

ALIANSCCE SONAE



MANAGEMENT REPORT 3Q20



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Message from Management

Rio de Janeiro, November 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 third quarter of 2020 (3Q20). At the end of 3Q20, the Company held ownership interests in 27 shopping malls, totaling 802.0 thousand sqm of owned GLA and 1,142.4 thousand sqm of total GLA. The Company also provides planning, management and leasing services to 12 shopping malls owned by third parties, with total GLA of 289.6 thousand sqm. The Company held 1,432.0 thousand sqm of GLA under its management at the end of 3Q20.

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

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

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

Management and leasing of shopping centers and mall spaces

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

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

Planning and development of malls

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

Policy for the reinvestment of income and distribution of dividends

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

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

Human Resources

On September 30th, 2020, Aliansce Sonae had 350 employees, while on September 30th, 2019 the number of employees was 359. Average employee turnover was of 5.4% in 3Q20.

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

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

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

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

Social Responsibility

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

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

Market Arbitration Chamber

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

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

Relationship with External Auditors

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

Reconciliation of the consolidated accounting and managerial financial statements

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

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

Financial Highlights

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

Consolidated Income Statement	3Q20	3Q19	3Q20/3Q19 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>			
Gross revenue from rent and services	179,015	220,801	-18.9%
Taxes, contributions and other deductions	(7,862)	(20,322)	-61.3%
Net revenue	171,154	200,479	-14.6%
Cost	(66,925)	(59,980)	11.6%
Cost of rent and services	(29,366)	(30,952)	-5.1%
Depreciation and Amortization cost	(37,560)	(29,028)	29.4%
Gross income	104,228	140,499	-25.8%
Operating income/(expenses)	(43,937)	(219,053)	-79.9%
Sales, general and administrative expenses	(39,560)	(26,306)	50.4%
Long-term incentive plan	(3,120)	(3,699)	-15.6%
Equity income	7,228	11,825	-38.9%
Depreciation and Amortization expenses	(4,203)	(3,851)	9.2%
Other net income (expenses)	(4,281)	(197,022)	-97.8%
Financial income/(expenses)	(23,620)	(38,807)	-39.1%
Net income before taxes and social contributions	36,671	(117,361)	n/a
Current income and social contribution taxes	(5,566)	(9,949)	-44.1%
Deferred income and social contribution taxes	(2,693)	(5,625)	-52.1%
Net income in the period	28,412	(132,935)	n/a
Income (loss) attributable to:			
Controlling Shareholders	24,185	(143,692)	n/a
Minority Shareholders	4,227	10,757	-60.7%
Net income in the period	28,412	(132,935)	n/a

Managerial Income Statement	3Q20	3Q19	3Q20/3Q19 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>			
Gross revenue from rent and services	175,692	242,212	-27.5%
Taxes, contributions and other deductions	(7,239)	(15,036)	-51.9%
Net revenue	168,453	227,176	-25.8%
Cost	(80,810)	(63,910)	26.4%
Cost of rent and services	(41,917)	(32,883)	27.5%
Depreciation and Amortization cost	(38,893)	(31,028)	25.3%
Gross income	87,643	163,266	-46.3%
Operating income/(expenses)	(30,564)	(229,641)	-86.7%
Sales, general and administrative expenses	(17,780)	(23,866)	-25.5%
Long-term incentive plan	(3,120)	(3,699)	-15.6%
Depreciation and Amortization expenses	(4,504)	(3,990)	12.9%
Other net income (expenses)	(5,159)	(198,086)	-97.4%
Financial income/(expenses)	(24,447)	(45,547)	-46.3%
Net income before taxes and social contributions	32,632	(111,922)	n/a
Current income and social contribution taxes	(5,772)	(13,271)	-56.5%
Deferred income and social contribution taxes	(2,675)	(19,967)	-86.6%
Net income in the period	24,185	(145,160)	n/a

BALANCE SHEET

Managerial Balance Sheet	Aliansce Financial Statements		Adjustments		Aliansce Managerial Consolidated	
	09/30/20	12/31/19	09/30/20	12/31/19	09/30/20	12/31/19
ASSETS						
<i>(amounts in thousands of reais)</i>						
Current						
Cash and cash equivalents	13,286	32,682	454	5,381	13,739	38,063
Short-term investments	1,290,507	1,167,366	2,757	(2,335)	1,293,264	1,165,031
Accounts receivable	320,201	164,871	(8,555)	(3,139)	311,646	161,732
Dividends receivable	440	4,121	(58)	(3,739)	383	383
Taxes recoverable	51,240	50,378	(483)	(2,282)	50,758	48,095
Anticipated expenses	3,588	4,425	(10)	1,030	3,577	5,455
Values receivable	-	-	-	4	-	4
Other receivables	49,363	30,767	(3,586)	(1,464)	45,777	29,303
Total	1,728,624	1,454,610	(9,482)	(6,544)	1,719,143	1,448,066
Non-Current Assets held for sale	38,565	88,642	-	0	38,565	88,642
Total Current Assets and non-current assets held for sale	1,767,189	1,543,252	(9,482)	(6,544)	1,757,708	1,536,708
Non-Current						
Taxes recoverable	8,488	16,718	512	2,294	9,000	19,012
Deferred income and social contribution tax	50,321	89,861	(14,285)	(9,839)	36,036	80,022
Legal deposits	31,882	32,084	75	45	31,957	32,129
Borrowings and other accounts receivable	8,086	9,166	(0)	-	8,086	9,166
Derivative financial instruments	10,193	9,036	(0)	-	10,193	9,036
Anticipated expenses	14,024	10,042	(0)	4,126	14,024	14,168
Other receivables	26,766	24,414	1,469	(273)	28,236	24,141
Investments	553,267	545,109	(553,267)	(545,109)	-	0
Properties for investment	8,072,889	8,306,384	(702,689)	(727,893)	7,370,200	7,578,491
Property, plant and equipment	6,014	10,382	103	268	6,117	10,650
Intangible assets	307,999	310,101	243,038	254,094	551,037	564,195
Total Non-current Assets	9,089,929	9,363,295	(1,025,045)	(1,022,287)	8,064,884	8,341,008
Total Assets	10,857,119	10,906,547	(1,034,527)	(1,028,831)	9,822,592	9,877,716
LIABILITIES						
<i>(amounts in thousands of reais)</i>						
Current						
Suppliers	22,162	33,937	(1,917)	(2,732)	20,245	31,205
Loans and financing, real estate credit notes and debentures	221,289	64,548	(0)	(0)	221,289	64,547
Taxes and contributions payable	23,380	35,242	873	(1,068)	24,253	34,174
Deferred income	1,025	614	33	(10)	1,058	604
Dividends payable	4,007	4,488	(4,007)	0	-	4,488
Obligations for purchase of assets	105	103	(0)	-	105	103
Leasing	4,034	4,586	1,229	1,183	5,263	5,769
Other liabilities	60,270	95,992	23	(4,886)	60,294	91,106
Total Current Liabilities and liabilities related to non-current assets held for sale	336,272	239,511	(3,766)	(7,513)	332,506	231,997
Non-Current						
Loans and financing, real estate credit notes and debentures	1,818,910	2,080,991	(1)	(0)	1,818,910	2,080,990
Taxes and contributions to collect	6,026	6,144	0	0	6,026	6,144
Deferred income	15,208	18,902	652	2,942	15,860	21,844
Deferred income and social contribution tax	960,771	981,759	13,216	14,053	973,987	995,812
Leasing	23,770	25,706	28,694	29,497	52,464	55,203
Other liabilities	20,254	21,612	5,871	5,870	26,125	27,482
Provision for contingencies	14,121	15,840	(1,241)	(1,228)	12,880	14,612
Total Non-Current Liabilities	2,859,060	3,150,954	47,191	51,135	2,906,252	3,202,088
Shareholders' Equity						
Share capital	4,156,146	4,155,362	-	-	4,156,146	4,155,362
Expenditure on issuance of shares	(72,332)	(71,599)	-	-	(72,332)	(71,599)
Capital reserves	880,212	963,501	-	-	880,212	963,501
Shares held in treasury	(24,696)	-	-	-	(24,696)	-
Retained earnings (losses)	163,827	(84,310)	-	-	163,827	(84,310)
Income reserves	-	-	-	-	-	-
Carrying value adjustments	1,480,677	1,480,677	-	-	1,480,677	1,480,677
Minority Interest	1,077,952	1,072,452	(1,077,952)	(1,072,452)	-	-
Total Shareholders' Equity	7,661,786	7,516,083	(1,077,952)	(1,072,452)	6,583,834	6,443,630
Total liabilities and shareholders' equity	10,857,119	10,906,547	(1,034,527)	(1,028,831)	9,822,592	9,877,716

CASH FLOW

Cash Flow Statement	Aliansce Sonae Financial Statements	Adjustments	Aliansce Sonae Managerial Consolidated
	09/30/2020	09/30/2020	09/30/2020
<i>(amounts in thousands of reais)</i>			
Operating Activities			
Net Profit for the period	189,883	(26,056)	163,827
<i>Adjustments to net profit due to:</i>			
Straight line rent adjustment	(187,304)	7,553	(179,751)
Depreciation and Amortization	137,010	(7,476)	129,534
Equity Income Gain	(19,269)	19,269	-
Provision (Reversal of provision) for doubtful accounts	48,503	(1,810)	46,693
Stock Option plan	2,059	-	2,059
Monetary variation over financial debts	89,176	1,902	91,078
Other	527	-	527
Gain on the sale of investment	(44,800)	44,800	-
Fair value of financial derivatives instruments	(1,157)	-	(1,157)
Deferred income and social contribution tax	25,667	(358)	25,309
	240,295	37,824	278,119
Decrease (increase) in assets	(31,866)	6,062	(25,804)
Accounts receivable	(3,956)	(2,507)	(6,463)
Loans to condominiums	(16,645)	-	(16,645)
Other	(21,726)	6,677	(15,049)
Legal deposits and values receivable from real estate taxes (IPTU)	97	76	173
Taxes recoverable	10,364	1,816	12,180
Increase (decrease) in liabilities	(12,460)	(1,168)	(13,628)
Suppliers	(11,709)	749	(10,960)
Collectable taxes and contributions	41,183	762	41,945
Other obligations	(38,808)	(274)	(39,082)
Deferred income	(3,126)	(2,405)	(5,531)
Taxes paid - IRPJ e CSLL	(27,756)	119	(27,637)
Taxes paid - PIS, COFINS e ISS	(20,908)	(178)	(21,086)
Net Cash Used in Operating Activities	147,305	42,659	189,964
Investment Activities			
Acquisition of fixed assets	(1,080)	-	(1,080)
Acquisition of properties for investment	(21,125)	(44)	(21,169)
Sale of property for investment	184,377	(2,499)	181,878
Decrease (increase) in investments	49,700	(49,700)	-
Reduction (increase) in securities	(134,064)	1,165	(132,899)
Increase in intangible assets	(14,918)	(26)	(14,944)
Dividends and interest on capital received	12,189	(12,189)	-
Net Cash Used in Investment Activities	75,079	(63,293)	11,786
Financing Activities			
Capital increase	784	-	784
Costs related to emission of shares	(732)	-	(732)
Interest payment - loans, financings and real estate credit notes	(36,098)	-	(36,098)
Principal payment loans and financing and real estate credit notes	(22,034)	-	(22,034)
Pre-Payment of principal - loans, financings and real estate credit notes	(17,133)	-	(17,133)
Payment of structuring cost - loans, financings and real estate credit notes	(3,567)	-	(3,567)
Interest payment - debentures	(55,805)	-	(55,805)
Principal payment - debentures	(6,531)	-	(6,531)
Share buyback	(36,918)	-	(36,918)
Dividends paid to non-controlling stockholders	(18,135)	18,135	-
Proceeds from share-based compensation program	5,788	-	5,788
Leasing - Payment of interest	(1,815)	(1,672)	(3,487)
Leasing - Payment of principal	(2,487)	(757)	(3,244)
Repurchase payment - debentures	(47,097)	-	(47,097)
Net Cash Used in Financing Activities	(241,780)	15,706	(226,074)
Net cash and cash equivalent increase (reduction)	(19,396)	(4,928)	(24,324)
Cash and Cash Equivalents at the end of the period	13,286	453	13,739
Cash and Cash Equivalents at the beginning of the period	32,682	5,381	38,063
Net change in Cash and Cash Equivalents	(19,396)	(4,928)	(24,324)

