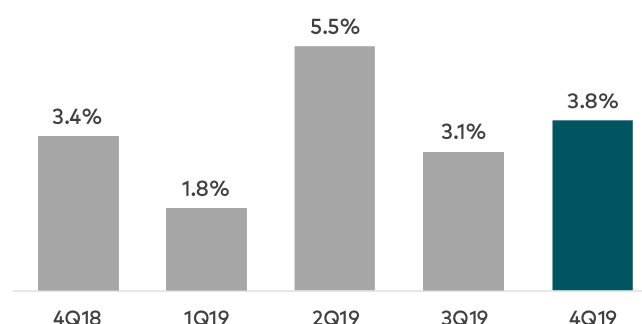
| Sales Indicators | | | |
|--------------------|-------|------|---------|
| | 4Q19 | 4Q18 | Δ |
| SSS | 3.8% | 3.4% | 35 bps |
| SAS | 4.5% | 3.7% | 83 bps |
| Sales/sqm | 6.2% | 4.7% | 147 bps |
| Total sales | 10.3% | 5.3% | 500 bps |

| Total Sales | 4Q19 / 4Q18 Δ% @stake | 4Q19 / 4Q18 Δ% Same Malls |
|---------------------|--------------------------|------------------------------|
| Food & Beverage | 11.4% | 9.0% |
| Home & Office Goods | 3.7% | 1.4% |
| Apparel | 9.3% | 6.4% |
| Leisure & Services | 4.7% | 1.5% |
| Miscellaneous | 18.9% | 15.5% |
| Total | 10.3% | 7.5% |

Sales Indicators | 4Q19



Same Store Sales (SSS)

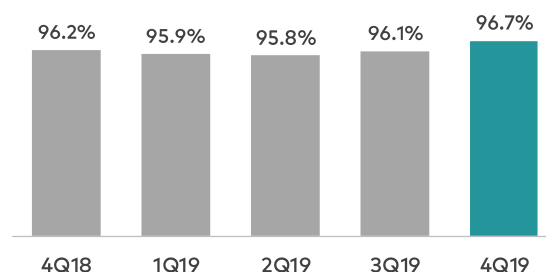


OCCUPANCY RATE AND COMMERCIAL ACTIVITY

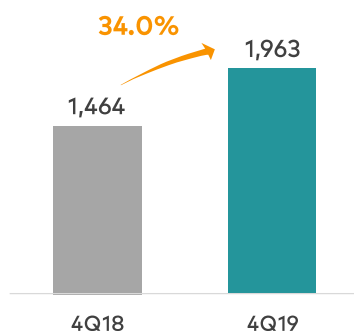
Aliansce Sonae's occupancy rate reached 96.7% in 4Q19, a growth of 57 bps compared to 4Q18.

In 2019, a total of 715 lease contracts were signed, which represented an area of approximately 84.5 thousand square meters of GLA. In the fourth quarter, 176 contracts were signed in the portfolio, a GLA of over 19.7 thousand square meters. The stores replaced since 4Q18 presented an increment of 34.0% in sales per square meter in comparison to previous tenants in the same areas, which explains the difference in growth between SSS and SAS in the quarter.

Occupancy Rate



SAS Changed Stores
(R\$/sqm)



Highlights of recently opened stores are: Casa & Lazer, in Shopping Grande Rio; Selfit Academia, in Shopping Parangaba and Parque Shopping Maceió; Casa & Vídeo, in Parque D. Pedro Shopping; Natura, in Shopping da Bahia; Outback Steakhouse, in Boulevard Shopping Belém; and Daiso, in Plaza Sul Shopping.

Among the operations whose lease contracts were recently signed and will open on a later date are: Decathlon, in Shopping Grande Rio; Magazine Luiza, in Parque Shopping Belém; Bel Salvador, in Caxias Shopping; and Tommy Hilfiger, in Plaza Sul Shopping and Shopping Metr pole.



Parque Shopping Mace  



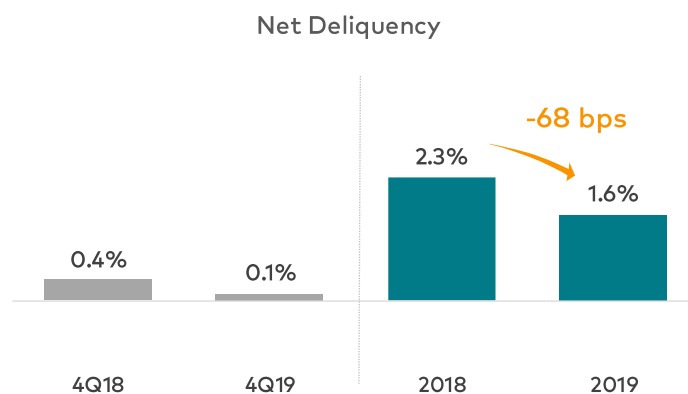
Plaza Sul Shopping



Shopping da Bahia

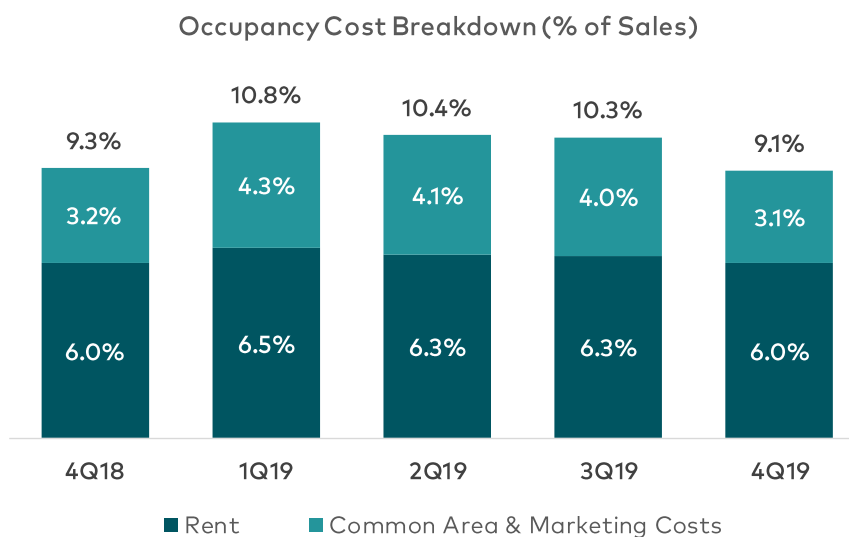
NET DELINQUENCY

The portfolio's net delinquency rate reached 0.1% in 4Q19 vs. 0.4% in 4Q18. The net delinquency was positively affected by the increase in the recovery of late payments in the fourth quarter. In 2019, Aliansce Sonae's net delinquency declined to 1.6% compared to 2.3% in 2018.



