Financial Statements

Allpark Empreendimentos, Participações e Serviços S.A. (Estapar)

December 31, 2019, 2018 and 2017
with Independent Auditor's Report

São Paulo Corporate Towers
Av. Presidente Juscelino Kubitschek, 1.909
Vila Nova Conceição
04543-011 - São Paulo – SP - Brasil

Phone: +55 11 2573-3000
ey.com.br

A free translation from Portuguese into English of Independent auditor's report on financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil

Independent auditor's report on financial statements

To the Shareholders, Board of Directors and Officers of
Allpark Empreendimentos, Participações e Serviços S.A.
São Paulo – SP

Opinion

We have audited the individual and consolidated financial statements of Allpark Empreendimentos, Participações e Serviços S.A. ("Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2019 and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Allpark Empreendimentos, Participações e Serviços S.A. as at December 31, 2019, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the individual and consolidated financial statements section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants, the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Restatement of the individual and consolidated financial statements

On December 5, 2019, we issued unmodified audit reports on the individual and consolidated financial statements of Allpark Empreendimentos, Participações e Serviços S.A. for the years ended December 31, 2018 and 2017, respectively, which are now restated. As mentioned in Notes 2.27 and 2.28, these financial statements were modified to enhance certain disclosures contained in the Notes and restated to reflect the correction of errors identified and the adoption of the new accounting standard CPC 06 (R2) and IFRS16 – Leases using a full retrospective approach. Thus, the corresponding individual and consolidated figures related to the statements of financial position as at December 31, 2018, December 31, 2017 and January 1, 2017 and the corresponding statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the years ended December 31, 2018 and 2017, presented for comparison purposes, were adjusted and are restated in accordance with NBC TG 23 – Accounting Policies, Changes in Accounting Estimates and Errors. Consequently, our audit report considers these changes and replaces the previously issued reports. We did not express any modified opinion with respect to this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide an individual opinion on these matters. For each matter below, our description of how our audit addressed the matter, including any commentary on the findings or outcome of our procedures, is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the individual and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

The Company and its subsidiaries recognize revenue from provision of vehicle parking services to hourly or monthly customers, labor, management of parking lots and operation of pay-and-display areas (“Zona Azul”). Revenue per establishment (parking lot) is quite dispersed. The revenue recognition criteria and amounts recorded (total revenue) are disclosed in Note 2.7.

This matter was considered one of the key matters for our audit due to the relevance of the amounts involved as well as to the diversity of collection means and multi-location in revenue generation, and dependence on technology systems and their respective internal controls involved in revenue recognition.

Our audit approach

Our audit procedures aimed at confirming whether the revenue amounts had been appropriately recognized included, among others: (i) analyzing the design and operation of internal controls implemented by the Company for recognizing the different revenues per nature and locations; (ii) reviewing the accounting policies adopted for revenue recognition by Company and subsidiaries, and the adequacy of these policies to accounting standards in effect; (iii) documentary test, on a sample basis, of service transactions performed to check whether the revenue amounts were recognized correctly and on an accrual basis. Additionally, we reviewed the respective disclosures in the financial statements.

Based on the audit procedures performed, we believe that the revenue recognition policies of the Company and its subsidiaries, as well as related disclosures, are acceptable in the context of the financial statements taken as a whole.

Impairment of goodwill

The Company presents, according to Note 12, at December 31, 2019, a goodwill balance of R$118,464 thousand (Consolidated) and R$109,368 thousand (Individual) representing 4.9% and 6.5% of total consolidated and individual assets, respectively, at that date. In accordance with accounting practices adopted in Brazil and IFRS, the Company and its subsidiaries analyze, on an annual basis, the recoverable amount of goodwill to determine whether there is any indication of impairment loss.

This was considered a key matter for our audit, due to the volume of the amounts involved and significant judgments used for determining the assumptions used in projections of cash flows, including discount and growth rates. Misstatements in calculating the recoverable amount of goodwill may have a significant impact on the financial statements.

Our audit approach

Our audit procedures for confirming whether these assets were appropriately recorded and controlled comprised, among others: (i) evaluating the criteria used for identifying and measuring the recoverable amount of the cash-generating units of the Company and its subsidiaries; (ii) with the assistance of our experts, we evaluated the discounted cash flow model and the assumptions and methods used by the Company and its subsidiaries, specifically expected growth, discount rate, net income (loss) and projected margins as compared with macro-economic and industry information and reports from analysts. We compared the budgets prepared and approved by the Company and its subsidiaries in the prior year with their actual amounts for the purpose of evaluating the historical precision of the budget preparation process by management; (iii) we compared the recoverable amount computed by management, based on discounted cash flows, per cash-generating unit, with respective carrying amount of goodwill; (iv) we evaluated the accuracy of Company disclosures on more sensitive assumptions used in the impairment test, i.e. assumptions that have a more significant impact on determining the recoverable amount of goodwill.

Based on the results of the audit procedures performed on the impairment test of goodwill and on the audit evidence obtained that supports our tests, including sensitivity analysis, we considered that the evaluation of the recoverable amount of goodwill as well as the amounts disclosed are acceptable, in the context of the financial statements taken as a whole.

Adoption of accounting pronouncement CPC 06 (R2) (IFRS 16) - Leases

The Company and its subsidiaries adopted CPC 06 (R2) (IFRS 16) from January 1, 2019 and disclosed the impact thereof on their financial statements for the year ended December 31, 2019.

CPC 06 (R2) introduces changes in the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single model in the statement of financial position. At the lease inception date, the lessee recognizes a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset over the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Company and its subsidiaries opted to adopt the full retrospective approach as their transition method. The use of this approach significantly impacts the lease agreements of parking lots and administrative buildings held until the adoption of the standard as operating leases. Consequently, at December 31, 2019, the Company and its subsidiaries present, as described in Notes 10 and 15, a balance of right-of-use assets and lease liabilities of R$881,290 thousand and R$1,071,148 thousand (consolidated), and R$439,291 thousand and R$554,040 thousand (individual), representing 36.4% and 58.3% of the total consolidated assets and 32.7% and 44.3% of the individual assets, respectively, on that date.

This was considered a key matter for our audit due to the volume of the amounts involved and significant judgments for determining the assumptions and estimates used to determine the right-of-use asset and lease liability.

Our audit approach

Our audit procedures included, among others: (i) assessment of the appropriateness of the accounting policies for the recognition of the Company's right-of-use assets and lease liabilities; (ii) inspection and analysis of lease agreements, on a sample basis, as to their adequacy to said standard; (iii) testing, on a sample basis, of the measured amounts of right-of-use assets and lease liabilities, both recorded at the present value of the minimum lease payments; and (iv) involvement of our subject-matter experts in the analysis of the incremental interest rate calculated by the Company and its subsidiaries.

Based on the audit procedures performed, we consider the lease recognition policies of the Company and its subsidiaries, as well as related disclosures, acceptable in the context of the financial statements taken as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2019, prepared under Company management responsibility, whose presentation is required as supplementary information under IFRS, have been subject to audit procedures in conjunction with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by accounting pronouncement NBC TG 09 – Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement and are consistent in relation to the overall individual and consolidated financial statements.

Responsibilities of management and those charged with governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting policies adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and its subsidiaries' financial reporting process.

Auditor's responsibilities for the audit of the individual and consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements, including applicable independence requirements, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

São Paulo, February 17, 2020.

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

Julio Braga Pinto
Accountant CRC-1SP209957/O-2

A free translation from Portuguese into English of financial statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil

Allpark Empreendimentos, Participações e Serviços S.A.

STATEMENTS OF FINANCIAL POSITION

December 31, 2019, 2018, 2017 and January 1, 2017

		Individual				Consolidated			
	Note	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
			(restated)	(restated)	(restated)		(restated)	(restated)	(restated)
Assets									
Current assets									
Cash and cash equivalents	5	**73,933**	17,283	161,943	343,678	**120,196**	41,300	198,065	394,640
Derivative financial instruments	14	**1,660**	-	-	-	**1,660**	-	-	-
Trade accounts receivable	6	**48,817**	47,177	49,050	43,356	**58,053**	54,204	57,507	50,960
Taxes recoverable	7	**26,756**	35,303	24,739	23,720	**32,988**	40,339	30,189	26,955
Assignment of credit rights receivable	6	**-**	-	20,000	-	**-**	-	20,000	-
Prepaid expenses		**2,661**	3,619	1,925	1,804	**4,341**	4,862	5,269	4,186
Advances to suppliers		**1,348**	1,017	464	322	**2,110**	1,629	3,230	4,141
Advances to employees		**1,268**	1,354	1,567	1,735	**1,626**	1,742	1,979	2,119
Prepaid leases		**313**	3,267	3,120	5,114	**351**	4,218	4,757	6,957
Transactions with related parties	20,1	**12,273**	13,272	14,614	16,181	**26,027**	21,203	21,772	22,977
Other receivables		**1,606**	1,382	1,178	1,087	**1,787**	1,609	1,424	1,214
Total current assets		**170,635**	123,674	278,600	436,997	**249,139**	171,106	344,192	514,149
Noncurrent assets									
Taxes recoverable	7	**42,937**	25,191	25,359	27,704	**54,056**	36,847	27,871	30,525
Transactions with related parties	20,1	**15,354**	15,355	17,423	15,703	**484**	228	958	2,363
Judicial deposits	21	**4,947**	3,871	3,568	3,202	**6,487**	5,214	6,045	5,002
Prepaid expenses		**1,986**	2,273	1,231	-	**2,393**	2,621	1,231	-
Investment property	8	**14,137**	14,474	14,811	15,147	**14,137**	14,474	14,811	15,147
Investments	9	**247,813**	232,295	129,558	148,889	**23,233**	28,947	5,949	26,017
Property and equipment	11	**170,613**	155,858	133,774	144,596	**285,886**	264,281	250,793	252,561
Right of use	10	**439,291**	463,944	490,200	499,791	**881,290**	694,083	750,974	775,997
Intangible assets	12	**586,997**	528,896	514,135	525,122	**902,890**	794,749	694,084	715,819
Total noncurrent assets		**1,524,075**	1,442,157	1,330,059	1,380,154	**2,170,856**	1,841,444	1,752,716	1,823,431
Total assets		**1,694,710**	1,565,831	1,608,659	1,817,151	**2,419,995**	2,012,550	2,096,908	2,337,580

Allpark Empreendimentos, Participações e Serviços S.A.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019, 2018, 2017 and January 1, 2017
(In thousands of reais - R$

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	Note	Individual 12/31/2019	Individual 12/31/2018 (restated)	Individual 12/31/2017 (restated)	Individual 01/01/2017 (restated)	Consolidated 12/31/2019	Consolidated 12/31/2018 (restated)	Consolidated 12/31/2017 (restated)	Consolidated 01/01/2017 (restated)
Liabilities and equity									
Current liabilities									
Loans, financing and debentures	13	116,376	234,443	342,644	436,758	119,049	236,842	342,903	466,893
Derivative financial instruments	14	-	-	-	7,612	-	-	-	16,886
Trade accounts payable		55,992	46,415	40,432	101,361	75,788	59,473	51,227	113,049
Lease liability	15	125,879	124,473	124,348	114,679	225,244	189,688	189,139	177,219
Concession rights payable	16	-	-	-	-	14,609	9,461	10,393	11,681
Accounts payable for investments made	17	2,000	5,657	12,389	26,216	2,000	5,657	12,389	26,216
Labor obligations	18	24,728	23,556	22,188	22,878	29,468	27,758	26,734	28,902
Tax obligations		6,585	9,299	9,151	6,170	10,104	11,702	11,784	8,882
Tax payment in installments	19	129	133	404	395	223	217	532	454
Advance from customers		1,393	1,234	126	177	8,436	6,992	4,930	4,778
Transactions with related parties	20,2	642	2,204	3,705	4,856	24	1,426	2,626	4,943
Provision for losses on investees	9	1,303	1,079	373	42	-	-	-	-
Provision for bonuses		8,636	9,724	-	-	8,636	9,724	-	-
Other payables		1,514	4,699	1,644	1,798	3,333	6,644	6,507	4,612
Total current liabilities		345,177	462,916	557,404	722,942	496,914	565,584	659,164	864,515
Noncurrent liabilities									
Loans, financing and debentures	13	337,038	48,047	5,222	16,322	358,965	72,363	42,226	42,758
Lease liability	15	428,161	440,053	444,981	441,505	845,904	661,751	686,906	686,848
Trade accounts payable		1,167	5,361	507	-	1,310	5,506	650	145
Derivative financial instruments	14	-	-	70,351	87,307	-	-	71,146	87,875
Concession rights payable	16	-	-	-	-	104,524	74,677	84,543	97,616
Transactions with related parties	20,2	-	-	-	5,631	-	-	728	-
Financial liabilities convertible into shares	14	-	-	472,885	403,655	-	-	472,885	403,655
Accounts payable for investments made	17	2,895	3,000	3,216	11,318	2,895	3,000	3,216	11,318
Tax payment in installments	19	167	254	553	721	321	494	912	917
Other payables		-	-	226	223	-	-	488	282
Provision for legal proceedings	21	10,969	7,937	5,200	5,200	28,047	19,845	15,658	16,130
Total noncurrent liabilities		780,397	504,652	1,003,141	971,882	1,341,966	837,636	1,379,358	1,347,544
Total liabilities		1,125,574	967,568	1,560,545	1,694,824	1,838,880	1,403,220	2,038,522	2,212,059
Equity									
Capital		212,153	212,153	162,153	162,153	212,153	212,153	162,153	162,153
Capital reserve		789,957	775,544	223,206	223,206	789,957	775,544	223,206	223,206
Accumulated losses		(432,974)	(389,434)	(337,245)	(263,032)	(432,974)	(389,434)	(337,245)	(263,032)
Total equity	23	569,136	598,263	48,114	122,327	569,136	598,263	48,114	122,327
Non-controlling interests		-	-	-	-	11,979	11,067	10,272	3,194
		569,136	598,263	48,114	122,327	581,115	609,330	58,386	125,521
Total liabilities and equity		1,694,710	1,565,831	1,608,659	1,817,151	2,419,995	2,012,550	2,096,908	2,337,580

See accompanying notes.

(In thousands of reais - R$)

	Note	Individual			Consolidated		
		12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
			(restated)	(restated)		(restated)	(restated)
Net operating revenue from services	24	**821,246**	774,866	748,085	**1,080,684**	979,233	952,194
Cost of services	25	**(587,216)**	(556,251)	(543,764)	**(761,273)**	(703,138)	(690,610)
Gross profit		**234,030**	218,615	204,321	**319,411**	276,095	261,584
Operating income (expenses)							
General and administrative expenses	25	**(93,115)**	(80,561)	(59,583)	**(109,401)**	(97,529)	(71,896)
Amortization of intangible assets		**(58,618)**	(55,540)	(50,602)	**(79,333)**	(69,952)	(66,238)
Other operating income (expenses), net	25	**10,001**	10,906	10,084	**10,904**	43,373	4,248
Equity pickup	9	**(32,792)**	2,702	(31,500)	**(4,412)**	1,152	1,210
		(174,524)	(122,493)	(131,601)	**(182,242)**	(122,956)	(132,676)
Operating income before finance income (costs)		**59,506**	96,122	72,720	**137,169**	153,139	128,908
Finance income (costs)							
Finance income	26	**15,159**	44,308	52,301	**16,779**	47,762	53,332
Finance costs	26	**(117,031)**	(194,221)	(199,231)	**(192,010)**	(250,416)	(250,771)
		(101,872)	(149,913)	(146,930)	**(175,231)**	(202,654)	(197,439)
Loss before income and social contribution taxes		**(42,366)**	(53,791)	(74,210)	**(38,062)**	(49,515)	(68,531)
Income and social contribution taxes							
Current	22	**(1,174)**	-	-	**(4,566)**	(2,450)	(2,908)
Deferred	22	**-**	1,602	(3)	**-**	1,602	-
		(1,174)	1,602	(3)	**(4,566)**	(848)	(2,908)
Loss for the year		**(43,540)**	(52,189)	(74,213)	**(42,628)**	(50,363)	(71,439)
Attributable to:							
Controlling shareholders		**(43,540)**	(52,189)	(74,213)	**(43,540)**	(52,189)	(74,213)
Non-controlling shareholders		**-**	-	-	**912**	1,826	2,774
Earnings (loss) per share							
Basic – common shares	27	**(0.2699)**	(0.4417)	(0.6778)	**(0.2699)**	(0.4417)	(0.6778)
Diluted – common shares	27	**(0.2699)**	(0.4417)	(0.6778)	**(0.2699)**	(0.4417)	(0.6778)

See accompanying notes.

(In thousands of reais -R$)

	Individual			Consolidated		
	12/31/2019	12/31/2018 (restated)	12/31/2017 (restated)	12/31/2019	12/31/2018 (restated)	12/31/2017 (restated)
Loss for the year	**(43,540)**	(52,189)	(74,213)	**(42,628)**	(50,363)	(71,439)
Total comprehensive loss for the period	**(43,540)**	(52,189)	(74,213)	**(42,628)**	(50,363)	(71,439)
Attributable to:						
Controlling shareholders	**(43,540)**	(52,189)	(74,213)	**(43,540)**	(52,189)	(74,213)
Non-controlling shareholders	**-**	-	-	**912**	1,826	2,774
	(43,540)	(52,189)	(74,213)	**(42,628)**	(50,363)	(71,439)

See accompanying notes.

(In thousands of reais -R$)

	Note	Capital	Capital reserve: Capital reserve	Capital reserve: Stock option plan	Accumulated losses	Total	Non-controlling interests	Total
As at January 1, 2017 (formerly stated)		162,153	220,112	1,852	(165,802)	218,315	3,260	221,575
Restatement impacts	2.28	-	1,242	-	(97,230)	(95,988)	(66)	(96,054)
As at January 1, 2017 (restated)		162,153	221,354	1,852	(263,032)	122,327	3,194	125,521
Dividends		-	-	-	-	-	4,304	4,304
Loss for the year		-	-	-	(74,213)	(74,213)	2,774	(71,439)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	(74,213)	(74,213)	2,774	(71,439)
As at December 31, 2017 (restated)		162,153	221,354	1,852	(337,245)	48,114	10,272	58,386
Capital increase	23	50,000	-	-	-	50,000	-	50,000
Capital reserve	23	-	450,000	-	-	450,000	-	450,000
Goodwill reserve	23	-	102,338	-	-	102,338	-	102,338
Dividends	23	-	-	-	-	-	(1,031)	(1,031)
Loss for the year		-	-	-	(52,189)	(52,189)	1,826	(50,363)
Other comprehensive income		-	-	-	-	-	-	-
Total comprehensive income		-	-	-	(52,189)	(52,189)	1,826	(50,363)
As at December 31, 2018 (restated)		212,153	773,692	1,852	(389,434)	598,263	11,067	609,330
Stock option plan	33	**-**	**-**	**14,413**	**-**	**14,413**	**-**	**14,413**
Loss for the period	23	**-**	**-**	**-**	**(43,540)**	**(43,540)**	**912**	**(42,628)**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**-**	**(43,540)**	**(43,540)**	**912**	**(42,628)**
As at December 31, 2019		**212,153**	**773,692**	**16,265**	**(432,974)**	**569,136**	**11,979**	**581,115**

See accompanying notes.

(In thousands of reais - R$)

		Individual			Consolidated		
	Note	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
			(restated)	(restated)		(restated)	(restated)
Loss before income and social contribution taxes		**(42,366)**	(53,791)	(74,211)	**(38,062)**	(49,515)	(68,531)
Non-cash adjustments:							
Depreciation and amortization		**76,132**	71,828	78,663	**108,804**	98,726	112,773
Depreciation of right-of-use asset	10	**73,150**	68,337	66,236	**119,557**	101,302	99,154
Property and equipment, and intangible assets written off		**1,660**	112	-	**1,674**	1,052	7
Gain/(loss) – right-of-use / Leases - IFRS 16		**(338)**	(157)	808	**(147)**	(157)	682
(Reversal of) provision for legal proceedings	21	**3,032**	2,704	-	**3,032**	4,161	(472)
Expenses with share-based payments	33	**13,650**	-	-	**13,650**	-	-
Provision for bonuses		**10,667**	14,357	2,451	**10,667**	14,357	2,451
Equity pickup	9	**32,792**	(2,702)	31,500	**4,412**	(1,152)	(1,210)
Fair value of options		**-**	-	(16,957)	**-**	-	(16,957)
Mark-to-market of derivatives		**(1,660)**	(28,751)	1,524	**(1,660)**	(28,751)	2,593
Losses on disposal of investments		**-**	-	-	**608**	(841)	-
Write-off – impairment	4	**-**	3,708	-	**-**	3,708	6,339
Write-off of accounts payable for investment acquisition	4	**-**	(12,000)	(10,782)	**-**	(12,000)	(10,782)
Gain /(loss) on investment acquisition	9	**-**	-	3,997	**-**	(32,458)	4,471
Allowance for expected credit losses	6	**(31)**	281	-	**(31)**	281	-
Provision for interest		**110,735**	182,921	193,123	**189,196**	240,823	245,392
Increase (Decrease) in assets and liabilities:							
Accounts receivable		**456**	(553)	(4,795)	**(1,753)**	133	(5,369)
Taxes recoverable		**(13,489)**	580	1,702	**(13,431)**	(5,839)	345
Prepaid expenses		**844**	(537)	(1,488)	**349**	(2,632)	(2,636)
Advances to suppliers		**(332)**	(553)	(142)	**(481)**	(378)	1,738
Advances to employees		**86**	(108)	168	**116**	(119)	120
Prepaid leases		**(6,317)**	2,480	(1,929)	**(6,341)**	3,140	(1,183)
Judicial deposits		**(1,076)**	(302)	(367)	**(1,273)**	831	(1,043)
Other receivables		**(719)**	4,416	(2,118)	**(2,480)**	5,798	3,143
Trade accounts payable		**1,716**	1,901	3,556	**8,838**	5,584	2,196
Labor obligations		**7,207**	1,368	(1,464)	**7,744**	2,330	(3,205)
Tax obligations		**(2,714)**	470	2,981	**(1,597)**	(345)	2,599
Tax payment in installments		**(106)**	(673)	(293)	**(187)**	(777)	(256)
Advance from customers		**158**	1,109	(52)	**1,445**	(938)	132
Other payables		**(4,473)**	4,139	(1,390)	**(3,418)**	(1,585)	(3,472)
Payment of contingencies		**-**	-	(2,451)	**-**	26	(2,643)
Payment of bonus		**(11,754)**	(4,633)	-	**(11,754)**	(4,633)	98
Income and social contribution taxes paid		**(1,174)**	-	3	**(3,965)**	(2,450)	(2,906)
Net cash generated in operating activities		**245,736**	255,951	268,273	**383,512**	337,682	363,568
Cash flows from investing activities:							
Acquisition of property and equipment	11	**(32,225)**	(32,642)	(17,239)	**(51,046)**	(38,818)	(23,818)
Dividend received	9	**2,997**	3,764	1,344	**1,302**	1,890	635
Acquisition of intangible assets		**(109,015)**	(67,653)	(94,794)	**(139,779)**	(172,013)	(96,603)
Capital increase in investees	9	**(51,083)**	(107,822)	(24,654)	**-**	-	(3,397)
Acquisition of investments		**(3,138)**	(5,855)	(10,028)	**(3,138)**	(5,855)	(10,029)
Credit rights	8	**-**	21,032	(20,000)	**-**	21,032	(20,000)
Cash acquired from business combinations		**-**	-	-	**-**	-	578
Cash effect – loss of control over investee		**-**	-	-	**-**	(308)	-
Net cash used in investing activities		**(192,464)**	(189,176)	(165,371)	**(192,661)**	(194,072)	(152,634)
Cash flow from financing activities:							
Exercise of options		**763**	-	-	**763**	-	-
Loans, financing and debentures raised	13	**534,144**	100,000	-	**534,144**	100,000	5,818
Repayment of principal on loans, financing and debentures	13	**(372,889)**	(163,133)	(108,512)	**(375,323)**	(163,403)	(148,344)
Repayment of principal and interest on leases	15	**(129,181)**	(124,348)	(119,820)	**(222,915)**	(189,139)	(185,098)
Interest paid on loans, financing and debentures	13	**(29,459)**	(23,954)	(56,305)	**(32,353)**	(27,916)	(60,145)
Dividends paid to non-controlling shareholders		**-**	-	-	**-**	(360)	(512)
Payment to granting authority		**-**	-	-	**(16,271)**	(19,557)	(19,228)
Net cash generated / used in financing activities		**3,378**	(211,435)	(284,637)	**(111,955)**	(300,375)	(407,509)
Net increase / (decrease) in cash and cash equivalents		**56,650**	(144,660)	(181,735)	**78,896**	(156,765)	(196,575)
Cash and cash equivalents at the beginning of year		**17,283**	161,943	343,678	**41,300**	198,065	394,640
Cash and cash equivalents at the end of year		**73,933**	17,283	161,943	**120,196**	41,300	198,065

See accompanying notes.