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2020

Conciliation between managerial financial information vs financial statements Period ended September 30, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais)</i>			
Gross revenue from rental and services	603,909	(23,964)	579,945
Taxes and contributions and other deductions	(31,116)	1,920	(29,196)
Net revenues	572,793	(22,045)	550,749
Cost of rentals and services	(196,704)	(31,168)	(227,872)
Gross income	376,090	(53,213)	322,877
Operating income/expenses	(81,597)	28,319	(53,278)
Sales, general and administrative expenses	(115,060)	49,416	(65,644)
Long-term incentive plan	(9,797)	-	(9,797)
Equity Income	19,269	(19,269)	-
Depreciation and Amortization	(12,159)	(304)	(12,462)
Other net operating income (expenses)	36,150	(1,524)	34,626
Financial income/(expenses)	(59,665)	(1,243)	(60,908)
Net income before taxes and social contributions	234,828	(26,137)	208,691
Income and social contribution taxes	(44,945)	81	(44,864)
Net income in the period	189,883	(26,056)	163,827
Income attributable to:			
Controlling shareholders	163,827	(0)	163,827
Minority shareholders	26,056	(26,056)	-
Net income in the period	189,883	(26,056)	163,827

Conciliation between EBITDA / Adjusted EBITDA Period ended September 30, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	189,883	(26,056)	163,827
(+) Depreciation and amortization	137,009	(7,475)	129,534
(+)/(-) Financial expenses / (income)	59,665	1,243	60,908
(+) Income and social contribution taxes	44,945	(81)	44,864
EBITDA	431,502	(32,369)	399,133
EBITDA margin %	75.3%		72.5%
(+)/(-) Non-recurring (expenses)/income	(38,794)	910	(37,884)
(+) Long-term incentive plan	9,797	-	9,797
Adjusted EBITDA	402,505	(31,458)	371,046
Adjusted EBITDA margin %	70.3%		67.4%

Conciliation between FFO / Adjusted FFO Period ended September 30, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	189,883	(26,056)	163,827
(+) Depretiation and amortization	137,009	(7,475)	129,534
(=) FFO *	326,892	(33,531)	293,361
FFO margin %	23.6%		21.7%
(+)/(-) Non-recurring expenses	(38,794)	910	(37,884)
(-) Straight line rent adjustments - CPC 06	(187,304)	20,620	(166,684)
(+) Stock Options	9,797	-	9,797
(+)/(-) Non-cash taxes	25,667	(358)	25,309
(+)/(-) SWAP	(1,157)	-	(1,157)
(+)/(-) Other non-recurring financial expenses	(7,094)	2,616	(4,478)
(+) Pre-operating expenses	-	-	-
(=) Adjusted FFO *	128,006	(9,742)	118,265
AFFO margin %	33.2%		31.9%

* Non-accounting indicators

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2019

Conciliation between managerial financial information vs financial statements	Aliansce Sonae Consolidated	Adjustments	Aliansce Sonae Consolidated
Period ended September 30, 2019	2019 - Financial Statements		2019 - Managerial
	<i>(amounts in thousands of reais)</i>		
Gross revenue from rental and services	505,717	203,893	709,610
Taxes and contributions and other deductions	(44,040)	(1,781)	(45,821)
Net revenues	461,678	202,111	663,789
Cost of rentals and services	(123,307)	(46,723)	(170,029)
Gross income	338,371	155,389	493,760
Operating income/expenses	(256,061)	(37,698)	(293,758)
General and administrative expenses	(69,550)	(3,645)	(73,195)
Long-term incentive plan	(11,154)	-	(11,154)
Equity Income	30,949	(30,949)	-
Depreciation and Amortization	(9,950)	(994)	(10,944)
Other operating (expenses)/revenues	(196,355)	(2,111)	(198,465)
Financial income/(expenses)	(101,864)	(31,031)	(132,895)
Net income before taxes and minority interest	(19,554)	86,660	67,106
Income and social contribution taxes	(43,580)	(39,832)	(83,412)
Net income/(loss) in the period	(63,133)	46,828	(16,306)
Income attributable to:			
Controlling shareholders	(78,594)	62,288	(16,306)
Minority shareholders	15,461	(15,461)	-
Net income in the period	(63,133)	46,827	(16,306)

Conciliation between EBITDA / Adjusted EBITDA	Aliansce Sonae Consolidated	Adjustments	Aliansce Sonae Consolidated
Period ended September 30, 2019	2019 - Financial Statements		2019 - Managerial
	<i>(amounts in thousands of reais, except percentages)</i>		
<i>Net income</i>	(63,133)	46,828	(16,306)
(+) Depreciation and amortization	72,518	3,056	75,574
(+)/(-) Financial expenses / (income)	101,864	31,031	132,895
(+) Income and social contribution taxes	43,580	39,832	83,412
(+) Pre-operational expenses	-	74	74
EBITDA*	154,829	120,821	275,650
EBITDA margin %	33.5%		41.5%
(+)(-) Non-recurring (expenses)/income	185,260	11,208	196,468
(+) Long-term incentive plan	11,154	-	11,154
Adjusted EBITDA*	351,243	132,029	483,272
Adjusted EBITDA margin %	76.1%		72.8%

Conciliation between FFO / Adjusted FFO	Aliansce Sonae Consolidated	Adjustments	Aliansce Sonae Consolidated
Period ended September 30, 2019	2019 - Financial Statements		2019 - Managerial
	<i>(amounts in thousands of reais, except percentages)</i>		
Net income for the period	(63,133)	46,828	(16,306)
(+) Depreciation and amortization	72,518	3,056	75,574
(=) FFO *	9,385	49,884	59,269
FFO margin %	37.7%		45.0%
(+)(-) Non-recurring expenses	185,260	11,208	196,468
(-) Straight line rent adjustments - CPC 06	(8,451)	(1,388)	(9,838)
(+) Stock Options	11,154	-	11,154
(+)(-) Non-cash taxes	18,782	21,983	40,765
(+)(-) SWAP	(1,908)	-	(1,908)
(+)(-) Other non-recurring financial expenses	-	-	-
(+) Pre-operating expenses	-	74	74
(=) Adjusted FFO *	214,222	81,761	295,983
AFFO margin %	46.4%		44.6%

* Non-accounting indicators

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS

The table below shows the reconciliation between consolidated net debt and managerial net debt in 3Q20.

Debt breakdown - Consolidated	Financial Statements 3Q20	Effects of CPC 18/19	Managerial 3Q20
<i>(amounts in thousands of reais)</i>			
Banks	375,674	-	375,674
CCI/CRI	170,777	-	170,777
Obligation for purchase of assets	105	-	105
Debentures	1,493,748	-	1,493,748
Total debt	2,040,303	-	2,040,303
Cash and Cash Equivalents	(1,303,792)	(3,211)	(1,307,003)
Total cash available	(1,303,792)	(3,211)	(1,307,003)
Net debt	736,511	(3,211)	733,300

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

Quarterly Information- ITR

Aliansce Sonae Shopping Centers S.A.

September 30, 2020
with Independent Auditor's Review Report on Quarterly
Information - ITR

Aliansce Sonae Shopping Centers S.A.

Quarterly information - ITR

September 30, 2020

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Independent auditor's review report on quarterly information - ITR

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

Introduction

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

Management is responsible for preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement NBC TG 21 - Interim Financial Reporting, and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of the Quarterly Information Form (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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



Conclusion on the individual and consolidated interim financial information

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

Other matters

Statements of value added

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

Rio de Janeiro, November 10, 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 a faint vertical line.

Roberto Martorelli
Accountant CRC-1RJ106103/O-0

Aliansce Sonae Shopping Centers S.A.

Balance sheets

September 30, 2020 and December 31, 2019

(All amounts in thousands of reais)

	Note	Company		Consolidated	
		2020	2019	2020	2019
Assets					
Current					
Cash and cash equivalents	7	3,296	6,501	13,286	32,682
Short-term investments	8	1,031,255	925,164	1,290,507	1,167,366
Trade receivables	9	50,902	25,780	320,201	164,871
Dividends and interest on capital receivable	11	440	9,807	440	4,121
Recoverable taxes	10	26,755	30,162	51,240	50,378
Prepaid expenses		3,114	4,008	3,588	4,425
Others		24,817	15,216	49,363	30,767
		1,140,579	1,016,638	1,728,625	1,454,610
Non-current assets held for sale					
	12	21,610	21,610	38,565	88,642
		21,610	21,610	38,565	88,642
Non-current assets					
Deferred income tax and social contribution	19	18,253	22,895	50,321	89,861
Recoverable taxes	10	5,285	16,018	8,488	16,718
Judicial deposits	17	611	1,653	31,882	32,084
Loans and other receivables	26	-	151	8,086	9,166
Derivative financial instruments	5	10,193	9,036	10,193	9,036
Prepaid expenses		13,561	9,936	14,024	10,042
Others		21,863	15,807	26,766	24,413
		69,766	75,496	149,760	191,320
Investments					
Investments	11	6,327,402	6,405,396	553,267	545,109
Investment properties	12c	629,181	636,740	8,072,889	8,306,384
Property and equipment	14	4,376	7,425	6,014	10,381
Intangible assets	13	51,245	45,577	307,999	310,101
		7,012,204	7,095,138	8,940,169	9,171,975
Total assets					
		8,244,159	8,208,882	10,857,119	10,906,547

	Note	Company		Consolidated	
		2020	2019	2020	2019
Liabilities					
Current					
Trade payables		11,353	17,479	22,163	33,937
Borrowings and financings, CCI/CRI and debentures	15	180,254	27,593	221,289	64,548
Taxes and contributions payable	10	3,609	4,276	23,380	35,242
Dividends payable	20	-	-	4,007	4,488
Obligations for purchase of assets	26	-	-	105	103
Deferred revenues	16	-	-	1,025	614
Trade payables – Lease	14	4,034	4,586	4,034	4,586
Other obligations	18	30,347	59,309	60,270	95,992
		229,597	113,243	336,273	239,510
Non-current assets					
Borrowings and financings, CCI/CRI and debentures	15	1,385,064	1,602,315	1,818,910	2,080,991
Taxes and contributions payable	10	360	360	6,026	6,144
Deferred revenues	16	4,635	5,580	15,208	18,902
Deferred income tax and social contribution	19	-	-	960,771	981,759
Trade payables – Lease	14	23,770	25,706	23,770	25,706
Provision for contingencies	17	1,680	2,728	14,121	15,840
Other obligations	18	15,219	15,319	20,254	21,612
		1,430,728	1,652,008	2,859,060	3,150,954
Equity					
Share capital	20	4,156,146	4,155,362	4,156,146	4,155,362
Expenditure on issuance of shares		(72,332)	(71,599)	(72,332)	(71,599)
Treasury shares		(24,696)	-	(24,696)	-
Capital reserves		880,212	963,501	880,212	963,501
Carrying value adjustments		1,480,677	1,480,677	1,480,677	1,480,677
Retained earnings (accumulated losses)		163,827	(84,310)	163,827	(84,310)
Equity attributable to owners of the parent		6,583,834	6,443,631	6,583,834	6,443,631
Non-controlling interest	20	-	-	1,077,952	1,072,452
Total equity		6,583,834	6,443,631	7,661,786	7,516,083
Total liabilities and equity		8,244,159	8,208,882	10,857,119	10,906,547

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

Aliansce Sonae Shopping Centers S.A.