OCCUPANCY COST

The portfolio's occupancy cost as a percentage of sales reached 9.1% in 4Q19, presenting a slight reduction over 4Q18. In 4Q19, common charges and the malls' marketing fund (FPP) accounted for 3.1%, while rental expenses accounted for 6.0% of the total occupancy cost.



Growth Drivers

CAPEX

In 4Q19, Aliansce Sonae's capital expenditure reached R\$ 290.9 million, and the total amount spent in 2019 was of R\$ 656.8 million. Excluding the amount spent on acquisitions, Aliansce Sonae's Capex was of R\$ 40.5 million in 4Q19 and of R\$ 173.8 million in 2019.

In the fourth quarter, the Company invested R\$ 26.3 million in maintenance and renovation of its malls and R\$ 250.5 million in acquisitions.

Part of the amount spent on maintenance and renovation was allocated on the renovation of the food court at Shopping Metr pole. The amount spent on expansions derived mostly from the VIP movie theater in Shopping da Bahia. The expenditure on acquisitions was related to the increase in ownership stakes by 14% in Shopping Tabo o, 25% in Shopping Grande Rio and 32.9% in C&A Stores in Shopping da Bahia.

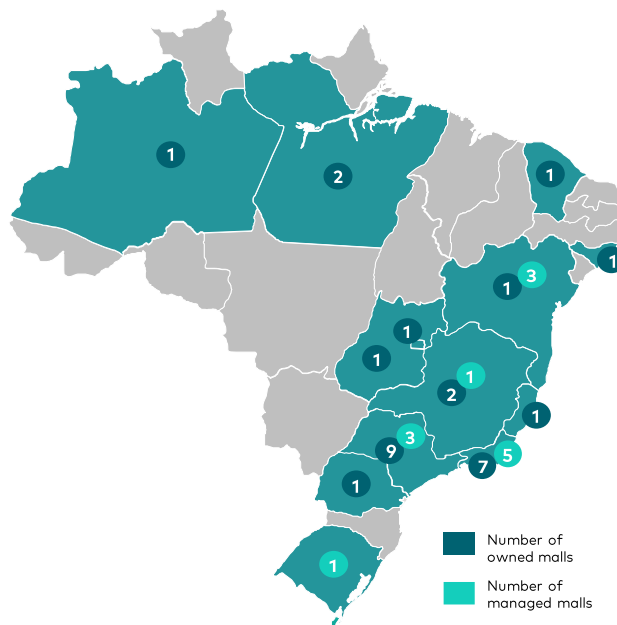
| Completed CAPEX (R\$ mn) | 4Q19 | 2019 |
|---------------------------|--------------|--------------|
| Maintenance / Renovations | 26.3 | 94.4 |
| Expansions & Landbank | 5.2 | 59.9 |
| Acquisitions | 250.5 | 483.0 |
| Other | 3.5 | 4.7 |
| Subtotal | 285.4 | 642.1 |
| PP&E and Intangible | 5.5 | 14.7 |
| Total | 290.9 | 656.8 |

Aliansce Sonae's Portfolio

OUR PORTFOLIO

Aliansce Sonae holds interests in and/or manages shopping malls located throughout Brazil and exposed to a wide range of income segments. In 4Q19, the Company held interest in 28 malls in operation, amounting to 833.4 thousand sqm of owned GLA and 1,163.5 thousand sqm of total GLA.

The Company was also a provider of planning, management and leasing services for 13 managed malls with 319.8 thousand sqm of total GLA at the end of 4Q19.



Owned Malls



Bangu Shopping



Blvd Londrina Shopping



Blvd Shopping Bauru



Blvd Shopping Belém



Blvd Shopping Belo Horizonte



Blvd Shopping Brasília



Blvd Shopping Campos



Blvd Shopping Vila Velha



Carioca Shopping



Caxias Shopping



Franca Shopping



Manauara Shopping



Parque D. Pedro Shopping



Parque Shopping Belém



Parque Shopping Maceió



Passeio das Águas Shopping



Santana Parque Shopping



Shopping Campo Limpo



Shopping da Bahia



Shopping Grande Rio



Shopping Leblon



Shopping Metrôpole



Shopping Parangaba



Shopping Plaza Sul



Shopping Santa Úrsula



Shopping Taboão



Uberlândia Shopping



Via Parque Shopping

Managed Malls



Blvd Shopping Feira de Santana



Blvd Shopping Vitória da Conquista



Continental Shopping



Montes Claros Shopping



Parque Shopping Bahia*



Passeio Shopping



Pátio Alcântara



Recreio Shopping



Santa Cruz Shopping



São Gonçalo Shopping



Shopping Praça Nova Santa Maria



Shopping Praça Nova Araçatuba



Shopping West Plaza

*Under development

| Owned Malls | State | % Aliansce | Total GLA (sqm) | Owned GLA (sqm) | Occupancy Rate (%) | Services rendered |
|-----------------------------------|-------|--------------|------------------|-----------------|--------------------|-------------------|
| Bangu Shopping | RJ | 100.0% | 57,531 | 57,531 | 99.0% | M / L / SSC |
| Boulevard Londrina Shopping | PR | 88.6% | 48,371 | 42,856 | 93.3% | M / L / SSC |
| Boulevard Shopping Bauru | SP | 100.0% | 33,035 | 33,035 | 98.2% | M / L / SSC |
| Boulevard Shopping Belém | PA | 80.0% | 39,177 | 31,338 | 98.5% | M / L / SSC |
| Boulevard Shopping Belo Horizonte | MG | 70.0% | 41,672 | 29,170 | 98.7% | M / L / SSC |
| Boulevard Shopping Brasília | DF | 50.0% | 18,015 | 9,008 | 98.0% | M / L / SSC |
| Boulevard Shopping Campos | RJ | 100.0% | 27,066 | 27,066 | 98.0% | M / L / SSC |
| Boulevard Shopping Vila Velha | ES | 50.0% | 37,359 | 18,680 | 93.7% | M / L / SSC |
| Carioca Shopping | RJ | 100.0% | 34,695 | 34,695 | 99.1% | M / L / SSC |
| Caxias Shopping | RJ | 65.0% | 28,074 | 18,248 | 98.7% | M / L / SSC |
| Franca Shopping | SP | 76.9% | 18,651 | 14,343 | 99.2% | M / L / SSC |
| Manauara Shopping | AM | 100.0% | 47,259 | 47,259 | 98.3% | M / L / SSC |
| Parque D. Pedro Shopping | SP | 51.0% | 126,956 | 64,748 | 98.2% | M / L / SSC |
| Parque Shopping Belém | PA | 75.0% | 34,084 | 25,563 | 97.5% | M / L / SSC |
| Parque Shopping Maceió | AL | 50.0% | 39,214 | 19,607 | 97.4% | M / L / SSC |
| Passeio das Águas Shopping | GO | 100.0% | 77,581 | 77,581 | 88.6% | M / L / SSC |
| Plaza Sul Shopping | SP | 90.0% | 24,039 | 21,635 | 93.8% | M / L / SSC |
| Santana Parque Shopping | SP | 36.7% | 26,557 | 9,736 | 96.6% | M / L / SSC |
| Shopping Campo Limpo | SP | 20.0% | 22,293 | 4,459 | 99.2% | M / L / SSC |
| Shopping da Bahia | BA | 69.0% | 70,822 | 48,896 | 97.9% | M / L / SSC |
| Shopping Grande Rio | RJ | 50.0% | 42,165 | 21,083 | 95.6% | M / L / SSC |
| Shopping Leblon | RJ | 30.0% | 26,547 | 7,964 | 99.9% | M / L / SSC |
| Shopping Metrôpole | SP | 100.0% | 28,712 | 28,712 | 95.4% | M / L / SSC |
| Shopping Parangaba | CE | 40.0% | 33,559 | 13,423 | 96.2% | M / L / SSC |
| Shopping Santa Úrsula | SP | 37.5% | 23,108 | 8,665 | 95.1% | - |
| Shopping Taboão | SP | 92.0% | 37,078 | 34,111 | 99.6% | M / L / SSC |
| Uberlândia Shopping | MG | 100.0% | 53,426 | 53,426 | 97.9% | M / L / SSC |
| Via Parque Shopping | RJ | 39.2% | 57,017 | 22,368 | 96.4% | M / L / SSC |
| C&A Stores | n/a | 87.4% | 9,395 | 8,215 | 100.0% | n/a |
| Total Portfolio | | 71.6% | 1,163,459 | 833,421 | 96.7% | |