(In thousands of reais - R$)

	Individual			Consolidated		
	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
		(restated)	(restated)		(restated)	(restated)
Revenues:	**948,983**	897,114	870,622	**1,248,579**	1,133,171	1,105,558
Revenue from services	**948,983**	897,114	870,622	**1,248,579**	1,133,171	1,105,558
Inputs acquired from third-parties:	**(502,519)**	(466,593)	(442,585)	**(622,328)**	(566,314)	(535,098)
Cost of services	**(492,648)**	(453,305)	(433,912)	**(608,185)**	(548,035)	(522,847)
Materials, energy, outsourced services and others	**(9,871)**	(13,288)	(8,673)	**(14,143)**	(18,279)	(12,251)
Gross value added	**446,464**	430,521	428,037	**626,251**	566,857	570,460
Depreciation and amortization	**(143,315)**	(140,166)	(144,899)	**(218,280)**	(200,028)	(211,928)
Net value added produced by the Company:	**303,149**	290,355	283,138	**407,971**	366,829	358,532
Value added received through transfer:	**(17,633)**	47,010	20,801	**12,367**	48,914	54,542
Equity pickup	**(32,792)**	2,702	(31,500)	**(4,412)**	1,152	1,210
Finance income	**15,159**	44,308	52,301	**16,779**	47,762	53,332
Total value added to be distributed	**285,516**	337,365	303,939	**420,338**	415,743	413,074
Distribution of value added	**285,516**	337,365	303,939	**420,338**	415,743	413,074
Direct compensation and charges						
Direct compensation	**44,873**	38,215	30,400	**50,417**	44,406	35,081
Benefits	**3,914**	7,916	3,376	**4,749**	8,667	4,070
Unemployment Compensation Fund (FGTS)	**2,853**	2,567	2,253	**3,490**	3,017	2,668
Taxes, charges and contributions						
Federal	**80,600**	78,909	80,296	**106,947**	99,824	100,819
State	**1,633**	613	712	**2,031**	1,153	988
Municipal taxes	**45,504**	42,726	41,529	**58,916**	52,961	51,557
Debt remuneration						
Interest	**117,031**	198,486	203,986	**192,010**	257,599	258,466
Leases	**3,525**	3,262	4,044	**6,180**	4,763	4,872
Other	**29,123**	16,860	11,556	**38,226**	(6,284)	25,992
Equity remuneration:	**(43,540)**	(52,189)	(74,213)	**(42,628)**	(50,363)	(71,439)
Loss for the year	**(43,540)**	(52,189)	(74,213)	**(42,628)**	(50,363)	(71,439)

See accompanying notes.

1. Operations

Allpark Empreendimentos, Participações e Serviços S.A. (hereinafter referred to as "Company", "Allpark", or "Individual") is a privately-held corporation with the main place of business at Av. Pres. Juscelino Kubitschek, 1,830, Torre III, 3º andar, in the city and state of São Paulo. It was incorporated in 1982 and is mainly engaged in managing, operating and/or controlling vehicle parking lot activities, rendering technical management, advisory, and planning services related to vehicle parking lots, whether in own or third-party properties, for public or private companies, including in special short-stay parking areas located in public streets, conducting projects, implementing and maintaining traffic signs and road surface markings for the transportation system, and holding interest in other entities.

At December 31, 2019, the Company's shareholders included Fundo de Investimento em Participações Maranello – Multiestratégia, o Governança Corporativa, TSEMF III Brazil S.A.R.L., FIP Brasil de Governança Corporativa, TSEMF III Brazil S.A.R.L., TSEMF IV Brazil S.A.R.L., Riverside Fundo de Investimento em Participações and other non-controlling shareholders. Our main shareholder is Fundo de Investimento em Participações Maranello – Multiestratégia.

At December 31, 2019, the Company had 684 parking lots (663 in 2018 and 641 in 2017) and 65 franchises (96 in 2018 and 90 in 2017) located in the main squares in the states of São Paulo, Rio Grande do Sul, Goiás, Pernambuco, Rio Grande do Norte, Bahia, Paraná, Santa Catarina, Minas Gerais, Rio de Janeiro, Espírito Santo, Tocantins, Alagoas, Sergipe, Paraíba and the Federal District.

For the years ended December 31, 2018 and 2017, the Company carried out significant transactions involving business combinations, as disclosed in Note 4.

2. Summary of significant accounting policies

These individual and consolidated financial statements were prepared by management, and are presented in accordance with accounting practices adopted in Brazil, which comprise Brazilian Securities and Exchange Commission (CVM) rules and Brazilian Financial Accounting Standards Board (CPC) pronouncements, which are in line with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and disclose all significant financial statements information, and only such information, which is consistent with that used by management in managing its business.

The individual and consolidated financial statements present comparative information in relation to the prior year. In addition, the Company presents an additional statement of financial position for the earliest period disclosed when it retroactively restates or reclassifies items in its financial statements. The statement of financial position at January 1, 2017 is stated in these consolidated financial statements as per Note 2.28.

Issue of these financial statements was approved by Company management on February 17, 2020.

Management evaluated the Company's ability to continue as a going concern and is convinced that the Company is able to continue as a going concern in the future. Furthermore, management is not aware of any material uncertainty that may cast significant doubt upon its ability to continue as a going concern. Therefore, these financial statements were prepared assuming that the Company will continue as a going concern.

The financial statements were prepared using the historical cost as a base value, except for the valuation of certain assets and liabilities, such as financial instruments, which are measured at fair value.

(In thousands of reais - R$)

2.1 Basis of consolidation

The consolidated financial statements include operations of the Company and the following subsidiaries that have the same business purposes of the Company. Equity interest held in those subsidiaries at the statement of financial position date is as follows:

		% at 12/31/2019		% at 12/31/2018		% at 12/31/2017		% at 01/01/2017	
Company name	Note	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Riopark Estacionamentos Ltda. ("Riopark")		**99.99%**	**-**	99.99%	-	99.99%	-	99.99%	-
Hora Park Sist. Estacionamento Rotativo Ltda. ("Hora Park")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
Saepart Soc. Adm. Empreend. Part. Ltda. ("Saepart")		**99.99%**	**-**	99.99%	-	99.99%	-	99.99%	-
Capital Parking Estacionamento de Veículos Ltda. ("Capital")		**99.99%**	**-**	99.99%	-	99.99%	-	99.99%	-
Primeira Estacionamentos Ltda. ("Primeira")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
Minas Park Estacionamentos Ltda. ("Minas Park")	(i)	**-**	**-**	100.00%	-	100.00%	-	100.00%	-
Azera Parking Ltda. ("Azera")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
Autopark S.A. ("Autopark")	(a)	**-**	**99.99%**	-	99.99%	-	99.99%	-	99.99%
Cellopark Estacionamentos Ltda. ("Cellopark")	(a)	**-**	**100.00%**	-	100.00%	-	100.00%	-	100.00%
Estacionamentos Cinelândia S.A. ("Cinelândia")	(a)	**-**	**80.00%**	-	80.00%	-	80.00%	-	80.00%
Hospital Marcelino Champagnat Ltda. ("Marcelino")		**75.00%**	**-**	75.00%	-	75.00%	-	75.00%	-
Omni Estacionamentos do Nordeste Ltda. ("Omni")	(i)	**-**	**-**	100.00%	-	100.00%	-	100.00%	-
Wellpark Estacionamentos e Serviços Ltda. ("Wellpark")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
E.W.S Estacionamentos Salvador S.A. ("EWS")	(b)	**-**	**100.00%**	-	100.00%	-	100.00%	-	100.00%
Parking Tecnologia da Informação Ltda. ("Parking TI")		**99.90%**	**-**	99.90%	-	99.90%	-	-	-
I-Park Estacionamentos Inteligentes S.A. ("I-Park")	(c)	**-**	**83.59%**	-	83.59%	-	83.59%	-	-
Loop Gestão de Pátios S.A. ("Loop")	(g)	**-**	**-**	-	-	75.50%	-	-	-
Loop AC Participações Ltda. ("Loop AC")		**75.48%**	**-**	75.48%	-	-	-	-	-
Calvitium Participações S.A. ("Calvitium")	(d)	**100.00%**	**-**	100.00%	-	-	-	-	-
SCP Parque Shopping Aracajú ("Parque Aracajú")	(e)	**51.00%**	**-**	51.00%	-	-	-	-	-
SCP Estacionamento do Shopping Monte Carmo ("Monte Carmo")	(f)	**51.00%**	**-**	51.00%	-	-	-	-	-
Praça EDG Congonhas Empreendimentos S.A.	(h)	**-**	**100.00%**	**-**	-	-	-	-	-
Z.A. Digital de São Paulo Sistema de Estacionamento Rotativo S.A.	(h)	**-**	**100.00%**	**-**	-	-	-	-	-

(a) Subsidiary of Hora Park.
(b) Subsidiary of Hora Park (50%) and Wellpark (50%).
(c) Subsidiary of Capital.
(d) Company acquired in the 4th quarter of 2018, see Note 4.
(e) Silent partnership (SCP) created for operation in Parque Shopping Aracajú.
(f) Silent partnership (SCP) created for operation in Shopping Monte Carmo.
(g) Loss of control in 2018.
(h) Company organized in 2019.
(i) Company merged into Allpark in 2018.

Subsidiaries are fully consolidated as of the date the Company obtains control thereover, and continue to be consolidated until the date such control ceases to exist. The investor controls the investee when they are exposed to, or have rights to, variable returns arising from their involvement with the investee and when they have the ability to affect those returns through their power over the investee. All intercompany balances, revenues, and expenses are fully eliminated in the consolidation. The Company has no investments abroad.

Significant accounting information on the investments above is disclosed in Note 9.

2.2 Investments in affiliates and joint ventures

An affiliate company is an investee on which the Company exercises significant influence. Significant influence is the power to participate in decisions on the investee’s operating policies, but without holding control or joint-control over those policies.

Joint venture is a type of joint arrangement whereby the parties holding joint control over the arrangement have rights to the joint venture net assets. Joint control is the agreed contractual sharing of a control, existing only when decisions on relevant activities require unanimous consent of the parties sharing control.

The Company accounts for investments in affiliates and joint ventures using the equity method.

The Company has no investments in affiliates and joint ventures abroad.

Based on the equity method, investments in affiliates and joint ventures are initially recognized at cost. The investment carrying amount is adjusted to recognize changes in Company interests in the equity of the affiliates or joint venture as from the acquisition date.

The statement of profit or loss reflects the Company's interest in the operating income (expenses) of the affiliates or joint venture. Changes, if any, in other comprehensive income of those investees are presented as part of the Company's other comprehensive income. In addition, when changes are directly recognized in the affiliate's or joint venture's equity, the Company will recognize its interest in any changes, where applicable, in its statement of changes in equity. Unrealized gains and losses arising from transactions between the Company and the affiliate or joint venture are eliminated to the extent of its interest in the affiliate or joint venture.

Total interest of the Company in affiliates' and joint ventures' profit or loss is presented in the statement of profit or loss, and represents the proportion of the Company's interest in profit or loss for the year of its affiliates and joint ventures.

The affiliate's and joint venture's financial statements are prepared for the same reporting period of the Company's. Whenever necessary, adjustments are made for accounting policies to be aligned with the Company's.

After applying the equity method, the Company determines whether it is necessary to recognize additional impairment loss on its investments in its affiliates and joint ventures. The Company determines, at each statement of financial position closing date, whether there is objective evidence that these investments in affiliates and joint ventures are subject to impairment loss. If impairment is identified, the Company calculates impairment loss as the difference between affiliate's and joint venture's recoverable amount and carrying amount, and recognizes the resulting amount in the statement of profit or loss.

When significant influence over an affiliate or joint venture is lost, the Company measures and recognizes any investment held at fair value. Any difference between the carrying amount of the affiliate or joint venture, at the time significant influence is lost, the fair value of the investment held and gains/losses on disposal are recognized in profit or loss.

(In thousands of reais - R$)

Equity interest held in affiliates and joint ventures at the statement of financial position dates is as follows:

		% at 12/31/2019		% at 12/31/2018		% at 12/31/2017		% at 01/01/2017	
Company name	**Note**	**Direct**	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**
CCN Centro de Convenções Ltda. ("CCN")	(a)	**-**	**50.00%**	-	50.00%	-	50.00%	-	50.00%
WPA Park Participações S.A.	(d)	**-**	**-**	-	-	-	-	58.00%	-
Loop Gestão de Pátios S.A. ("Loop")	(b)	**-**	**49.00%**	-	49.00%	-	-	-	-
Estacionamento E.T.M. Curitiba S.A. ("ETM")	(c)	**-**	**-**	-	40.00%	-	40.00%	-	40.00%
I-Park Estacionamentos Inteligentes S.A. ("I-Park")	(f)	**-**	**-**	-	-	-	-	-	70.00%
Consórcio Enéas de Carvalho Ltda. ("Enéas")	(d)	**-**	**5.60%**	-	5.60%	-	5.60%	-	5.60%
Consórcio Trianon Park Ltda. ("Trianon")	(d)	**-**	**5.00%**	-	5.00%	-	5.00%	-	5.00%
Consórcio Estacionamento Centro Cívico ("Centro Cívico")	(e)	**70.00%**	**-**	70.00%	-	70.00%	-	70.00%	-
Consórcio Estacionamento Novo Centro ("Novo Centro")	(e)	**60.00%**	**-**	60.00%	-	60.00%	-	-	-

(a) Joint venture of Riopark.
(b) Affiliate of Loop AC.
(c) Joint venture of Hora Park, discontinued in the 4th quarter of 2019.
(d) Company merged into Primeira in 2017.
(e) The Company has significant influence over the investee. While equity interest is higher than 50%, the Company has no control over the entity, as it does not have the necessary amount of voting capital according to the shareholders' agreement.
(f) Acquisition of control in 2017 by Capital Parking.

Significant accounting information on the investments above is disclosed in Note 9.

2.3 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at the acquisition-date fair value, and the value of any non-controlling interests in the acquiree. For each business combination, the Company measured its non-controlling interests in the acquiree for the portion to which it is entitled at fair value or based on its interest in the acquiree's identified net assets. Acquisition costs are expensed as incurred.

When acquiring a business, the Company measures the financial assets and liabilities assumed for their appropriate classification and designation thereof in accordance with contractual terms, economic circumstances and relevant conditions as of acquisition date.

If a business combination is conducted in stages, the acquisition-date fair value of the equity interest previously held in the acquiree is remeasured at the acquisition-date fair value, and impacts are recognized in the statement of profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value as of the acquisition date. Subsequent changes in fair value of contingent consideration considered as an asset or a liability is recognized in accordance with CPC 48 – Financial Instruments (IFRS 9) in the statement of profit or loss. If the contingent consideration is classified as equity, it is not reassessed until it is effectively settled in equity.

Goodwill is initially measured as the excess of the consideration transferred in relation to the fair value of the net assets acquired (net identifiable assets acquired and liabilities assumed). Consideration transferred, if lower than fair value of net assets acquired, is recognized as bargain-purchase gain in the statement of profit or loss.

After initial recognition, goodwill is measured at cost, less any accumulated impairment losses. For impairment testing purposes, goodwill acquired in a business combination is, from acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and a part of that unit is disposed of, goodwill associated with the portion disposed of is included in the carrying amount of the operation when the respective gain or loss thereon is determined. Goodwill disposed of in these circumstances is calculated based on the relative values of the portion disposed of in relation to the cash-generating unit.

2.4 Classification into current and noncurrent

The Company presents assets and liabilities in the statement of financial position based on the current and noncurrent classification. An asset is classified as current when:

- It is expected to be realized or it is intended to be sold or used in the normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; and
- It is cash or a cash equivalent (as defined in CPC 3 – Statement of Cash Flows), unless its exchange or use for settling liabilities is barred for at least twelve months after statement of financial position date.

All other assets are classified as noncurrent. A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realized within 12 months after the reporting date; and
- There is no unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

The Company classifies all other liabilities as noncurrent.

2.5 Functional and presentation currency

The functional currency of the Company and its direct and indirect subsidiaries and jointly controlled entities and affiliates is the Brazilian real ("R$"), which is the same currency used in the preparation and presentation of the individual and consolidated financial statements.

2.6 Fair value

The Company measures financial instruments, in addition to non-financial assets, such as investment properties for disclosure purposes only, at fair value at each statement of financial position closing date. Likewise, the fair value of financial instruments measured at amortized cost is disclosed in Note 30.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement is based on the assumption that the transaction to sell the asset or to transfer the liability will take place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The Company must have access to the principal (or most advantageous) market.

The fair value of an asset or liability is measured based on the assumption that market participants would use to define the price of an asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses specific valuation techniques in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which a fair value is measured the in financial statements are categorized within the fair value hierarchy described below, based on the lowest level input that is significant to the entire fair value measurement:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities to which the Company has access on the measurement date.
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is either directly or indirectly observable.
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is not observable.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Company determines whether there have been transfers between hierarchy levels, revaluing their categorization (based on the lowest level input that is significant to the entire fair value measurement) at the end of each reporting period.

The Company determines the policies and procedures for fair value measurement, such as investment properties and financial assets not quoted and available for sale, and for non-recurring measurement.

Independent appraisers are involved in the valuation of significant assets, such as investment properties, non-financial assets not quoted and significant financial liabilities convertible into shares, as per Note 30. Involvement of independent appraisers is decided by Company management after discussing the matter with the Board of Directors. The selection criteria include knowledge of the market, reputation, independence and checking whether professional standards are complied with.

At each reporting date, management analyzes changes in assets and liabilities that should be measured or realized in accordance with the Company's accounting policies. For the purpose of this analysis, management confirms the main information used in the last assessment, and crosschecks the information contained in the assessment calculation against agreements and other relevant documents.

Management, together with the Company's independent appraisers, also compares each change in fair value of each asset and liability with the respective external sources in order to determine whether such change is acceptable.

For fair value disclosure purposes, the Company determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and their fair value hierarchy level, as described above.

2.7 Revenue recognition

Revenue is recognized to the extent that economic benefits are likely to flow to the Company and when such amount can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, less discounts, rebates, and taxes or charges on services rendered.

The Company, its direct and indirect subsidiaries earn revenues from parking services provided to their monthly and short-stay parking customers, from workforce supply, parking lot management and operation of pay-and-display areas.

Revenues from monthly and short-stay parking customers are recognized based on the parking lot services provided. Revenues from provision of workforce and parking management services are recognized at the end of each month upon calculation of revenue of each parking lot for the services rendered after customers are billed. Revenues from operation of pay-and-display areas are recognized when pay-and-display machines are used; amounts are collected on a daily basis. Revenues from agents with Silent Partnerships (“SCP”) and Consortia are recognized at the end of the month upon determination of monthly amounts for the services rendered incurred.

2.8 Government grants

The Company has no government grants.

2.9 Taxes

2.9.1 Service taxes

Service revenues are subject to the following taxes and contributions, at the statutory rates below:

- Social contribution tax on gross revenue for social integration program (PIS) – 0.65% and 1.65%;
- Social contribution tax on gross revenue for social security financing (COFINS) – 3.00% and 7.65%;
- Service tax (ISS) – 2% to 5%.

These charges are presented as sales deductions in the statement of profit or loss.

2.9.2 Current income and social contribution taxes

Current tax assets and liabilities for the last and prior years are measured at the estimated amount recoverable from or payable to tax authorities.

Income taxes include both income and social contribution taxes. Income tax is calculated on taxable profit at the rate of 15%, plus surtax of 10% on taxable profit exceeding R$240 for a 12-month period, whereas social contribution tax is calculated at the rate of 9% on taxable profit, recognized on an accrual basis.

Prepaid or recoverable amounts are stated in current or noncurrent assets, based on their estimated realization.

Tax loss offsetting is limited to 30% of taxable profit, and its use is not time-barred.

2.9.3. Deferred income and social contribution taxes

Deferred income and social contribution taxes are generated by temporary differences as of the statement of financial position date between assets and liabilities tax bases and their corresponding carrying amounts.

Deferred income and social contribution tax assets are recognized on all deductible temporary differences to the extent that taxable profit is likely to be available against which temporary differences can be used, except when a deferred income and social contribution tax asset related to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction other than a business combination and, as of the transaction date, has no impact on book income or tax income or loss.

Deferred income and social contribution tax assets are measured at the tax rate expected to be applicable for the year the asset will be realized or the liability will be settled, based on tax rates (and tax law) published as of the statement of financial position date.

(In thousands of reais - R$)

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and written off as taxable profit is no longer likely to allow deferred tax assets to be fully or partially used. Deferred tax assets written off are reviewed at each statement of financial position date, and recognized, as future taxable profits are likely to allow such tax assets to be recovered. At December 31, 2019, 2018 and 2017, the Company recorded no deferred income and social contribution taxes on balances related to temporary differences, and income and social contribution tax losses stated in Note 22.

2.10 Property and equipment

Leasehold improvements, equipment and other property and equipment items are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, as applicable. The referred to cost includes property and equipment partial replacement costs, when recognition criteria are met. When significant parts of property and equipment are replaced, the Company recognizes such parts as individual assets with specific useful lives and depreciation.

All other repair and maintenance costs are recognized in the statement of profit or loss as incurred. The present value of the cost expected from decommissioning of an asset item after its use is included in the cost of the corresponding asset item if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the asset economic useful life, at rates that consider the asset remaining useful life, or lease term, in case of leasehold improvements, as follows:

	2019	2018	2017
Buildings	**60 years**	60 years	25 years
Leasehold improvements	**10 years**	10 years	10 years
Facilities	**10 years**	10 years	10 years
Machinery and equipment	**10 years**	10 years	10 years
Furniture and fixtures	**12 years**	12 years	10 years
Signboards and signs	**8 years**	8 years	10 years
Pay-and-display machines	**15 years**	15 years	10 years
Computers and peripherals	**6 years**	6 years	5 years
Vehicles	**8 years**	8 years	5 years

A property and equipment item is written off on disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses arising from the asset write-off (calculated as the difference between asset net disposal proceeds and carrying amount) are included in profit or loss for the year when the asset is written off.

Residual values and useful lives of assets and depreciation methods are reviewed at year-end, and adjusted prospectively, where applicable.

In 2018, the Company reviewed the useful lives of its property and equipment items. The review was conducted by independent specialists with professional experience and competence, objectivity and technical knowledge of the valued assets. The impact of changes in the estimated useful lives for 2018 was a decrease in depreciation expenses by R$12,100 in Individual and R$18,412 in Consolidated.

2.11 Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. Cost of intangible assets acquired in a business combination corresponds to fair value at the acquisition date. After initial recognition, the intangible assets are measured at cost less accumulated amortization and impairment losses. Intangible assets generated internally, excluding capitalized development costs, are not capitalized, and expenses are reflected on profit or loss for the year in which they were incurred.

Infrastructure use right

Infrastructure, within the scope of Accounting Interpretation ICPC 01 (IFRIC 12) – Service Concession Arrangement, is not recorded as a property and equipment item of the operator, as the service concession only provides for the assignment of possession of these assets for the rendering of public services, and that they should be returned to the grantor when the arrangement is terminated. The operator has access to build and/or operate the infrastructure to render public services on behave of the grantor, under the conditions set forth in the arrangement.

Under the terms of the service concession arrangement, within the scope of this interpretation, the operator is a service provider, building or improving the infrastructure (construction or improvement service) used to render a public service, in addition to operating and maintaining such infrastructure (operation services) over a given period.

If the operator renders construction or improvement services, the compensation received or receivable by the operator is recorded at fair value. This compensation may correspond to the right on an intangible asset, a financial asset or both. The operator recognizes an intangible asset as they receives the right (authorization) to charge users for the public service provision. The operator recognizes a financial asset as they are entitled to the unconditional contractual right to receive cash or any other financial asset from the grantor for the construction services.

Such financial assets are measured at fair value upon initial recognition, and then measured at their amortized cost.

If the Company is compensated for the construction services partially through a financial asset and partially through an intangible asset, then each component of the compensation received or receivable is recorded individually and initially recognized at fair value of the compensation received or receivable.

Amortization of the right to use the infrastructure is recognized in profit or loss for the year, according to the expected economic benefit curve over the service concession term. The amortization will be based on the arrangement straight-line curve. For more information, see Note 12.

The useful life of an intangible asset is classified either as finite or indefinite

Intangible assets with finite useful lives are amortized over their economic useful lives and tested for impairment whenever there is any indication thereof. The amortization period and method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the estimated useful life or expected consumption of future economic benefits of these assets are recorded through changes in amortization period or method, as applicable, and are considered changes in accounting estimates. Amortization of finite-lived intangible assets is recognized in the statement of profit or loss in the expense category consistent with the use of the intangible asset.

(In thousands of reais - R$)

Indefinite-lived intangible assets are not amortized, but are submitted to annual impairment tests, either individually or based on the relevant cash-generating unit. Indefinite useful life assessment is reviewed annually to determine whether such assessment continues to be justified. Otherwise, the change in the useful life assessment from indefinite to finite is made on a prospective basis. At December 31, 2019, 2018 and 2017, there was no indication of impairment and there were no changes in useful life assessment from indefinite to finite.

Gains and losses arising from write-off of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and classified in the statement of profit or loss on disposal.

A summary of policies applied to the intangible assets is as follows:
Company:

	Software	Lease agreements (i)	Service concession arrangements (ii)	Concession infrastructure use right	Goodwill	Other
Useful life	Finite 5 years	Finite 10 to 20 years	Finite 4 to 26 years	Finite 20 years	Indefinite -	Finite 5 to 10 years
Amortization method used	Straight-line amortization over the arrangement term	Straight-line amortization over the arrangement term	Straight-line amortization over the arrangement term	Straight-line amortization over the service concession arrangement term	Not amortized	Straight-line amortization over the arrangement term
Internally generated or acquired	Acquired	Acquired - PPA	Acquired - PPA	Acquired	Acquired - PPA	Acquired

(i) Lease agreement refers to the 1st purchase price allocation referring to favorable terms in the lease agreements of the acquired companies Azera, Minas Park, Multivagas, Injetpark, OW, EWS and Calvitium in relation to the market value of the respective leases upon acquisition of these companies.

(ii) On August 28, 2019, with the subrogation of the EWS concession arrangement, the Company remeasured its liabilities represented by obligations before the granting authority, see Note 16, in exchange for the right to explore the infrastructure granted, see Note 12.

2.12 Financial instruments – Initial recognition and subsequent measurement

A financial instrument is a contract that originates a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, upon initial recognition, as subsequently measured at amortized cost, at fair value through other comprehensive income, and at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the characteristics of the contractual cash flows of the financial asset, and the business model of the Company for the management of these financial assets. Except for trade accounts receivable without a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at fair value, plus transaction costs, in the case of a financial asset not measured at fair value through profit or loss. Trade accounts receivable without a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined in accordance with IFRS 15 (CPC 47), as disclosed in Note 2.7 – Revenue recognition.