Statements of income

Three and nine-month periods ended September 30, 2020 and 2019
(All amounts in thousands of reais, except for net result per share)

	Note	Company			
		Three-month period ended		Nine-month period ended	
		2020	2019	2020	2019
Net revenue from rental and services	21	31,758	42,701	99,660	121,836
Cost of rentals and services	22	(50,698)	(23,472)	(62,257)	(35,309)
Gross profit		(18,940)	19,229	37,403	86,527
Operating income (costs)					
General, sale and administrative expenses	23	(25,016)	(25,292)	(78,520)	(73,928)
Other income (costs), net	25	(3,794)	(75,983)	39,097	(81,153)
		(28,810)	(101,275)	(39,423)	(155,081)
Result of equity in subsidiaries	11	83,050	(38,794)	205,493	47,432
Finance income (costs)	24				
Finance costs		(17,738)	(30,848)	(62,556)	(82,356)
Finance income		7,666	9,586	27,780	26,402
		(10,072)	(21,262)	(34,776)	(55,954)
Profit before income tax and social contribution		25,228	(142,102)	168,697	(77,076)
Income tax and social contribution	19	(1,043)	(1,591)	(4,870)	(1,518)
Profit for the period		24,185	(143,693)	163,827	(78,594)
Profit attributable to stockholders of the Parent		24,185	(143,693)	163,827	(78,594)
		24,185	(143,693)	163,827	(78,594)
Result per share attributable to stockholders of the Parent during the period (expressed in R\$ per share)					
Result per share - basic					
From continuing operations	20	0.5202	(0.3727)	0.6214	(0.3727)
		0.5202	(0.3727)	0.6214	(0.3727)
Result per share - diluted					
From continuing operations	20	0.5186	(0.3727)	0.6198	(0.3727)
		0.5186	(0.3727)	0.6198	(0.3727)

Aliansce Sonae Shopping Centers S.A.

Statements of income (Continued)

Three and nine-month periods ended September 30, 2020 and 2019

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

	Note	Consolidated			
		Three-month period ended		Nine-month period ended	
		2020	2019	2020	2019
Net revenue from rental and services	21	171,154	200,479	572,793	461,678
Cost of rentals and services	22	(66,926)	(59,980)	(196,703)	(123,307)
Gross profit		104,228	140,499	376,090	338,371
Operating income (costs)					
General, sale and administrative expenses	23	(46,884)	(33,856)	(137,016)	(90,654)
Other income (costs), net	25	(4,281)	(197,023)	36,150	(196,355)
		(51,165)	(230,879)	(100,866)	(287,009)
Result of equity in subsidiaries	11	7,228	11,825	19,269	30,949
Finance income (costs)	24				
Finance costs		(32,230)	(52,483)	(98,707)	(139,229)
Finance income		8,610	13,676	39,042	37,365
		(23,620)	(38,807)	(59,665)	(101,864)
Profit before income tax and social contribution		36,671	(117,362)	234,828	(19,553)
Income tax and social contribution	19	(8,259)	(15,574)	(44,945)	(43,580)
Profit for the period		28,412	(132,936)	189,883	(63,133)
Profit attributable to stockholders of the Parent		24,185	(143,693)	163,827	(78,594)
Non-controlling interest		4,227	10,757	26,056	15,461
		28,412	(132,936)	189,883	(63,133)

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

Aliansce Sonae Shopping Centers S.A.

Statements of comprehensive income

For the three and nine-month periods ended September 30, 2020 and 2019

(All amounts in thousands of reais)

	Company				Consolidated			
	Three-month period ended		Nine-month period ended		Three-month period ended		Three-month period ended	
	2020	2019	2020	2019	2020	2019	2020	2019
Profit (loss) for the period	24,185	(143,693)	163,827	(78,594)	28,412	(132,936)	189,883	(63,133)
Total comprehensive income	24,185	(143,693)	163,827	(78,594)	28,412	(132,936)	189,883	(63,133)
Attributable to								
Stockholders of the Parent	24,185	(143,693)	163,827	(78,594)	24,185	(143,693)	163,827	(78,594)
Non-controlling interest	-	-	-	-	4,227	10,757	26,056	15,461

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

Aliansce Sonae Shopping Centers S.A.

Statements of changes in equity
For the nine-month periods ended September 30, 2020 and 2019
(All amounts in thousands of reais)

	Revenue reserve						Carrying value adjustments	Retained earnings/ (accumulated losses)	Treasury shares	Total	Non-controlling interest	Total
	Share capital	Expenditure on issuance of shares	Capital reserve	Legal reserve	Unrealized revenue reserve	Profit retention						
At December 31, 2018	2,013,854	(44,431)	29,604	44,461	-	487,364	24,157	-	(1,034)	2,553,975	51,962	2,605,937
Profit (loss) for the period	-	-	-	-	-	-	-	(102,139)	-	(102,139)	5,530	(96,609)
Capital contribution	4,058	-	-	-	-	-	-	-	-	4,058	-	4,058
Cancellation of treasury shares	-	-	-	-	-	(521)	-	-	521	-	-	-
Share-based compensation program	-	-	1,960	-	-	60	-	-	513	2,533	-	2,533
Distribution of dividends	-	-	-	-	-	(27,066)	-	-	-	(27,066)	(4,560)	(31,626)
At August 5, 2019	2,017,912	(44,431)	31,564	44,461	-	459,837	24,157	(102,139)	-	2,431,361	52,932	2,484,293
Effect of business combination												
Adequacy of legal parent's capital structure	(2,017,912)	44,431	(31,564)	(44,461)	-	(459,837)	(24,157)	102,139	-	(2,431,361)	(52,932)	(2,484,293)
Equity of Sonae Sierra Brasil S.A. acquired on August 5 at fair value	1,397,866	(16,084)	96,198	75,495	97,792	1,083,560	1,480,677	(1,465,323)	-	2,750,181	1,192,924	3,943,105
Merger of legal subsidiary	1,565,607	-	865,754	-	-	-	-	-	-	2,431,361	52,932	2,484,293
Net effect	945,561	28,347	930,388	31,034	97,792	623,723	1,456,520	(1,363,184)	-	2,750,181	1,192,924	3,943,105
Profit for the period	-	-	-	-	-	-	-	23,545	-	23,545	9,931	33,476
Share-based compensation program	-	-	614	-	-	-	-	-	-	614	-	614
Capital contribution	441	-	-	-	-	-	-	-	-	441	-	441
Dividends paid to non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	(13,883)	(13,883)
Offset of accumulated losses against revenue reserve	-	-	-	(75,495)	(97,792)	(1,083,560)	-	1,256,847	-	-	-	-
At September 30, 2019	2,963,914	(16,084)	962,566	-	-	-	1,480,677	(184,931)	-	5,206,142	1,241,904	6,448,046
At December 31, 2019	4,155,362	(71,599)	963,501	-	-	-	1,480,677	(84,310)	-	6,443,631	1,072,452	7,516,083
Profit for the period	-	-	-	-	-	-	-	163,827	-	163,827	26,056	189,883
Absorption of accumulated losses with capital reserve (Note 20)	-	-	(84,310)	-	-	-	-	84,310	-	-	-	-
Share-based compensation program (Note 28)	-	-	1,021	-	-	-	-	-	-	1,021	-	1,021
Capital contribution related to the share-based compensation program	784	-	-	-	-	-	-	-	-	784	-	784
Share buyback (Note 20)	-	-	-	-	-	-	-	-	(36,918)	(36,918)	-	(36,918)
Treasury shares granted under the share-based compensation program	-	-	-	-	-	-	-	-	12,222	12,222	-	12,222
Share issued cost (Note 20)	-	(733)	-	-	-	-	-	-	-	(733)	-	(733)
Dividends paid to non-controlling stockholders	-	-	-	-	-	-	-	-	-	-	(20,556)	(20,556)
At September 30, 2020	4,156,146	(72,332)	880,212	-	-	-	1,480,677	163,827	(24,696)	6,583,834	1,077,952	7,661,786

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

Aliansce Sonae Shopping Centers S.A.

Statements of cash flows

For the nine-month periods ended September 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	2020	2019	2020	2019 (restated)
Operating activities				
Profit (loss) for the period attributable to stockholders of the Parent	163,827	(78,594)	189,883	(63,133)
Adjustments to profit arising from				
Straight-line rent	(26,871)	(2,893)	(187,304)	(8,451)
Depreciation and amortization	70,284	35,549	137,010	72,518
Result of equity in subsidiaries	(205,493)	(47,432)	(19,269)	(30,949)
Constitution of provision for expected credit loss	10,776	4,578	48,503	12,819
Share-based compensation	2,059	2,867	2,059	2,867
Interest and indexation charges on financial transactions	59,659	77,077	89,176	132,733
Gain (loss) on the sale of interest in Boulevard Corporate Tower	-	-	-	8,905
Fair value of the derivative financial instruments	(1,157)	(1,908)	(1,157)	(1,908)
Deferred income tax and social contribution	4,870	849	25,667	18,783
Provision for impairment of assets	-	-	-	118,000
Capital gain on the sale of interest/investment	(44,800)	-	(44,800)	-
Others	-	-	527	138
	33,154	(9,907)	240,295	262,322
Decrease (increase) in assets				
Trade receivables	(2,881)	1,588	(3,956)	13,229
Others	(18,466)	12,854	(38,371)	16,091
Judicial deposits	1,042	(3)	97	(824)
Recoverable taxes	18,918	5,792	10,364	8,081
	(1,387)	20,231	(31,866)	36,577
Increase (decrease) in liabilities				
Trade payables	(6,127)	6,877	(11,709)	5,351
Taxes and contributions payable	437	7,009	41,183	49,165
Other obligations	(30,379)	8,633	(38,808)	(1,015)
Deferred revenue	(945)	2,136	(3,126)	1,729
	(37,014)	24,655	(12,460)	55,230
Taxes paid - IRPJ and CSLL	-	(18)	(27,756)	(18,440)
Taxes paid - PIS, COFINS and ISS	(473)	(6,066)	(20,908)	(24,744)
Net cash generated by (used in) operating activities	(5,720)	28,895	147,305	310,945
Investing activities				
Acquisition of property and equipment	(907)	(373)	(1,080)	(598)
Acquisition of investment property – shopping malls	(2,721)	(10,644)	(21,125)	(101,235)
Payment in obligations with purchase of assets	-	(2,962)	-	(23,283)
Sale of investment property	-	-	184,377	37,587
Decrease (increase) in investments	139,960	(111,598)	49,700	(71,280)
Capital increase in subsidiaries/associates	(42,749)	(64,559)	-	(6,700)
Effect of business combination	-	-	-	5,186
Capital decrease in subsidiaries/associates/amortization of quotas	-	173,114	-	-
Decrease (increase) in short-term investments	13,148	(22,355)	(134,064)	51,542
Acquisition of intangible assets	(14,562)	(7,151)	(14,918)	(7,907)
Interest on capital and received dividends	60,558	133,852	12,189	34,831
Net cash provided by (used in) investing activities	152,727	87,324	75,079	(81,857)
Financing activities				
Capital increase	784	4,499	784	4,499
Expenditures on issuance of shares	(733)	-	(733)	-
Payment of interest - borrowings and financings and real estate credit notes	(4,293)	(7,849)	(36,098)	(69,417)
Payment of principal - borrowings and financings and real estate credit notes	(864)	(4,742)	(22,034)	(44,519)
Pre-payment of principal - borrowings and financing and real estate credit notes	-	-	(17,133)	-
Payment of structuring cost of borrowings and financings	(242)	(40)	(3,567)	(40)
Payment of interest on debentures	(55,805)	(51,860)	(55,805)	(51,860)
Payment of principal of debentures	(6,531)	(5,433)	(6,531)	(5,433)
Payment of structuring cost of debentures	-	(198)	-	(198)
Payment of interest- Lease (right of use)	(1,815)	(1,615)	(1,815)	(1,615)
Payment of principal - Lease (right of use)	(2,486)	(1,086)	(2,486)	(1,086)
Dividends paid	-	(54,132)	-	(66,263)
Share buyback	(36,918)	-	(36,918)	-
Proceeds from share-based compensation program	5,788	-	5,788	-
Dividends paid to non-controlling stockholders	-	-	(18,135)	(6,261)
Repurchase of debentures	(47,097)	-	(47,097)	-
Disposal of shares	-	1,034	-	1,034
Net cash used in financing activities	(150,212)	(121,422)	(241,780)	(241,159)
Net increase (decrease) in cash and cash equivalents	(3,205)	(5,203)	(19,396)	(12,071)
Cash and cash equivalents at the end of the period	3,296	1,422	13,286	9,819
Cash and cash equivalents at the beginning of the period	6,501	6,625	32,682	21,890
Net increase (decrease) in cash and cash equivalents	(3,205)	(5,203)	(19,396)	(12,071)

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

Aliance Sonae Shopping Centers S.A.