(M) Management | (L) Leasing | (SSC) Shared Services Center

Glossary

Abrasce: Brazilian Association of Shopping Centers.

Adjusted EBITDA: EBITDA + pre-operational expenses +/- other non-recurring expenses/(revenues) + long-term incentive plan.

Adjusted FFO (Funds From Operations): Net income from controlling shareholders + depreciation + amortization + non-recurring expenses / (revenue) – linear rent adjustment + stock option plan +/- non-cash taxes – capitalized interest + SWAP effect.

Adjusted Net Income: Net income from controlling shareholders + non-recurring expenses / (revenue) – linear rent adjustment + stock option plan +/- non-cash taxes – capitalized interest + SWAP effect.

Anchor Stores: Large, well known stores (with more than 1,000 m² of GLA) with special marketing and structural features that can attract consumers, thereby ensuring permanent flows and uniform traffic in all areas of the mall.

CAGR: Compound annual growth rate.

Capex: Capital Expenditure. Estimate of the amount of funds to be spent on the development, expansion, improvement or acquisition of an asset.

CCI: Real Estate Credit Note.

CDU (Assignment of Right of Use): The amount charged to the merchant for the right to use the technical infrastructure of the real estate development, applicable to contracts with a term exceeding 60 months.

CPC: Accounting Pronouncements Committee.

CRI: Real Estate Receivables Certificates.

CTBH: Boulevard Corporate Tower, corporate tower annexed to Boulevard Shopping Belo Horizonte.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization): Net revenue - operating costs and expenses + depreciation and amortization.

Federal Law 11.638: on December 28, 2007, Federal Law 11,638 was enacted with the purpose of including publicly-held companies in the international accounting convergence process. Consequently, certain financial and operating results were subject to accounting effects due to the changes introduced by the new law.

FIIVPS: Fundo de Investimento Imobiliário Via Parque Shopping, a real estate investment fund.

GCA (Gross Commercial Area): equivalent to the sum of all the commercial areas of the shopping malls, i.e. GLA plus store areas sold.

GLA (Gross Leasable Area): Equivalent to the sum of all areas available for leasing in shopping malls, except for kiosks and sold areas.

Greenfield: development of new shopping center projects.

In-line Stores: Small stores (less than 500 m² of GLA) with no special marketing and structural features located around the anchor stores and intended for general retailing.

Jr. Anchors: Medium-sized stores (between 500 and 1,000 m² of GLA), which frequently have special marketing and structural features on a lesser scale, but which still attract and retain customers. They are also known as "megastores".

Management Fee: Fee charged to tenants and other partners of the mall to defray management costs.

Minimum Rent: The minimum monthly rent determined in a tenant's lease agreement.

Net delinquency: The ratio between total period billings (rent receivables, excluding cancelled invoices), and total revenue received over the same period.

Net key money: Key money amount after discounting the cost of leasing.

NOI (Net Operating Income): Gross mall revenue (excluding revenue from services) + parking revenue – mall operating costs – provision for doubtful accounts.

Occupancy Cost: The cost of leasing a store as a percentage of sales: Rent (minimum + overage) + common charges + marketing fund (FPP).

Occupancy Rate: Leased area divided by total mall GLA at the end of the period in question.

Overage Rent: The rent whose calculation is based on the difference (when positive) between the value of a tenant's monthly sales and the equilibrium point determined on the tenant's lease agreement, multiplied by a percentage also determined on the lease agreement.

Owned GLA: Refers to total GLA weighted by Aliansce Sonae's interest in each shopping mall.

PDA (PDD): Provision for doubtful accounts.

Sales: Sales of products and services in the period declared by the stores in each mall, including kiosk sales. Considers 100% of the sales of each mall, independently of Aliansce Sonae's share.

Sales per sqm: Period sales divided by the area reporting said sales. Does not include kiosk sales, given that these operations are not included in total mall GLA. Considers Aliansce Sonae's share of each mall.

SAR (Same-Area Rent): Ratio between the rent earned in a same area in the current period versus the previous year. Includes the interest held by Aliansce Sonae in each shopping mall, excluding Shopping Santa Úrsula.

SAS (Same-Area Sales): Ratio between sales in the same area in the current period versus the previous year. Includes the interest held by Aliansce Sonae in each shopping mall, excluding Shopping Santa Úrsula.

SSR (Same-Store Rent): Ratio between the rent earned in the same operation in the current period versus the previous year. Includes the interest held by Aliansce Sonae in each shopping mall, excluding Shopping Santa Úrsula.

SSS (Same-Store Sales): Ratio between sales in the same operation in the current period versus the previous year. Includes the interest held by Aliansce Sonae in each shopping mall, excluding Shopping Santa Úrsula.

Tenant Mix: Strategic composition of stores defined by the mall manager.

Vacancy: The mall's gross leasable area available for rent.

Appendix

RECONCILIATION OF THE CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS

The managerial financial information is shown in a consolidated manner in thousands of Reais (R\$), and reflects the Company's interest in each mall, in line with the consolidated financial statements.

The managerial financial statements were prepared based on the balance sheets, income statements and financial reports of the respective companies, Aliansce Shopping Centers and Sonae Sierra Brasil as if the both had already been combined by 4Q18, as well as assumptions that the Company's Management considers to be reasonable, and should be read in conjunction with the period's financial statements and explanatory notes.