For a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, it needs to generate cash flows that are "solely payments of principal and interest" on the principal amount outstanding. This is assessed at the instrument level.

The business model of the Company and its subsidiaries to manage financial assets refers to how they manage their financial assets to generate cash flows. The business model determines whether the cash flows will result from the collection of contractual cash flows, from sale of financial assets or both.

Purchases or sales of financial assets which require delivery of the asset within the time frame established by regulation or market convention (regular negotiations) are recognized on the trade date, i.e., the date when Company and subsidiaries commit to purchase or sell the asset.

Subsequent measurement

For subsequent measurement purposes, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instrument).
- Financial assets at fair value through other comprehensive income with reclassification of accumulated gains and losses (debt instruments).
- Financial assets designated at fair value through other comprehensive income, without reclassification of accumulated gains and losses on derecognition (equity instruments).
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instrument)

The Company and its subsidiaries measure their financial assets at amortized cost if both of the following conditions are met:

- The financial asset is maintained within a business model whose objective is to maintain financial assets in order to receive contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to cash flows that exclusively comprise payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method, and are subject to impairment. Gains and losses are recognized in profit or loss when the assets are derecognized, modified or impaired.

The financial assets of the Company and its subsidiaries at amortized cost include trade accounts receivable and related-party receivables.

Financial assets measured at fair value through profit or loss

These include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if acquired to be sold in the short term. Derivatives, including embedded derivatives that are not closely related to the host contract and that must be separated, are also classified as held for trading unless they are classified as effective hedging instruments. Financial assets with cash flows that are not exclusively payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value, with related gains and losses recognized in the statement of profit or loss.

Embedded derivatives in a hybrid contract with a financial liability are separated from the liability and accounted for as a stand-alone derivative if: (a) the characteristics and economic risks are not closely related to the characteristics and economic risks of the host contract; (b) the stand-alone instrument, with the same terms of the embedded derivative, meets the definition of derivative; (c) the hybrid contract is not measured at fair value, with changes in fair value recognized in profit or loss. Embedded derivatives are measured at fair value, with a change in the terms of the contract that significantly modifies the cash flows that otherwise would be necessary, or the classification of a financial asset outside the “at fair value through profit or loss” category.

Derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The right to receive cash flows from the asset expires.
- The Company and its subsidiaries have transferred their rights to receive cash flows from the asset or assumed an obligation to fully pay cash flows received, without any significant delay, to a third party through a “pass-through” agreement, and (a) the Company substantially has transferred all risks and rewards of the asset or (b) the Company has neither substantially transferred nor maintained all risks and rewards relating to the asset, but has transferred the control over it.

When the Company transfers its rights to receive cash flows from an asset or enters into a pass-through agreement, it assesses if, and to what extent, it retains the ownership risks and rewards. When the Company has neither substantially transferred all risks and rewards of the asset, nor transferred the control over the asset, it continues to recognize the transferred asset to the extent of its continuing involvement. In this case, the Company also recognizes an associated liability. The transferred asset and the liability are measured in order to reflect the rights and obligations retained by Company.

The continuing involvement as a guarantee for the asset transferred is measured at the lower of (i) the asset value; and (ii) the maximum consideration received that the entity is required to refund (guarantee amount).

Impairment of financial assets

The Company assesses, at the statement of financial position date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment loss may include indication that the borrowing parties are going through significant financial hardship.

Expected credit losses

The Company determines the credit risk of a debt security by analyzing the history of payments, current financial and macroeconomic conditions of the counterparty, where applicable, assessing each security individually.

The Company's main operation is rendering parking services that are settled in cash or through major credit and debit cards existing in the market. The Company rates the credit risk as low.

The maximum period considered for the expected credit losses is the maximum contractual period, over which the Company is exposed to credit risk.

ii) <u>Financial liabilities</u>

Initial recognition and measurement

Upon initial recognition, financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and financing, or as derivatives classified as hedging instruments. The Company determines the classification of financial liabilities upon initial recognition.

Financial liabilities are initially recognized at fair value plus, in the case of loans and financing, transaction costs directly attributable thereto.

The Company's financial liabilities include: trade accounts payable, other accounts payable, loans and financing, related parties, and derivative financial instruments.

Subsequent measurement

For subsequent measurement purposes, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortized cost.

Subsequent measurement of financial liabilities depends on their classification, which can be as follows:

<u>Financial liabilities at fair value through profit or loss</u>

These include financial liabilities held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

Financial liabilities are classified as held for trading if acquired to be sold within short term. This category includes derivative financial instruments taken out by the Company that do not meet the hedge accounting criteria, defined by CPC 48 (IFRS 9). Derivatives, including embedded derivatives that are not closely related to the host contract and that must be separated, are also classified as held for trading, unless they are classified as effective hedging instruments.

Gains and losses on liabilities held for trading are recognized in the statement of profit or loss.

At December 31, 2019 and 2018, the Company designated no financial liabilities at fair value through profit or loss. As at December 31, 2017 and January 1, 2017, the Company had recorded the liability described in Note 14 at fair value in its financial statements.

Loans, financing and non-convertible debentures

After their initial recognition, loans, financing and non-convertible debentures subject to interest are subsequently measured at amortized cost, under the effective interest method. Gains and losses are recognized in profit or loss when liabilities are derecognized, and through the amortization process by the effective interest method.

Derecognition

A financial liability is derecognized when the obligation under the liability is extinguished, i.e., when the obligation specified in the contract is discharged or canceled, or expires. When an existing financial liability is replaced with another one from the same lender, under substantially different terms, or the terms of an existing liability are substantially modified, such replacement or modification is addressed as a derecognition of the original liability and recognition of a new liability. The difference in respective carrying amounts is recognized in the statement of profit or loss.

2.13 Derivative financial instruments

The Company uses derivative financial instruments, such as swap contracts, to hedge against currency risk.

Derivative financial instruments are initially recognized at fair value on the date on which the derivative instrument is taken out and are subsequently restated at fair value. Derivative financial instruments are recorded as financial assets when the financial instrument fair value is positive, and as financial liabilities when fair value is negative.

Any gains or losses deriving from changes in fair value of derivatives for the year are posted directly to profit or loss.

2.14 Impairment of non-financial assets

Management annually reviews net carrying amount of assets to assess events or changes in economic, operating or technological circumstances which may indicate deterioration or impairment. When such evidence is identified and net carrying amount exceeds recoverable amount, a provision for impairment is set up to adjust the net carrying amount to the recoverable amount.

The recoverable amount of an asset or a cash generating unit (CGU) is defined as the higher of value in use and fair value less costs to sell. This CGU should not be larger than a segment.

In estimating value in use of an asset item, estimated future cash flows are discounted to present value at a pre-tax discount rate reflecting the weighted average capital cost for the company in which the cash generating unit operates. Net sales are determined, whenever possible, based on a firm sales agreement in an arm's length transaction, between knowledgeable and interested parties, adjusted by expenses attributable to the asset sale or, when a firm sales agreement does not exist, based on market price of an active market, or on price of the most recent transaction with similar assets.

The following criterion is also adopted to test specific asset items for impairment:

Goodwill paid due to expected future profitability

Goodwill is annually tested for impairment (at December 31) or whenever circumstances indicate carrying amount impairment losses.

Intangible assets

Intangible assets with indefinite useful lives are annually tested for impairment at December 31, individually or at the cash-generating unit level, as applicable, or when circumstances indicate impairment.

2.15 Cash and cash equivalents

Cash equivalents are held so as to meet short-term cash commitments, for investment or other purposes. The Company considers cash equivalents a short-term investment readily convertible into a known amount of cash and subject to an insignificant risk of change in value, redeemable from the issuer. Therefore, an investment usually qualifies as a cash equivalent when it has short-term maturity from the investment date, and when there is no risk that its settlement value will be reduced if realized before maturity. The breakdown of these balances is stated in Note 5.

2.16 Financial liabilities convertible into shares

Convertible preferred shares are segregated into components of the financial liability convertible into common shares and of derivatives based on contractual terms.

When issuing convertible preferred shares, the fair value of the liability component is determined using a market rate for an equivalent nonconvertible debt security. This amount is classified as a financial liability measured at amortized cost (net of transaction costs) until it is eliminated in the conversion or redemption.

The remaining amounts are allocated to the conversion option recognized and included in the derivatives, net of transaction costs. The carrying amount of the conversion option is revalued in subsequent years.

Transaction costs are allocated to the components of the liability and of the derivative of convertible preferred shares, based on the allocation of amounts at initial recognition of the instruments that were converted in November 2018, as described in Note 23.

2.17 Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that economic benefits will be required to settle the obligation and such obligation can be reliably estimated. When the Company is expected to fully or partially reimburse a provision – in virtue of an insurance contract, for example, such reimbursement is recognized as a separate asset item, but only when the amount is more likely than not to be reimbursed. The expense relating to any provision is stated in profit or loss, net of any reimbursement.

Provisions for contingencies

The Company is a party to certain legal and administrative proceedings. Provisions are set up for all legal proceeding-related contingencies, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably measured. Assessment of the likelihood of loss includes an analysis of available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance to the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted considering changes in circumstances, such as applicable period of limitation, tax audit conclusions or additional exposures identified based on new court matters or rulings.

2.18 Employee benefits

The Company grants benefits to its employees, including life insurance, healthcare, profit sharing, and other benefits, accounted for on an accrual basis, and ceased upon termination of their employment relationship with the Company.

Profit sharing

Amounts corresponding to employee benefits resulting from profit sharing are recognized as labor obligations, in liabilities. For the program, there is a formal plan and amounts to be paid therefor can be reasonably estimated, prior to the time of financial statements preparation, and settled in the short term.

Post-employment benefits

The Company has no tax deductible pension plan such as the PGBL private pension plan (PGBL) and/or life insurance coverage (VGBL), during or post-employment, or any defined contribution benefit.

2.19 Transactions involving share-based payment

The Company provides its executives with share-based payment plans to be settled solely with its own shares. Plans are measured at fair value on the grant date. To determine fair value, the Company uses the appropriate valuation technique, as detailed in Note 33.

The cost of share-based payment transactions is recognized, together with a corresponding increase in equity (as “Instruments granted - Stock options”), over the period in which the service condition is fulfilled, ending on the date the employee becomes entitled to the premium (vesting date). The cumulative expense recognized for the share-based payment transactions at each base date, until the vesting date, reflects the extent to which the vesting period has expired and the Company's best estimate of the number of shares to be acquired. The expense or credit in profit or loss for the year is carried as “administrative expenses”.

At December 31, 2019, there were grants as described in Note 33. There were no grants for the years ended December 31, 2018 and 2017.

2.20 Present value adjustment of assets and liabilities

Elements integrating assets and liabilities deriving from long- or short-term transactions, where there are significant effects, are adjusted to present value based on the discount rates that reflect the best current market valuations. Management analyzed the amounts of assets and liabilities and identified no balances and transactions for which present value adjustment is applicable and significant for the purposes of the financial statements.

2.21 Investment properties

The Company’s investment properties are recorded at acquisition cost, which does not exceed their net realizable value, and are stated in noncurrent assets. The fair value of each property is disclosed in Note 8.

Investment properties are valued at historical cost less accumulated depreciation over a 50-year useful life.

Investment properties are written off when sold or when they are no longer permanently used and no future economic benefit from the disposal thereof is expected. The difference between net proceeds obtained from sale and the carrying amount of the asset is recognized in profit or loss for the year such investment properties were written off. The amount to be included in the statement of profit or loss is determined in accordance with the requirements to determine the transaction price in CPC 47 (IFRS 15) – Revenue from contracts with customers.

Transfers are made to or from the investment property account only when there is a change in the use thereof. If a property occupied by its owner becomes an investment property, the Company and its subsidiaries record the referred to property in accordance with the practice described in the property and plant item below through that date of change in use.

2.22 Cost of loans, financing and debentures

Loans and financing taken out and debentures issued are initially recognized at fair value upon receipt of funds, net of transaction costs. They are subsequently measured at amortized cost, under the effective interest method. Gains and losses are recognized in the statement of profit or loss during the process of amortization under the effective interest method.

2.23 Leases

The Company assesses, at the inception date, whether an agreement is or contains a lease. That is if the agreement transfers the right to control the use of an identified asset for a period of time in exchange for consideration. Refer to the effects of the adoption of CPC 06 (R2) IFRS 16 – Leases in Note 2.28.

<u>Company as a lessee</u>

The Company applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets that represent the right to use the underlying assets.

Right-of-use assets

The Company recognizes the right-of-use assets on the lease inception date (that is, on the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any new remeasurements of lease liabilities. The cost of right-of-use assets includes the amount of recognized lease liabilities, initial direct costs incurred and lease payments made up to the inception date, less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis, in accordance with their contractual terms.

Right-of-use assets are also subject to impairment. See accounting policies for impairment of non-financial assets in Note 2.14.

Lease liabilities

On the lease inception date, the Company recognizes lease liabilities measured at the present value of lease payments to be made during the lease term (actual discounted cash flow). Lease payments include fixed payments (including, substantially, fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate (such as inflation added to lease liabilities and right of use when applied on the lease adjustment base date), and expected amounts to be paid under residual value guarantees. Lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of early lease termination fees, if the lease term reflects the Company exercising the option to terminate the lease.

Variable lease payments that do not depend on an index or rate, usually percentages of net revenue on services provided by the Company, and are recognized as costs of services in the period in which the event or condition that generates these payments occurs.

When calculating the present value of lease payments, the Company uses its incremental borrowing rate (nominal rate) at the inception date because the interest rate implicit in the lease is not easily determinable. After the inception date, the amount of the lease liability is increased to reflect the increase in interest and reduced to reflect lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, an alteration in lease payments (for example, changes in future payments as a result of a change in an index or rate used to determine such lease payments) or an alteration in the assessment of a purchase option of the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. leases with a lease term of 12 months or less from the inception date with no purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment considered to be of low value (the Company has a policy of considering low-value assets those that, when new, are equal to or less than R$ 20). Short-term lease and low-value lease payments are recognized as an expense using the straight-line method over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Lease revenue is accounted for on a straight-line basis over the lease period, and is included in revenues, in the statement of profit or loss, given its operating nature. Initial direct costs incurred in negotiating operating lease agreements are added to the carrying amount of the leased asset, and recognized over the lease term, similarly to lease revenue. Contingent lease is recognized as income to the extent it is received.

2.24 Basic and diluted earnings per share

The Company calculates basic earnings (loss) per share using the weighted average number of total shares available during the period corresponding to profit or loss according to accounting pronouncement CPC 41 - Earnings per Share (IAS 33), see Note 27.

Diluted earnings (loss) per share are calculated similarly to the basic earnings (loss) per share, except that shares that are not outstanding are added, to include the number of additional shares that would be outstanding had the potentially dilutive shares attributed to the stock options and redeemable non-controlling shares been issued for the respective periods using the weighted average price of the shares.

Data on basic and diluted earnings (loss) per share is based on the weighted average number of outstanding shares for the year, and all potentially dilutive outstanding shares for each year presented, respectively.

2.25 Statements of cash flows and value added

The statements of cash flows were prepared using the indirect method and are presented in accordance with Accounting Pronouncement CPC 03 (R3) – Statement of Cash Flows (IAS 7). The Company presents its loan, financing and lease liability interest payments as financing activities.

The Brazilian Corporation Law required that publicly-held companies present the statement of value added as part of the set of its financial statements. Such statement is not required for IFRS purposes. As a result, said statement is presented as supplementary information, without prejudice to the set of financial statements. This statement is intended to evidence the wealth created by the Company, and distribution thereof over the years presented.

The statement of value added was prepared based on information obtained from accounting records based on which the financial statements were prepared and on the provisions of accounting pronouncement CPC 09 - Statement of Value Added.

2.26 Segment information

Operating segment information is stated consistently with the internal reports provided to the chief operating decision-maker.

An operating segment is defined as a component of a Company that operates in business activities from which revenue can be generated and expenses incurred. Each operating segment is directly responsible for the revenues and contribution margin related to its operations. The chief operating decision maker assesses each operating segment performance using information on its revenue and contribution margin, rather than assessing operations using information on assets and liabilities.

Segments reported are Leased and Managed Locations, Owned Locations, Concessions - On and Off-Street, Long-term Contracts, and Others.

Significant accounting information on the segments above is disclosed in Note 28.

2.27 Adoption of new pronouncements, amendments and interpretations to pronouncements issued by the IASB and Brazilian Accounting Pronouncements Committee ("CPC") and published standards in effect

The following standards, amendments to standards and interpretations to IFRS issued by the IASB and Brazilian Accounting Pronouncements Committee ("CPC") were early adopted by the Company as of January 1, 2017 due to the adoption of IFRS 16 (CPC 06 (R2)) using the full retrospective method.

Revenue from contracts with customers – IFRS 15 (CPC 47) (effective from 2018): establishes the principles of nature, amount, timeliness and uncertainty of revenue and cash flow arising from a contract with a customer.

(In thousands of reais - R$)

The Company and its direct and indirect subsidiaries provide parking services to monthly and short-stay parking customers, supply workforce, manage parking lots and operate pay-and-display areas, and revenues earned therefrom are presented on a net basis and recognized in the statement of profit or loss when it is probable that the economic benefits flowed to the Company and its direct and indirect subsidiaries and their amounts could be reliably measured.

Revenues from monthly and short-stay parking customers are recognized based on the parking lot services provided. Revenues from provision of workforce and parking management services are recognized at the end of each month upon calculation of the amounts to be billed for services rendered incurred. Revenues from operation of pay-and-display areas are recognized when pay-and-display machines are used; amounts are collected on a daily basis. Revenues from agents with Silent Partnerships ("SCP") and Consortia are recognized at the end of month upon determination of monthly amounts for the services rendered incurred.

The Company completed the assessment and identified no impacts on its financial statements for the years ended December 31, 2018 and 2017 presented for comparison purposes.

Financial Instruments – IFRS 9 (CPC 48) (effective from 2018):

a) Classification and measurement of financial assets and liabilities

IFRS 9 contains a new approach to classify and measure financial instruments that contains three main categories: measured at amortized cost; at fair value through other comprehensive income ("FVTOCI") and at fair value through profit or loss ("FVTPL"). The standard also eliminates existing IAS 39 categories held to maturity, held for trading loans and receivables and available for sale.

This change generated no retrospective impact on the measurement of the Company's financial assets.

The Company and its subsidiaries assessed the classification and measurement of its financial assets and liabilities:

	Consolidated		January 01, 2017		
	Original classification in accordance with CPC 38/IAS 39		New classification in accordance with CPC 48/IFRS 9		
	Category	**Carrying amount**	**Measured at fair value through profit or loss**	**Measured at fair value through other comprehensive income**	**Amortized cost**
Financial assets					
Cash and cash equivalents	Fair value through profit or loss	394,640	394,640	-	-
Trade accounts receivable	Loans and receivables	50,960	-	-	50,960
Related parties	Loans and receivables	25,340	-	-	25,340
Financial liabilities					
Trade accounts payable	Amortized cost	113,194	-	-	113,194
Related parties	Amortized cost	4,943	-	-	4,943
Loans and financing	Amortized cost	113,212	-	-	113,212
Debentures	Amortized cost	396,439	-	-	396,439
Accounts payable for investments made	Amortized cost	37,534	-	-	37,534

(In thousands of reais - R$)

	Consolidated		December 31, 2017		
	Original classification in accordance with CPC 38/IAS 39		New classification in accordance with CPC 48/IFRS 9		
	Category	Carrying amount	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Amortized cost
Financial assets					
Cash and cash equivalents	Fair value through profit or loss	198,065	198,065	-	-
Trade accounts receivable	Loans and receivables	57,507	-	-	50,960
Related parties	Loans and receivables	22,730	-	-	22,730
Financial liabilities					
Trade accounts payable	Amortized cost	51,877	-	-	51,887
Related parties	Amortized cost	3,354	-	-	3,354
Loans and financing	Amortized cost	53,550	-	-	53,550
Debentures	Amortized cost	331,543	-	-	331,543
Accounts payable for investments made	Amortized cost	15,605	-	-	15,605

	Consolidated		December 31, 2018		
	Original classification in accordance with CPC 38/IAS 39		New classification in accordance with CPC 48/IFRS 9		
	Category	Carrying amount	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Amortized cost
Financial assets					
Cash and cash equivalents	Fair value through profit or loss	41,300	41,300	-	-
Trade accounts receivable	Loans and receivables	54,204	-	-	54,204
Related parties	Loans and receivables	21,431	-	-	21,431
Financial liabilities					
Trade accounts payable	Amortized cost	64,979	-	-	64,979
Related parties	Amortized cost	1,426	-	-	1,426
Loans and financing	Amortized cost	132,929	-	-	132,939
Debentures	Amortized cost	176,276	-	-	176,276
Accounts payable for investments made	Amortized cost	8,657	-	-	8,657

b) Allowance for expected credit losses

The Company and its subsidiaries assessed their expected credit losses for trade accounts receivable, considering, upon initial recognition, the expected credit losses and applying the simplified approach. The Company determined that the application of impairment loss requirements of CPC 48/IFRS 9 at January 1, 2017, did not result in any additional allowance. For the period ended December 31, 2017 and 2018, the Company computed R$0 and R$281, respectively.

Adoption IFRS 9 (CPC 48) had no significant effects on accounting policies other than the allowance for expected credit losses for trade accounts receivable.

IFRS 16 (CPC 06 (R2)) - Leases (effective from 2019):

This new standard establishes the principles for recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single model on the statement of financial position, in a similar way to finance leases under IAS 17 (CPC 06 (R1)). The standard includes two recognition exemptions for lessees - leases of “low-value” assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the lease inception date, the lessee recognizes a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset over the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees should also remeasure the lease liability if certain events occur (for example, a change in the lease term, a change in future lease payments as a result of change in an index or rate used to determine such payments). In general, the lessee will recognize the amount of the remeasurement of the lease liability as an adjustment of the right-of-use asset.

There is no substantial change in lessor accounting based on IFRS 16 (CPC 06 (R2)) in relation to the current accounting under IAS 17 (CPC 06 (R1)). Lessors will continue to classify all leases in accordance with the same IAS 17 (CPC 06 (R1)) classification principle, distinguishing them between two types: operating and finance leases.

In 2018, the Company collected and analyzed the data required for the application of IFRS 16 as of January 1, 2019. The Company implemented software to ensure fully integrated operational and financial monitoring of these leases.

The Company decided to adopt the full retrospective approach as a transition method as of January 1, 2019, and prospectively from the beginning of the first practicable period.

The Company elected to use the exemptions proposed by the standard for lease agreements whose term expires within 12 months from the initial adoption date, and lease agreements whose underlying assets are of low value. The Company has leases of certain office and operational equipment (such as printers, copiers and radios) that are considered to be of low value.

Leases not included in the initial assessment of the liability (e.g. variable leases) are classified as operating expenses, as well as charges related to short-term and low-value leases.

At a lease inception, the agreements are recorded as Lease Liability (Note 15) matched against the Right of Use (Note 10), both at the present value of the minimum lease payments, using the implicit nominal interest rate of the agreement, whether it can be used, or incremental interest rate considering loans obtained by the Company over similar terms and subject to similar collaterals.

The lease term will be the legally applicable period of the agreement and will take into consideration the termination and renewal options by court, the use of which is reasonably certain by the Company.

Subsequently, the payments made are segregated between finance charges and reduction of the lease liability, so as to obtain a constant interest rate in the liability balance. Finance charges are recognized as finance costs for the period.

The discount rate used to calculate the right of use and the lease liability was determined based on historical data attributable to the Company and/or directly observable from the market.

With the decision to adopt the full retrospective approach of CPC 06 (R2)/IFRS 16 - Leases, the effects of the comparative financial statements are shown in Note 2.28.

IFRIC 23 (ICPC 22) - Uncertainty over income tax treatments (effective from 2019)

Interpretation IFRIC 23 (ICPC22) clarifies how to apply CPC 32 recognition and measurement requirements when there is uncertainty over income tax treatments. Company management should recognize and measure current or deferred tax assets or liabilities by applying CPC 32 requirements based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits, and determined tax rates, using this interpretation. In situations in which certain tax treatments are uncertain, the Company should define the likelihood of acceptance by tax authorities and present them separately, calculating contingencies, if any, if it concludes that tax authorities are not likely to accept such treatment.

Management believes that there were no significant impacts resulting from this interpretation, as all procedures adopted to compute and pay income taxes are supported by the legislation, court precedents, legal and administrative.

There are no other standards or interpretations issued and not yet adopted that may, based on management's opinion, have a significant impact on profit or loss or equity reported by the Company.

2.28 Restatement of financial statements

The individual and consolidated financial statements for the year ended December 31, 2018 and 2017, originally issued on December 5, 2019, are being restated in accordance with CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8) and CPC 26 (R1) - Presentation of Financial Statements (IAS 1), to include in their individual and consolidated statements of financial position, as at December 31, 2018 and 2017 and December 01, 2017 and corresponding statements of profit or loss, of comprehensive income, of changes equity, of cash flows and of value added for the years ended December 31, 2018 and 2017: (i) the impacts arising from the adoption of CPC 06 (R2) / IFRS 16 – Leases and CVM SNC/SEP Circular Letter Nº 02/2019 - Guidance on the application of CPC 06 (R2) - Leases, (ii) correction of certain errors and other reclassifications for a better presentation of the financial statements, (iii) as well as to demonstrate the effect from the conversion of preferred shares into common shares and the stock split that occurred on February 11, 2020, in accordance with Note 34.1.

In addition, in view of the application for registration as a publicly-held company with the Securities and Exchange Commission - CVM in which the Company is included and in line with OCPC07 - Disclosure of General Purpose Financial Statements, the Company is also restating the other explanatory notes for the benefit of its users.