Statements of value added

For the nine-month periods ended September 30, 2020 and 2019

(All amounts in thousands of reais)

	Company		Consolidated	
	2020	2019	2020	2019
Revenue				
Gross revenue from rental and services	107,034	133,647	602,401	505,718
Provision for expected credit losses	(10,776)	(4,579)	(48,503)	(12,819)
Other revenue	49,797	1,773	65,439	15,601
	146,055	130,841	619,337	508,500
Inputs acquired from third parties				
Cost of rentals and services	(2,738)	(8,024)	(51,136)	(60,739)
Materials, energy, outsourced services and other operating expenses	(22,362)	(84,623)	(49,684)	(218,959)
Gross value added provided by the Company	120,955	38,194	518,517	228,802
Retentions				
Depreciation and amortization	(70,284)	(35,549)	(137,010)	(72,518)
Net value added provided by the Company	50,671	2,645	381,507	156,284
Value added received in transfer				
Result of equity in subsidiaries	205,493	47,432	19,269	30,949
Finance income	27,780	26,402	39,042	37,365
	233,273	73,834	58,311	68,314
Total value added distributed	283,944	76,479	439,818	224,598
Distribution of value added				
Employees	45,221	59,251	68,972	65,437
Taxes	12,340	13,466	80,678	132,079
Federal	11,035	11,502	75,719	124,998
Municipal	1,305	1,964	4,959	7,081
Financiers	62,556	82,356	100,285	141,216
Interest and other finance costs	62,556	82,356	98,707	139,229
Rentals	-	-	1,578	1,987
Remuneration of own capital	163,827	(78,594)	189,883	(114,134)
Dividends and interest on capital	-	-	-	-
Retained earnings / loss for the period	163,827	(78,594)	163,827	(129,594)
Non-controlling interest in retained earnings / loss for the period	-	-	26,056	15,460
	283,944	76,479	439,818	224,298

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

1. Operations

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

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

The issuance of these quarterly information was authorized by the Company's Board of Directors on November 10, 2020.

2. Presentation of the quarterly information and accounting policies

2.1. Compliance statement

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

2. Presentation of the quarterly information and accounting policies--Continued

2.1. Compliance statement--Continued

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

2.2. Basis of preparation and measurement

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

The Company performed certain reclassifications in its consolidated cash flow statements for the nine-month period ended September 30, 2019, for the purpose of better presentation and comparability with the quarterly information of September 30, 2020. These reclassifications had the impact to increase the total cash generated by operating and financing activities by R\$ 15,461 and R \$ 23,283, respectively, and to increase the total cash consumed by investment activities by R\$ 38,744.

3. Significant accounting judgments, estimates and assumptions

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

4. Corporate events during the period

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

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

4. Corporate events during the period--Continued

In March 2020, the Company concluded the sale of the subsidiary Mozart for R\$ 15, 25% of the capital of CDG (equivalent to 25% of the asset Shopping Campos) and 32% of the capital of Norte Shopping Belém (equivalent to 24% of the asset Parque Shopping Belém) for R\$ 52,019 and R\$ 74,933, respectively, without losing control of the companies. Upon the consummation of these transactions, the Company now holds remaining interests of 75% and 51% in shopping malls Campos and Parque Belém, respectively.

The Company considered these transactions as sale of assets and not as sale of equity interests. Accordingly, these transactions generated gains of R\$ 10,000 and R\$ 27,109, respectively, recorded in profit or loss for the period.

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

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

5. Financial risk management

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management--Continued

a) Liquidity risk

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

September 30, 2020	Company						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings	71,570	110,672	3,449	3,235	7,506	29,487	66,995
Trade payables	11,353	11,353	11,353	-	-	-	-
Debentures	1,493,748	1,751,718	25,302	195,189	427,103	934,956	169,168
Derivative financial instruments							
Swap (debentures)	(10,193)	(8,582)	(1,111)	(1,148)	(2,017)	(4,306)	-
	1,566,478	1,865,161	38,993	197,276	432,592	960,137	236,163

December 31, 2019	Company						
	Carrying amount	Contractual cash flow	6 months or less	06-12 months	01-02 years	02-05 years	Over 5 years
Non-derivative financial liabilities							
Borrowings	72,510	122,551	3,769	3,743	8,149	29,608	77,282
Trade payables	17,479	17,479	17,479	-	-	-	-
Debentures	1,557,398	1,918,059	38,618	44,161	253,882	1,342,064	239,334
Derivative financial instruments							
Swap (debentures)	(9,036)	(8,813)	(631)	(887)	(1,579)	(5,716)	-
	1,638,351	2,049,276	59,235	47,017	260,452	1,365,956	316,616

September 30, 2020	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings	375,674	479,062	31,130	35,554	72,736	220,351	119,291
Trade payables	27,563	27,563	27,563	-	-	-	-
Obligations for purchase of assets	105	105	105	-	-	-	-
Debentures	1,493,748	1,751,718	25,302	195,189	427,103	934,956	169,168
Real estate credit note (CCIs)	170,777	230,491	18,335	16,752	36,532	109,476	49,396
Derivative financial instruments							
Swap (debentures)	(10,193)	(8,582)	(1,111)	(1,148)	(2,017)	(4,306)	-
	2,057,674	2,480,357	101,324	246,347	534,354	1,260,477	337,855

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management--Continued

a) Liquidity risk--Continued

December 31, 2019	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	01-02 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings	406,936	551,425	32,521	34,389	74,671	234,253	175,591
Trade payables	33,937	33,937	33,937	-	-	-	-
Obligations for purchase of assets	103	103	103	-	-	-	-
Debentures	1,557,398	1,918,059	38,618	44,161	253,882	1,342,064	239,334
Real estate credit note (CCIs)	181,205	242,108	16,613	15,379	33,142	105,845	71,129
Derivative financial instruments							
Swap (debentures)	(9,036)	(8,813)	(631)	(887)	(1,579)	(5,716)	-
	<u>2,170,543</u>	<u>2,736,819</u>	<u>121,161</u>	<u>93,042</u>	<u>360,116</u>	<u>1,676,446</u>	<u>486,054</u>

b) Interest rate risk

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

	Carrying amount			
	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Interest rate financial instruments				
Financial assets	1,031,255	925,164	1,290,507	1,167,366
Financial liabilities	(1,576,671)	(1,647,387)	(2,062,466)	(2,179,579)
	<u>(545,416)</u>	<u>(722,223)</u>	<u>(771,959)</u>	<u>(1,012,213)</u>
Derivative financial instruments				
Financial assets	10,193	9,036	10,193	9,036
	<u>10,193</u>	<u>9,036</u>	<u>10,193</u>	<u>9,036</u>

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

Operation	Risk variable	Company Carrying amount	Company		
			Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,258,808)	(1,259,975)	(1,261,149)	(1,262,325)
IPCA	Increase of IPCA	(282,626)	(286,055)	(286,625)	(287,195)
Swap (debentures)	Increase of CDI	10,193	10,193	9,520	8,847

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management--Continued

b) Interest rate risk--Continued

Operation	Risk variable	Carrying amount	Consolidated		
			Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,258,808)	(1,259,975)	(1,261,149)	(1,262,325)
IPCA	Increase of IPCA	(282,626)	(286,055)	(286,625)	(287,195)
IGP-DI	Increase of IGP-DI	(75,586)	(76,568)	(76,794)	(77,021)
Swap (debentures)	Increase of CDI	10,193	10,193	9,520	8,847

Indexer	September 30, 2020		
	Scenario I probable	Scenario II (+25%)	Scenario III (+50%)
IPCA	2.09%	2.61%	3.13%
CDI	2.91%	3.63%	4.36%
IGP-DI	15.34%	19.17%	23.01%

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

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

c) Fair value measurement

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

Instruments	Company			
	September 30, 2020		December 31, 2019	
	Carrying amount	Carrying value	Carrying amount	Carrying value
Borrowings	76,274	75,440	77,328	83,167
Debentures	1,509,537	1,540,448	1,577,522	1,575,173
Total borrowings	1,585,811	1,615,888	1,654,850	1,658,340
Total borrowing cost	(20,493)		(24,942)	
Total net borrowings	1,565,318		1,629,908	

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management--Continued

c) Fair value measurement--Continued

Instruments	Consolidated			
	September 30, 2020		December 31, 2019	
	Carrying amount	Carrying value	Carrying amount	Carrying value
Borrowings	385,984	391,698	417,977	433,129
CRIs	173,873	181,523	181,205	193,662
Debentures	1,509,537	1,540,448	1,577,522	1,575,173
Total borrowings	2,069,394	2,113,669	2,176,704	2,201,964
Total borrowing cost	(29,195)		(31,165)	
Total net borrowings	2,040,199		2,145,539	

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

d) Operating risk

The net debt and equity ratio is as follows:

	Consolidated	
	September 30, 2020	December 31, 2019
Borrowings and financings, CCI/CRIs and debentures	2,040,199	2,145,539
Obligations for purchase of assets	105	103
Total	2,040,304	2,145,642
(-) Cash and cash equivalents	(13,286)	(32,682)
(-) Short-term investments	(1,290,507)	(1,167,366)
(-) Derivative financial instruments	(10,193)	(9,036)
Net debt (A)	726,318	936,558
Total equity (B)	7,661,786	7,516,083
Net debt /equity ratio (A/B)	9.48%	12.46%

Aliance Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

6. Segment reporting

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

Item	Consolidated							
	September 30, 2020				September 30, 2019			
	Rent	Parking lot	Services	Total	Rent	Parking lot	Services	Total
Net revenue (1)	476,320	54,759	41,714	572,793	325,484	85,392	50,802	461,678
Cost	(156,453)	(11,777)	(28,473)	(196,703)	(90,395)	(16,178)	(16,734)	(123,307)
Gross result	319,867	42,982	13,241	376,090	235,089	69,214	34,068	338,371

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

7. Cash and cash equivalents

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

8. Short-term investments

	Company		Consolidated	
	September	December	September	December
	30, 2020	31, 2019	30, 2020	31, 2019
Bank Certificate of Deposits (CDB)	576,599	56,485	692,727	178,390
Bank Certificate of Deposits (CDB) - Gaia (*)	-	-	3,933	3,176
Fixed-income fund	221,107	677,735	306,426	770,210
Financial bill	226,097	16,125	279,768	16,125
Repurchase agreements	-	167,532	-	167,532
Other short-term investments	7,452	7,287	7,653	31,933
	1,031,255	925,164	1,290,507	1,167,366

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

In accordance with the Company's investing policy, the financial assets are measured at fair value through profit or loss. These investments have interest rates ranging from 90% to 110% of the Interbank Deposit Certificate (CDI) as at September 30, 2020 (70% to 110% as at December 31, 2019) and original maturity dates up to 2021.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

8. Short-term investments--Continued

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

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

Liquidity	%	September	%	December
		30, 2020		31, 2019
Daily	94.30	1,216,949	99.73	1,164,190
Up to 180 days	4.82	62,174	-	-
+ 180 days	0.88	11,384	0.27	3,176
	100.00	1,290,507	100.00	1,167,366

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

9. Trade receivables

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Rentals	25,541	26,082	185,300	189,619
Parking lot	506	1,051	3,787	8,183
Services provision	11,705	10,136	17,965	14,038
Assignment of right of use receivable	862	985	6,048	7,360
Condominium fees receivable	11,080	10,155	43,069	45,498
Others	2,430	882	11,695	4,675
	52,124	49,291	267,864	269,373
Straight-line rent	33,020	6,150	222,572	42,764
Provision for expected credit loss ("PCE")	(34,242)	(29,661)	(170,235)	(147,266)
	50,902	25,780	320,201	164,871

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables--Continued

The aging of receivables is as follows:

Company	Balance falling due	Overdue balance				Total
		< 90 days	91- 180 days	181- 360 days	> 360 days	
Rentals	8,133	1,987	395	2,399	12,627	25,541
Parking lot	506	-	-	-	-	506
Services provision	2,095	3,940	54	723	4,893	11,705
Assignment of right of use receivable	551	4	-	20	287	862
Condominium fees receivable	-	-	-	1,387	9,693	11,080
Others	942	602	-	59	827	2,430
Total in 2020	12,227	6,533	449	4,588	28,327	52,124
Straight-line rental (a)						33,020
Provision for expected credit loss ("PCE")						(34,242)
Net balance at September 30, 2020						50,902