For the analysis of the reconciliation between such managerial financial information and the Company's consolidated financial statements, as well as other relevant information, see comments and tables below.

| Income Statements | Aliansce Sonae Stake Dec 31 2019 | Financial Statements | Managerial Statements |
|-----------------------------------|-------------------------------------|-------------------------|--------------------------|
| Bangu Shopping | 100.0% | 100.0% | 100.0% |
| Boulevard Londrina Shopping | 88.6% | 88.6% | 88.6% |
| Boulevard Shopping Bauru | 100.0% | 100.0% | 100.0% |
| Boulevard Shopping Belém | 79.99% | 100.0% | 79.99% |
| Boulevard Shopping Belo Horizonte | 70.0% | 70.0% | 70.0% |
| Boulevard Shopping Brasília | 50.0% | Equity income | 50.0% |
| Boulevard Shopping Campos | 100.0% | 100.0% | 100.0% |
| Boulevard Shopping Vila Velha | 50.0% | 50.0% | 50.0% |
| Carioca Shopping | 100.0% | 100.0% | 100.0% |
| Caxias Shopping | 65.0% | 65.0% | 65.0% |
| Franca Shopping | 76.90% | 76.9% | 76.90% |
| Manauara Shopping | 100.0% | 100.0% | 100.0% |
| Parque D. Pedro Shopping | 51.0% | 89.5% | 51.0% |
| Parque Shopping Belém | 75.0% | 75.0% | 75.0% |
| Parque Shopping Maceió | 50.0% | Equity income | 50.0% |
| Passeio das Águas Shopping | 100.0% | 100.0% | 100.0% |
| Plaza Sul Shopping | 90.0% | 90.0% | 90.0% |
| Santana Parque Shopping | 36.7% | 70.0% | 36.7% |
| Shopping Campo Limpo | 20.0% | Equity income | 20.0% |
| Shopping da Bahia | 69.04% | 69.04% | 69.04% |
| Shopping Grande Rio | 50.0% | 50.00% | 50.0% |
| Shopping Leblon | 30.0% | 30.0% | 30.0% |
| Shopping Metrôpole | 100.0% | 100.0% | 100.0% |
| Shopping Parangaba | 40.0% | 40.0% | 40.0% |
| Shopping Santa Úrsula | 37.5% | Equity income | 37.5% |
| Shopping Taboão | 92.0% | 78.0% | 92.0% |
| Uberlândia Shopping | 100.0% | 100.0% | 100.0% |
| Via Parque Shopping | 39.2% | Equity income | 39.2% |

CAPITAL STRUCTURE – DEBT TABLE AND MANAGERIAL RECONCILIATION

The amounts below reflect Aliansce Sonae's share of each debt and do not include structuring costs, obligations for the purchase of assets, swap fair value adjustment and fair value adjustment of debts, due to the business combination. For further information, refer to Note 15 of the Company's consolidated financial statements.

| Debts | Index | Interest | Total Cost | Total Debt | % Total Debt | Maturity |
|--|----------|----------|---------------|------------------|--------------|----------|
| TR | | | 7.83% | 496,407 | 23.1% | |
| Bradesco | TR | 9.25% | 9.25% | 162,152 | 7.6% | ago-27 |
| Itaú (CRI - ICVM 476) | TR | 6.80% | 6.80% | 104,163 | 4.9% | jun-27 |
| Itaú | TR | 8.30% | 8.30% | 77,328 | 3.6% | mai-30 |
| Santander | TR | 6.80% | 6.80% | 152,765 | 7.1% | jun-25 |
| CDI | | | 4.95% | 1,322,597 | 61.7% | |
| Debenture XI (ICVM 476) | 110% CDI | 0.00% | 4.95% | 248,885 | 11.6% | set-23 |
| Debenture IX (CRI - ICVM400) | 101% CDI | 0.00% | 4.55% | 303,686 | 14.2% | abr-23 |
| Debenture VII (CRI - ICVM 400) | 99% CDI | 0.00% | 4.46% | 180,007 | 8.4% | mai-22 |
| Debenture V (CRI - ICVM 400) | CDI | 0.00% | 4.50% | 102,895 | 4.8% | set-21 |
| Debenture VIII (CRI - ICVM 400) | CDI | 1.00% | 5.55% | 100,211 | 4.7% | jun-29 |
| Debenture VI (CRI - ICVM 400) | CDI | 1.25% | 5.81% | 52,334 | 2.4% | out-24 |
| Debenture (2 nd issuance; 1 st series) | CDI | 0.75% | 5.28% | 128,615 | 6.0% | jul-22 |
| Debenture (3 rd issuance; 1 st series) | CDI | 0.80% | 5.34% | 92,624 | 4.3% | jan-24 |
| Debenture (3 rd issuance; 2 nd series) | CDI | 1.05% | 5.60% | 113,340 | 5.3% | jan-27 |
| IPCA | | | 8.80% | 232,122 | 10.8% | |
| Debenture III | IPCA | 4.00% | 7.41% | 91,893 | 4.3% | jan-24 |
| Debenture (2 nd issuance; 2 nd series) | IPCA | 6.24% | 9.72% | 140,229 | 6.5% | jul-24 |
| IGP-DI | | | 11.49% | 77,043 | 3.6% | |
| Gaia Securitizadora (CRI) | IGP-DI | 7.95% | 11.49% | 77,043 | 3.6% | mai-25 |
| Fixed | | | 8.50% | 17,133 | 0.8% | |
| BASA | FIXED | 8.50% | 8.50% | 17,133 | 0.8% | dez-20 |
| Total | | | 6.3% | 2,145,302 | 100% | |

The table below shows the reconciliation between the consolidated accounting net debt and the managerial net debt.

| Debt breakdown - Consolidated | Financial Statements 4Q19 | Effects of CPC 18/19 | Managerial 4Q19 |
|--|---------------------------|----------------------|--------------------|
| <i>(amounts in thousands of reais)</i> | | | |
| Banks | 406,935 | - | 406,935 |
| CCI/CRI | 181,205 | - | 181,205 |
| Obligation for purchase of assets | 103 | - | 103 |
| Debentures | 1,548,361 | - | 1,548,361 |
| Total debt | 2,136,605 | - | 2,136,605 |
| Cash and Cash Equivalents | (1,200,048) | (3,045) | (1,203,093) |
| Total cash available | (1,200,048) | (3,045) | (1,203,093) |
| Net debt | 936,556 | (3,045) | 933,511 |

CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS FOR THE PERIODS ENDED DECEMBER 31, 2018 AND 2019

| Consolidated Income Statement | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 2019 | 2018 | 2019/2018 Δ% |
|--|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | |
| Gross revenue from rent and services | 309,070 | 163,131 | 89.5% | 814,788 | 555,657 | 46.6% |
| Taxes, contributions and other deductions | (27,562) | (13,556) | 103.3% | (71,602) | (47,226) | 51.6% |
| Net revenue | 281,508 | 149,575 | 88.2% | 743,186 | 508,431 | 46.2% |
| Cost | (76,768) | (35,234) | 117.9% | (200,075) | (122,822) | 62.9% |
| Cost of rent and services | (38,284) | (23,849) | 60.5% | (110,384) | (76,147) | 45.0% |
| Depreciation and Amortization cost | (38,484) | (11,385) | 238.0% | (89,691) | (46,675) | 92.2% |
| Gross income | 204,740 | 114,341 | 79.1% | 543,111 | 385,609 | 40.8% |
| Operating income/(expenses) | (33,002) | (3,922) | 741.4% | (289,062) | (63,260) | 356.9% |
| Sales, general and administrative expenses | (28,631) | (20,357) | 40.6% | (98,181) | (85,622) | 14.7% |
| Long-term incentive plan | (3,720) | (3,565) | 4.4% | (14,874) | (13,919) | 6.9% |
| Equity income | 12,127 | 13,587 | -10.8% | 43,075 | 40,684 | 5.9% |
| Depreciation and Amortization expenses | (4,124) | (2,772) | 48.8% | (14,074) | (10,925) | 28.8% |
| Other net income (expenses) | (8,653) | 9,183 | n/a | (205,008) | 6,522 | n/a |
| Financial income/(expenses) | (47,713) | (38,895) | 22.7% | (149,578) | (162,258) | -7.8% |
| Net income before taxes and social contributions | 124,025 | 71,524 | 73.4% | 104,471 | 160,092 | -34.7% |
| Current income and social contribution taxes | (16,666) | (5,529) | 201.4% | (41,463) | (19,036) | 117.8% |
| Deferred income and social contribution taxes | 12,408 | (3,236) | n/a | (6,375) | (21,611) | -70.5% |
| Net income in the period | 119,766 | 62,759 | 90.8% | 56,633 | 119,445 | -52.6% |
| Income (loss) attributable to: | | | | | | |
| Controlling Shareholders | 100,621 | 61,250 | 64.3% | 22,027 | 113,962 | -80.7% |
| Minority Shareholders | 19,145 | 1,509 | 1168.3% | 34,605 | 5,483 | 531.1% |
| Net income in the period | 119,766 | 62,759 | 90.8% | 56,633 | 119,445 | -52.6% |

| Managerial Income Statement | 4Q19 | 4Q18 | 4Q19/4Q18 Δ% | 2019 | 2018 | 2019/2018 Δ% |
|--|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| <i>(Amounts in thousands of Reais, except percentages)</i> | | | | | | |
| Gross revenue from rent and services | 294,283 | 269,051 | 9.4% | 1,028,568 | 941,770 | 9.2% |
| Taxes, contributions and other deductions | (26,275) | (25,398) | 3.5% | (96,771) | (91,475) | 5.8% |
| Net revenue | 268,008 | 243,653 | 10.0% | 931,797 | 850,295 | 9.6% |
| Cost | (71,525) | (54,118) | 32.2% | (241,554) | (212,131) | 13.9% |
| Cost of rent and services | (33,216) | (37,965) | -12.5% | (138,615) | (145,912) | -5.0% |
| Depreciation and Amortization cost | (38,309) | (16,153) | 137.2% | (102,940) | (66,219) | 55.5% |
| Gross income | 196,483 | 189,536 | 3.7% | 690,242 | 638,164 | 8.2% |
| Operating income/(expenses) | (41,608) | (30,178) | 37.9% | (335,366) | (122,031) | 174.8% |
| Sales, general and administrative expenses | (23,396) | (23,690) | -1.2% | (96,591) | (93,596) | 3.2% |
| Long-term incentive plan | (3,720) | (3,565) | 4.4% | (14,874) | (13,919) | 6.9% |
| Depreciation and Amortization expenses | (4,127) | (3,241) | 27.4% | (15,071) | (12,887) | 16.9% |
| Other net income (expenses) | (10,365) | 318 | n/a | (208,830) | (1,629) | 12720.6% |
| Financial income/(expenses) | (49,573) | 80,201 | n/a | (182,468) | (24,141) | 655.8% |
| Net income before taxes and social contributions | 105,302 | 239,559 | -56.0% | 172,408 | 491,992 | -65.0% |
| Current income and social contribution taxes | (16,875) | (16,211) | 4.1% | (59,521) | (54,276) | 9.7% |
| Deferred income and social contribution taxes | 12,195 | (65,384) | n/a | (28,570) | (134,495) | -78.8% |
| Net income in the period | 100,623 | 157,964 | -36.3% | 84,317 | 303,221 | -72.2% |