The effects of adjustments and reclassifications are as follows:

(In thousands of reais - R$)

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	Individual											
	12/31/2018				12/31/2017				01/01/2017			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Prepaid leases	4,386	-	(1,119)	3,267	5,118	-	(1,998)	3,120	5,166	-	(52)	5,114
Total current assets	124,793	-	(1,119)	123,674	280,598	-	(1,998)	278,600	437,049	-	(52)	436,997
Prepaid leases	4,974	-	(4,974)	-	6,721	-	(6,721)	-	7,945	-	(7,945)	-
Investments	288,408	-	(56,113)	232,295	174,881	-	(45,323)	129,558	180,487	-	(31,598)	148,889
Right of use	-	-	463,944	463,944	-	-	490,200	490,200	-	-	499,791	499,791
Total noncurrent assets	1,039,300	-	402,857	1,442,157	891,903	-	438,156	1,330,059	919,906	-	460,248	1,380,154
	1,164,093	-	401,738	1,565,831	1,172,501	-	436,158	1,608,659	1,356,955	-	460,196	1,817,151

	Consolidated											
	12/31/2018				12/31/2017				01/01/2017			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Taxes recoverable	40,340	-	(1)	40,339	30,189	-	-	30,189	26,955	-	-	26,955
Prepaid leases	4,400	-	(182)	4,218	5,818	-	(1,061)	4,757	6,072	-	885	6,957
Other receivables	1,607	-	2	1,609	1,425	-	(1)	1,424	1,214	-	-	1,214
Total current assets	171,287	-	(181)	171,106	345,254	-	(1,062)	344,192	513,264	-	885	514,149
			-									
			-									
Prepaid leases	4,974	-	(4,974)	-	6,721	-	(6,721)	-	8,485	-	(8,485)	-
Investments	29,331	(384)	-	28,947	6,333	(384)	-	5,949	26,401	(384)	-	26,017
Right of use	-	-	694,083	694,083	-	-	750,974	750,974	-	-	775,997	775,997
Total noncurrent assets	1,152,719	(384)	689,109	1,841,444	1,008,847	(384)	744,253	1,752,716	1,056,303	(384)	767,512	1,823,431
	1,324,006	(384)	688,928	2,012,550	1,354,101	(384)	743,191	2,096,908	1,569,567	(384)	768,397	2,337,580

(In thousands of reais - R$)

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	Individual											
	12/31/2018				12/31/2017				01/01/2017			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Liabilities and equity												
Current liabilities												
Lease liability	-	-	124,473	124,473	-	-	124,348	124,348	-	-	114,679	114,679
Total current liabilities	338,443	-	124,473	462,916	433,056	-	124,348	557,404	608,263	-	114,679	722,942
Noncurrent liabilities							-				-	
Lease liability	-	-	440,053	440,053	-	-	444,981	444,981	-	-	441,505	441,505
Total noncurrent liabilities	64,599	-	440,053	504,652	558,160	-	444,981	1,003,141	530,377	-	441,505	971,882
Total liabilities	403,042	-	564,526	967,568	991,216	-	569,329	1,560,545	1,138,640	-	556,184	1,694,824
Equity												
Capital reserve	774,302	1,242	-	775,544	221,964	1,242	-	223,206	221,964	1,242	-	223,206
Accumulated losses	(225,404)	(1,242)	(162,788)	(389,434)	(202,832)	(1,242)	(133,171)	(337,245)	(165,802)	(1,242)	(95,988)	(263,032)
Total equity	761,051	-	(162,788)	598,263	181,285	-	(133,171)	48,114	218,315	-	(95,988)	122,327
Non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-
	761,051	-	(162,788)	598,263	181,285	-	(133,171)	48,114	218,315	-	(95,988)	122,327
Total liabilities and equity	1,164,093	-	401,738	1,565,831	1,172,501	-	436,158	1,608,659	1,356,955	-	460,196	1,817,151

	Consolidated											
	12/31/2018				12/31/2017				01/01/2017			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (ii)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Liabilities and equity												
Current liabilities												
Lease liability	-	-	189,688	189,688	-	-	189,139	189,139	-	-	177,219	177,219
Total current liabilities	375,896	-	189,688	565,584	470,025	-	189,139	659,164	687,296	-	177,219	864,515
Noncurrent liabilities												
Lease liability	-	-	661,751	661,751	-	-	686,906	686,906	-	-	686,848	686,848
Total noncurrent liabilities	175,884	-	661,751	837,636	692,453	-	686,906	1,379,358	660,696	-	686,848	1,347,544
Total liabilities	551,780	-	851,439	1,403,220	1,162,478	-	876,045	2,038,522	1,347,992	-	864,067	2,212,059
Equity												
Capital reserve	774,302	1,242	-	775,544	221,964	1,242	-	223,206	221,964	1,242	-	223,206
Accumulated losses	(225,404)	(1,626)	(162,404)	(389,434)	(202,832)	(1,626)	(132,787)	(337,245)	(165,802)	(1,626)	(95,604)	(263,032)
Total equity	761,051	(384)	(162,404)	598,263	181,285	(384)	(132,787)	48,114	218,315	(384)	(95,604)	122,327
Non-controlling shareholders	11,175	-	(108)	11,067	10,338	-	(66)	10,272	3,260	-	(66)	3,194
	772,226	(384)	(162,512)	609,330	191,623	(384)	(132,853)	58,386	221,575	(384)	(95,670)	125,521
Total liabilities and equity	1,324,006	(384)	688,928	2,012,550	1,354,101	(384)	743,191	2,096,908	1,569,567	(384)	768,397	2,337,580

(In thousands of reais - R$)

AONDE QUER QUE VOCÊ VÁ,

Statements of profit or loss

Individual

	12/31/2018 Balances originally stated	12/31/2018 Effects of retrospective adoption of IFRS 16 (ii)	12/31/2018 Restated	12/31/2017 Balances originally stated	12/31/2017 Effects of retrospective adoption of IFRS 16 (ii)	12/31/2017 Restated
Net revenue from services	774,866	-	774,866	748,085	-	748,085
Cost of services	(605,460)	49,209	(556,251)	(589,659)	45,895	(543,764)
Gross profit	169,406	49,209	218,615	158,426	45,895	204,321
Operating income (expenses)						
General and administrative expenses	(82,561)	2,000	(80,561)	(61,710)	2,127	(59,583)
Amortization of intangible assets	(55,540)	-	(55,540)	(50,602)	-	(50,602)
Other operating income (expenses), net	10,905	1	10,906	10,085	(1)	10,084
Equity pickup	13,492	(10,790)	2,702	(17,775)	(13,725)	(31,500)
	(113,704)	(8,789)	(122,493)	(120,002)	(11,599)	(131,601)
Operating income before finance income (costs)	55,702	40,420	96,122	38,424	34,296	72,720
Finance income (costs), net						
Finance income	44,308	-	44,308	52,301	-	52,301
Finance costs	(124,184)	(70,037)	(194,221)	(127,752)	(71,479)	(199,231)
	(79,876)	(70,037)	(149,913)	(75,451)	(71,479)	(146,930)
Loss before income and social contribution taxes	(24,174)	(29,617)	(53,791)	(37,027)	(37,183)	(74,210)
Income and social contribution taxes						
Current	-	-	-	-	-	-
Deferred	1,602	-	1,602	(3)	-	(3)
	1,602	-	1,602	(3)	-	(3)
Loss for the year	(22,572)	(29,617)	(52,189)	(37,030)	(37,183)	(74,213)
Earnings per share						
Basic – common shares	(0.1910)	(0.2507)	(0.4417)	(0.3882)	(0.3396)	(0.6778)
Diluted – common shares	(0.1910)	(0.2507)	(0.4417)	(0.3882)	(0.3396)	(0.6778)

Consolidated

	12/31/2018 Balances originally stated	12/31/2018 Effects of retrospective adoption of IFRS 16 (ii)	12/31/2018 Restated	12/31/2017 Balances originally stated	12/31/2017 Effects of retrospective adoption of IFRS 16 (ii)	12/31/2017 Restated
Net revenue from services	979,233	-	979,233	952,194	-	952,194
Cost of services	(781,257)	78,119	(703,138)	(766,051)	75,441	(690,610)
Gross profit	197,976	78,119	276,095	186,143	75,441	261,584
Operating income (expenses)						
General and administrative expenses	(99,529)	2,000	(97,529)	(74,023)	2,127	(71,896)
Amortization of intangible assets	(69,952)	-	(69,952)	(66,238)	-	(66,238)
Other operating income (expenses), net	43,372	1	43,373	4,248	-	4,248
Equity pickup	1,152	-	1,152	1,210	-	1,210
	(124,957)	2,001	(122,956)	(134,803)	2,127	(132,676)
Operating income before finance income (costs)	73,019	80,120	153,139	51,340	77,568	128,908
Finance income (costs), net						
Finance income	47,762	-	47,762	53,332	-	53,332
Finance costs	(140,637)	(109,779)	(250,416)	(136,020)	(114,751)	(250,771)
	(92,875)	(109,779)	(202,654)	(82,688)	(114,751)	(197,439)
Loss before income and social contribution taxes	(19,856)	(29,659)	(49,515)	(31,348)	(37,183)	(68,531)
Income and social contribution taxes						
Current	(2,450)	-	(2,450)	(2,908)	-	(2,908)
Deferred	1,602	-	1,602	-	-	-
	(848)	-	(848)	(848)	(2,060)	(2,908)
Loss for the year	(20,704)	(29,659)	(50,363)	(34,256)	(37,183)	(71,439)
Earnings per share						
Basic – common shares	(0.1910)	(0.2507)	(0.4417)	(0.3882)	(0.3396)	(0.6778)
Diluted – common shares	(0.1910)	(0.2507)	(0.4417)	(0.3882)	(0.3396)	(0.6778)

(In thousands of reais - R$)

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Statements of cash flows:

	Individual				Consolidated			
	12/31/2018				12/31/2018			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Loss before income and social contribution taxes	(24,174)	-	(29,617)	(53,791)	(19,856)	-	(29,659)	(49,515)
Non-cash adjustments:								
Depreciation of right-of-use asset	-	-	68,337	68,337	-	-	101,302	101,302
Gain/(loss) – right-of-use / Leases - IFRS 16	-	-	(157)	(157)	-	-	(157)	(157)
Equity pickup	(13,492)	-	10,790	(2,702)	(1,152)	-	-	(1,152)
Provision for interest	107,926	-	74,995	182,921	123,169	-	117,654	240,823
(Increase) decrease in assets and liabilities:								
Taxes recoverable	(8,670)	9,250	-	580	(15,089)	9,250	-	(5,839)
Trade accounts payable	1,901	-	-	1,901	5,584	-	-	5,584
Net cash provided by operating activities	122,353	9,250	124,348	255,951	139,293	9,250	189,140	337,683
Cash flows from investing activities:								
Acquisition of intangible assets	(58,403)	(9,250)	-	(67,653)	(162,763)	(9,250)	-	(172,013)
Net cash used in investing activities	(179,926)	(9,250)	-	(189,176)	(184,822)	(9,250)	-	(194,072)
Cash flow from financing activities:								
Repayment of principal and interest on leases	-	-	(124,348)	(124,348)	-	-	(189,139)	(189,139)
Net cash from (used in) financing activities	(87,087)	-	(124,348)	(211,435)	(111,236)	-	(189,139)	(300,375)
Net decrease in cash and cash equivalents	(144,660)	-	-	(144,660)	(156,765)	-	-	(156,764)

(In thousands of reais - R$)

AONDE QUER QUE VOCÊ VÁ,

	Individual				Consolidated			
	12/31/2017				12/31/2017			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Loss before income and social contribution taxes	(37,028)	-	(37,183)	(74,211)	(31,348)	-	(37,183)	(68,531)
Non-cash adjustments:								
Depreciation of right-of-use asset	-	-	66,236	66,236	-	-	99,154	99,154
Gain/(loss) – right-of-use / Leases - IFRS 16	-	-	808	808	-	-	682	682
Equity pickup	17,775	-	13,725	31,500	(1,210)	-	-	(1,210)
Provision for interest	116,889	-	76,234	193,123	122,946	-	122,446	245,392
(Increase) decrease in assets and liabilities:								
Taxes recoverable	1,702	-	-	1,702	345	-	-	345
Trade accounts payable	(64,444)	68,000	-	3,556	(65,804)	68,000	-	2,196
Net cash from operating activities	80,453	68,000	119,820	268,273	110,470	68,000	185,098	363,568
Cash flows from investing activities:								
Acquisition of intangible assets	(26,794)	(68,000)	-	(94,794)	(28,603)	(68,000)	-	(96,603)
Net cash used in investing activities	(97,371)	(68,000)	-	(165,371)	(84,634)	(68,000)	-	(152,634)
Cash flow from financing activities:								
Repayment of principal and interest on leases	-	-	(119,820)	(119,820)	-	-	(185,098)	(185,098)
Net cash from (used in) financing activities	(164,817)	-	(119,820)	(284,637)	(222,411)	-	(185,098)	(407,509)
Net decrease in cash and cash equivalents	(181,735)	-	-	(181,735)	(196,575)	-	-	(196,575)

(In thousands of reais - R$)

AONDE QUER QUE VOCÊ VÁ, ESTAPAR

Statements of value added

	Individual				Consolidated			
	12/31/2018				12/31/2018			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Inputs acquired from third parties	(591,098)	-	124,505	(466,593)	(755,610)	-	189,296	(566,314)
Depreciation and amortization	(71,829)	-	(68,337)	(140,166)	(98,726)	-	(101,302)	(200,028)
Equity pickup	13,492	-	(10,790)	2,702	1,152	-	-	1,152
Total value added to be distributed	291,987	-	45,377	337,364	327,749	-	87,994	415,743
Distribution of value added	291,987	-	45,377	337,364	327,749	-	87,994	415,743
Debt remuneration	123,491	-	74,995	198,486	139,945	-	117,654	257,599
Loss for the year	(22,572)	-	(29,617)	(52,189)	(20,704)	-	(29,660)	(50,364)

	Individual				Consolidated			
	12/31/2017				12/31/2017			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Inputs acquired from third parties	(561,597)	-	119,012	(442,585)	(719,515)	-	184,417	(535,098)
Depreciation and amortization	(78,663)	-	(66,236)	(144,899)	(112,774)	-	(99,154)	(211,928)
Equity pickup	(17,775)	-	(13,725)	(31,500)	1,210	-	-	1,210
Total value added to be distributed	264,888	-	39,052	303,940	327,811	-	85,263	413,074
Distribution of value added	264,888	-	39,052	303,940	327,811	-	85,263	413,074
Debt remuneration	127,752	-	76,234	203,986	136,020	-	122,446	258,466
Loss for the year	(37,030)	-	(37,183)	(74,213)	(34,256)	-	(37,183)	(71,439)

(In thousands of reais - R$)

AONDE QUER QUE VOCÊ VÁ,

Statement of comprehensive income

	Individual				Consolidated			
	12/31/2018				12/31/2018			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Total comprehensive income for the year	(22,572)	-	(29,617)	(52,189)	(20,704)	-	(29,659)	(50,363)
Attributable to:								
Controlling shareholders					(22,572)	-	(29,617)	(52,189)
Non-controlling interests					1,868	-	(42)	1,827

	Individual				Consolidated			
	12/31/2017				12/31/2017			
	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated	Balances originally stated	Correction of errors (i)	Effects of retrospective adoption of IFRS 16 (ii)	Restated
Total comprehensive income for the year	(37,030)	-	(37,183)	(74,213)	(34,256)	-	(37,183)	(71,439)
Attributable to:								
Controlling shareholders					(37,030)	-	(37,183)	(74,213)
Non-controlling interests					(2,774)	-	-	(2,774)

(i) Reclassification of R$1,242 from “Capital reserves” to “Accumulated losses” and R$384 referring to the correction of reconciliation errors in “Investments” matched against “Accumulated losses” and reclassification in the statement of cash flow from operating activity to investing activity in the amount of R$68,000 due to cash effects related to the second installment of the Galeão airport grant and R$9,250 due to cash effects of the PIS and COFINS tax credits calculated on the Congonhas airport grant paid for better presentation. In addition, the Company corrected earnings (loss) per share, eliminating the anti-dilution effects of the diluted loss per share calculation.

(ii) Adoption of the full retrospective approach of CPC 06 (R2) /IFRS 16 – Leases.

2.29 Standards issued but not yet effective

CPC 11 – Insurance contracts

In May 2017, the IASB issued IFRS 17 - Insurance Contracts (a standard not yet issued by the Brazilian FASB (CPC), but which will be issued as CPC 50 - Insurance Contracts and will replace CPC 11 - Insurance Contracts), a new comprehensive standard for accounting for insurance contracts that includes recognition and measurement, presentation and disclosure. When it becomes effective, IFRS 17 will replace IFRS 4 – Insurance Contracts (IFRS 4), issued in 2005. IFRS 17 applies to all types of insurance contracts (life, non-life, direct insurance and reinsurance), regardless of the type of entity issuing them, as well as certain guarantees and financial instruments with discretionary participation characteristics. Certain scope exceptions apply. The general objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements of IFRS 4, which are largely based on local accounting policies in force in prior periods, IFRS 17 provides a comprehensive model for insurance contracts, including all significant accounting aspects. IFRS 17 focuses on the general model, complemented by:

- A specific adaptation to contracts with direct participation characteristics (variable rate approach);
- A simplified approach (premium allocation approach) mainly for short-term contracts.

A simplified approach (premium allocation approach) mainly for short-term contracts. IFRS 17 is effective for periods beginning on or after January 1, 2021, and presentation of comparative figures is required. Early adoption is permitted if the entity also adopts IFRS 9 and IFRS 15 on the same date or before the initial adoption of IFRS 17. This standard does not apply to the Company.

Amendments to CPC 15 (R1): Business definition

In October 2018, the IASB issued amendments to the definition of business in IFRS 3, which are reflected in review 14 of the CPC. These amendments to CPC 15 (R1) help entities determine whether or not an acquired set of activities and assets comprises a business. They clarify the minimum requirements for a company, eliminate the assessment of whether market participants are able to replace any missing element, include guidelines to help entities assess whether an acquired process is substantive, provide better business and product definitions and introduce an optional fair value concentration test. New illustrative cases were provided with the amendments. As the amendments are applied prospectively to transactions or other events that occur on the date or after the first application, the Company will not be affected by these changes on the transition date.

Amendments to CPC 26 (R1) and IAS 8: Definition of material omission

In October 2018, the IASB issued amendments to IAS 1 and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, which were reflected in review 14 of the CPC, amending CPC 26 (R1) and CPC 23 to align the definition of omission in all standards and information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of the general purpose financial statements make on the basis of those financial statements, which provide financial information on the entity's specific report. These amendments are not expected to have a significant impact on the Company's individual and consolidated financial statements.

3. Significant accounting judgments, estimates and assumptions

Judgments

Preparation of the individual and consolidated financial statements requires that management make judgments and estimates and adopt assumptions that affect those figures reported as revenues, expenses, assets and liabilities, as well as contingent liability disclosures. Management defines its accounting judgments, estimates and assumptions using the best information available at the date of the referred to financial statements, using its experience in past events, foreseeing future events, and engaging specialists, where applicable. Nevertheless, the uncertainty related to these assumptions and estimates may lead to results that would require a significant adjustment to the carrying amount of the affected asset or liability in future periods.

Estimates and assumptions

Key estimates and assumptions related to future estimate uncertainty sources and other significant estimate uncertainty sources as of the statement of financial position date, involving material risk of a significant adjustment to the carrying amount of assets and liabilities for the following financial year, were validated by management and are pointed out below:

Impairment of non-financial assets

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs to sell is based on information available on sales transactions of similar assets or market prices less additional costs for the disposal of the asset. Value in use is calculated by using the discounted cash flow method. Cash flows derive from a budget prepared for the following ten years and do not include reorganization activities not yet engaged by the Company or significant future investments that will improve the base of assets of the cash generating unit subject to testing. The recoverable amount is sensitive to the discount rate used under the discounted cash flow method, as well as expected future cash receipts, and to the growth rate used for extrapolation purposes.

Expected credit losses

The Company determines the credit risk of a debt security by analyzing the history of payments, current financial and macroeconomic conditions of the counterparty, where applicable, assessing each security individually.

The allowance matrix is initially based on the rates of the loss history observed by the Company. The Company reviews the matrix prospectively to adjust it according to its credit loss past experience. For example, if economic conditions for the following year are expected to deteriorate (e.g., GDP), which may lead to an increase in default in the service industry, the historical loss rates are adjusted. At every reporting date, the historical loss rates observed are adjusted and changes in prospective estimates are reviewed.

Assessment of the correlation between historical loss rates observed, expected economic conditions and expected credit losses are significant estimates. The amount of expected credit losses is sensitive to changes in circumstances and economic conditions. The Company's credit loss past experience and economic condition expectation may not represent the actual pattern for the client in the future. Information on expected credit losses of the Company's trade accounts receivable and contract assets are disclosed in Note 6.

Taxes

Tax credit recovery estimates and assumption are supported by taxable profit projections considering market, financial and business assumptions. Accordingly, these estimates are subject to uncertainties underlying such expectations.

Fair value of financial instruments

When the fair value of financial assets and liabilities in the statement of financial position cannot be obtained in active markets, it shall be determined through valuation techniques, including the discounted cash flow method. These methods use observable market data, whenever possible; otherwise, a given judgment call is required in order to determine the fair value.

Judgment includes consideration of the inputs used, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Provision for legal proceedings

The Company recognizes provision for tax, civil and labor claims. Assessment of the likelihood of loss includes an analysis of available evidence, the hierarchy of laws, available case law, the most recent court rulings and their relevance to the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted considering changes in circumstances, such as applicable period of limitation, tax audit conclusions or additional exposures identified based on new court matters or rulings.

(In thousands of reais - R$)

4. Business combinations

Prior-year acquisitions

In the years ended December 31, 2018 and 2017, the Company and investees WPA Park Participações S.A. and Capital Parking Estacionamentos de Veículos Ltda. conducted the following business combination operations, and definitively determined the fair values of identifiable assets acquired and liabilities assumed, as follows:

Company	Loop Final fair value	I-Park Final fair value	WPR Final fair value	Calvitium Final fair value
Assets				
Cash and cash equivalents	1,837	110	-	-
Trade accounts receivable	261	39	-	-
Taxes recoverable	207	85	-	-
Advances	-	223	-	-
Prepaid expenses	984	45	-	-
Other receivables	2,147	5	-	-
Intangible assets	1,408	1,333	-	9,579
Property and equipment	6,491	14,056	-	-
	13,335	**15,896**	**-**	**9,579**
Liabilities				
Trade accounts payable	359	411	-	-
Loans and financing	14,201	-	-	-
Advance from customers	-	20	-	-
Labor obligations	508	23	-	-
Tax obligations	230	63	22	-
Transactions with related parties	-	42	-	-
Future capital contribution	-	10,656	-	-
Other accounts payable	1,745	49	1,542	-
	17,043	**11,264**	**1,564**	**-**
Total identifiable assets, net	**(3,780)**	**4,632**	**(1,564)**	**9,579**
Bargain purchase	-	-	-	-
Non-controlling interests	72	-	-	-
Goodwill upon acquisition	3,708	-	1,564	421
Total consideration	**-**	**4,632**	**-**	**10,000**
Amount paid in 2018	**-**	**-**	**-**	**5,000**
Summary:				
Date of acquisition:	01/13/2017	06/30/2017	09/19/2017	12/20/2018
% of acquisition:	15.78%	13.59%	100.00%	100.00%
Industry:	Remarketing	Parking lot	Holding	Parking lot

Loop / WPR

On January 13, 2017, WPA acquired additional 15.78% of equity interest in Loop (see Note 9). The acquisition resulted in goodwill amounting to R$3,708, which was recognized in profit or loss for the period as “other operating income (expenses)” in Allpark.

On September 19, 2017, the Company acquired 100% of equity interest in WPR, by settling an intercompany loan receivable amounting to R$1,542.

Given this acquisition, WPA became a direct subsidiary of the Company. WPA, in its turn, held 75% of equity interest in Loop. With this operation, Loop became an indirect subsidiary of the Company.

Also in 2017, WPA and WPR merged into Allpark.

I-Park

On June 30, 2017, investee Capital acquired 13.59% of equity interest in I-Park (the Company already held 70% of its capital) and, therefore gained control over this investment. The acquisition was conducted through capital increase by Capital to the detriment of non-controlling interest dilution.

(In thousands of reais - R$)

Calvitium

On December 20, 2018, the Company acquired Calvitium. Amounts payable resulting from this acquisition are recorded as accounts payable for investment acquisition (Note 17).

Calvitium did not contribute to profit or loss for the period from the acquisition date through December 31, 2018.

Companies acquired in 2017 contributed with loss amounting to R$6,742 from the respective acquisition date through December 31, 2017 for the Company's profit or loss, of which R$3,367 refers to Loop and R$3,375 to I-Park.

5. Cash and cash equivalents

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Cash and banks	**9,977**	12,221	9,449	9,544	**12,934**	21,342	19,091	15,100
Bank deposit certificates (a)	**62,956**	4,323	10,449	100,234	**104,408**	15,067	36,929	145,640
Certificate account with lottery prizes (b)	**1,000**	718	-	-	**1,306**	1,008	-	-
Open-end investment funds (c)	**-**	21	142,045	233,900	**1,548**	3,883	142,045	233,900
	73,933	17,283	161,943	343,678	**120,196**	41,300	198,065	394,640

(a) Investments in Bank Deposit Certificates are restated at the average rate of 95.72% of the Interbank Deposit Certificate (CDI) (93.49% in 2018 and 60.00% in 2017).