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables--Continued

Consolidated	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	> 360 days	
Rentals	68,103	21,123	4,751	19,279	72,044	185,300
Parking lot	3,787	-	-	-	-	3,787
Services provision	4,256	5,379	262	2,109	5,959	17,965
Assignment of right of use receivable	3,755	59	221	317	1,696	6,048
Condominium fees receivable	-	2	-	4,896	38,171	43,069
Others	5,058	2,188	5	401	4,043	11,695
Total in 2020	84,959	28,751	5,239	27,002	121,913	267,864
Straight-line rent (a)						222,572
Provision for expected credit loss ("PCE")						(170,235)
Net balance at September 30, 2020						320,201

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

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

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

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables--Continued

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

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

Parking lot

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

Services provision and others

As at September 30, 2020, receivables balance in the consolidated related to "Services provision" and "Other" have provision for expected credit loss of R\$ 7,187 and R\$ 5,304, respectively (R\$ 5,480 and R\$ 3,767 as at December 31, 2019, respectively). The Company calculates the provision for expected credit loss through an individual analysis of the expected losses of trade receivables from services provision and other and considered in these analyses the risk increase due to the COVID-19 crisis.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

9. Trade receivables--Continued

Services provision and others--Continued

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

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
At January 1	(29,661)	(27,303)	(147,266)	(91,761)
Effect of business combinations	-	-	-	(48,828)
Effect of corporate events (*)	-	900	9,967	(12,740)
Permanent write-off (reversal) of receivables	49	1,741	49	23,861
Constitution of ECL (Note 23)	(4,630)	(4,999)	(32,985)	(17,798)
	(34,242)	(29,661)	(170,235)	(147,266)

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

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

9.1. Leases

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

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

	Consolidated	
	September 30, 2020	December 31, 2019
2020	9.49%	23.73%
2021	13.37%	15.64%
2022	13.70%	18.76%
2023	13.24%	17.20%
After 2023	34.87%	14.51%
Indefinite period (*)	15.33%	10.16%
	100.00%	100.00%

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

10. Recoverable taxes and taxes and contributions payable

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Recoverable taxes				
IR, IRRF and CS to offset	31,519	45,662	58,311	63,859
COFINS and PIS to offset	413	413	1,116	943
Other recoverable taxes	108	105	301	2,294
Total	32,040	46,180	59,728	67,096
Taxes and contributions payable				
PIS/COFINS	1,314	2,885	4,802	15,755
ISS	147	374	893	2,001
Income tax and social contribution payable	-	130	15,654	14,032
ITBI	-	-	7,382	7,382
Other	2,508	1,247	675	2,216
Total	3,969	4,636	29,406	41,386
Current assets	26,755	30,162	51,240	50,378
Non-current assets	5,285	16,018	8,488	16,718
Current liabilities	3,609	4,276	23,380	35,242
Non-current liabilities	360	360	6,026	6,144

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

11. Investments

a) Subsidiaries/associates

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

Subsidiaries and associates	Shareholding - %	
	September 30, 2020	December 31, 2019
Subsidiaries		
CDG Centro Comercial Ltda. (2)	100.00	100.00
Boulevard Shopping Campos	75.00	100.00
CTBH Fundo de Invest. Imob. - FII (4)	99.99	99.99
Mozart Empreendimentos e Partic. S.A. (1)	-	99.99
Norte Shopping Belém S.A. (3)	100.00	100.00
Parque Shopping Belém	51.00	75.00
Gaudi Empreendimentos e Participações Ltda. (6)	-	99.99
Boulevard Shopping Vila Velha	-	50.00
Associates		
Manati Empreend. e Participações S.A. (5)	-	50.00
Shopping Santa Úrsula	-	75.00
Gaudi Empreendimentos e Participações Ltda. (6)	50.00	-
Boulevard Shopping Vila Velha	50.00	-
BG Malls Fazendas Urbanas em Shopping Centers S.A. (7)	50.00	-

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

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments--Continued

a) Subsidiaries/associates--Continued

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

b) Breakdown of investment balance

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Investments - book value	4,501,154	4,526,440	451,789	449,694
Assets' added value	1,760,500	1,807,109	101,478	95,415
Goodwill	65,748	71,847	-	-
	6,327,402	6,405,396	553,267	545,109

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

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

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Balance at the beginning of the period	4,526,440	2,479,504	449,694	437,629
Capital contribution (1)	42,749	513,695	-	24,000
Effect of the consolidation of SCGR and Acapurana	-	-	-	(43,748)
Equity in the results of subsidiaries/associates	205,493	148,676	19,269	43,075
Acquisitions of interests/companies (3)	-	278,880	-	8,512
Dividends received and accrued interest on capital	(131,559)	(187,450)	(7,647)	(29,900)
Balance of investments allocated through business combination	-	1,466,249	-	10,126
Decrease in capital/quotas amortization (2)	-	(173,114)	-	-
Addition due to loss of control (5)	-	-	23,037	-
Write-off of investment (4)	(141,969)	-	(32,564)	-
Balance at the end of the period	4,501,154	4,526,440	451,789	449,694

(1) The main capital investments of the Parent Company as at September 30, 2020 are: R\$ 12,773 in Tarsila, R\$ 1,250 in Dali, R\$ 9,075 in Vivaldi and R\$ 7,477 in Aliansce Assessoria Comercial. The main capital investments of the Parent Company as at December 31, 2019 are: R\$ 23,076 in Tarsila, R\$ 148,807 in Dali, R\$ 5,318 in Vivaldi, R\$ 6,700 in SCGR, R\$ 129,000 in Sierra Investimentos, R\$ 91,510 in Tissiano, R\$ 75,750 in Vertico and R\$ 9,177 in Aliansce Assessoria Comercial.

(2) Capital decrease in Tissiano of R\$ 30,000, in Cezanne of R\$ 17,000 and quota decrease of R\$ 126,059 in Fundo CTBH.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments--Continued

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

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

d) Data on the interest

Company	Interest	Company			
		Equity	Total investment	Profit or loss	Result of equity in subsidiaries
September 30, 2020					
Subsidiaries and associates					
Aliansce Assessoria Comercial Ltda.	99.99%	1,244	1,244	(7,318)	(7,318)
Acapurana Participações S.A.	52.37%	213,137	111,620	4,252	2,226
América Latina Malls Empreend. E Part.	100%	38,550	38,550	4,984	4,984
Aliansce Estacionamentos Ltda.	99.99%	1,494	1,494	260	260
Aliansce Mall e Midia Ltda.	99.99%	1,557	1,557	(1,323)	(1,323)
Aliansce Services - Serv. Adm. em Geral Ltda.	99.99%	5,457	5,457	35	35
Atalaya Imóveis e Participações Ltda.	100%	5,237	5,237	523	523
Bazille Empreend. e Partic. Ltda.	99.99%	121,166	121,166	3,581	3,581
Beethoven Empreendimentos e Participações Ltda.	69.04%	25,859	17,853	(3)	(2)
Boulevard Shopping Belém S.A.	79.99%	245,444	196,331	30,115	24,089
CDG Centro Comercial Ltda.	100%	117,319	117,319	3,742	3,742
Cezanne Empreend. e Participações Ltda.	99.99%	144,707	144,707	6,897	6,897
Chopin Empreend. Imob. Ltda.	99.99%	126,024	126,024	(3)	(3)
CTBH Fundo de Invest. Imob. – FII	99.99%	53,726	53,726	2,118	2,118
Dali Empreend. e Participações S.A.	99.99%	198,676	198,676	6,079	6,079
Degas Empreend. e Participações. S.A.	99.99%	618	618	4	4
Gaudi Empreend. e Participações Ltda.	50%	45,386	22,693	(2,444)	(1,222)
Mozart Empreendimentos e Partic. S.A.	-	-	-	(1)	(1)
Nibal Participações S.A.	99.99%	278,505	278,505	27,203	27,203
Norte Shopping Belém S.A.	75%	138,240	103,680	5,705	4,279
RRSPE Empreend. e Partic. Ltda.	99.99%	66,725	66,725	5,467	5,467
SDT 3 Centro Comercial Ltda.	38%	468	178	2	1
Sierra Investimentos Brasil Ltda.	99.99%	1,696,347	1,696,347	106,325	106,325
Tarsila Empreend. e Part. Ltda.	99.99%	160,868	160,868	(11,573)	(11,573)
Tissiano Empreend. e Participações S.A.	99.99%	133,386	133,386	6,253	6,253
Unishopping Consultoria Imobiliária Ltda.	99.99%	(5,658)	(5,658)	(2,152)	(2,152)
Vértico Bauru Empreend. Imobiliário S.A.	99.99%	232,774	232,774	1,464	1,464
Vivaldi Empreend. e Partic. S.A.	99.99%	210,178	210,178	(502)	(502)
2008 Empreendimentos Comerciais S.A.	50%	37,626	18,813	1,626	813
BG Malls Fazendas Urbanas em Shopp. Centers S.A.	50%	5,000	2,500	-	-
Colina Shopping Center Ltda.	50%	398	199	660	330
DBGZIBEN Participações Ltda.	39%	252,823	98,601	10,136	3,953
Fundo de Investimento Imobiliário Via Parque	39.23%	381,224	152,880	11,297	4,432
GDR 2012 Participações S.A.	16.33%	39,823	6,503	9,050	1,478
Manati Empreendimentos e Participações S.A.	-	-	-	(56)	(28)
Parque Shopping Maceió S.A.	50%	277,931	138,965	14,776	7,388
SCGR Empreendimentos e Participações S.A.	55.01%	75,328	41,438	10,349	5,693
Total subsidiaries and associates			4,501,154		205,493

Aliance Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments--Continued

d) Data on the interest--Continued

Company	Consolidated				
	September 30, 2020				
	Interest	Equity	Total investment	Profit or loss	Result of equity in subsidiaries
Associates and joint ventures					
2008 Empreendimentos Comerciais S.A.	50%	37,626	18,813	1,626	813
BG Malls Fazendas Urbanas em Shopp. Centers S.A.	50%	5,000	2,500	-	-
Campo Limpo Empreendimentos e Part. Ltda.	20%	52,330	10,466	10,410	2,082
Gaudi Empreend. e Participações Ltda.	50%	45,386	22,693	(2,444)	(1,222)
Colina Shopping Center Ltda.	50%	398	199	660	330
DBGZIBEN Participações Ltda.	39%	252,823	98,601	10,136	3,953
Fundo de Investimento Imobiliário Via Parque	39.23%	381,224	152,880	11,297	4,432
GDR 2012 Participações S.A.	16.33%	39,823	6,503	9,050	1,478
GR Parking Estacionamentos Ltda.	50.00%	337	169	86	43
Manati Empreendimentos e Participações S.A.	-	-	-	(56)	(28)
Parque Shopping Maceió S.A.	50%	277,931	138,965	14,776	7,388
Total associates and joint ventures			451,789		19,269

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments--Continued

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

Headquarter	Parque Shop. Maceió Rio de Janeiro - RJ	Gaudi Rio de Janeiro - RJ	2008 Empreend. Rio de Janeiro - RJ	Colina São João de Meriti- RJ	FIIVPS São Paulo - SP	Campo Limpo São Paulo - SP
	Interest in Shopping Mall	Interest in Shopping Mall	Interest in Shopping Mall	Shopping Mall management	Interest in Shopping Mall	Interest in Shopping Mall
Assets						
Current	33,409	6,934	18,249	515	13,642	9,849
Non-current	276,240	39,633	92,804	-	182,001	305,357
	309,649	46,567	111,053	515	195,643	315,206
Liabilities and equity						
Current	(1,368)	(65)	(3,255)	(117)	(5,128)	(1,182)
Non-current	(30,350)	(1,116)	(70,172)	-	(759)	(89,378)
Equity	(277,931)	(45,386)	(37,626)	(398)	(189,756)	(224,646)
	(309,649)	(46,567)	(111,053)	(515)	(195,643)	(315,206)
Result						
Net revenue	23,621	3,272	14,398	730	29,101	17,279
Services costs	(6,902)	(5,711)	(7,310)	-	(18,935)	(714)
Operating expenses	(148)	(6)	(792)	-	(23)	(6,016)
Net finance result	303	112	(3,259)	(1)	781	47
Other income (costs)	-	-	-	-	373	-
Income tax and social contribution	(2,098)	(111)	(1,411)	(69)	-	(186)
Profit (loss) for the period	14,776	(2,444)	1,626	660	11,297	10,410