BALANCE SHEET

| Managerial Balance Sheet | Aliansce Sonae Financial Statements | | Adjustments | | Aliansce Sonae Managerial Consolidated | |
|--|--|------------------|--------------------|------------------|---|------------------|
| | 12/31/19 | 12/31/18 | 12/31/19 | 12/31/18 | 12/31/19 | 12/31/18 |
| ASSETS <i>(amounts in thousands of reais)</i> | | | | | | |
| Current | | | | | | |
| Cash and cash equivalents | 32,682 | 21,890 | 5,381 | 5,387 | 38,063 | 27,277 |
| Short-term investments | 1,167,366 | 550,653 | (2,335) | 288,740 | 1,165,031 | 839,393 |
| Accounts receivable | 164,871 | 93,650 | (3,139) | 61,645 | 161,732 | 155,295 |
| Dividends receivable | 4,121 | 3,983 | (3,739) | (3,983) | 383 | - |
| Taxes recoverable | 50,378 | 36,953 | (2,282) | 18,063 | 48,095 | 55,016 |
| Anticipated expenses | 4,425 | 5,982 | 1,030 | 1,135 | 5,455 | 7,117 |
| Values receivable | - | 7,117 | 4 | (7,117) | 4 | - |
| Other receivables | 30,767 | 11,322 | (1,464) | 11,661 | 29,303 | 22,983 |
| Total | 1,454,610 | 731,550 | (6,544) | 375,531 | 1,448,066 | 1,107,081 |
| Non-Current Assets held for sale | 88,642 | 80,377 | 0 | 41,521 | 88,642 | 121,898 |
| Total Current Assets and non-current assets held for sale | 1,543,252 | 811,927 | (6,544) | 417,052 | 1,536,708 | 1,228,979 |
| Non-Current | | | | | | |
| Taxes recoverable | 16,718 | 14,826 | 2,294 | 31,774 | 19,012 | 46,600 |
| Deferred income and social contribution tax | 89,861 | 25,254 | (9,839) | 5,664 | 80,022 | 30,918 |
| Legal deposits | 32,084 | 1,225 | 45 | 24,137 | 32,129 | 25,362 |
| Borrowings and other accounts receivable | 9,166 | 9,111 | - | 22,310 | 9,166 | 31,421 |
| Values receivable | - | 20,342 | - | (20,342) | - | - |
| Derivative financial instruments | 9,036 | 6,972 | - | (0) | 9,036 | 6,972 |
| Anticipated expenses | 10,042 | 18,152 | 4,126 | 5,902 | 14,168 | 24,054 |
| Other receivables | 24,414 | 2,523 | (273) | 23,207 | 24,141 | 25,730 |
| Investments | 545,109 | 458,459 | (545,109) | (458,459) | 0 | - |
| Properties for investment | 8,306,384 | 3,073,969 | (727,893) | 4,219,364 | 7,578,491 | 7,293,333 |
| Property, plant and equipment | 10,382 | 5,260 | 268 | 3,209 | 10,650 | 8,469 |
| Intangible assets | 310,101 | 296,102 | 254,094 | 107,288 | 564,195 | 403,390 |
| Total Non-current Assets | 9,363,295 | 3,932,195 | (1,022,287) | 3,964,055 | 8,341,008 | 7,896,250 |
| Total Assets | 10,906,547 | 4,744,122 | (1,028,831) | 4,381,107 | 9,877,716 | 9,125,229 |
| LIABILITIES <i>(amounts in thousands of reais)</i> | | | | | | |
| Current | | | | | | |
| Suppliers | 33,937 | 15,337 | (2,732) | 7,551 | 31,205 | 22,888 |
| Loans and financing, real estate credit notes and debentures | 64,548 | 78,467 | (0) | 203,656 | 64,547 | 282,123 |
| Taxes and contributions payable | 35,242 | 12,450 | (1,068) | 25,893 | 34,174 | 38,343 |
| Deferred revenue | 614 | - | (10) | 561 | 604 | 561 |
| Dividends payable | 4,488 | 28,954 | 0 | 1,112 | 4,488 | 30,066 |
| Obligations for purchase of assets | 103 | 21,405 | - | (0) | 103 | 21,405 |
| Leasing | 4,586 | - | 1,183 | - | 5,769 | - |
| Other liabilities | 95,992 | 32,504 | (4,886) | 18,418 | 91,106 | 50,922 |
| Total Current Liabilities and liabilities related to non-current assets held for sale | 239,511 | 189,117 | (7,513) | 257,192 | 231,997 | 446,309 |
| Non-Current | | | | | | |
| Loans and financing, real estate credit notes and debentures | 2,080,991 | 1,802,451 | (0) | 593,291 | 2,080,990 | 2,395,742 |
| Taxes and contributions to collect | 6,144 | 6,302 | 0 | (0) | 6,144 | 6,302 |
| Deferred revenue | 18,902 | 16,814 | 2,942 | 4,832 | 21,844 | 21,646 |
| Deferred income and social contribution tax | 981,759 | 97,590 | 14,053 | 792,389 | 995,812 | 889,979 |
| Leasing | 25,706 | - | 29,497 | - | 55,203 | - |
| Other liabilities | 21,612 | 22,602 | 5,870 | 8,920 | 27,482 | 31,522 |
| Provision for contingencies | 15,840 | 3,309 | (1,228) | 9,847 | 14,612 | 13,156 |
| Total Non-Current Liabilities | 3,150,954 | 1,949,068 | 51,135 | 1,409,278 | 3,202,088 | 3,358,346 |
| Shareholders' Equity | | | | | | |
| Share capital | 4,155,362 | 2,013,854 | - | 950,060 | 4,155,362 | 2,963,914 |
| Expenditure on issuance of shares | (71,599) | (44,431) | - | 28,348 | (71,599) | (16,083) |
| Capital reserves | 963,501 | 29,604 | - | 1,054,520 | 963,501 | 1,084,124 |
| Shares held in treasury | - | (1,034) | - | 1,034 | - | - |
| Accumulated losses | (84,310) | - | - | - | (84,310) | - |
| Income reserves | - | 531,825 | - | 756,795 | - | 1,288,620 |
| Carrying value adjustments | 1,480,677 | 24,157 | - | (24,157) | 1,480,677 | - |
| Minority Interest | 1,072,452 | 51,962 | (1,072,452) | (51,962) | - | - |
| Total Shareholders' Equity | 7,516,083 | 2,605,937 | (1,072,452) | 2,714,638 | 6,443,630 | 5,320,575 |
| Total liabilities and shareholders' equity | 10,906,547 | 4,744,122 | (1,028,831) | 4,381,107 | 9,877,716 | 9,125,229 |

MANAGERIAL CASH FLOW

| Managerial Cash Flow | 2019 |
|--|----------------|
| <i>(amounts in R\$ '000)</i> | |
| Cash Flow from Operations | 636.5 |
| Paid interest - Current | (221.9) |
| Cash Flow from Operations post- current interest | 414.7 |
| (-) Cash consumed in investment activities | |
| Receivables - properties for investment | 135.7 |
| Acquisition Investment | 2.7 |
| Acquisition of fixed assets | (3.9) |
| Acquisition of properties for investment | (649.9) |
| Increase in intangible assets | (10.8) |
| Capex subtotal | (661.8) |
| Obligations from asset acquisitions | (23.3) |
| Cash flow from investments | (549.4) |
| (-) Cash consumed in financing activities | |
| Issuance of shares | (55.5) |
| Issuance of debentures | 200.0 |
| Amortizations - Current | (239.5) |
| Structuring cost - debentures, loans and financing | (2.1) |
| Others | 1.0 |
| Amortizations - prepayments | (469.8) |
| Interest - prepayments | (62.3) |
| Capital increase | 1,195.9 |
| Dividends paid | (88.9) |
| Leasing - Payment of interest | (4.8) |
| Leasing - Payment of principal | (3.0) |
| Cash Flow from financing | 471.1 |
| Net change in cash and short-term investments | 336.4 |
| Cash and short-term investments at the beginning of the period | 866.7 |
| Cash and short-term investments at the end of the period | 1,203.1 |
| Net change in cash and short-term investments | 336.4 |