(b) The redeemable amount of these certificates comprises a percentage of the lump sum payment, 93.49%, monthly restated on their anniversary dates for the base remuneration rate applied to the savings account, plus interest of 0.45% per month. The purpose of these certificates is accumulating certain capital, according to the approved plan, to be paid in local currency to their holder. The redeemable amount will be available to the holder within 15 days after the certificate term ends, or whenever requested by the certificate holder, in the event of early redemption.

(c) Refers to open-end investment funds. These funds are intended to obtain profitability in line with the CDI rate variation, with high degree of correlation of 100.00% (100.00% to 102.9% of CDI in 2018 and 2017). The fund risk profile is low, and there is no grace period for share redemption. Shares can be redeemed at any time from the issuer, without the risk of substantially losing yields. Part of the balances are related to funds with related parties, as described in Note 20.

(In thousands of reais - R$)

6. Trade accounts receivable

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Trade accounts receivable	**21,941**	18,343	22,755	19,009	**24,469**	19,961	25,361	22,562
Services rendered in events and guests	**1,500**	1,124	973	1,166	**1,521**	1,331	992	1,202
Agreements with "Tags"	**16,349**	16,849	14,854	14,360	**19,926**	18,276	16,952	16,101
Agreements and sponsorships	**1,863**	2,370	1,905	1,872	**1,863**	2,370	1,893	1,872
Debit and credit cards	**5,552**	7,179	7,285	5,317	**8,562**	10,850	10,927	7,558
Accounts receivable from franchisees	**1,862**	1,593	1,278	1,632	**1,962**	1,697	1,382	1,665
	49,067	47,458	49,050	43,356	**58,303**	54,485	57,507	50,960
Allowance for expected credit losses	**(250)**	(281)	-	-	**(250)**	(281)	-	-
	48,817	47,177	49,050	43,356	**58,053**	54,204	57,507	50,960

At December 31, 2019, 2018 and 2017, the aging list of trade accounts receivable, gross of estimated losses on doubtful accounts, is as follows:

Individual	Total	Balance falling due and not impaired	Overdue amounts, with no impairment losses				
			< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	> 120 days
12/31/2019	**49,067**	**43,853**	**1,446**	**2,114**	**419**	**307**	**928**
12/31/2018	47,458	43,512	308	2,796	432	199	211
12/31/2017	49,050	33,962	928	8,174	1,760	1,544	2,682
01/01/2017	43,356	32,691	1,040	1,724	1,417	243	6,241

Consolidated	Total	Balance falling due and not impaired	Overdue amounts, with no impairment losses				
			< 30 days	30 - 60 days	60 - 90 days	90 - 120 days	> 120 days
12/31/2019	**58,303**	**52,193**	**2,109**	**2,213**	**452**	**321**	**1,015**
12/31/2018	54,485	49,921	447	2,971	469	234	443
12/312017	57,507	41,527	1,039	8,202	1,765	1,552	3,422
01/01/2017	50,960	38,771	1,245	1,899	1,703	254	7,088

The Company's main operation is rendering parking services that are settled in cash, payment slips, or through major credit and debit cards existing in the market. The Company rates the credit risk as low.

Management understands that amounts overdue will be mostly received, as there are specific negotiations for each outstanding amount. Therefore, the Company set up no allowance for losses on these amounts. Rescheduling negotiations due to default are already in progress and generating positive results. Monthly parking customers have already been informed about pre-set payment plans. In addition, management actively charges on ad hoc events.

(In thousands of reais - R$)

Changes in allowance for expected credit losses are as follows:

	Individual and Consolidated	
	12/31/2019	12/31/2018
Balance at beginning of year	(281)	-
Additions	(250)	(2,808)
Write-offs	281	2,527
Balance at end of year	**(250)**	**(281)**

Assignment of credits receivable

On October 23, 2017, the Company entered into a private agreement for assignment of credit rights with Coesa Engenharia Ltda. for the assignment of court-ordered debt notes amounting to R$55,171.

The Company agreed to pay the assignor R$20,000 for the court-ordered debt notes after all conditions precedent have been met, with deadline on December 12, 2017. Such conditions were met.

Coesa Engenharia agreed to repurchase the credits assigned for an amount equivalent to the assignment price, restated by Brazil's Extended Consumer Price Index (IPCA) + 12% p.a. after the 13th month of the payment date, discounting any amounts effectively received by the Company. On March 31, 2018, credits assigned were repurchased for R$21,032.

7. Taxes recoverable

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Withholding Income Tax (IRRF)	**3,026**	2,070	7,011	-	**3,348**	2,358	7,243	26
Corporate Income Tax (IRPJ)	**7,918**	7,459	5	5,742	**9,387**	8,168	719	6,313
Social Contribution Tax on Net Profit (CSLL)	**799**	505	180	253	**1,340**	774	442	405
Social Security Tax (INSS) and Unemployment Compensation Fund (FGTS)	**8,533**	11,097	9,843	11,508	**9,362**	11,876	10,602	12,450
Contribution Taxes on Gross Revenue (PIS and COFINS)	**49,379**	38,911	32,683	30,446	**63,211**	53,013	38,115	34,486
Other taxes recoverable	**38**	452	376	3,475	**396**	997	939	3,800
	69,693	60,494	50,098	51,424	**87,044**	77,186	58,060	57,480
Current assets	**26,756**	35,303	24,739	23,720	**32,988**	40,339	30,189	26,955
Noncurrent assets	**42,937**	25,191	25,359	27,704	**54,056**	36,847	27,871	30,525
	69,693	60,494	50,098	51,424	**87,044**	77,186	58,060	57,480

These taxes are realized based on growth projections, operational issues and debt generation for these tax credits to be used by the Company and its subsidiaries.

(In thousands of reais - R$)

8. Investment property

	Individual and Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Balance at January 1	**14,474**	14,811	15,147	15,484
Depreciation	**(337)**	(337)	(336)	(337)
Balance at December 31	**14,137**	14,474	14,811	15,147

The amount recorded as investment property refers to the acquisition cost of stores, restaurants and movie theaters in a venture in the city of São Paulo (Brascan Open Mall). This venture was acquired on December 28, 2011, together with the local parking lot. The venture was pledged as collateral for the 9th issue of Company debentures, as disclosed in Note 13.

At December 31, 2019, fair value of these investment properties was R$42,078 (R$42,286 in 2018 and R$46,094 in 2017), according to an appraisal report prepared by independent appraisers. The fair value hierarchy is classified as Level 3.

A summary of the valuation techniques used is as follows:

Valuation techniques	Significant non-observable data	Average 2019	Average 2018	Average 2017
Discounted cash flow method	• Estimated annual lease amount	R$7,016	R$8,500	R$8,849
	• Restatement	Inflation	Inflation	Inflation
	• Perpetuity growth rate	3.50%	4.00%	0.00%
	• Discount rate	10.40%	12.80%	12.20%

We present below a sensitivity analysis of assets and the respective fair value adjustments had there been changes in the discount rates used to calculate fair value. We used variations of 0.5 percentage points upwards and downwards.

	Effects of changes in the discount rate			
Fair value at 12/31/2019	- 0.5 p.p.	Effect	+ 0.5 p.p.	Effect
42,078	**43,581**	**1,503**	**40,679**	**(1,399)**

(In thousands of reais - R$)

Amounts computed as revenues and expenses, recorded under Revenues, are as follows:

	Individual and Consolidated		
	12/31/2019	12/31/2018	12/31/2017
Lease revenue resulting from investment property	**5,486**	6,563	6,284
Direct operating expenditures (including repair and maintenance) that generate lease	**(1,620)**	(1,246)	(1,278)
Income from investment properties	**3,866**	5,317	5,006

Future lease receivable from investment properties is as follows:

	12/31/2019
Minimum lease payment:	
Within one year	**5,919**
From 2 to 4 years	**19,197**
From 5 to 10 years	**45,045**
	70,161

This property was pledged as collateral for the Debentures, as described in Note 13.

9. Investments

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
		(restated)	(restated)	(restated)		(restated)	(restated)	(restated)
Investments:								
Subsidiaries	**247,813**	232,221	129,483	134,262	**-**	-	-	-
Affiliates	**-**	74	75	2,143	**23,233**	28,947	5,949	13,583
Future capital contribution	**-**	-	-	12,484	**-**	-	-	12,434
Total assets	**247,813**	232,295	129,558	148,889	**23,233**	28,947	5,949	26,017
Subsidiaries' equity deficiency:								
Subsidiaries	**(1,303)**	(1,079)	(373)	(42)	**-**	-	-	-
Total liabilities	**(1,303)**	(1,079)	(373)	(42)	**-**	-	-	-
Total investments	**246,510**	231,216	129,185	148,847	**23,233**	28,947	5,949	26,017

(In thousands of reais - R$)

Change from "control" to "significant influence" over investment in the period:

On September 25, 2018, subsidiary Loop AC Participações Ltda., holder of 100% of shares of Loop Gestão de Pátios S.A., entered into an agreement for investment, partnership and other covenants with Webmotors S.A., under which it issued 23,243,057 new shares to Webmotors, amounting R$23,900, corresponding to 51% interest in Loop Gestão de Pátios S.A. capital, which increased to R$46,231. After the transaction was completed, Loop AC Participações Ltda. became holder of 49% of Loop Gestão de Pátios S.A. capital.

The subsidiary concluded that the substantive rights held by Webmotors allow the latter to control Loop Gestão de Pátios S.A. Therefore, it changed its investment from "control" to "significant influence". In conformity with CPC 18 (IAS 28), the subsidiary has voting rights with more than 20% of the investee. In addition, significant activities listed in the agreement, which require approval by equity holders, and which are rated as substantive by the subsidiary were: representation in the Board of Directors; participation in the policy-making processes, including regarding decisions on dividends and other distributions; and material transactions between investor and investee.

Based on the abovementioned assumptions, the subsidiary concluded that the substantive rights held thereby allow it to have significant influence.

Change from "control" to "significant influence" resulted in a R$28,750 gain, recognized in profit or loss for the period as "Other operating income (expenses)", as follows:

Consideration contributed in cash in Loop Gestão - 51%	23,900
Fair value of residual portion - 49% (a)	24,232
	48,132
(+) Derecognized liabilities, net	8,722
Gain recognized on issue of new shares	16,795
Gain or loss regarding measurement of investment held	6,941
	32,458
Write-off of goodwill resulting from loss of control	(3,708)
Gain recognized in the statement of profit or loss	**28,750**

(a) Fair value measurement: the cash amount contributed upon issue of new shares of Loop Gestão de Pátios S.A. for 51%, transaction amount, was used to support measurement of the fair value of the remaining investment portion held by subsidiary Loop AC Participações Ltda. Notwithstanding, the subsidiary obtained an appraisal report prepared by an independent advisory firm, in order to confirm the fair value of the equity interest held.

On September 30, 2018, investee's information on the date of change from "control" to "significant influence" was as follows:

Statement of financial position

Assets		**Liabilities**	
Current	2,882	Current	7,901
Noncurrent	6,329	Noncurrent	10,032
		Equity	(8,722)
Total assets	**9,211**	**Total liabilities and equity**	**9,211**

For the equity deficiency of investees, as detailed below, the Company will continue providing the necessary financial support for their operations.

(In thousands of reais - R$)

Changes in investments

	Individual	Consolidated
Balance at 01/01/2017 (restated)	148,847	26,017
Equity pickup	(31,500)	1,210
Dividends (i)	(6,772)	(635)
Loss resulting from investment acquisition	-	(1,630)
investment acquisition	(4,590)	(22,410)
Capital increase in investees	24,654	3,397
Mergers	(1,454)	-
Balance at 12/31/2017 (restated)	129,185	5,949
Equity pickup	2,702	1,152
Dividends	(3,764)	(1,890)
Capital increase in investees	107,822	-
Gain recognized on issue of new shares	-	16,795
Gain or loss regarding measurement of investment held	-	6,941
Merger	(4,729)	-
Balance at 12/31/2018 (restated)	231,216	28,947
Equity pickup	**(32,792)**	**(4,412)**
Dividends	**(2,997)**	**(1,302)**
Capital increase in investees	**51,083**	**-**
Balance at 12/31/2019	**246,510**	**23,233**

(i) The value of dividends includes settlement of intercompany loan in the period. The amount of dividends with cash effect totaled R$1,344.

(In thousands of reais - R$)

Information on subsidiaries and provision for investment losses

	Information on subsidiaries and affiliates (01/01 to 12/31/2019)					12/31/2019		12/31/2018		12/31/2017	
Individual	Total assets	Total liabilities	Total equity	Net revenue	P&L for the period	Investment balance	Equity pickup	Investment balance	Equity pickup	Investment balance	Equity pickup
								(restated)	(restated)	(restated)	(restated)
Capital Parking Estacionamento de Veículos Ltda.	11,803	280	11,523	2,639	(1,402)	**11,523**	**(1,402)**	11,886	(2,174)	12,587	(8,863)
Hora Park Sist. Estacionamento Rotativo Ltda.	721,065	527,649	193,416	194,083	(23,565)	**188,923**	**(23,565)**	173,764	(11,839)	87,690	(18,174)
Riopark Estacionamentos Ltda.	17,759	15,696	2,063	212	302	**2,063**	**302**	6,190	3,482	3,070	84
Minas Park Estacionamentos Ltda.	-	-	-	-	-	**-**	**-**	-	(92)	1,489	(155)
Primeira Estacionamentos Ltda.	9,505	1,688	7,817	8,363	1,458	**7,817**	**1,458**	3,545	431	3,113	269
Saepart Soc. Adm Empreend. Part. Ltda.	2,491	2,113	378	430	(103)	**378**	**(103)**	480	(252)	83	(332)
Wellpark Estacionamentos e Serviços Ltda.	28,673	11,021	17,652	21,084	(9,388)	**17,652**	**(9,388)**	18,938	(7,770)	20,460	(3,530)
Omni Estacionamento do Nordeste Ltda. (1)	-	-	-	-	-	**-**	**-**	-	223	4,506	1,112
WPA Park Participações S.A. (3)	-	-	-	-	-	**-**	**-**	-	-	-	(2,233)
Hospital Marcelino Champagnat Ltda.	372	304	68	3,373	1,503	**66**	**1,503**	45	1,436	35	1,372
Loop Gestão de Pátios S.A. (2)	-	-	-	-	-	**-**	**-**	-	(3,394)	(3,749)	(737)
Loop AC Participações Ltda.	21,143	-	21,143	-	(2,182)	**15,963**	**(1,647)**	17,100	24,023	-	-
SCP Estacionamento do Shopping Monte Carmo	3,231	290	2,941	3,384	2,362	**1,500**	**1,205**	273	273	-	-
Calvitium Participações S.A.	3,857	1,929	1,928	398	117	**1,928**	**117**	-	-	-	-
						247,813	**(31,520)**	232,221	4,347	129,284	(31,187)
Subsidiaries'equity deficiency											
Parking Tecnologia da Informação Ltda.	6,054	6,885	(831)	-	(1,612)	**(831)**	**(1,612)**	(619)	(1,918)	199	199
Shopping Parque Aracajú	243	268	(25)	239	(25)	**(13)**	**(13)**	-	-	-	-
Azera Parking Ltda.	238	697	(459)	-	-	**(459)**	**-**	(460)	(86)	(373)	(332)
						(1,303)	**(1,625)**	(1,079)	(2,004)	(174)	(133)
WPA Park Participações S.A. (3)	-	-	-	-	-	**-**	**-**	-	-	-	(443)
Consórcio Estacionamento Centro Cívico	166	166	-	888	466	**-**	**326**	74	319	75	229
Consórcio Estacionamento Novo Centro	156	156	-	177	43	**-**	**27**	-	40	-	34
						-	**353**	74	359	75	(180)
						246,510	**(32,792)**	231,216	2,702	129,185	(31,500)

(1) Company merged in 2018 by Allpark.
(2) Control lost in 2018.
(3) Control lost in 2017.

(In thousands of reais - R$)

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Consolidated	Information on affiliates (01/01 to 12/31/2019)					12/31/2019		12/31/2018		12/31/2017	
	Total assets	Total liabilities	Total equity	Net revenue	P&L for the period	Investment balance	Equity pickup	Investment balance	Equity pickup	Investment balance	Equity pickup
								(restated)	(restated)	(restated)	(restated)
Consórcio CCN Centro de Convenções Ltda. (1)	3,638	158	3,480	2,600	757	**1,740**	**378**	2,157	427	2,830	396
I-Park Soluções Inteligentes S.A. (2)	-	-	-	-	-	**-**	**-**	-	-	-	(318)
WPA Park Participações S.A. (2)	-	-	-	-	-	**-**	**-**	-	-	-	(443)
Estacionamentos E.T.M. Curitiba S.A. (1)	-	-	-	3,794	9,389	**-**	**(3,325)**	3,574	557	3,017	853
Consórcio Enéas De Carvalho Ltda.	843	66	777	7,693	5,857	**329**	**328**	18	394	5	388
Consórcio Trianon Park Ltda.	2,699	2,091	608	1,923	712	**21**	**36**	23	50	23	71
Loop Gestão de Pátios S.A.	38,626	20,970	17,656	15,022	4,452	**21,143**	**(2,182)**	23,101	(635)	-	-
Consórcio Estacionamento Centro Cívico	166	166	-	888	466	**-**	**326**	74	319	74	229
Consórcio Estacionamento Novo Centro	156	156	-	177	43	**-**	**27**	-	40	-	34
M&A II Sistema	-	-	-	-	-	**-**	**-**	-	-	-	-
						23,233	**(4,412)**	28,947	1,152	5,949	1,210

(1) This investment is classified as a Joint Venture, and accounted for using the equity method, in accordance with CPC 18.

(2) Company merged in 2017 by Allpark.

The joint venture has no contingent liabilities or capital commitments at December 31, 2019, 2018 and 2017.

10. Right of use

At December 31, 2019 the Company had 314 garage lease agreements (288 in 2018 and 280 in 2017) entered into with third parties. Such agreements were reviewed by management, which concluded that they are classified as operating lease agreements. Certain of these agreements provide for a variable lease expense, which is levied on revenue, with amounts annually restated through contractual indexes. The fixed installments of the lease agreements, as presented in Note 2.28, were recognized at present value (considering the nominal incremental interest rate at the beginning of the contract or upon its change in scope, if any) as a Right-of-Use matched against Lease liability. In addition, the Company recorded, on an accrual basis, directly in the statement of profit or loss under Leases account, the lease agreements containing: contingent payments, which vary according to ranges and percentages on parking lot billing in the amount of R$262,632 (R$225,873 in 2018 and R$217,183 in 2017); low-value contracts (which the Company has defined as contracts whose asset value when new is less than R$20) in the amount of R$176 (R$180 in 2018 and R$205 in 2017); and contracts whose term is less than 12 months in the amount of R$9,179 (R$9,147 in 2018 and R$10,483 in 2017).

The Company decided to adopt the full retrospective approach as a transition method as of January 1, 2019, and prospectively from the beginning of the first practicable period.

- Term: the lease term will be the legally applicable period of the agreement and will take into consideration the termination and renewal options by court, the use of which is reasonably certain by the Company. The contractual average term is from 1 to 30 years. More details on the maturity of the contracts are presented in Note 15.
- Rate: the discount rate used to calculate the right of use and the lease liability was determined based on certain historical data attributable to the Company and/or directly observable from the market. The average contract rate is 13.08% p.a. in 2019 (12.32% p.a. in 2018 and 13.96% p.a. in 2017). More details on rates adopted vis-à-vis the contract terms are presented in Note 15.

Lease payments are restated from time to time, according to the respective agreement and related clauses for restatement by inflation indexes. Such remeasurements are recorded in the right of use account matched against the lease liability account on the respective property lease agreement restatement base date.

Changes for the years ended December 31, 2019, 2018 and 2017 are as follows:

(In thousands of reais - R$)

	Individual	Consolidated
As at January 1, 2017	499,791	775,997
Additions	41,862	46,548
Write-offs	(12,012)	(12,055)
Changes - prepayment of leases	722	1,025
Remeasurements	26,073	38,613
Depreciation	(66,236)	(99,154)
As at December 31, 2017	490,200	750,974
Additions	17,380	23,746
Write-offs	(1,426)	(1,426)
Changes - prepayment of leases	(2,627)	(2,627)
Remeasurements	28,754	24,718
Depreciation	(68,337)	(101,302)
As at December 31, 2018	**463,944**	**694,083**
Additions (i)	**21,810**	**271,936**
Write-offs	**(967)**	**(1,171)**
Remeasurements	**27,654**	**35,999**
Depreciation	**(73,150)**	**(119,557)**
As at December 31, 2019	**439,291**	**881,290**

(i) Increase mainly due to the new contract related to Congonhas airport entered into with investee Hora Park on February 1, 2019, effective until February 1, 2039.

The table below shows the potential right to PIS/COFINS tax credits recoverable embedded in the lease/rent consideration, taking into account only the corporate lessors, according to expected payment periods. Balances discounted and not discounted to present value:

Individual – 12/31/2019		
Cash flows	Nominal	Present value adjustment
Lease consideration	842,213	554,040
Potential PIS/COFINS (9.25%)	72,300	47,118

Consolidated – 12/31/2019		
Cash flows	Nominal	Present value adjustment
Lease consideration	1,871,457	1,071,148
Potential PIS/COFINS (9.25%)	165,285	93,626

(In thousands of reais - R$)

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11. Property and equipment

	Individual								
	12/31/2019			12/31/2018			12/31/2017		
	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
Land	**1,310**	**-**	**1,310**	1,310	-	1,310	1,310	-	1,310
Buildings	**94,211**	**(26,944)**	**67,267**	94,112	(25,667)	68,445	87,984	(23,890)	64,094
Leasehold improvements	**124,539**	**(76,081)**	**48,458**	108,390	(71,528)	36,862	88,390	(68,305)	20,085
Machinery and equipment	**80,120**	**(41,957)**	**38,163**	71,880	(35,993)	35,887	64,228	(29,805)	34,423
Furniture and fixtures	**7,361**	**(4,339)**	**3,022**	6,717	(3,900)	2,817	6,359	(3,440)	2,919
Signboards and signs	**12,882**	**(7,055)**	**5,827**	10,823	(5,631)	5,192	9,500	(3,817)	5,683
Security system	**11,072**	**(6,433)**	**4,639**	9,325	(5,271)	4,054	8,329	(3,617)	4,712
Other property and equipment	**22,626**	**(20,699)**	**1,927**	20,782	(19,491)	1,291	18,952	(18,404)	548
Total	**354,121**	**(183,508)**	**170,613**	323,339	(167,481)	155,858	285,052	(151,278)	133,774

	Consolidated								
	12/31/2019			12/31/2018			12/31/2017		
	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount	Cost	Accumulated depreciation	Net carrying amount
Land	**1,310**	**-**	**1,310**	1,310	-	1,310	1,310	-	1,310
Buildings	**130,287**	**(43,346)**	**86,941**	127,068	(40,870)	86,198	120,940	(39,032)	81,908
Leasehold improvements	**231,755**	**(112,337)**	**119,418**	210,151	(102,074)	108,077	193,092	(94,330)	98,762
Machinery and equipment	**123,248**	**(70,907)**	**52,341**	108,166	(61,532)	46,634	96,191	(50,696)	45,495
Furniture and fixtures	**9,140**	**(5,253)**	**3,887**	8,166	(4,724)	3,442	7,849	(4,208)	3,641
Signboards and signs	**20,004**	**(10,763)**	**9,241**	16,315	(8,527)	7,788	14,624	(5,695)	8,929
Security system	**12,611**	**(7,186)**	**5,425**	10,513	(5,866)	4,647	9,338	(4,061)	5,277
Other property and equipment	**30,729**	**(23,406)**	**7,323**	27,803	(21,618)	6,185	25,805	(20,334)	5,471
Total	**559,084**	**(273,198)**	**285,886**	509,492	(245,211)	264,281	469,149	(218,356)	250,793

(In thousands of reais - R$)

Changes in property and equipment for the years ended December 31, 2019, 2018 and 2017 are as follows:

	Individual					
	Balance at 01/01/2019	**Additions**	**Write-offs**	**Transfers (i)**	**Depreciation**	**Balance at 12/31/2019**
Carrying amount						
Land	**1,310**	**-**	**-**	**-**	**-**	**1,310**
Buildings	**68,445**	**99**	**-**	**-**	**(1,277)**	**67,267**
Leasehold improvements	**36,862**	**16,927**	**(34)**	**-**	**(5,297)**	**48,458**
Machinery and equipment	**35,887**	**8,780**	**(202)**	**-**	**(6,302)**	**38,163**
Furniture and fixtures	**2,817**	**671**	**(18)**	**-**	**(448)**	**3,022**
Signboards and signs	**5,192**	**2,080**	**(10)**	**-**	**(1,435)**	**5,827**
Security system	**4,054**	**1,769**	**(10)**	**-**	**(1,174)**	**4,639**
Other property and equipment	**1,291**	**1,899**	**(19)**	**-**	**(1,244)**	**1,927**
Total	**155,858**	**32,225**	**(293)**	**-**	**(17,177)**	**170,613**

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Depreciation	Balance at 12/31/2018
Carrying amount						
Land	1,310	-	-	-	-	1,310
Buildings	64,094	-	-	5,677	(1,326)	68,445
Leasehold improvements	20,085	20,125	(59)	-	(3,289)	36,862
Machinery and equipment	34,423	7,751	(59)	-	(6,228)	35,887
Furniture and fixtures	2,919	384	(16)	-	(470)	2,817
Signboards and signs	5,683	1,388	(36)	-	(1,843)	5,192
Security system	4,712	1,052	(32)	-	(1,678)	4,054
Other property and equipment	548	1,942	(82)	-	(1,117)	1,291
Total	133,774	32,642	(284)	5,677	(15,951)	155,858

	Balance at 01/01/2017	Additions	Write-offs	Transfers (i)	Depreciation	Balance at 12/31/2017
Carrying amount						
Land	1,310	-	-	-	-	1,310
Buildings	65,233	2,300	-	-	(3,439)	64,094
Leasehold improvements	26,662	7,485	-	-	(14,062)	20,085
Machinery and equipment	35,500	4,658	-	-	(5,735)	34,423
Furniture and fixtures	3,228	257	-	-	(566)	2,919
Signboards and signs	5,942	645	-	-	(904)	5,683
Security system	4,833	664	-	-	(785)	4,712
Other property and equipment	1,888	1,230	-	-	(2,570)	548
Total	144,596	17,239	-	-	(28,061)	133,774

(In thousands of reais - R$)

	Consolidated					
	Balance at 01/01/2019	Additions	Write-offs	Transfers (i)	Depreciation	Balance at 12/31/2019
Carrying amount						
Land	**1,310**	**-**	**-**	**-**	**-**	**1,310**
Buildings	**86,198**	**3,219**	**-**	**-**	**(2,476)**	**86,941**
Leasehold improvements	**108,077**	**22,382**	**(35)**	**-**	**(11,006)**	**119,418**
Machinery and equipment	**46,634**	**15,623**	**(204)**	**-**	**(9,712)**	**52,341**
Furniture and fixtures	**3,442**	**1,001**	**(19)**	**-**	**(537)**	**3,887**
Signboards and signs	**7,788**	**3,720**	**(18)**	**-**	**(2,249)**	**9,241**
Security system	**4,647**	**2,120**	**(11)**	**-**	**(1,331)**	**5,425**
Other property and equipment	**6,185**	**2,981**	**(20)**	**-**	**(1,823)**	**7,323**
Total	**264,281**	**51,046**	**(307)**	**-**	**(29,134)**	**285,886**

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Depreciation	Balance at 12/31/2018
Carrying amount						
Land	1,310	-	-	-	-	1,310
Buildings	81,908	-	-	5,677	(1,387)	86,198
Leasehold improvements	98,762	22,501	(4,750)	224	(8,660)	108,077
Machinery and equipment	45,495	12,342	(129)	259	(11,333)	46,634
Furniture and fixtures	3,641	460	(106)	-	(553)	3,442
Signboards and signs	8,929	1,758	(38)	-	(2,861)	7,788
Security system	5,277	1,231	(35)	-	(1,826)	4,647
Other property and equipment	5,471	2,620	(478)	77	(1,505)	6,185
Total	250,793	40,912	(5,536)	6,237	(28,125)	264,281

	Balance at 01/01/2017	Additions	Write-offs	Transfers (i)	Depreciation	Balance at 12/31/2017
Carrying amount						
Land	1,310	-	-	-	-	1,310
Buildings	83,223	2,300	-	-	(3,615)	81,908
Leasehold improvements	93,946	30,342	-	-	(25,526)	98,762
Machinery and equipment	48,715	7,841	-	-	(11,061)	45,495
Furniture and fixtures	3,878	420	-	-	(657)	3,641
Signboards and signs	9,210	1,117	-	-	(1,398)	8,929
Security system	5,377	780	-	-	(880)	5,277
Other property and equipment	6,902	1,973	(5)	-	(3,399)	5,471
Total	252,561	44,773	(5)	-	(46,536)	250,793

(i) Transfers performed to other asset groups, particularly to intangible assets.