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

Aliance Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investments--Continued

f) Dividends and interest on capital receivable

Dividends and interest on capital receivable are as follows:

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

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

	<u>Company</u>		<u>Consolidated</u>	
	<u>September 30, 2020</u>	<u>December 31, 2019</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
Boulevard Corporate Tower - CTBH (A)	-	-	-	50,077
Land (B)	21,610	21,610	38,565	38,565
Shopping Malls (C)	629,181	636,740	8,072,889	8,306,384
Total investment properties	<u>650,791</u>	<u>658,350</u>	<u>8,111,454</u>	<u>8,395,026</u>

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

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

In November 2018, a sales and purchase agreement was entered into by CTBH Fundo de Investimento Imobiliário- FII ("CTBH") and Kinea Renda Imobiliária Fundo de Investimento- FII ("Kinea"), in which, Kinea is committed to acquiring Boulevard Corporate Tower, owned by CTBH, for the total price of R\$ 190,000, adjusted up to R\$ 5 million (for more or for less), depending on the performance of a lessee with revenue sharing agreement. This transaction is divided into three steps, the first one occurred in December 2018, when the fund sold 9 from the 17 floors of Boulevard Corporate Tower for R\$ 104,000. In February 2019, the second step took place for the amount of R\$ 39,000. The third and last step occurred in January 2020, for the total amount of R\$ 52,200, as mentioned in Note 4.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

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

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

(C) The Company has pieces of land on some shopping malls which Management intends to negotiate with potential developers of residential and/or commercial properties that bring synergy and increase the flow of visitors in these shopping malls. At September 30, 2020, the balance of these properties is R\$ 38,565 and R\$ 21,610 in consolidated and parent, respectively, recognized in line item "Non-current assets held for sale".

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

(D) Investment properties - Shopping Mall

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

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

	Company			Total
	Cost	Accumulated depreciation	Assets' added value	
At December 31, 2018	711,685	(92,970)	46,045	664,760
Impacts adoption of IFRS16/CPC06 (R2)	17,867	-	-	17,867
At January 1, 2019	729,552	(92,970)	46,045	682,627
Additions				
Land - business combination	27,766	-	-	27,766
Facilities/buildings - business combination	137,389	-	-	137,389
Facilities/buildings	12,247	(7,197)	-	5,050
Other	348	(2,476)	-	(2,128)
Reclassification to investment (Chopin Land) (Note 11.a)	(146,709)	-	-	(146,709)
Depreciation/amortization of goodwill added-value	-	-	(1,279)	(1,279)
Lease amortization	-	(1,084)	-	(1,084)
Write-offs (3)				
Land - Sale West Plaza	(1,300)	-	-	(1,300)
Facilities/buildings - Sale West Plaza	(80,706)	18,056	-	(62,650)
Other - Sale West Plaza	(942)	-	-	(942)
At December 31, 2019	677,645	(85,671)	44,766	636,740
Additions				
Facilities/buildings	2,126	(7,165)	-	(5,039)
Other	1,054	(1,802)	-	(748)
Depreciation/amortization of goodwill added-value	-	-	(959)	(959)
Lease	-	(813)	-	(813)
At September 30, 2020	680,825	(95,451)	43,807	629,181

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

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

	Consolidated			Total
	Cost	Accumulated depreciation	Assets' added value	
At December 31, 2018	2,529,115	(349,644)	894,498	3,073,969
Impacts adoption of IFRS16/CPC06 (R2)	17,867	-	-	17,867
At January 1, 2019	2,546,982	(349,644)	894,498	3,091,836
Additions (2)				
Land, Facilities and Buildings - acquired in business combinations	1,846,505	-	3,398,573	5,245,078
Land	44,774	-	-	44,774
Facilities/buildings	97,213	(70,908)	-	26,305
Others	5,524	(17,294)	-	(11,770)
Added value	-	-	5,643	5,643
Amortization of added value	-	-	(14,075)	(14,075)
Lease amortization	-	(1,084)	-	(1,084)
Provision for impairment (1)	(118,000)	-	-	(118,000)
Effect of the consolidation of Acapurana (Note 11.a)	152,874	(15,976)	-	136,898
Effect of the consolidation of SCGR (Note 11.a)	49,517	(10,940)	-	38,577
Effect of acquisition - Atalaya, SCGR and Latin America	113,746	-	55,806	169,552
Write-offs (3)				
Land - Sale West Plaza	(1,300)	-	-	(1,300)
Facilities/buildings - Sale West Plaza	(80,706)	18,056	-	(62,650)
Other - Sale West Plaza	(942)	-	-	(942)
Effect of the spin-off of Fundo de Investimento Shopping Parque D. Pedro. See note 11 a)	(244,443)	1,985	-	(242,458)
At December 31, 2019	4,411,744	(445,805)	4,340,445	8,306,384
Additions				
Facilities/buildings	18,341	(102,240)	-	(83,899)
Others	3,128	(6,309)	-	(3,181)
Added value	-	-	1,671	1,671
Amortization of added value	-	-	(13,315)	(13,315)
Lease	-	(813)	-	(813)
Write-offs				
Sale of CDG and NSB assets - see Note 4	(101,107)	14,379	-	(86,728)
Goodwill CDG - see Note 11	-	-	(4,613)	(4,613)
Sale of Gaudi - see note 4	(68,549)	25,932	-	(42,617)
At September 30, 2020	4,263,557	(514,856)	4,324,188	8,072,889

- (1) At December 31, 2019, the Company identified indicators of impairment for the Shopping Boulevard Vila Velha, in the amount of R\$ 118,000, for which it recognized a provision for impairment, reducing the asset's value. This amount was recognized in the statement of income, under "Other income (costs)" (Note 25).
- (2) The additions occurred in 2019 are mainly related to (i) business combination events (ii) construction works in Shopping Bangu in the amount of R\$ 9,073 and construction works in Shopping Bahia of R\$ 16,897 and (iii) land in Rio de Janeiro of R\$ 44,774.
- (3) Sale of West Plaza in December 2019. The gain realized on this operation is presented in line item Other income (costs) in the Statement of Income for the Year.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

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

Management reviews at least annually the fair value and the net carrying amount of its ventures, with the objective of assessing whether there are events or changes in the economic, operating or technological circumstances that may indicate impairment of its properties. As at September 30, 2020, the projected future cash flows consider a preliminary estimate by the Company of possible impacts of the Coronavirus pandemic (Covid-19).

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

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

13. Intangible assets

		Company				
		September 30, 2020				
Useful life		Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net amount
Right to the Transfer Unit of the Right to Build (UTDC)	Indefinite	1,116	-	1,116	-	1,116
Right of use (1)	5 years	12,149	-	12,149	(3,645)	8,504
Computer software	5 years	55,896	14,562	70,458	(36,029)	34,429
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Other	Indefinite	4	-	4	-	4
		76,357	14,562	90,919	(39,674)	51,245

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

Amount arising from the contract of SAP HANA system.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

13. Intangible assets--Continued

		Consolidated				
		September 30, 2020				
Useful life		Initial cost	Additions (write-offs)	Cost	Accumulated amortization	Net amount
Goodwill on acquisition of non-merged entities						
	2008 Empr. Imob. Ltda.	30,000	(5,822)	24,178	-	24,178
	Aliansce Ass. Com. S.A.	4,160	-	4,160	-	4,160
	Norte Shopping Belém S.A.	863	(276)	587	-	587
	Shopping Boulevard Belém S.A.	2,338	-	2,338	-	2,338
Goodwill on acquisition of merged entities						
	BSC Shopping Center S.A.	14,416	-	14,416	-	14,416
	Boulevard Shopping S.A.	20,068	-	20,068	-	20,068
	Barpa Empr. Part. S.A.	36,630	-	36,630	-	36,630
	Supra Empr. Part. S.A.	9,708	-	9,708	-	9,708
	Ricshopping Emp. Part. Ltda.	107,888	-	107,888	-	107,888
Intangible assets						
	Customers portfolio	7,192	-	7,192	-	7,192
	Right of use (1)	12,149	-	12,149	(3,644)	8,505
	Right to explore the parking lot	40,828	-	40,828	(6,969)	33,859
	Right to the Transfer Unit of the Right to Build (UTDC)	1,913	-	1,913	-	1,913
	Computer software	59,208	13,818	73,026	(36,469)	36,557
	Balance of intangible assets allocated through business combination	1,886	(1,886)	-	-	-
		349,247	5,834	355,081	(47,082)	307,999
		Consolidated				
		December 31, 2019				
Useful life		Initial cost	Additions (write-offs)	Cost	Accumulated amortization	Net amount
Goodwill on acquisition of non-merged entities						
	2008 Empr. Imob. Ltda.	30,000	-	30,000	-	30,000
	Aliansce Ass. Com. S.A.	4,160	-	4,160	-	4,160
	Norte Shopping Belém S.A.	863	-	863	-	863
	Shopping Boulevard Belém S.A.	2,338	-	2,338	-	2,338
Goodwill on acquisition of merged entities						
	BSC Shopping Center S.A.	14,416	-	14,416	-	14,416
	Boulevard Shopping S.A.	20,068	-	20,068	-	20,068
	Barpa Empr. Part. S.A.	36,630	-	36,630	-	36,630
	Supra Empr. Part. S.A.	9,708	-	9,708	-	9,708
	Ricshopping Emp. Part. Ltda.	107,888	-	107,888	-	107,888
Intangible assets						
	Customers portfolio	7,192	-	7,192	-	7,192
	Right of use (1)	-	12,149	12,149	(1,822)	10,327
	Right to explore the parking lot	40,828	-	40,828	(5,855)	34,973
	Right to the Transfer Unit of the Right to Build (UTDC)	1,913	-	1,913	-	1,913
	Computer software	47,986	11,222	59,208	(31,469)	27,739
	Balance of intangible assets allocated through business combination	-	1,886	1,886	-	1,886
		323,990	25,257	349,247	(39,146)	310,101

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

13. Intangible assets--Continued

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

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

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

14. Property and equipment

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Property and equipment	4,097	6,388	5,735	9,344
Right of use (a)	279	1,037	279	1,037
	4,376	7,425	6,014	10,381

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

	Company and Consolidated
Opening balance at December 31, 2019 - Right of use	1,037
Amortization of right of use	(758)
Balance in non-current assets at September 30, 2020 - Right of use	279
Opening balance at December 31, 2019 - trade payables - Lease	30,292
(+) Interest calculated in the period	523
(-) Contract write-off	(1,229)
(-) Payments made in the period	(1,782)
Balance at September 30, 2020 - trade payables - Lease	27,804
Balance in current liabilities - trade payables - Lease	4,034
Balance in non-current liabilities - trade payables - Lease	23,770

The rental agreements' maturities occur between 2020 and 2039.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