CASH FLOW

| Cash Flow Statement | Aliansce Sonae Financial Statements | Adjustments | Aliansce Sonae Managerial Consolidated |
|--|--|------------------|---|
| | 12/31/2019 | 12/31/2019 | 12/31/2019 |
| (amounts in thousands of reais) | | | |
| Operating Activities | | | |
| Net Profit for the period | 22,027 | 62,290 | 84,317 |
| Adjustments to net profit due to: | | | |
| Straight line rent adjustment | (3,124) | (1,386) | (4,510) |
| Depreciation and Amortization | 118,924 | (913) | 118,011 |
| Equity Income Gain | (43,075) | 43,075 | - |
| Provision (Reversal of provision) for doubtful accounts | 17,799 | 2,145 | 19,944 |
| Stock Option plan | 3,798 | - | 3,798 |
| Monetary variation over financial debts | 193,862 | 44,781 | 238,643 |
| Other | (8,029) | 2,230 | (5,799) |
| Gain on the sale of investment | (24,174) | - | (24,174) |
| Gain on the sale of landbank | - | (162) | (162) |
| Provision for loss of value of assets | 118,000 | - | 118,000 |
| Acquisition of property for investment - corporate tower | 8,905 | - | 8,905 |
| Fair value of financial derivatives instruments | (2,064) | (35) | (2,099) |
| Deferred income and social contribution tax | 6,374 | 22,192 | 28,566 |
| | 409,223 | 174,217 | 583,440 |
| Decrease (increase) in assets | (11,092) | 10,176 | (916) |
| Accounts receivable | (32,163) | 9,788 | (22,375) |
| Loans to condominiums | (487) | 816 | 329 |
| Other | 11,631 | (6,022) | 5,609 |
| Legal deposits and values receivable from real estate taxes (IPTU) | (1,757) | (7,742) | (9,499) |
| Taxes recoverable | 11,684 | 13,336 | 25,020 |
| Increase (decrease) in liabilities | 130,013 | 2,019 | 132,032 |
| Suppliers | 9,824 | (1,507) | 8,317 |
| Collectable taxes and contributions | 73,414 | 13,312 | 86,726 |
| Other obligations | 46,493 | (9,746) | 36,747 |
| Deferred income | 282 | (40) | 242 |
| Taxes paid - IRPJ e CSLL | (24,034) | (20,885) | (44,919) |
| Taxes paid - PIS, COFINS e ISS | (35,814) | 2,726 | (33,088) |
| Net Cash Used in Operating Activities | 468,296 | 168,253 | 636,549 |
| Investment Activities | | | |
| Acquisition of fixed assets | (3,070) | (838) | (3,908) |
| Acquisition of properties for investment | (315,864) | (334,019) | (649,883) |
| Sale of property for investment | 134,106 | 1,640 | 135,746 |
| Decrease (increase) in investments | (138,510) | 138,510 | - |
| Business Combination Effect | 7,347 | (5,221) | 2,126 |
| Capital increase in controlled companies | (24,000) | 24,000 | - |
| Effect of interest change in controlled companies | 5,186 | (5,186) | - |
| Reduction (increase) in securities | (449,098) | 124,073 | (325,025) |
| Obligations from asset acquisitions | - | - | - |
| Increase in intangible assets | (10,734) | (40) | (10,774) |
| Additional acquisition from non-controllers | - | - | - |
| Dividends and interest on capital received | 44,904 | (44,904) | - |
| Net Cash Used in Investment Activities | (749,733) | (101,985) | (851,718) |
| Financing Activities | | | |
| Payment in obligations for the purchase of asset | (23,283) | (1) | (23,284) |
| Capital increase | 1,195,948 | - | 1,195,948 |
| Costs related to emission of shares | (55,515) | - | (55,515) |
| Dividends paid | (85,569) | (3,336) | (88,905) |
| Interest payment - loans, financings and real estate credit notes | (93,839) | 8,671 | (85,168) |
| Pre-Payment of interest - loans, financings and real estate credit notes | (62,174) | (160) | (62,334) |
| Principal payment loans and financing and real estate credit notes | (60,352) | (18,075) | (78,427) |
| Pre-Payment of principal - loans, financings and real estate credit notes | (442,224) | (27,530) | (469,754) |
| Payment of structuring cost - loans, financings and real estate credit notes | (40) | - | (40) |
| Issuance of debentures | - | 200,000 | 200,000 |
| Interest payment - debentures | (69,162) | (67,551) | (136,713) |
| Principal payment - debentures | (8,237) | (152,859) | (161,096) |
| Payment of structuring cost - debentures | (199) | (1,826) | (2,025) |
| (Share Disposal (Repurchase)) | 1,034 | - | 1,034 |
| Leasing - Payment of interest | (2,277) | (2,513) | (4,790) |
| Leasing - Payment of principal | (1,882) | (1,094) | (2,976) |
| Net Cash Used in Financing Activities | 292,229 | (66,274) | 225,955 |
| Net Cash and cash equivalent increase (reduction) | 10,792 | (6) | 10,786 |
| Cash and Cash Equivalents at the end of the period | 32,682 | 5,381 | 38,063 |
| Cash and Cash Equivalents at the beginning of the period | 21,890 | 5,387 | 27,277 |
| Net Change in Cash and Cash Equivalents | 10,792 | (6) | 10,786 |

¹ Adjustments related to: (i) proportional stakes in Companies' malls, and (ii) Sonae Sierra Brasil's July 2019 results.

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2019

| Conciliation between managerial financial information Period ended December 31, 2019 | Aliansce Sonae Consolidated 2019 - Financial Statements | Adjustments | Aliansce Sonae Consolidated 2019 - Managerial |
|---|---|-----------------|---|
| <i>(amounts in thousands of reais)</i> | | | |
| Gross revenue from rental and services | 814,788 | 213,780 | 1,028,568 |
| Taxes and contributions and other deductions | (71,602) | (25,169) | (96,771) |
| Net revenues | 743,186 | 188,611 | 931,797 |
| Cost of rentals and services | (200,075) | (41,480) | (241,554) |
| Gross income | 543,111 | 147,131 | 690,242 |
| Operating income/expenses | (289,062) | (46,304) | (335,366) |
| Sales, general and administrative expenses | (98,181) | 1,591 | (96,591) |
| Long-term incentive plan | (14,874) | - | (14,874) |
| Equity Income | 43,075 | (43,075) | - |
| Depreciation and Amortization | (14,074) | (997) | (15,071) |
| Other net operating income (expenses) | (205,008) | (3,822) | (208,830) |
| Financial income/(expenses) | (149,578) | (32,890) | (182,468) |
| Net income before taxes and social contributions | 104,471 | 67,937 | 172,408 |
| Income and social contribution taxes | (47,838) | (40,253) | (88,091) |
| Net income in the period | 56,633 | 27,685 | 84,317 |
| Income attributable to: | | | |
| Controlling shareholders | 22,027 | 62,290 | 84,317 |
| Minority shareholders | 34,605 | (34,605) | - |
| Net income in the period | 56,633 | 27,685 | 84,317 |