The Company has no contractual obligations arising from the acquisition of property and equipment. In addition, the Company has no property and equipment given in guarantee of operations conducted.

The Company detected no impairment indicators regarding its property and equipment for the years ended December 31, 2019, 2018 and 2017.

(In thousands of reais - R$)

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12. Intangible assets

	Individual								
	12/31/2019			12/31/2018			12/31/2017		
	Cost	Accumulated amortization	Net carrying amount	Cost	Accumulated amortization	Net carrying amount	Cost	Accumulated amortization	Net carrying amount
Software	**65,370**	**(39,284)**	**26,086**	50,192	(31,300)	18,892	41,835	(24,316)	17,519
Goodwill	**538,543**	**(141,734)**	**396,809**	436,860	(103,554)	333,306	380,271	(67,491)	312,780
Lease agreement (ii)	**122,380**	**(73,378)**	**49,002**	122,168	(61,533)	60,635	104,121	(51,921)	52,200
Service concession arrangement	**10,230**	**(5,190)**	**5,040**	10,230	(4,647)	5,583	18,697	(2,380)	16,317
Goodwill	**109,368**	**-**	**109,368**	109,788	-	109,788	112,955	-	112,955
Other	**692**	**-**	**692**	692	-	692	2,364	-	2,364
Total	**846,583**	**(259,586)**	**586,997**	729,930	(201,034)	528,896	660,243	(146,108)	514,135

	Consolidated								
	12/31/2019			12/31/2018			12/31/2017		
	Cost	Accumulated amortization	Net carrying amount	Cost	Accumulated amortization	Net carrying amount	Cost	Accumulated amortization	Net carrying amount
Software	**77,465**	**(46,874)**	**30,591**	59,576	(36,887)	22,689	51,945	(28,603)	23,342
Goodwill	**723,992**	**(170,821)**	**553,171**	594,208	(122,805)	471,403	436,271	(81,957)	354,314
Lease agreement (ii)	**117,963**	**(74,196)**	**43,767**	117,751	(62,136)	55,615	104,121	(52,825)	51,296
Concession infrastructure use right (iii)	**176,029**	**(35,263)**	**140,766**	135,377	(26,950)	108,427	135,377	(19,603)	115,774
Service concession arrangement	**23,143**	**(8,305)**	**14,838**	23,143	(6,705)	16,438	31,612	(4,060)	27,552
Goodwill	**118,464**	**-**	**118,464**	118,884	-	118,884	118,664	-	118,664
Other	**1,413**	**(120)**	**1,293**	1,413	(120)	1,293	3,262	(120)	3,142
Total	**1,238,469**	**(335,579)**	**902,890**	1,050,352	(255,603)	794,749	881,252	(187,168)	694,084

(In thousands of reais - R$)

Changes in intangible assets for the years ended December 31, 2019, 2018 and 2017 are as follows:

	Individual					
	Balance at 01/01/2019	**Additions**	**Write-offs**	**Transfers (i)**	**Amortization**	**Balance at 12/31/2019**
Carrying amount						
Software	**18,892**	**15,554**	**(317)**	**-**	**(8,043)**	**26,086**
Goodwill	**333,306**	**102,965**	**(1,050)**	**(186)**	**(38,226)**	**396,809**
Lease agreement (ii)	**60,635**	**-**	**-**	**173**	**(11,806)**	**49,002**
Service concession arrangement	**5,583**	**-**	**-**	**-**	**(543)**	**5,040**
Goodwill	**109,788**	**-**	**(420)**	**-**	**-**	**109,368**
Other	**692**	**-**	**-**	**-**	**-**	**692**
Total	**528,896**	**118,519**	**(1,787)**	**(13)**	**(58,618)**	**586,997**

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2018
Carrying amount						
Software	17,519	8,586	(29)	72	(7,256)	18,892
Goodwill	312,780	60,837	200	(7,542)	(32,969)	333,306
Lease agreement (ii)	52,200	9,579	-	13,287	(14,431)	60,635
Service concession arrangement	16,317	-	-	(9,850)	(884)	5,583
Goodwill	112,955	420	(3,708)	121	-	109,788
Other	2,364	-	-	(1,672)	-	692
Total	514,135	79,422	(3,537)	(5,584)	(55,540)	528,896

	Balance at 01/01/2017	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2017
Carrying amount						
Software	16,847	6,924	-	-	(6,252)	17,519
Goodwill	316,149	27,053	-	-	(30,422)	312,780
Lease agreement (ii)	64,601	15	-	-	(12,416)	52,200
Service concession arrangement	17,493	-	-	-	(1,176)	16,317
Goodwill	107,684	5,271	-	-	-	112,955
Other	2,348	16	-	-	-	2,364
Total	525,122	39,279	-	-	(50,266)	514,135

(In thousands of reais - R$)

	Consolidated					
	Balance at 01/01/2019	**Additions**	**Write-offs**	**Transfers (i)**	**Amortization**	**Balance at 12/31/2019**
Carrying amount						
Software	**22,689**	**18,266**	**(318)**	**-**	**(10,046)**	**30,591**
Goodwill	**471,403**	**131,066**	**(1,050)**	**(186)**	**(48,062)**	**553,171**
Lease agreement (ii)	**55,615**	**-**	**-**	**172**	**(12,020)**	**43,767**
Concession infrastructure use right (iii)	**108,427**	**40,652**	**-**	**(708)**	**(7,605)**	**140,766**
Service concession arrangement	**16,438**	**-**	**-**	**-**	**(1,600)**	**14,838**
Goodwill	**118,884**	**-**	**(420)**	**-**	**-**	**118,464**
Other	**1,293**	**-**	**-**	**-**	**-**	**1,293**
Total	**794,749**	**189,984**	**(1,788)**	**(722)**	**(79,333)**	**902,890**

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2018
Carrying amount						
Software	23,342	9,556	(1,195)	72	(9,086)	22,689
Goodwill	354,314	162,185	221	(7,542)	(37,775)	471,403
Lease agreement (ii)	51,296	9,579	(4,417)	14,316	(15,159)	55,615
Concession infrastructure use right	115,774	-	-	(679)	(6,668)	108,427
Service concession arrangement	27,552	-	-	(9,850)	(1,264)	16,438
Goodwill	118,664	4,411	(4,311)	120	-	118,884
Other	3,142	-	(86)	(1,763)	-	1,293
Total	694,084	185,731	(9,788)	(5,326)	(69,952)	794,749

	Balance at 01/01/2017	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2017
Carrying amount						
Software	20,900	11,091	-	-	(8,649)	23,342
Goodwill	359,715	30,677	-	-	(36,078)	354,314
Lease agreement (ii)	63,697	15	-	-	(12,416)	51,296
Concession infrastructure use right	123,126	-	-	-	(7,352)	115,774
Service concession arrangement	28,959	-	-	-	(1,407)	27,552
Goodwill	116,781	8,222	(6,339)	-	-	118,664
Other	2,641	501	-	-	-	3,142
Total	715,819	50,506	(6,339)	-	(65,902)	694,084

(i) Transfers performed to other asset accounts, particularly to property and equipment.

(ii) Lease agreement refers to the 1st purchase price allocation referring to favorable terms in the lease agreements of the acquired companies Azera, Minas Park, Multivagas, Injetpark, OW, EWS and Calvitium in relation to the market value of the respective leases upon acquisition of these companies.

(iii) On August 28, 2019, with the subrogation of the EWS concession arrangement, the Company remeasured its liabilities represented by obligations before the granting authority, see Note 16, in exchange for the right to explore the infrastructure granted, see Note 12.

Impairment test of goodwill paid for expected future profitability and intangible assets with indefinite useful lives

Assets with indefinite useful lives, such as goodwill, are tested for impairment on an annual basis, regardless of the existence of impairment indications. The Company tested goodwill for impairment at December 31, 2019, 2018 and 2017 and no indications of impairment were found.

In conducting impairment tests, the carrying amount of an asset or cash-generating unit is compared to its recoverable amount. The Company has allocated goodwill and performed impairment tests of allocated goodwill based on operating segments, see Note 28 for goodwill allocation. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Considering the specific characteristics of the Company's assets, recoverable amount used in the impairment test is the value in use, unless otherwise indicated.

This value in use is estimated based of the present value of future cash flows, resulting from the Company's best estimates. Cash flows arising from the ongoing use of the related assets are adjusted for specific risks and use the discount rate of 8.7% p.a. to 11.0% p.a. This rate derives from Weighted Average Capital Cost rate (Nominal WACC). At December 31, 2019, significant assumptions are: the Company's economic and financial assessment, a projected horizon comprising the period from January 2020 to December 2030, deriving from its budget for the next ten years, considering the present value of the cash flow perpetuity projected for the last year, with constant nominal growth of 3.5% p.a. This corresponds to the expected long-term inflation, as projected by the Central Bank of Brazil. The impairment test of the Company's intangible assets concluded that the Company does not need to recognize losses on said assets.

As an assumption of growth in net revenue from services provided, we use GDP + inflation for the period from September 30, 2019 to 2023 and from 2024 to 2029 (and perpetuity) 0% p.a. real growth + inflation for the leased and managed segments, own operations, off-street concessions, long-term private contracts and others; -19% p.a. real (revenue losses estimated by management due to non-renewal of contracts expiring in the period) + inflation for the period from September 30, 2019 to 2023 and from 2024 to 2029 (and perpetuity) 0% p.a. real growth + inflation for the on-street concessions segment.

The growth assumption for Costs of services considers 100% of the variable costs with net revenue from services provided, considering a margin recovery based on management's expectations about the segment's normalized margin in terms of percentage of net operating revenue (and compatible with segment history).

The Company performed a sensitivity analysis of the impairment test of goodwill paid based on expected future profitability and intangible assets with an indefinite useful life, applying the sensitivity of the WACC discount rate (+/- 1%) by operating segment, and concluded that the assets were not impaired at December 31, 2019.

(In thousands of reais - R$)

13. Loans, financing and debentures

		Individual				Consolidated			
	Interest rate	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Working capital	2.11% to 18.86% p.a. + 100% CDI	**51,047**	106,214	16,323	29,001	**76,794**	133,959	49,184	61,338
Working capital - swap	1.87% p.a. + 100% CDI	**53,908**	-	-	27,627	**53,913**	-	4,586	52,006
Leases payable	19.56% p.a.	**-**	-	-	13	**-**	-	36	130
Debentures (6th issue)	118% CDI p.a.	**-**	27,752	83,279	139,440	**-**	27,752	83,279	139,440
Debentures (7th issue)	100% CDI + 2.40% p.a.	**-**	151,122	251,974	260,626	**-**	151,122	251,974	260,626
Debentures (9th issue)	100% CDI + 1.90% p.a.	**353,089**	-	-	-	**353,089**	-	-	-
Borrowing costs		**(4,630)**	(2,598)	(3,710)	(3,627)	**(5,782)**	(3,628)	(3,930)	(3,889)
		453,414	282,490	347,866	453,080	**478,014**	309,205	385,129	509,651
Current liabilities		**116,376**	234,443	342,644	436,758	**119,049**	236,842	342,903	466,893
Noncurrent liabilities		**337,038**	48,047	5,222	16,322	**358,965**	72,363	42,226	42,758
Total		**453,414**	282,490	347,866	453,080	**478,014**	309,205	385,129	509,651

The Company did not capitalize borrowing costs in property and equipment because it does not have qualifying assets in the years ended December 31, 2019, 2018 and 2017.

Changes in loans and financing are as follows:

	Individual	Consolidated
On January 01, 2017	453,080	509,651
Fundraising	-	5,818
Payment of principal	(99,376)	(123,598)
Payment of interest	(50,641)	(55,007)
Business combination effect	-	4,922
Interest allocation	45,735	48,797
Foreign exchange difference	(849)	(5,150)
Commissions	(83)	(304)
On December 31, 2017	347,866	385,129
Fundraising	100,000	100,000
Payment of principal	(163,133)	(163,403)
Payment of interest	(23,954)	(27,916)
Interest allocation	20,599	24,327
Foreign exchange difference	-	1,045
Commissions	1,112	40
Business combination effect	-	(10,017)
On December 31, 2018	282,490	309,205
Fundraising	**534,144**	**534,144**
Payment of principal	**(372,889)**	**(375,323)**
Payment of interest	**(29,459)**	**(32,353)**
Interest allocation	**32,640**	**34,778**
Foreign exchange difference	**4,155**	**4,155**
Commissions	**2,333**	**3,408**
At December 31, 2019	**453,414**	**478,014**

At December 31, 2019 and 2017, the Company has outstanding swap transactions for the translation of loans made in foreign currency into debt in CDI.

(In thousands of reais - R$)

The characteristics of debentures issued are as follows:

	6th issue	7th issue	9th issue
Issue:	14,280	26,000	350,000
Total value:	142,800	260,000	350,000
Series:	Single	Single	Single
Class and convertibility:	Non-convertible into Company shares	Non-convertible into Company shares	Non-convertible into Company shares
Guarantee:	Yes (mortgaged property amounting to R$43,000)	Credit rights assigned	Mortgaged property amounting to R$45,000 and credit rights assigned (Note 8)
Issue date:	06/09/2014	06/25/2015	05/09/2019
Maturity date:	06/09/2019	06/25/2020	05/09/2024
Covenants:	Yes	Yes	Yes
Date of early settlement	05/09/2019	05/09/2019	-

On May 09, 2019, the Company completed the 9th issue of debentures in the total amount of R$350,000, as detailed in the previous table. Thus, the Company settled the obligations related to the 6th and 7th issues in advance, as well as other loan agreements, since the cost of debt of the 9th issue is lower. The Company settled between the months of May and June 2019 the principal and interest amounts of the 6th and 7th issues in the amount of R$181,257 net of their respective issue expenses. Amounts remaining from funds raised will be allocated to operations. Costs with the 9th issue of debentures as at December 31, 2019 amounted to R$4,630 (Individual and Consolidated), allocated as reducing items of debenture balance to be settled, and monthly allocated to profit or loss, over the pro-rata day maturity flow, using the effective interest rate.

The 9th issue debentures is conditioned to the following covenants, the first check taking place at December 2019:

(a) Net debt/Adjusted EBITDA equal to or lower than 3.0;
(b) Net debt/equity equal to or lower than 3.0;
(c) Adjusted EBITDA/ finance costs equal to or greater than 1.0.

At December 31, 2017, the Company was compliant with the established conditions “b” and “c”. For condition “a”, the index determined by the Company exceeded the one set forth in the agreement. For this specific index, debenture holders unanimously resolved and approved, in meeting held on March 21, 2018, that the obligations resulting from debentures should not be early terminated. As the meeting was held after December 31, 2017 and 2016, the Company reclassified the debentures to current liabilities.

At December 31, 2018, the Company is compliant with the established conditions in 6th and 7th issue debentures. At December 31, 2019, the Company is compliant with the established conditions in the 9th issue debentures.

Except for the debentures shown above, loans have no security interest.

At December 31, 2019, the aging list of noncurrent amounts is as follows:

	Individual	Consolidated
2021	97,902	100,328
2022	98,950	101,698
2023	98,950	101,925
2024	41,236	44,432
2025	-	3,401
2026 to 2027	-	7,181
	337,038	**358,965**

(In thousands of reais - R$)

14. Derivative financial instruments

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Foreign exchange derivatives (swap) (a)	**1,660**	-	-	-	**1,660**	-	-	-
	1,660	-	-	-	**1,660**	-	-	-
Current assets	**1,660**	-	-	-	**1,660**	-	-	-
Total	**1,660**	-	-	-	**1,660**	-	-	-
Zilren Empreendimentos Imobiliários Ltda.	**-**	-	-	-	**-**	-	568	568
Derivative financial instruments – foreign exchange swap (a)	**-**	-	-	7,612	**-**	-	227	16,886
Derivative financial instruments –Call option (b)	**-**	-	70,351	37,307	**-**	-	70,351	87,307
	-	-	70,351	44,919	**-**	-	71,146	104,761
Current liabilities	**-**	-	-	7,612	**-**	-	-	16,886
Noncurrent liabilities	**-**	-	70,351	87,307			71,146	87,875
Total	**-**	-	70,351	94,919	**-**	-	71,146	104,761

(a) Derivative financial instruments to hedge against the currency risk.

The Company classifies derivative financial instruments under Swap derivatives, which were taken out to hedge against the currency risk arising from loans and financing denominated in foreign currency. The Company does not apply the hedge accounting.

Consolidated	Principal amount (notional)			Curve value			Fair value			Gain/(loss) MTM		
	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
Long position:												
Long position – dollar	**49,453**	-	4,777	**52,737**	-	5,089	**51,077**	-	4,862	**1,660**	-	(227)
Short position:												
Short position - CDI	**49,453**	-	4,777	**53,940**	-	4,586	**53,940**	-	4,586	**-**	-	
	-	-	-	**(1,203)**	-	503	**(2,863)**	-	276	**1,660**	-	(227)

Financial swap operations consist in replacing foreign exchange difference with a restatement rate related to a percentage of the Bank Deposit Certificate (CDI) variation.

The Company and its subsidiaries make no investments in derivatives or any other risk financial instruments for speculative purposes.

(b) Derivatives – Call option

Based on the agreement of the investment made on September 16, 2016, the investor has the option of early redemption until March 31, 2019. On November 28, 2018, the Special General Shareholders' Meeting approve the conversion of the stock option into capital amounting to R$41,600. See Note 23.

(In thousands of reais - R$)

In 2018, the conversion was conducted as resolved in the Special General Shareholders' meetings held on September 16, 2016 and December 23, 2016. Therefore, the amount of R$50,000 corresponding to 10% of the investment was converted into capital; the amount of R$450,000 corresponding to 90% of the investment was converted into capital reserve, and the amount of R$102,338, resulting from yields based on IPCA, plus monthly percentage margin calculated based on 4% p.a., net of the balance to be allocated with expenses on issue of shares, was converted into share subscription reserve.

Financial liabilities convertible into shares

	Individual and Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Financial liabilities convertible into shares	-	-	480,452	413,835
Commissions – issue – financial liabilities	-	-	(7,567)	(10,180)
	-	-	472,885	403,655
Current liabilities	-	-	-	-
Noncurrent liabilities	-	-	472,885	403,655
	-	-	472,885	403,655

On September 16, 2016, the Company signed an investment agreement with Equity International ("EI"), through fund Riverside Fundo de Investimento em Participações, wherein an investment was agreed in the Company through creation and subscription of 5,254,170 redeemable registered preferred shares (41,481,482 common shares after conversion and stock split, in accordance with Note 34), amounting to R$400,000 ("Initial Investment"), with no par value.

On December 23, 2016, through fund Riverside Fundo de Investimento em Participações, a second investment was made in the Company through creation and subscription of 1,313,542 redeemable registered preferred shares, amounting to R$100,000, with no par value.

Based on IAS 32 and IFRS 9, the investment agreement is classified as a financial liability convertible into preferred shares ("option") with an embedded derivative (see Note 14).

Based on the investment agreement entered into on September 16, 2016, the general shareholders' meetings held on September 16, 2016 and December 23, 2016 approved the issue of redeemable preferred shares, which were subscribed by the investor. The investor had the option to demand the redemption of their shares, by the Company, until March 31, 2019.

On November 28, 2018, the Company's Special General Meeting approved the amendment to the conditions for redemption and conversion of redeemable preferred shares. As a result of such approval, the investment approved by the Company's shareholders on September 16, 2016 and December 23, 2016 is no longer considered a financial liability and option and has been restated to the Company's equity, in the total amount of R$602,338, distributed as follows: (i) R$50,000, corresponding to 10% of the initial investment, were converted into capital; (ii) R$450,000, corresponding to 90% of the initial investment, were converted into capital reserve; and (iii) R$102,338, resulting from the IPCA-based income, plus a monthly percentage margin calculated based on 4% p.a. from the signature date of the investment agreement until the date of conversion, and net of the balance to be allocated to share issue costs, converted into goodwill reserve.

(In thousands of reais - R$)

15. Lease liability

Changes in lease liability in connection with the right of use of lease agreements are as follows:

	Individual	Consolidated
As at January 1, 2017	556,184	864,067
Additions	45,128	50,555
Write-offs	(14,470)	(14,538)
Remeasurements	26,073	38,613
Payments	(119,820)	(185,098)
Interest	76,234	122,446
As at December 31, 2017	569,329	876,045
Additions	17,380	23,746
Write-offs	(1,584)	(1,585)
Remeasurements	28,754	24,718
Payments	(124,348)	(189,139)
Interest	74,995	117,654
As at December 31, 2018	564,526	851,439
Additions	**19,480**	**269,606**
Write-offs	**(1,337)**	**(1,557)**
Remeasurements	**27,654**	**35,999**
Payments	**(129,181)**	**(222,915)**
Interest	**72,898**	**138,576**
As at December 31, 2019	**554,040**	**1,071,148**
Current	**125,879**	**225,244**
Noncurrent	**428,161**	**845,904**

The Company presents in the table below the maturity analysis of its agreements, installments to be discounted, reconciled with the balance at December 31, 2019:

Year	Individual	Consolidated
2021	124,060	218,435
2022	118,370	211,181
2023	111,649	203,464
2024	107,723	198,147
2025	105,439	178,220
More than 5 years	147,009	635,113
Total amounts to be discounted	**714,250**	**1,644,560**
Embedded interest	(286,089)	(798,656)
Lease liability balance	**428,161**	**845,904**

The Company set up discount rates based on risk-free interest rates observed in the Brazilian market, for the terms of its agreements, adjusted to the Company's reality (credit spread), nominal rate. The spreads were obtained through surveys of the Company's debt securities. The table below shows the rates adopted, vis-à-vis the terms of the agreements, as required by CPC 12, paragraph 33:

(In thousands of reais - R$)

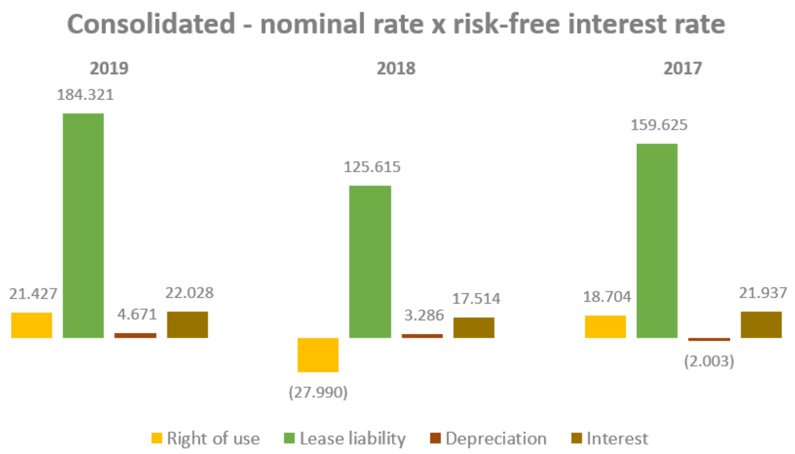
Agreements by term and discount rate

Terms - agreements	**Rate % p.a.**
4 years	12%
5 years	14%
6 years	16%
More than 7 years	13%

Additional information

The Company, in full compliance with IFRS 16/CPC 06 (R2) in measuring its lease liabilities and the right of use and consequent accounting record, used the cash flow technique, with discounts at the nominal interest rate without considering the projected future inflation in the flows to be discounted.