15. Borrowings and financings, CCI/CRIs and debentures

Initial date	Company	Instrument	Funding	Rate	Maturity	September 30, 2020	December 31, 2019	NOTE
May/2015	Aliansce Sonae	Financing - Banco Itaú S.A.	R\$ 74,400	TR+6.45%	May/2030	76,274	77,327	(a)
Sep/2014	Aliansce Sonae	Debentures III - Vinci Partners (holders of the debentures)	R\$ 90,000	IPCA+4%	Jan/2024	96,258	91,893	
Oct/2016	Aliansce Sonae	Debentures V	R\$ 102,889	CDI	Sep/2021	102,902	102,895	
Oct/2016	Aliansce Sonae	Debentures VI	R\$ 72,111	CDI + 1.25%	Oct/2024	45,927	52,334	
Mar/2017	Aliansce Sonae	Debentures VII	R\$ 180,000	99% of CDI	May/2022	180,019	180,007	
Jun/2017	Aliansce Sonae	Debentures VIII	R\$ 100,000	CDI + 1.00%	Jun/2029	100,119	100,211	
Oct/2017	Aliansce Sonae	Debentures IX	R\$ 300,000	101% of CDI	Apr/2023	303,800	303,686	
Sep/2018	Aliansce Sonae	Debentures X	R\$ 244,830	110% of CDI	Sep/2023	245,000	248,885	
Jul/2017	Aliansce Sonae	2017 - 1 st series	R\$ 125,000	CDI + 0.75%	Jul/2022	125,726	128,615	
Jul/2017	Aliansce Sonae	2017 - 1 st series	R\$ 125,000	IPCA + 6.24%	Jul/2024	140,442	140,229	
Feb/2019	Aliansce Sonae	2019 - 1 st series	R\$ 90,000	CDI + 0.8%	Jan/2024	90,532	92,624	
Feb/2019	Aliansce Sonae	2019 - 1 st series	R\$ 110,000	CDI + 1.05%	Jan/2027	110,709	113,340	
(=) Subtotal						1,617,708	1,632,046	
(-) Structuring cost – Company						(20,493)	(24,942)	
(+) Effect at fair value of debts acquired in business combinations						19,865	22,804	
(-) Effect of partial repurchase of company-issued debentures						(49,145)	-	(c)
(-) Gain on debenture repurchase transaction						(2,617)	-	(c)
Total Parent						1,565,318	1,629,908	

Initial date	Company	Instrument	Funding	Rate	Maturity	September 30, 2020	December 31, 2019	NOTE
Oct/2012	Cezanne	Financing - Banco Bradesco S.A.	R\$ 193,140	TR + 7.15%	Aug/2027	149,915	162,152	(a)
Jan/13	Tarsila	CRI - Gaia Sec.	R\$ 87,321	IGP-DI + 7.95%	May/2025	75,586	77,043	
Oct/2016	Altar	CCI RB Capital	R\$ 130,131	TR + 6.8%	Jun/2027	98,287	104,163	
Dec/2008	Pátio Sertório	Banco do Amazonas S.A.	R\$ 112,300	8.5%	Dec/2020	-	17,133	(b)
Jun/2011	Sierra Investimentos	Banco Santander S.A.	R\$ 200,000	TR + 6.8%	Jun/2025	152,745	152,773	
(-) Subtotal						476,533	513,264	
(-) Structuring cost – subsidiaries						(8,702)	(6,222)	
(+) Effect at fair value of debts acquired in business combinations						7,050	8,589	
Total Consolidated						2,040,199	2,145,539	

(a) Debt renegotiated in 2020.

(b) Debt prepaid in 2020.

(c) In May and June 2020, the Company repurchased 51,287 company-issued debentures. This transaction generated a gain of R\$ 2,617 which is recorded in finance income (costs). The Company is presenting this transaction at the net amount in liabilities, of which R\$ 249 in current liabilities and R\$ 48,896 in non-current liabilities, totaling R\$ 49,145. Finance income is also being presented net of interest expense on debentures. 31,097 debentures 2019 - 2nd Series, 11,190 debentures X and 9,000 debentures 2017 - 1st Series were repurchased.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

15. Borrowings and financings, CCI/CRIs and debentures--Continued

Financial Guarantee / Covenants:

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

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

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
2020	7,316	22,969	21,761	78,585
2021	181,868	179,705	250,254	245,993
2022	379,258	380,858	452,992	452,624
2023	599,985	597,936	679,435	675,645
From 2024 to 2030	449,281	450,578	689,799	692,463
	1,617,708	1,632,046	2,094,241	2,145,310

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

	Company	Consolidated
Balances of the debts as at December 31, 2019	1,629,908	2,145,539
(+) Appropriation of interest and structuring cost of borrowings and financings	4,459	21,216
(+) Appropriation of interest and structuring cost of CCI/CRIs	-	17,465
(+) Appropriation of interest and structuring cost of debentures	53,387	53,387
(-) Payment of principal of borrowings and financings	(864)	(28,269)
(-) Payment of principal of CCI/CRIs	-	(10,898)
(-) Payment of principal of debentures	(6,531)	(6,531)
(-) Payment of interest on borrowings and financings	(4,293)	(22,428)
(-) Payment of interest on CCI/CRIs	-	(13,670)
(-) Payment of interest on debentures	(55,805)	(55,805)
(-) Payment of structuring cost	(242)	(3,567)
(-) Effect of business combination - borrowings and financings	(2,939)	(4,478)
(-) Effect of repurchase of debentures	(49,145)	(49,145)
(-) Effect of gain on repurchase of debentures	(2,617)	(2,617)
Balances of the debts as at September 30, 2020	1,565,318	2,040,199

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

16. Deferred revenues

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Assignment of right of use	4,635	5,558	16,204	19,236
Prepaid rentals	-	22	29	280
	4,635	5,580	16,233	19,516
Current liabilities	-	-	1,025	614
Non-current liabilities	4,635	5,580	15,208	18,902

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

17. Judicial deposits and provision for contingencies

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

	December 31, 2019	Consolidated Provision for contingencies		September 30, 2020
		Additions	Write-offs	
PIS/COFINS proceedings	22,356	-	-	22,356
Other taxes	10,561	22	(14)	10,569
Civil	1,652	85	(458)	1,279
Labor	1,500	473	(695)	1,278
	36,069	580	(1,167)	35,482

	December 31, 2019	Consolidated Judicial deposits		September 30, 2020
		Additions	Write-offs	
Judicial assets freezing	(1,221)	(1)	83	(1,139)
PIS/COFINS proceedings	(14,392)	(669)	-	(15,061)
Other taxes	(33,664)	(558)	-	(34,222)
Civil	(1,221)	(109)	260	(1,070)
Labor	(1,815)	(6)	70	(1,751)
	(52,313)	(1,343)	413	(53,243)

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

17. Judicial deposits and provision for contingencies --Continued

Contingent liabilities with a risk of possible loss

	September 30, 2020	December 31, 2019
Tax	93,283	95,307
Civil	26,833	25,024
Labor	4,136	6,331
Total	<u>124,252</u>	<u>126,662</u>

18. Other obligations

	Company		Consolidated	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Labor obligations	10,343	18,507	24,133	30,028
Obligations with shopping mall	1,920	3,939	5,605	13,182
Obligation for the power cogeneration equipment	12,818	12,917	12,818	12,917
Related parties transactions (see Note 26)	2,400	2,400	7,120	7,120
Bangu assets certified as a historic structure	10,779	8,487	10,779	8,487
Amounts to be passed on - common area maintenance fee	-	371	-	4,369
Advances on sale of assets (*)	-	20,000	-	20,000
Others	7,306	8,007	20,069	21,501
	<u>45,566</u>	<u>74,628</u>	<u>80,524</u>	<u>117,604</u>
Current	30,347	59,309	60,270	95,992
Non-current assets	15,219	15,319	20,254	21,612

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

19. Income tax and social contribution

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

19. Income tax and social contribution (Continued)

i) Deferred tax assets and liabilities

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

Deferred income tax and social contribution breakdown is as follows:

	Company			
	Assets		Liabilities	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Difference of depreciation for the useful life of assets	-	-	(14,080)	(9,692)
Swap carried at fair value	-	-	(5,204)	(4,811)
Capitalization of interest	-	-	(3,223)	(3,301)
Expected credit loss	3,051	3,030	-	-
Amortization of the goodwill based on future profitability	-	-	(6,449)	(4,690)
Tax losses	51,000	51,000	-	-
Benefits program	5,320	4,067	-	-
Appropriation of pre-operating finance income	-	-	(53)	(53)
Fair value gain Via Parque and Acapurana	-	-	(27,860)	(27,860)
Debentures carried at fair value	6,754	7,753	-	-
Others	8,997	7,452	-	-
	75,122	73,302	(56,869)	(50,407)

Net balance of R\$ 18,253 stated as non-current assets as at September 30, 2020 (R\$ 22,895 as at December 31, 2019 as non-current assets).

	Consolidated			
	Assets		Liabilities	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Difference of depreciation for the useful life of assets	-	-	(122,264)	(112,664)
Changes in fair value of investment properties acquired in a business combination	-	-	(824,639)	(837,351)
Capitalization of interest	-	-	(16,736)	(18,631)
Swap carried at fair value	-	-	(5,204)	(4,811)
Amortization of the goodwill based on future profitability	-	-	(57,262)	(55,503)
Expected credit loss	10,313	9,614	-	-
Fair value gain Via Parque and Acapurana	-	-	(27,860)	(27,860)
Appropriation of pre-operating finance income	-	-	(334)	(396)
Tax losses	128,801	132,007	-	-
Fair value of debentures and borrowings	9,151	10,455	-	-
Benefits program	5,423	4,122	-	-
Others	8,482	9,399	(18,321)	(279)
	162,170	165,597	(1,072,620)	(1,057,495)

The balance is presented on a net basis by company in the Consolidated, being R\$ 50,321 as non-current assets and R\$ 960,771 in non-current liabilities as at September 30, 2020 (R\$ 89,861 in non-current assets and R\$ 981,759 in non-current liabilities as at December 31, 2019).

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

19. Income tax and social contribution (Continued)

ii) Reconciliation of effective rate

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

	Company	
	September 30, 2020	September 30, 2019
Determination of effective tax rate		
Profit (loss) before income tax and social contribution	168,697	(77,076)
Combined statutory tax rate - companies under the taxable income method	34%	34%
Income tax and social contribution at the combined statutory tax rate	(57,357)	26,206
Additions		
Non-deductible expenses	(3,035)	(2,648)
Distribution of interest on capital	-	(1,139)
Effects of taxation on the real estate investment funds	(2,121)	(4,065)
Effect of tax losses for which no deferred tax credits were recognized	(8,385)	(31,020)
Other additions	(14,202)	(5,711)
Exclusions		
Equity in the results of investees	69,868	16,127
Effect of write-off of goodwill - CTBH	8,383	-
Other exclusions	1,979	732
Income tax and social contribution as per statement of income for the period	(4,870)	(1,518)
Income tax and social contribution		
Current income tax and social contribution	-	(669)
Deferred income tax and social contribution	(4,870)	(849)
Income tax and social contribution expense as per statement of income	(4,870)	(1,518)
Total effective tax rate	4.68%	(1.64%)

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

19. Income tax and social contribution (Continued)

ii) Reconciliation of effective rate (Continued)

	Consolidated	
	September 30, 2020	September 30, 2019
Determination of effective tax rate		
Profit (loss) before income tax and social contribution	234,828	(19,554)
Combined statutory tax rate - companies under the taxable income method	34%	34%
Income tax and social contribution at the combined statutory tax rate	(79,842)	6,648
Additions		
Non-deductible expenses	(4,269)	(3,218)
Effect of impairment of investment property	-	(40,120)
Distribution of interest on capital	-	(1,139)
Effect of tax losses for which no deferred tax credits were recognized	(17,063)	(40,866)
Exclusions		
Equity in the results of investees	6,551	10,523
Effects of taxation on the real estate investment funds	1,973	163
Tax effect of the companies opting for presumed profit system	31,433	20,735
Effect of write-off of goodwill - CTBH	8,383	-
Other exclusions	7,889	3,694
Income tax and social contribution as per statement of income for the period	(44,945)	(43,580)
Income tax and social contribution		
Current income tax and social contribution	(19,278)	(24,797)
Deferred income tax and social contribution	(25,667)	(18,783)
Income tax and social contribution expense as per statement of income	(44,945)	(43,580)
Total effective tax rate	(19.14%)	(222.87%)

20. Equity

Share capital

At September 30, 2020 the Company's capital is R\$ 4,156,146 (R\$ 4,155,362 as at December 31, 2019), represented by 265,772,778 registered common shares with no par value (265,772,778 as at December 31, 2019).

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

20. Equity--Continued

Capital reserve

Share subscription premium reserve

At September 30, 2020, the Company has a balance of R\$ 880,212 (R\$ 963,501 at December 31, 2019) corresponding to a premium reserve, which represents the premium paid by stockholders on the issuance of shares. The amount will remain recorded in "capital reserve" until its capitalization and capitalized proportionately to the interest held by each stockholder.