| Conciliation between EBITDA / Adjusted EBITDA Period ended December 31, 2019 | Aliansce Sonae Consolidated 2019 - Financial Statements | Adjustments | Aliansce Sonae Consolidated 2019 - Managerial |
|---|---|----------------|---|
| <i>(amounts in thousands of reais, except percentages)</i> | | | |
| Net income for the period | 56,633 | 27,685 | 84,317 |
| (+) Depreciation and amortization | 118,924 | (913) | 118,011 |
| (+)/(-) Financial expenses / (income) | 149,578 | 32,890 | 182,468 |
| (+) Income and social contribution taxes | 47,838 | 40,253 | 88,091 |
| EBITDA | 372,972 | 99,915 | 472,887 |
| EBITDA margin % | 50.2% | | 50.8% |
| (+)/(-) Non-recurring (expenses)/income | 201,610 | 4,043 | 205,653 |
| (+) Long-term incentive plan | 14,874 | - | 14,874 |
| (+) Pre-operating expenses | - | 154 | 154 |
| (-) Straight-line rent adjustment | (3,125) | (1,385) | (4,510) |
| Adjusted EBITDA | 586,332 | 102,727 | 689,059 |
| Adjusted EBITDA margin % | 78.9% | | 73.9% |

| Conciliation between FFO / Adjusted FFO Period ended December 31, 2019 | Aliansce Sonae Consolidated 2019 - Financial Statements | Adjustments | Aliansce Sonae Consolidated 2019 - Managerial |
|---|---|---------------|---|
| <i>(amounts in thousands of reais, except percentages)</i> | | | |
| Net income for the period | 56,633 | 27,685 | 84,317 |
| (+) Depreciation and amortization | 118,924 | (913) | 118,011 |
| (=) FFO * | 175,556 | 26,772 | 202,328 |
| FFO margin % | 23.6% | | 21.7% |
| (+)/(-) Non-recurring expenses | 201,610 | 4,043 | 205,653 |
| (-) Straight line rent adjustments - CPC 06 | (3,125) | (1,385) | (4,510) |
| (+) Stock Options | 14,874 | - | 14,874 |
| (+)/(-) Non-cash taxes | 6,375 | 22,195 | 28,570 |
| (+)/(-) SWAP | (2,064) | - | (2,064) |
| (+)/(-) Other non-recurring financial expenses | 8,098 | 952 | 9,050 |
| (+) Pre-operating expenses | - | 154 | 154 |
| (=) Adjusted FFO * | 401,325 | 52,731 | 454,056 |
| AFFO margin % | 54.0% | | 48.7% |

* Non-accounting indicators

¹ Adjustments related to: (i) proportional stakes in Companies' malls, and (ii) Sonae Sierra Brasil's July 2019 results.

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2018

| Conciliation between managerial financial information vs financial statements | Aliansce Sonae Consolidated | Adjustments | Aliansce Sonae Consolidated |
|---|-----------------------------|-----------------|-----------------------------|
| Period ended December 31, 2018 | 2018 - Financial Statements | | 2018 - Managerial |
| <i>(amounts in thousands of reais)</i> | | | |
| Gross revenue from rental and services | 555,657 | 386,113 | 941,770 |
| Taxes and contributions and other deductions | (47,226) | (44,248) | (91,475) |
| Net revenues | 508,431 | 341,864 | 850,295 |
| Cost of rentals and services | (122,822) | (89,309) | (212,131) |
| Gross income | 385,609 | 252,555 | 638,164 |
| Operating income/expenses | (63,260) | (58,772) | (122,031) |
| General and administrative expenses | (85,622) | (7,974) | (93,596) |
| Long-term incentive plan | (13,919) | - | (13,919) |
| Equity Income | 40,684 | (40,684) | - |
| Depreciation and Amortization | (10,925) | (1,962) | (12,887) |
| Other operating (expenses)/revenues | 6,522 | (8,151) | (1,629) |
| Financial income/(expenses) | (162,258) | 138,117 | (24,141) |
| Net income before taxes and minority interest | 160,092 | 331,901 | 491,992 |
| Income and social contribution taxes | (40,647) | (148,125) | (188,771) |
| Net income/(loss) in the period | 119,445 | 183,776 | 303,221 |
| Income attributable to: | | | |
| Controlling shareholders | 113,962 | 189,259 | 303,221 |
| Minority shareholders | 5,483 | (5,483) | - |
| Net income in the period | 119,445 | 183,775 | 303,221 |

| Conciliation between EBITDA / Adjusted EBITDA | Aliansce Sonae Consolidated | Adjustments | Aliansce Sonae Consolidated |
|--|-----------------------------|----------------|-----------------------------|
| Period ended December 31, 2018 | 2018 - Financial Statements | | 2018 - Managerial |
| <i>(amounts in thousands of reais, except percentages)</i> | | | |
| Net income | 119,445 | 183,776 | 303,221 |
| (+) Depreciation and amortization | 72,037 | 7,069 | 79,106 |
| (+)/(-) Financial expenses / (income) | 162,258 | (138,117) | 24,141 |
| (+) Income and social contribution taxes | 40,647 | 148,125 | 188,771 |
| EBITDA* | 394,386 | 200,853 | 595,239 |
| EBITDA margin % | 77.6% | | 70.0% |
| (+)/(-) Non-recurring (expenses)/income | (117) | 7,210 | 7,092 |
| (+) Long-term incentive plan | 13,919 | - | 13,919 |
| (+) Pre-operational expenses | - | 297 | 297 |
| (-) Straight-line rent adjustment | 2,502 | 1,445 | 3,947 |
| Adjusted EBITDA* | 410,690 | 209,805 | 620,495 |
| Adjusted EBITDA margin % | 80.8% | | 73.0% |

| Conciliation between FFO / Adjusted FFO | Aliansce Sonae Consolidated | Adjustments | Aliansce Sonae Consolidated |
|--|-----------------------------|----------------|-----------------------------|
| Period ended December 31, 2018 | 2018 - Financial Statements | | 2018 - Managerial |
| <i>(amounts in thousands of reais, except percentages)</i> | | | |
| Net income for the period | 119,445 | 183,776 | 303,221 |
| (+) Depreciation and amortization | 72,037 | 7,069 | 79,106 |
| (=) FFO * | 191,482 | 190,845 | 382,327 |
| FFO margin % | 37.7% | | 45.0% |
| (+)/(-) Non-recurring expenses | (117) | 7,210 | 7,092 |
| (-) Straight line rent adjustments - CPC 06 | 2,502 | 1,445 | 3,947 |
| (+) Stock Options | 13,919 | - | 13,919 |
| (+)/(-) Non-cash taxes | 21,611 | 112,884 | 134,495 |
| (-) CPC 20 - Capitalized Interest | - | - | - |
| (+)/(-) SWAP | (1,820) | - | (1,820) |
| (+)/(-) Other non-recurring financial expenses | 6,055 | (75) | 5,979 |
| (+) Pre-operating expenses | - | 297 | 297 |
| (+)/(-) Fair value of investment properties | - | (189,891) | (189,891) |
| (=) Adjusted FFO * | 233,631 | 122,716 | 356,346 |
| AFFO margin % | 46.0% | | 41.9% |

* Non-accounting indicators

¹ Adjustments related to: (i) proportional stakes in Companies' malls, and (ii) Sonae Sierra Brasil's July 2019 results.