As required by CVM Circular Letter Nº 2/2019, if the measurement is made at the present value of the lease payments expected until the end of each agreement, incorporating the projected future inflation and discounted by the incremental borrowing rate, that is, the nominal interest rate. The Company shows below the net effects of the increases and decreases in the lease liability balances - Note 16, the right of use and right-of-use depreciation expense - Note 10, and the finance costs - Note 26 for the years ended December 31, 2019, 2018 and 2017.



The nominal interest rates reflect the rates used for the calculation and accounting record of IFRS 16/CPC 06 (R2) – Leases determined when the lease began. Additionally, as an assumption for the determination of future contractual cash flows incorporating the expected inflation, future market quotations obtained through B3 S.A. - Brasil, Bolsa, Balcão were used for the inflation indexes included in our lease agreements, such as the IPCA and the IGPM. The inflation curves were obtained at the beginning of the agreements and at each adjustment base date considering the remaining contractual term.

(In thousands of reais - R$)

16. Concession rights payable

	Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Fixed portions	**119,133**	84,138	94,936	109,297
	119,133	84,138	94,936	109,297
Current liabilities	**14,609**	9,461	10,393	11,681
Noncurrent liabilities	**104,524**	74,677	84,543	97,616
Total	**119,133**	84,138	94,936	109,297

On August 28, 2019, subsidiary E.W.S. Estacionamentos Salvador S.A. entered into the Assignment Agreement for the Use of an Area of the Airport Complex, arising from the subrogation of the agreement related to Salvador International Airport, previously entered into with Infraero. As a result, the service concession arrangement entered into on July 28, 2017 is no longer in force, being replaced by the agreement executed on August 28, 2019.

The referred to agreement maintains the same scope of operation of the airport area as before, except for the operation of advertising activities that will no longer be carried out by the Company, with installments to be paid to the new administrator (Salvador Airport Concession operator) measured monthly over fixed and variable amounts, maintaining the same contractual term (until 2033). As at December 31, 2019, 166 installments are due.

Noncurrent installments mature, by year, as follows:

	Consolidated
2021	**12,657**
2022	**11,575**
2023	**10,584**
2024	**9,678**
2025 to 2033	**60,030**
	104,524

With the subrogation of the agreement on August 31, 2019, the Company remeasured the balance recorded in Concession rights payable in the amount of R$40,651 matched against Concession infrastructure use right in Intangible assets, see note 12.

Changes are as follows:

(In thousands of reais - R$)

	12/31/2019	12/31/2018	12/31/2017
Opening balance	**84,138**	**94,936**	**109,297**
Additions	**-**	**-**	**-**
Monetary variation on obligations with the Granting Authority	**10,615**	**8,759**	**4,867**
Payment of principal and restatement	**(16,271)**	**(19,557)**	**(19,228)**
Remeasurement	**40,651**	**-**	**-**
Closing balance	**119,133**	**84,138**	**94,936**

17. Accounts payable for investments made

		Individual and Consolidated			
	Index/rate	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Consideration to equity holders	IPCA	**2,000**	5,657	15,605	37,354
Consideration to equity holders	IGP-M	**2,895**	3,000	-	-
		4,895	8,657	15,605	37,354
Current liabilities		**2,000**	5,657	12,389	26,216
Noncurrent liabilities		**2,895**	3,000	3,216	11,318
Total		**4,895**	8,657	15,605	37,534

These refer to obligations for investment acquisition. Such obligations were restated according to their contractual indicators (IPCA / IGP-M) in the amount of R$402 at December 31, 2019 (R$907 in 2018 and R$832 in 2017), which were allocated to profit or loss for the year in Finance costs.

During 2019, the Company did not reverse amounts due to the fact that the sellers reached the contractual performance goals. In 2018, the amount reversed was R$12,000 and, in 2017, R$10,782.

18. Labor obligations

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
INSS and FGTS payable	**5,044**	5,269	5,590	4,859	**5,972**	6,214	6,566	5,804
Labor provisions	**19,684**	18,287	16,598	18,019	**23,496**	21,544	20,168	23,098
	24,728	23,556	22,188	22,878	**29,468**	27,758	26,734	28,902

(In thousands of reais - R$)

19. Tax payment in installments

At December 31, 2019, 2018 and 2017, the Company had plans for local and federal tax payment in installments, as follows:

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Plan for local tax payment in installments - PPI/PAT/IPTU/charges/fine	**214**	279	824	1,116	**295**	377	1,039	1,371
Plan for federal tax payment in installments - RFB/PGFN - PIS/COFINS/fine GFIP	**82**	108	133	-	**249**	334	405	-
	296	387	957	1,116	**544**	711	1,444	1,371
Current	**129**	133	404	395	**223**	217	532	454
Noncurrent	**167**	254	553	721	**321**	494	912	917

20. Transactions with related parties

The Company, its subsidiaries, jointly controlled entities, affiliates and shareholders enter into, among themselves and in the normal course of their business, financial and commercial operations. These operations include, in particular, the provision of funds for parking lots in the form of advances for capital increase, intercompany loan agreements and checking account to be used as a source of working capital, normally for specific cash flow needs, whose settlement does not exceed 30 days. Commercial transactions basically refer to the lease of certain parking lots to its related party Carmo Couri.

Intercompany operations referring to trade accounts receivable and payable are conducted under conditions agreed by and between the parties and comprise operations to cover the companies' daily cash flows (with no interest), such as insurance, uniforms and administrative apportionments.

The Company has no intercompany purchase and sale operations.

(In thousands of reais - R$)

20.1 Assets

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Current assets:								
Wellpark Estacionamento e Serviços Ltda.	**4**	465	8	-	**-**	-	-	-
Capital Parking Estacionamentos Ltda.	**12**	85	272	169	**-**	-	-	-
Riopark Estacionamentos e Garagens Ltda.	**28**	19	88	57	**-**	-	-	-
Primeira Estacionamentos Ltda.	**34**	-	-	-	**-**	-	-	-
Saepart Soc. de Adm. Emp. e Part. Ltda.	**665**	665	651	525	**-**	-	-	-
Azera Parking Ltda.	**693**	666	700	700	**-**	-	-	-
Hora Park Sistema Estacionamentos Rotativos Ltda.	**725**	576	1,355	1,370	**-**	-	-	-
Estacionamento Cinelândia S.A.	**52**	-	-	-	**-**	-	-	-
Consórcio Estacionamento Centro Cívico	**11**	175	-	-	**11**	175	-	-
Consórcio Estacionamento Novo Centro	**127**	234	134	-	**127**	234	-	-
Estacionamento Edifício Comercial Ahead	**61**	-	-	-	**61**	-	-	-
Shopping Granja Vianna Ltda.	**-**	-	261	1,487	**-**	-	261	1,487
Shopping da Ilha Ltda.	-	-	423	744	-	-	423	744
Shopping SCP Mooca Plaza.	-	-	798	-	-	-	798	-
Estacionamento Shopping Monte Carmo	**99**	174	-	-	**-**	-	-	-
Estacionamento Hospital Marcelino Champagnat	**109**	62	55	-	**-**	-	-	-
Estacionamento Shopping Bay Market Center	**131**	-	-	-	**131**	-	-	-
Estacionamento Shopping Parque Aracajú	**227**	-	-	-	**-**	-	-	-
Estacionamento do Mogi Shopping	**521**	541	639	805	**521**	541	639	805
Estacionamento Shopping Bourbon Pompéia	**2,819**	-	-	-	**2,819**	-	-	-
Estacionamento Shopping Leblon	**-**	244	345	511	**-**	244	345	511
Shopping Catuai Londrina	**-**	-	647	-	**-**	-	647	-
Shopping São Bernardo Plaza	**1**	-	148	-	**-**	-	148	-
Shopping Mestre Álvaro	**-**	393	393	-	**-**	393	393	-
Consórcio Shopping Metrô Santa Cruz	**-**	541	541	-	**-**	541	541	-
Shopping SCP Recreio Ltda.	**-**	649	1,090	-	**-**	649	1,090	-
Accounts receivable – equity holders (i)	**5,850**	7,375	5,108	5,856	**22,356**	18,148	14,596	15,420
Other	**104**	408	958	3,957	**1**	278	1,891	4,010
	12,273	13,272	14,614	16,181	**26,027**	21,203	21,772	22,977

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Noncurrent assets:								
E.W.S. Estacionamentos Salvador S.A. (ii)	**15,127**	15,127	15,013	13,340	**-**	-	-	-
WPR Empreendimento Imobiliário Ltda.	**-**	-	-	1,119	**-**	-	-	1,119
WPA Park Participações S.A.	**-**	-	-	1,234	**-**	-	-	1,234
Loop Gestão de Pátios S.A.	**-**	-	2,180	-	**-**	-	-	-
Other	**227**	228	230	10	**484**	228	958	10
	15,354	15,355	17,423	15,703	**484**	228	958	2,363

(In thousands of reais - R$)

20.2 Liabilities

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Current liabilities:								
Capital Parking Estacionamentos Ltda.	**5**	-	-	-	**-**	-		
Riopark Estacionamentos e Garagens Ltda.	**30**	2	3	1	**-**	-	-	-
Saepart Soc. de Adm. Emp. e Part. Ltda.	**42**	17	22	76	**-**	-	-	-
Primeira Estacionamentos Ltda.	**103**	-	-	-	**-**	-		
Hora Park Sistema Estacionamentos Rotativos Ltda.	**131**	85	54	8	**-**	-	-	-
Minas Park Aparecida Estacionamentos Ltda.	**-**	-	838	-	**-**	-	-	-
Consórcio Shopping Tamboré Ltda.	**-**	-	401	1,804	**-**	-	401	1,804
Shopping SCP Capim Dourado Ltda.	**-**	-	-	-	**-**	-	97	-
Shopping Catuai Maringá Ltda.	**-**	-	106	-	**-**	-	106	-
Shopping Catuai Londrina Ltda.	**-**	-	153	-	**-**	-	153	-
Shopping Estação BH Ltda.	**-**	-	87	57	**-**	-	87	57
Shopping Estação Curitiba Ltda.	**-**	-	168	168	**-**	-	168	168
Shopping SCP Vila da Serra Ltda.	**-**	-	205	-	**-**	-	205	-
Wellpark Estacionamento e Serviços Ltda.	**213**	397	184	-	**-**	-	-	-
Loop Gestão de Pátios S.A.	**7**	-	-	-	**7**	-	-	-
Estacionamento Cinelândia S.A.	**11**	-	-	-	**-**	-	-	-
Estacionamento Shopping Bourbon Pompéia	**11**	-	-	-	**11**	-	-	-
Estacionamento do Shopping Monte Carmo	**56**	242	-	-	**-**	-		757
Shopping SBC Plaza Ltda.	**-**	-	-	757	**-**	-	-	-
Consórcio Estacionamento Shopping ABC Ltda.	**-**	972	972	1,258	**-**	972	972	1,258
Other	**33**	489	512	727	**6**	454	437	899
	642	2,204	3,705	4,856	**24**	1,426	2,626	4,943

	Individual				Consolidated			
	12/31/2019	12/31/2018	12/31/2017	01/01/2017	12/31/2019	12/31/2018	12/31/2017	01/01/2017
Noncurrent liabilities:								
Riopark Estacionamentos e Garagens Ltda.	**-**	-	-	5,631	**-**	-	-	-
Future capital contribution	**-**	-	-	-	**-**	-	728	-
	-	-	-	5,631	**-**	-	728	-

(i) Indemnity amounts related to lawsuits receivable from previous partners of acquired companies.
(ii) In January 2020, the Company settled the outstanding intercompany loan balance, as described in Note 34.

Fund

The Company had an open fund represented by BTG Pactual CDB I FIC FI Renda Fixa Crédito Privado, which is a fixed income investment fund under the management, administration and custody of Banco BTG Pactual S.A., the investments were fully redeemed on November 30, 2018, whose finance income for the year ended December 31, 2018 was R$2,663 – Individual and R$2,773 – Consolidated. On December 31, 2019, the Company has no balance invested in funds with related parties.

The administration fee of the BTG Pactual CDB I FIC FI Renda Fixa Crédito Privado investment fund is equivalent to an annual percentage of 0.15% on the fund net worth, daily allocated to the share amount. For the year ended December 31, 2019, December 31, 2018 and December 31, 2017, expenses with this administration fee were R$0, R$39 and R$36, respectively. As in other related-party transactions, our operations with BTG Pactual CDB I FIC FI Renda Fixa Crédito Privado was conducted under conditions agreed by and between the parties.

(In thousands of reais - R$)

Lease and goodwill

Goodwill and lease payments for the period ended December 31, 2019, 2018 and 2017 are as follows:

	Individual and Consolidated		
	12/31/2019	12/31/2018	12/31/2017
Leases	**6,080**	877	485
Total	**6,080**	877	485

As in other related-party transactions, our operations with company Carmo Couri Engenharia e Construções Ltda. were conducted under conditions agreed by and between the parties.

Transactions with key management personnel

Key management personnel include the CEO and officers.

The Company does not make it a practice to grant post-employment, employment contract termination or any other long-term benefits.

Key management personnel compensation, which includes retention bonus for the year, amounted to R$10,858 for the year ended December 31, 2019 (R$14,205 at December 31, 2018 and R$6,302 at December 31, 2017), and is considered a short-term benefit. At December 31, 2019, the expense related to the stock option plan amounted to R$13,650.

21. Provision for legal proceedings

The Company and its subsidiaries are parties to legal and administrative civil, labor and tax proceedings. Provisions for probable losses, if any, resulting from these lawsuits and proceedings are estimated and restated by the Company based on the opinion of its outside legal advisors.

The Company recorded provisions for tax, civil and labor contingencies whose settlement is likely to generate an outflow of economic benefits.

At December 31, 2019, 2018 and 2017, the Company maintained the following provisions, corresponding to legal and administrative proceedings whose likelihood of an unfavorable outcome was assessed as probable (for labor claims whose likelihood of an unfavorable outcome was assessed as probable and possible), as summarized below:

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
As at January 1, 2017	175	3,987	1,038	5,200	957	4,636	10,537	16,130
Additions	-	-	-	-	493	-	191	684
Write-off (payment)	-	-	-	-	(1,156)	-	-	(1,156)
As at December 31, 2017	175	3,987	1,038	5,200	294	4,636	10,728	15,658
Additions	-	2,704	-	2,704	-	2,704	1,457	4,161
Transfers	9	(940)	964	33	-	(1,111)	1,137	26
As at December 31, 2018	**184**	**5,751**	**2,002**	**7,937**	**294**	**6,229**	**13,322**	**19,845**
Additions	**-**	**3,032**	**-**	**3,032**	**-**	**3,033**	**5,169**	**8,202**
As at December 31, 2019	**184**	**8,783**	**2,002**	**10,969**	**294**	**9,262**	**18,491**	**28,047**

(In thousands of reais - R$)

Nature of the main claims for which a provision was set up by the Company:

Labor: the Company and investees recognize a provision for labor claims based on an average percentage of loss history of the past three years, considering the best estimate of amounts in claims pending judgment. Claims are related to overtime, severance pay, among others.

Civil: The main civil proceeding whose likelihood of an unfavorable outcome in the amount of R$15,610 was assessed as probable is an out-of-court enforcement proceeding filed by Infraero, on July 26, 2005, to collect amounts related to the service concession arrangement for the operation of the parking lot in Rio de Janeiro International Airport - Galeão. This claim has a development whose likelihood of loss was rated as possible.

Possible risks

The Company and its subsidiaries are parties to tax and civil legal proceedings for which no provision was set up, as the likelihood of an unfavorable outcome therefor was classified by management and its outside legal advisors as possible. In Consolidated, contingencies whose likelihood of an unfavorable outcome was assessed as possible are as follows:

	12/31/2019
Civil proceedings	26,295
Tax proceedings	12,499
	38,794

Civil proceedings: The main civil proceeding whose likelihood of an unfavorable outcome in the amount of R$17,859 was assessed as possible is an out-of-court enforcement proceeding filed by Infraero, on July 26, 2005, to collect amounts related to the service concession arrangement for the operation of the parking lot in Rio de Janeiro International Airport - Galeão.

Tax proceedings: The main tax proceedings whose likelihood of an unfavorable outcome is possible is: i) tax collection claim filed by the Municipality of Santo André, with the purpose of collecting amounts supposedly due as Service Tax (ISS) in the period from August/2011 to June/2014 in the amount of R$3,823; ii) cancellation of IPTU from 2011 to 2014 at Santos Dumont Airport in the amount of R$4,774.

(In thousands of reais - R$)

Judicial deposits

The Company is challenging the payment of certain taxes, contributions and labor obligations, and made deposits for appeals (restricted), at amounts equivalent to those pending a final court decision.

	Individual				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
As at January 1, 2017	1,224	1,181	797	3,202	1,224	1,507	2,271	5,002
Additions (deposits)	116	598	375	1,089	116	1,062	588	1,766
Unfavorable outcome	(318)	(38)	(367)	(723)	(318)	(38)	(367)	(723)
As at December 31, 2017	1,022	1,741	805	3,568	1,022	2,531	2,492	6,045
Additions (deposits)	-	1,048	6	1,054	-	1,196	3	1,199
Unfavorable outcome	(49)	(119)	(53)	(221)	(49)	(219)	(1,260)	(1,528)
Favorable outcome	(461)	(148)	(13)	(622)	(461)	(176)	(13)	(650)
Monetary restatement	49	30	13	92	49	84	15	148
As at December 31, 2018	561	2,552	758	3,871	561	3,416	1,237	5,214
Additions (deposits)	**-**	**1,032**	**682**	**1,714**	**-**	**1,277**	**709**	**1,986**
Unfavorable outcome	**(55)**	**(61)**	**(234)**	**(350)**	**(55)**	**(61)**	**(248)**	**(364)**
Favorable outcome	**-**	**(288)**	**-**	**(288)**	**-**	**(333)**	**(16)**	**(349)**
As at December 31, 2019	**506**	**3,235**	**1,206**	**4,947**	**506**	**4,299**	**1,682**	**6,487**

22. Current and deferred income and social contribution taxes

Reconciliation between the tax expense and P&L from book profit multiplied by the tax rate for the periods ended December 31, 2019, 2018 and 2017 is as follows:

	Individual			Consolidated		
	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
		(restated)	(restated)		(restated)	(restated)
Loss before income and social contribution taxes	**(42,366)**	(53,791)	(74,210)	**(38,062)**	(49,515)	(68,531)
Income and social contribution taxes at a statutory tax rate of 34%	**14,404**	18,289	25,231	**12,940**	16,835	23,301
Permanent differences:						
Equity pickup	**(11,149)**	(6,203)	(10,710)	**(1,500)**	392	411
Tax impact generated by Silent Partnerships (SCPs)	**70**	146	659	**(54)**	24	1,450
Other permanent differences	**(718)**	(3,519)	5,765	**(460)**	(1,331)	2,006
Temporary differences:		-			-	
Unrecognized deferred taxes on temporary differences – prior years	**(2,362)**	-		**(2,761)**	-	
Unrecognized tax loss for the period		(7,111)	(7,975)	**(5,003)**	(16,768)	(12,642)
(Reversal of) Provision for realization of deferred taxes	**(1,419)**	-	(12,973)	**(7,728)**	-	(17,434)
Income and social contribution tax expenses	**(1,174)**	1,602	(3)	**(4,566)**	(848)	(2,908)
Current	**(1,174)**	-	-	**(4,566)**	(2,450)	(2,908)
Deferred	**-**	1,602	(3)	**-**	1,602	-
	(1,174)	1,602	(3)	**(4,566)**	(848)	(2,908)

Deferred income and social contribution taxes

At December 31, 2019, the Company's income and social contribution tax loss carryforwards (Individual) amounted to approximately R$350,878 (R$352,388 at December 31, 2018 and R$334,450 at December 31, 2017) and income and social contribution tax loss carryforwards (Consolidated) amounted to approximately R$465,369 (R$451,170 at December 31, 2018 and R$419,135 at December 31, 2017). The Company did not recognize the potential tax credit from deferred income and social contribution taxes as it failed to meet all the deferred tax credit recognition assumptions, such as history of profitability and not being in its pre-operating phase, as required by CVM Rule No. 371/2002.

In 2018, the Company used R$1,602 of deferred income and social contribution tax loss carryforwards to settle a portion of its installment tax payments.

23. Equity

According to its bylaws, the Company is authorized to increase its capital up to the limit of 300,000,000 (three hundred million) (2,100,000,000 (two billion and one hundred million) common shares after conversion and stock split approved on February 11, 2020, in accordance with Note 34). The capital increase and consequent issue of new shares are to be approved by the Board of Directors, subject to the authorized capital limit.

On September 16, 2016, the Company signed an investment agreement with Equity International ("EI"), through fund Riverside Fundo de Investimento em Participações, wherein an investment was agreed in the Company through creation and subscription of 5,254,170 redeemable registered preferred shares (41,481,482 common shares after conversion and stock split, in accordance with Note 34), amounting to R$400,000 ("Initial Investment"), with no par value.

On December 23, 2016, through fund Riverside Fundo de Investimento em Participações, a second investment was made in the Company through creation and subscription of 1,313,542 redeemable registered preferred shares (1,481,481 common shares after conversion and stock split, in accordance with Note 34), amounting to R$100,000, with no par value.

Based on IAS 32 and IFRS 9, the investment agreement is classified as a financial liability convertible into preferred shares ("option") with an embedded derivative.

Based on the investment agreement entered into on September 16, 2016, the general shareholders' meetings held on September 16, 2016 and December 23, 2016 approved the issue of redeemable preferred shares, which were subscribed by the investor. The investor had the option to demand the redemption of their shares, by the Company, until March 31, 2019.

(In thousands of reais - R$)

On November 28, 2018, the Company's Special General Meeting approved the amendment to the conditions for redemption and conversion of redeemable preferred shares. As a result of such approval, the investment approved by the Company's shareholders on September 16, 2016 and December 23, 2016 is no longer considered a financial liability and option and has been restated to the Company's equity, in the total amount of R$602,338, distributed as follows: (i) R$50,000, corresponding to 10% of the initial investment, were converted into capital; (ii) R$450,000, corresponding to 90% of the initial investment, were converted into capital reserve; and (iii) R$102,338, resulting from the IPCA-based income, plus a monthly percentage margin calculated based on 4% p.a. from the signature date of the investment agreement until the date of conversion, and net of the balance to be allocated to share issue costs, converted into goodwill reserve.

At December 31, 2019, 2018 and 2017, fully subscribed and paid-in capital amounted to R$212,153. The number of common registered shares, with no par value, includes the conversion of shares and stock split carried out on February 11, 2020, in accordance with Note 34, and is represented as follows:

	Shareholding structure – Allpark – December 31, 2019 and 2018		
	Total shares		
Shareholders	**Subscribed**	**Paid-in**	**% - Ownership interest**
Fundo de investimento em Participações Maranello - Multiestratégico	**76,890,226**	**76,890,226**	**47.66%**
FIP Brasil de Governança Corporativa	**17,869,796**	**17,869,796**	**11.08%**
TSEMF III Brazil S.a.r.l.	**6,044,430**	**6,044,430**	**3.75%**
TSEMF IV Brazil S.a.r.l	**3,488,954**	**3,488,954**	**2.16%**
Riverside FIP	**52,862,418**	**52,862,418**	**32.77%**
Other	**4,179,329**	**4,179,329**	**2.59%**
	161,335,153	**161,335,153**	**100.00%**

	Shareholding structure – Allpark – December 31, 2017		
	Total shares		
Shareholders	Subscribed	Paid-in	% - Ownership interest
Fundo de investimento em Participações Maranello - Multiestratégico	76,890,226	76,890,226	70.23%
FIP Brasil de Governança Corporativa	17,869,796	17,869,796	16.32%
TSEMF III Brazil S.a.r.l.	6,044,430	6,044,430	5.52%
TSEMF IV Brazil S.a.r.l	3,488,954	3,488,954	3.19%
Other	5,189,898	5,189,898	4.74%
	109,483,304	109,483,304	100.00%

<u>Capital reserve</u>

(In thousands of reais - R$)

This is the contra entry of stock option plan expenses in accordance with Note 33, goodwill reserve and capital reserve for future investments.

Dividends

The Company's Articles of Incorporation determine that shareholders are entitled to non-cumulative annual dividend corresponding to 25% of net income for the year, calculated under the terms of article 202 of the Brazilian Corporation Law.

The remaining net income balance, after legal provisions and allocation determined for dividends, will be allocated to the capital reserve, which shall not exceed 100% of the Company's capital. After the special income reserve balance reaches the limit, allocation of the remaining income will be determined in the Shareholders' Meeting.

The Company did not distribute dividends for the years ended December 31, 2019, 2018 and 2017. Subsidiary Cinelândia paid out dividends to the Parent Company in the amount of R$360 in 2018 and R$512 in 2017.