Expenditures on issuance of shares

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

Treasury shares

Until September 30, 2020, the Company acquired 1,314,000 common shares. The balance of treasury shares as at September 30, 2020 is 876,688 shares.

Treasury shares were acquired at a weighted average cost of R\$ 28.11 (amount in reais), at a minimum cost of R \$ 27.02 (amount in reais), and at a maximum cost of R\$ 29.10 (amount in reais). The closing price of the shares calculated based on the last quote prior to the end of the period was R\$ 23.72 (amount in reais).

Absorption of accumulated losses with capital reserve

As resolved at a meeting of the Company's Board of Directors held on March 2020, the accumulated losses balance of R\$ 84,310 was absorbed and offset against the capital reserve balance.

Carrying value adjustments

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

Aliance Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

20. Equity--Continued

Non-controlling stakeholders

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

Equity	September 30, 2020	12/31/2019
Fundo de Investimento Imobiliário Shopping Parque D. Pedro	542,415	542,859
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center	348,593	348,641
Surplus value attributed to non-controlling interests in the business combinations	51,892	51,892
Others	135,052	129,060
	1,077,952	1,072,452
	Result for the period	
	09/30/2020	09/30/2019
Fundo de Investimento Imobiliário Shopping Parque D. Pedro	14,348	-
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center	2,799	-
Other	8,908	3,973
	26,055	3,973

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

Balance sheet	FII Shopping Parque D. Pedro (31.52%)	FII Parque S. Pedro Shopping Center (49.9%)
Current assets	52,382	18,226
Non-current assets	1,676,946	686,985
Current liabilities	4,026	1,969
Non-current liabilities	5,858	4,621
Equity	1,719,445	698,622
Equity attributable to noncontrolling interests	542,415	348,593
	Profit or loss and dividends paid	
	09/30/2020	09/30/2020
Net operating revenue from rentals and others	76,018	15,312
Profit and comprehensive income for the period	34,485	5,610
Profit for the period attributed to non-controlling interests	14,348	2,799
Dividends paid	11,255	6,892

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

20. Equity--Continued

b) Result per share

i) *Basic result per share*

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

	September 30, 2020	September 30, 2019
Basic result per share	Common	Common
Profit attributable to stockholders of the Parent	163,827	(78,594)
Weighted average number of common shares (thousands)	265,773	210,864
Weighted average number of treasury shares (thousands) (*)	(2,119)	-
Basic result per share	0.6214	(0.3727)

ii) *Diluted result per share*

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

	September 30, 2020	September 30, 2019
Diluted result per share	Common	Common
Profit attributable to stockholders of the Parent	163,827	(78,594)
Weighted average number of common shares (thousands)	265,773	210,864
Weighted average number of treasury shares (thousands)	(2,119)	-
Stock options (thousands)	660	-
Weighted average number of outstanding common shares (thousands)	264,314	-
Diluted result per share	0.6198	(0.3727)

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

21. Net revenue from rentals and services

Revenue by nature	Company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Revenue from rentals	66,957	65,607	486,228	349,634
Revenue from services	39,948	56,941	47,907	55,545
Assignment of right of use	1,256	1,333	8,887	5,754
Parking lot	3,421	9,895	59,117	93,303
Other	10	109	1,770	1,482
Taxes and contributions and other deductions	(11,932)	(12,049)	(31,116)	(44,040)
	99,660	121,836	572,793	461,678

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

22. Cost of rentals and services

Cost by nature	Company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Depreciation and amortization of properties	(8,966)	(6,474)	(113,220)	(51,206)
Depreciation of the right of use of the assets	(813)	(813)	(813)	(813)
Amortization of added value goodwill of assets	(49,740)	(19,999)	(10,817)	(10,549)
Cost of rendered services	-	(940)	(28,474)	(16,734)
Expenditures on rented properties	(1,096)	(2,804)	(23,112)	(18,244)
Cost of parking lot	(1,136)	(2,309)	(11,777)	(16,178)
Operating costs of shopping malls	(506)	(1,970)	(5,680)	(7,743)
Other	-	-	(2,810)	(1,840)
	(62,257)	(35,309)	(196,703)	(123,307)

Aliance Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

23. General, sale and administrative expenses

	Company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Personnel expenses	(45,220)	(52,051)	(54,287)	(54,426)
Professional services	(9,230)	(5,342)	(13,356)	(8,070)
Occupancy expenses	(604)	(484)	(604)	(484)
Depreciation and amortization	(10,007)	(7,383)	(11,401)	(9,070)
Depreciation of the right of use of the assets	(758)	(880)	(758)	(880)
Utility and service expenses	(306)	(442)	(306)	(442)
Legal and tax expenses	(498)	(535)	(1,157)	(919)
Provision for expected credit loss (*)	(10,776)	(4,578)	(48,503)	(12,819)
Other administrative expenses	(1,121)	(2,233)	(6,644)	(3,544)
	(78,520)	(73,928)	(137,016)	(90,654)

(*) The balance of the provision for expected credit loss in Company, R\$ 4,630 (R\$ 32,985 in consolidated) refers to trade receivables and R\$ 6,146 (R\$ 15,278 in consolidated) refers to the balance of advances to condominiums presented in the other credits line item.

24. Finance income (costs)

	Company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Finance costs				
Interest on borrowings, CCI and debentures	(28,133)	(21,333)	(53,662)	(73,281)
Liability monetary variations	(26,133)	(49,621)	(34,128)	(51,595)
Derivatives - Swap (1)	-	(171)	-	(171)
Structuring cost on indebtedness	(4,690)	(4,359)	(5,527)	(6,031)
Others	(3,600)	(6,872)	(5,390)	(8,151)
	(62,556)	(82,356)	(98,707)	(139,229)
Finance income				
Interest - short-term investments	21,662	19,994	26,361	26,660
Result from derivative financial instruments	2,886	2,273	2,886	2,273
Asset monetary variations	2,948	3,125	3,669	2,010
Update, fine and interest on trade receivables	168	918	1,195	3,563
Other	116	92	4,931	2,859
	27,780	26,402	39,042	37,365
Finance income (costs)	(34,776)	(55,954)	(59,665)	(101,864)

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

25. Other income (costs)

	Company		Consolidated	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
Notices and publications	(311)	(512)	(311)	(531)
Publicity and advertising	(408)	(763)	(408)	(763)
Expenses related to the business combination	-	(63,272)	-	(63,272)
Earn-out (1)	9,211	-	9,211	16,432
Expenses with indemnities	(1,550)	(7,750)	(1,858)	(9,133)
Disposal of investment property (2)	33,076	-	35,099	(10,253)
Provision for impairment (note 12)	-	-	-	(118,000)
Others	(921)	(8,856)	(5,583)	(10,835)
	39,097	(81,153)	36,150	(196,355)

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

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

26. Related-party transactions

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

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

26. Related-party transactions--Continued

Transaction	Consolidated							
	September 30, 2020				December 31, 2019			
	Current assets	Non-current assets	Non-current liabilities	Transaction/result	Current assets	Non-current assets	Non-current liabilities	Transaction/result
Subsidiaries								
Aliansce Sonae Shopping Centers S.A.	-	-	-	5,404	-	-	-	11,289
Aliansce Ass. Comercial Ltda.	-	-	-	1,232	-	-	-	4,061
Aliansce Mall e Mídia Int. Loc. e Merch. Ltda.	-	-	-	2,276	-	-	-	5,835
Nibal Participações S.A. (2)	-	3,660	-	(422)	-	3,777	-	(1,291)
RRSPE Empreendimentos e Participações Ltda. (3)	-	393	-	(80)	-	393	-	(204)
Shopping Taboão	-	-	-	(1,492)	-	-	-	(3,040)
Santana Parque Shopping	-	-	-	(383)	-	-	-	(613)
Norte Shopping Belém	-	-	-	(115)	-	-	-	(520)
Boulevard Shopping Belo Horizonte	-	-	-	(930)	-	-	-	(2,469)
Boulevard Shopping Belém	-	-	-	(1,382)	-	-	-	(3,717)
Boulevard Shopping Campos	-	-	-	(4)	-	-	-	-
Shopping Grande Rio	-	-	-	(643)	-	-	-	(801)
Parque Shopping Maceió	-	-	-	(712)	-	-	-	(1,960)
Shopping Parangaba	-	-	-	(523)	-	-	-	(722)
Boulevard Shopping Brasília	-	-	-	(394)	-	-	-	(965)
Caxias Shopping	-	-	-	(167)	-	-	-	(676)
Boulevard Vila Velha	-	-	-	(129)	-	-	-	(223)
Shopping Leblon	-	-	-	(669)	-	-	-	(1,400)
Malfatti Empreendimentos e Participações Ltda.	-	-	-	(225)	-	-	-	(687)
Via Parque	-	-	-	(642)	-	-	-	(1,529)
West Plaza	-	-	-	-	-	-	-	(368)
Vivaldi (5)	-	-	7,120	-	-	-	7,120	-
Plaza Sul	-	-	-	-	-	963	-	-
Other related parties								
FIP Bali (4)	-	4,033	-	-	-	4,033	-	-
	-	8,086	7,120	-	-	9,166	7,120	-

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

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

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

26. Related-party transactions--Continued

Obligations for purchase of assets – related parties

	Consolidated	
	September 30, 2020	December 31, 2019
Tarsila (1)	88	87
Other related parties not considered	17	16
	105	103
Current liabilities	105	103
Result Tarsila (*)	(1)	(155)
Result - others not considered as related parties (*)	(1)	(43)

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

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

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

As described in Note 17, the investee Sierra Investimentos has an agreement signed with Parque D. Pedro 1 BV under which Parque D. Pedro 1 BV undertakes to compensate Sierra Investimentos for all and any risks associated with the proceeding in progress that discusses the taxation of income of Fundo de Investimento Imobiliário Shopping Parque D. Pedro belonging to a stockholder that is not part of the group. Under this agreement, Sierra Investimentos had part of its income retained and used for purposes of judicial deposits, totaling R\$ 29,857 at September 30, 2020, recorded in the judicial deposits line "other taxes",

Key management compensation

The compensation paid to key management, which includes directors and officers, amounted to R\$ 19,631 in the period ended September 30, 2020 (R\$ 11,154 as at September 30, 2019). This amount encompasses short-term benefits, corresponding to: (i) fee paid to the members of the Executive Board and Board of Directors; (ii) bonus paid to the Executive Board; and (iii) other benefits, such as health care plan.

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

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

26. Related-party transactions--Continued

Key management compensation--Continued

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

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

27. Collaterals and guarantees

The Company and/or its stockholders, in the capacity of guarantors of borrowings assumed by the Company and by some of its subsidiaries, provided surety bonds in amounts proportional to their interest in the subsidiaries, in the amount of R\$ 1,381,833.

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

28. Stock option and incentives linked to shares plan

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

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

<u>Group of options/shares</u>	<u>Number</u>	<u>Weighted average price</u>
Outstanding at the beginning of the period	2,198,451	16.26
Contributions in the period	(49,460)	16.18
Outstanding at the end of the period	2,148,991	16.26
Exercisable at the end of the period	1,013,849	16.26

On June 23, 2020, the Company's Board of Directors approved a new long-term compensation program for its executives and employees, allowing, for all beneficiaries of the program, the purchase of shares issued by the Company for R\$ 26,47. The Company also estimated a match of an equal number of shares and an additional match of shares based on certain performance indicators, without any cost to the beneficiaries. These granted shares have a lock-up period of three years, linked to the beneficiaries' permanence in the Company and its performance.

Aliansce Sonae Shopping Centers S.A.

Notes to the quarterly information--Continued

September 30, 2020

(All amounts in thousands of reais unless otherwise stated)

On July 8, 2020, the Company granted its beneficiaries 218,656 shares, receiving the amount of R\$ 5,788. In addition, it granted additional 218,656 shares due to the estimated match in the program without any cost to the beneficiary. No shares related to performance have been granted until now.

The Company calculated the fair value of this total of R\$ 437,312 shares already granted at R\$ 16,26 per share. In the nine-month period ended September 30, 2020, R\$ 985 (already considering charges) was recorded with the allocation of personnel expenses linked to such program, which is recognized in line item "General, sale and administrative expenses".

29. Insurance

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