24. Net operating revenue from services

	Individual			Consolidated		
	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
Revenue:						
Operation of parking lots	**893,550**	834,572	814,590	**1,126,548**	1,006,559	983,965
Provision of management services	**27,576**	33,007	28,580	**32,641**	34,019	29,632
Operation of pay-and-display areas (Zona Azul)	**-**	-	-	**55,721**	53,795	55,638
Lease of spaces	**6,795**	7,908	7,362	**8,011**	8,062	7,581
Revenue as agent	**558**	431	2,294	**558**	431	2,341
Revenue from services rendered in events	**10,451**	9,628	9,219	**11,068**	10,793	10,218
Remarketing revenues	**-**	-	-	**-**	6,446	6,669
Other revenue from services	**10,053**	11,568	8,577	**14,032**	13,066	9,514
	948,983	897,114	870,622	**1,248,579**	1,133,171	1,105,558
Deductions:						
PIS - 0.65% and 1.65%	**(14,388)**	(14,077)	(14,324)	**(19,089)**	(17,808)	(17,987)
COFINS - 3.00% and 7.65%	**(66,212)**	(64,832)	(65,972)	**(87,858)**	(82,016)	(82,832)
ISS - 2% to 5%	**(45,504)**	(42,726)	(41,529)	**(58,916)**	(52,961)	(51,557)
Other deductions	**(1,633)**	(613)	(712)	**(2,032)**	(1,153)	(988)
	(127,737)	(122,248)	(122,537)	**(167,895)**	(153,938)	(153,364)
	821,246	774,866	748,085	**1,080,684**	979,233	952,194

(In thousands of reais - R$)

25. Costs of services and expenses by nature

	Individual			Consolidated		
	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
		(restated)	(restated)		(restated)	(restated)
Payroll and related charges	**(275,219)**	(264,008)	(241,966)	**(330,323)**	(314,090)	(288,878)
Leases	**(210,457)**	(197,733)	(194,577)	**(263,584)**	(227,021)	(222,663)
Individual and legal entity services	**(30,237)**	(27,038)	(22,920)	**(40,222)**	(38,284)	(35,659)
General	**(29,524)**	(26,764)	(24,527)	**(43,921)**	(44,155)	(40,032)
Utilities	**(11,978)**	(11,055)	(10,435)	**(16,541)**	(15,111)	(14,209)
Maintenance	**(13,708)**	(10,979)	(8,374)	**(17,359)**	(14,303)	(11,412)
Insurance	**(5,780)**	(6,640)	(6,175)	**(6,966)**	(7,860)	(7,321)
Depreciation – right of use – administrative (i)	**(1,698)**	(1,812)	(1,592)	**(1,871)**	(1,812)	(1,592)
Depreciation – right of use – operations (i)	**(65,517)**	(60,884)	(59,183)	**(107,605)**	(90,911)	(89,114)
Depreciation	**(17,514)**	(16,289)	(28,061)	**(29,471)**	(28,774)	(46,536)
Reversal of accounts payable for investment acquisition (Note 17)	**-**	12,000	10,782	**-**	12,000	10,782
Gain on control lost (Note 9)	**-**	-	-	**-**	28,750	-
Other costs and expenses	**(8,698)**	(14,704)	(6,234)	**(1,907)**	(15,723)	(11,624)
Total	**(670,330)**	(625,906)	(593,263)	**(859,770)**	(757,294)	(758,258)
Cost of services	**(587,216)**	(556,251)	(543,764)	**(761,273)**	(703,138)	(690,610)
General and administrative expenses	**(93,115)**	(80,561)	(59,583)	**(109,401)**	(97,529)	(71,896)
Other operating income (expenses), net	**10,001**	10,906	10,084	**10,904**	43,373	4,248
Total	**(670,330)**	(625,906)	(593,263)	**(859,770)**	(757,294)	(758,258)

(i) Depreciation – right of use - administrative is net of PIS and COFINS tax credits on leases of administrative agreements in the amounts of R$173 in 2019, R$253 in 2018 and R$223 in 2017 – Individual and R$227 in 2019, R$253 in 2018 and R$223 in 2017 – Consolidated.

(ii) Depreciation – right of use – operations is net of PIS and COFINS tax credits on leases of operating agreements in the amounts of R$5,762 in 2019, R$5,388 in 2018 and R$5,238 in 2017 – Individual and R$9,854 in 2019, R$8,326 in 2018 and R$8,225 in 2017 – Consolidated.

26. Finance income (costs)

Finance income

	Individual			Consolidated		
	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
Interest on financial investments	**3,643**	6,223	26,259	**4,695**	7,358	27,056
Discounts obtained	**65**	68	62	**516**	422	282
Interest income	**495**	492	1,097	**548**	554	1,238
Monetary variation	**1,744**	1,402	273	**1,808**	1,674	539
Foreign exchange differences	**7,552**	-	1,656	**7,552**	654	1,263
Fair value adjustment - swap	**1,660**	-	-	**1,660**	969	-
Fair value adjustment - options	**-**	35,703	20,819		35,703	20,819
Interest on intercompany loans	**-**	420	2,135	**-**	428	2,135
	15,159	44,308	52,301	**16,779**	47,762	53,332

Finance costs

	Individual			Consolidated		
	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
		(restated)	(restated)		(restated)	(restated)
Interest	**(33,453)**	(26,216)	(45,227)	**(36,534)**	(30,726)	(50,974)
Interest - Equity International	**-**	(82,303)	(66,617)	**-**	(82,303)	(66,617)
Interest on concession rights payable	**-**	-	-	**(9,830)**	(7,613)	(5,376)
Tax on financial transactions (IOF)	**(403)**	(681)	(12)	**(543)**	(785)	(104)
Fair value adjustment - swap	**-**	-	(1,524)	**-**	(192)	(2,555)
Fair value adjustment - options	**-**	(6,952)	(3,862)	**-**	(6,952)	(3,862)
Commissions	**(3,549)**	(6,679)	(8,319)	**(3,811)**	(8,084)	(8,652)
Interest on leases (i)	**(67,802)**	(70,037)	(71,479)	**(129,070)**	(109,779)	(114,751)
Foreign exchange differences	**(10,768)**	-	(824)	**(10,768)**	(2,142)	3,885
Bank fees	**(1,043)**	(1,002)	(1,015)	**(1,233)**	(1,387)	(1,398)
Other finance costs	**(13)**	(351)	(352)	**(221)**	(453)	(367)
	(117,031)	(194,221)	(199,231)	**(192,010)**	(250,416)	(250,771)

(i) Interest on leases is net of PIS and COFINS tax credits on leases in the amounts of R$5,096 in 2019, R$4,958 in 2018 and R$4,755 - Individual, and R$9,506 in 2019, R$7,875 in 2018 and R$7,695 in 2017 – Consolidated.

27. Earnings per share

Basic and diluted earnings per share are calculated by dividing net income for the year, attributed to the Company's common shareholders, by the weighted average number of common shares outstanding in the year.

The table below presents the data of income (loss) and shares used in the calculation of basic and diluted earnings per share, already considering the effects of conversion and stock split, as approved on February 11, 2020, in accordance with Note 34:

	Individual and Consolidated		
	12/31/2019	12/31/2018	12/31/2017
		(restated)	(restated)
Numerator – Basic			
Net income (loss) for the year attributable to controlling shareholders	(43,540)	(52,189)	(74,213)
Denominator - Basic			
Weighted average number of common shares	161,335,153	118,149,034	109,483,304
Stock options (Note 33) - in thousands	4,580,849	695,849	695,849
Weighted average number of shares - Diluted	161,335,153	118,149,034	109,483,304
Basic and diluted earnings (loss) per share	(0.2699)	(0.4417)	(0.6778)

At December 31, 2019, 2018 and 2017, the Company recorded an antidilutive effect related to: (i) options of share-based payment programs, with effect of R$0.0075 in 2019, R$0.0026 in 2018 and R$0.0001 in 2017.

28. Segment information

Operating segments are reported consistently with the internal reports provided to the main chief operating decision-maker for purposes of assessment of each segment performance and fund allocation.

An operating segment is defined as a component of a Company that operates in business activities from which revenue can be generated and expenses incurred. Each operating segment is directly responsible for the revenues and expenses related to its operations. The chief operating decision makers assess each operating segment performance using information on its revenue and contribution margin, rather than assessing operations using information on assets and liabilities.

There are no intersegment operations, and the Company does not allocate administrative expenses, finance income and costs, and income and social contribution taxes to operating segments.

Segments internally reported are Leased and Managed Locations, Owned Locations, Concessions - On and Off-Street, Long-term Contracts, and Others. We should point out that this model is modified over time, depending on how management sees the business. In the event of a change in methodology, prior periods will be reclassified for comparison purposes. The Company does not assess segment performance considering balances in their assets and liabilities or geographic region.

- Leased and Managed Locations: comprises agreements executed with the private sector. There are operations in the parking area in various segments, such as: commercial buildings, malls, hospitals, educational institutions, banks, and land. Agreements are for leases (fixed or variable leases, or a combination of both) and management (fixed or variable fee).
- Owned Locations: these are real estate acquisition agreements (garages or parking spaces) as a unit separate from the venture where it is located.
- Off-Street Concessions: comprises agreements with the Government, won through bidding. It may be related to infrastructure, which demands huge volumes of investments. These agreements are off-street, and mainly include airports and underground garages.
- On-Street: on-street pay-and-display parking space management agreements entered into with the Cities, which grant the right of operation. The contra entry includes investments in pay-and-display machines, infrastructure, signs and markings, and initial grants in the cities of Americana, Araraquara, Belo Horizonte, Itajaí, Itatiba, Jacareí, Jaraguá do Sul, Juiz de Fora, Limeira, Mauá, Mogi das Cruzes, Pindamonhangaba, Piracicaba, Rio Claro, Salvador, Santa Bárbara d'Oestes, Santo André, São Bernardo do Campo, São Carlos, São João da Boa Vista, São Paulo, Taubaté and Vila Velha.
- Long-term Contracts: include agreements entered into with the private sector and demand investments in infrastructure and/or initial grant. We highlight parking operations in the following segments: commercial buildings, airports, educational institutions, among others.
- Others: secondary revenues that are not specifically identifiable to an operating segment, such as operation of investee in Loop, franchise revenues, and specific operations considered as extraordinary.

(In thousands of reais - R$)

At December 31, 2019, 2018 and 2017, segment reporting was as follows:

		Consolidated											
		Leased and managed locations			Long-term contracts			Owned locations			Off-street		
	Note	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
Net revenue from services	24	521,842	460,904	469,974	347,060	340,077	309,627	30,576	29,306	26,802	131,207	94,296	89,532
Gross profit (c)		104,214	98,258	107,615	214,593	198,398	189,385	14,235	14,117	13,341	111,861	75,819	75,641
General and administrative expenses	25	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income (expenses), net		-	11,734	9,765	-	-	-	-	-	-	-	3,990	(6,339)
Equity pickup	10	-	-	-	-	-	-	353	360	263	(2,583)	1,428	1,391
Income before depreciation and amortization		104,214	109,992	117,380	214,593	198,398	189,385	14,589	14,477	13,603	109,277	81,237	70,693
Depreciation (cost of services) (c)		(30,221)	(30,824)	(33,849)	(53,210)	(47,478)	(52,239)	(2,335)	(2,359)	(3,777)	(45,995)	(33,911)	(39,121)
Amortization of intangible assets		(20,034)	(17,033)	(18,604)	(32,246)	(30,663)	(22,716)	(226)	(175)	(927)	(17,599)	(12,311)	(12,829)
Income before finance income (costs)		53,959	62,136	64,927	129,137	120,258	114,430	12,028	11,943	8,899	45,683	35,015	18,744
Finance income	26												
Finance costs	26												
Loss before income and social contribution taxes													
Current income and social contribution taxes (b)	22	-	-	-	(799)	(1,308)	(1,425)	-	-	-	(1,173)	(452)	(347)
Deferred income and social contribution taxes	22	-	-	-	-	-	-	-	-	-	-	-	-
Income (loss) for the year		53,959	62,136	64,927	128,338	118,950	113,005	12,028	11,943	8,899	44,510	34,563	18,397

(In thousands of reais - R$)

		On-street			Other			Unallocated			Total		
		12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
Net revenue from services	24	48,728	47,422	49,181	1,272	7,228	7,078	-	-	-	1,080,684	979,233	952,194
Gross profit (c)		12,653	12,751	14,966	802	(1,753)	(2,124)	-	-	-	458,358	397,590	398,824
General and administrative expenses	25	-	-	-	-	-	-	(109,401)	(97,529)	(71,896)	(109,401)	(97,529)	(71,896)
Other operating income (expenses), net		-	-	-	10,904	27,648	822	-	-	-	10,904	43,372	4,248
Equity pickup	10	-	-	-	(2,182)	(636)	(442)	-	-	-	(4,412)	1,152	1,210
Income before depreciation and amortization		12,653	12,751	14,966	9,524	25,259	(1,744)	(109,401)	(97,529)	(71,896)	355,449	344,585	332,387
Depreciation (cost of services) (c)		(3,496)	(3,102)	(3,614)	(483)	(1,278)	(1,657)	(3,207)	(2,543)	(2,984)	(138,947)	(121,495)	(137,241)
Amortization		(1,262)	(1,144)	(1,289)	(686)	(2,184)	(4,593)	(7,281)	(6,444)	(5,281)	(79,333)	(69,952)	(66,238)
Income before finance income (costs)		7,895	8,504	10,063	8,355	21,797	(7,994)	(119,889)	(106,516)	(80,161)	137,169	153,139	128,908
Finance income	26							16,779	47,762	53,332	16,779	47,762	53,332
Finance costs	26							(192,010)	(250,416)	(250,771)	(192,010)	(250,416)	(250,771)
Loss before income and social contribution taxes								(295,120)	(309,170)	(277,600)	(38,062)	(49,515)	(68,531)
Current income and social contribution taxes (b)	22	-	-	-	-	-	-	(2,594)	(690)	(1,136)	(4,566)	(2,450)	(2,908)
Deferred income and social contribution taxes	22	-	-	-	-	-	-	-	1,602	-	-	1,602	-
Income (loss) for the year		7,895	8,504	10,063	8,355	21,797	(7,994)	(297,713)	(308,258)	(278,736)	(42,628)	(50,363)	(71,439)

(a) Management separately monitors operating income (loss) of business units in order to make decisions on fund allocation and evaluate performance. Performance of segments is assessed based on revenue and contribution margin. Administrative expenses, Company’s finance income (costs), and income taxes are managed at the Company level, rather than allocated to the operating segments.
(b) Current income and social contribution taxes are allocated only to companies with one segment only.
(c) Gross profit from the segments is reconciled to the statement of profit or loss for the years, reducing the line of depreciation of the costs of services.

(In thousands of reais - R$)

Other significant information

		Consolidated											
		Leased and managed locations			Long-term contracts			Owned locations			Off-street		
	Note	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
			(restated)	(restated)		(restated)	(restated)		(restated)	(restated)		(restated)	(restated)
Property and equipment													
Acquisition cost		**176,366**	156,669	142,924	**74,811**	65,562	52,154	**98,315**	93,539	83,175	**136,325**	130,347	128,012
Depreciation		**(106,752)**	(98,103)	(87,713)	**(41,164)**	(37,389)	(33,133)	**(27,034)**	(25,129)	(22,097)	**(54,934)**	(47,516)	(41,002)
	11	**69,614**	58,566	55,211	**33,647**	28,173	19,021	**71,281**	68,410	61,078	**81,391**	82,831	87,010
Intangible assets													
Goodwill		**103,528**	102,924	102,924	**1,663**	2,084	2,084	**-**	-	-	**10,260**	10,260	7,160
Other intangible assets:													
Acquisition cost		**161,371**	132,056	123,368	**510,666**	425,264	341,237	**3,178**	2,356	8,467	**343,287**	289,402	214,086
Amortization		**(91,234)**	(73,905)	(58,233)	**(128,673)**	(89,215)	(56,264)	**(724)**	(497)	(774)	**(67,715)**	(49,567)	(36,273)
	12	**173,665**	161,075	168,059	**383,656**	338,133	287,057	**2,454**	1,859	7,693	**285,832**	250,095	184,973
Right of use													
Cost of right of use		**182,415**	160,600	143,710	**620,210**	601,238	572,869	**1,557**	1,493	1,292	**583,741**	325,990	330,092
Depreciation of right of use		**(122,006)**	(100,273)	(79,950)	**(246,483)**	(193,472)	(144,495)	**(1,089)**	(933)	(793)	**(150,067)**	(107,537)	(77,616)
		60,409	60,327	63,760	**373,727**	407,766	428,374	**468**	560	499	**433,674**	218,453	252,476
Additions													
Capital invested in property and equipment	11	**21,414**	18,170	12,167	**8,599**	14,862	3,704	**4,843**	841	2,972	**5,534**	2,984	18,350
Capital invested in intangible assets	12	**31,195**	15,549	13,984	**78,067**	71,098	22,680	**822**	214	2,345	**40,786**	92,492	2,910
Total capital invested		**52,609**	33,719	26,151	**86,666**	85,960	26,384	**5,665**	1,055	5,317	**46,320**	95,476	21,260

(In thousands of reais - R$)

		On-street			Other			Unallocated			Total		
		12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017	12/31/2019	12/31/2018	12/31/2017
			(restated)	(restated)		(restated)	(restated)		(restated)	(restated)		(restated)	(restated)
Property and equipment													
Acquisition cost		**42,532**	35,194	30,951	**4,283**	3,618	9,764	**26,452**	24,563	22,169	**559,084**	509,492	469,149
Depreciation		**(24,403)**	(20,813)	(17,458)	**(3,399)**	(2,894)	(2,990)	**(15,512)**	(13,367)	(13,963)	**(273,198)**	(245,211)	(218,356)
	11	**18,129**	14,381	13,493	**884**	724	6,774	**10,940**	11,196	8,206	**285,886**	264,281	250,793
Intangible assets													
Goodwill		**828**	828	-	**2,185**	2,788	6,496	**-**	-	-	**118,464**	118,884	118,664
Other intangible assets:													
Acquisition cost		**31,804**	17,287	7,053	**12,274**	20,806	38,669	**57,425**	44,297	36,487	**1,120,005**	931,468	769,367
Amortization		**(6,151)**	(4,767)	(3,366)	**(6,270)**	(10,189)	(11,383)	**(34,812)**	(27,463)	(20,878)	**(335,579)**	(255,603)	(187,171)
	12	**26,481**	13,348	3,687	**8,189**	13,405	33,782	**22,613**	16,834	15,609	**902,890**	794,749	700,860
Right of use													
Cost of right of use		**2,158**	2,014	1,704	**-**	-	-	**23,920**	15,901	13,160	**1,414,001**	1,107,236	1,062,826
Depreciation of right of use		**(1,853)**	(1,597)	(1,217)	**-**	-	-	**(11,213)**	(9,342)	(7,782)	**(532,711)**	(413,153)	(311,852)
		305	**417**	**487**	**-**	-	-	**12,707**	6,559	5,378	**881,290**	694,083	750,974
Additions													
Capital invested in property and equipment	**11**	**7,311**	3,973	1,703	**874**	395	5,877	**2,471**	-	-	**51,046**	41,225	44,773
Capital invested in intangible assets	**12**	**23,626**	2,136	1,012	**2,359**	250	1,516	**13,129**	-	-	**189,984**	181,739	44,447
Total capital invested		**30,937**	6,109	2,715	**3,233**	645	7,393	**15,600**	-	-	**241,030**	222,964	89,220

29. Financial instruments and financial risk management policies

Financial instruments carried by the Company at December 31, 2019, 2018 and 2017 are mainly the following:

Cash and cash equivalents

Cash and cash equivalents basically comprise investments in CDB (Bank Deposit Certificates), Certificate account with lottery prizes (Savings account) and Investment Funds, which are restated by reference to the CDI variation.

Loans and financing

Loans and financing are subject to the rates described in Note 13.

Debentures

Debentures are subject to the CDI variation (100%), plus average percentage of 1.9% p.a., as disclosed in Note 13.

Derivative financial instruments

Derivative financial instruments are subject to the rates described in Note 14.

Accounts payable for investments made

Accounts payable for investments made are pegged to the IPCA, and restated over the year, as disclosed in Note 17.

Credit risk

The Company's main operation is rendering parking services that are settled in cash or through major credit and debit cards existing in the market. The Company rates the credit risk as low.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices include two types of risk: (i) interest rate risk, and (ii) currency risk. Liabilities subject to floating interest rates expose the Company to the risk of changes in interest rate. These obligations and related indexes are described below:

(In thousands of reais - R$)

	Note	Index/rate	Individual 12/31/2019	Individual 12/31/2018	Individual 12/31/2017	Consolidated 12/31/2019	Consolidated 12/31/2018	Consolidated 12/31/2017
Financial assets:				(restated)	(restated)		(restated)	(restated)
Bank deposit certificate	5	CDI	**63,956**	5,041	10,449	**105,714**	16,075	36,929
Open-end investment funds	5	CDI	**-**	21	142,045	**1,548**	3,884	142,045
Derivative financial instruments	14	CDI	**1,660**	-	-	**1,660**	-	-
			65,616	**5,062**	**152,494**	**108,922**	**19,959**	**178,974**
Financial liabilities:								
Working capital	13	CDI	**51,047**	106,214	16,323	**75,647**	133,959	49,184
Working capital - swap	13	Dollar (i)	**53,908**	-	-	**53,908**	-	4586
Debentures	13	CDI	**348,459**	176,276	396,356	**348,459**	176,276	396,356
Derivative financial instruments	14	CDI	**-**	-	70,351	**-**	-	70,351
Lease liability	15	IPCA / IGPM / INPC	**554,040**	564,526	569,329	**1,071,148**	851,441	876,045
Concession rights payable	16	IPCA	**-**	-	-	**119,132**	84,138	94,936
Accounts payable for investment acquisition	17	IPCA/IGP-M	**4,895**	8,657	15,605	**4,895**	8,657	15,605
			1,012,349	855,673	1,067,964	**1,673,189**	1,254,471	1,507,063

(i) The loan is denominated in US$, the Company contracted a swap operation to convert the debt into CDI. See Note 13.

Currency risk

Currency risk is the risk that fair value of future cash flows of a financial instrument fluctuates due to changes in exchange rates. The Company's exposure to the risk of foreign exchange (FX) differences mainly refers to loans as a source of working capital. The Company has a swap contract to convert the debt into CDI.

Liquidity risk

Management continuously monitors the Company's liquidity needs in order to ensure that it has sufficient cash to meet its operational needs.

Given the business dynamics of the Company and its subsidiaries, treasury aims to maintain balance between fund continuity and flexibility through Working Capital.

In addition, the Treasury Department monitors the consolidated liquidity level, considering the expected cash flows matched against the unused credit facilities.

The following table shows the liquidity risks of significant financial liabilities by maturity, and reflect the Company's undiscounted financial flow at December 31, 2019, 2018 and 2017:

	Individual					Consolidated				
At December 31, 2019	**Carrying amount**	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**	**Carrying amount**	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Loans, financing and debentures	**453,414**	**117,431**	**340,619**	**-**	**458,050**	**478,014**	**115,953**	**356,413**	**8,322**	**480,688**
Trade accounts payable	**57,159**	**55,992**	**1,166**	**-**	**57,158**	**77,098**	**73,972**	**1,310**	**-**	**75,282**
Lease liability	**554,040**	**127,962**	**567,242**	**147,009**	**842,213**	**1,071,148**	**226,897**	**1,009,447**	**635,113**	**1,871,457**
Accounts payable for investments made	**4,895**	**2,000**	**2,895**	**-**	**4,895**	**4,895**	**2,000**	**2,895**	**-**	**4,895**
Concession rights payable	-	-	-	-	**-**	**119,132**	**25,037**	**119,859**	**150,190**	**295,086**
	1,069,508	**303,385**	**911,922**	**147,009**	**1,362,316**	**1,750,287**	**443,859**	**1,489,924**	**793,625**	**2,727,408**

					Individual					Consolidated
As at December 31, 2018 (restated)	**Carrying amount**	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**	**Carrying amount**	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Loans, financing and debentures	282,490	236,254	48,834	-	285,088	309,205	238,797	74,297	-	313,094
Trade accounts payable	51,776	46,415	5,361	-	51,776	64,978	59,473	5,505	-	64,978

(In thousands of reais - R$)

Lease liability	564,526	129,181	573,914	240,398	943,493	846,920	222,915	1,039,167	791,327	2,053,409
Accounts payable for investments made	8,657	5,657	3,000	-	8,657	8,657	5,657	3,000	-	8,657
Concession rights payable	-	-	-	-	-	84,138	10,964	101,389	224,747	337,100
	907,449	417,507	631,109	240,398	1,289,014	1,313,898	537,806	1,223,358	1,016,074	2,777,238

	Individual					Consolidated				
As at December 31, 2017 (restated)	Carrying amount	1 to 12 months	1 to 5 years	> 5 years	Total	Carrying amount	1 to 12 months	1 to 5 years	> 5 years	Total
Loans, financing and debentures	347,866	344,361	7,215	-	351,576	385,129	344,642	44,417	-	389,059
Trade accounts payable	40,939	40,432	507	-	40,939	51,877	51,227	650	-	51,877
Lease liability	569,329	124,348	598,352	345,141	1,067,841	871,524	189,139	1,067,537	985,872	2,242,548
Accounts payable for investments made	15,605	12,389	3,216	-	15,605	15,605	12,389	3,216	-	15,605
Financial liabilities convertible into shares	403,655	-	413,835	-	413,835	403,655	-	413,835	-	413,835
Concession rights payable	-	-	-	-	-	94,936	9,203	90,418	247,527	347,148
	1,377,394	521,530	1,023,125	345,141	1,889,796	1,822,726	606,600	1,620,073	1,233,399	3,460,072

Capital management

The Company's objective regarding capital management is maintaining the investment capacity, which enables growth and return to its investors.

Accordingly, the financial leverage index is the result of net debt divided by equity. Net debt results from total loans, financing, debentures, lease, and financial liabilities convertible into share (current and noncurrent), less total cash and cash equivalents.

At December 31, 2019, 2018 and 2017, bases or the indexes were as follows:

		Individual			Consolidated		
	Note	2019	2018	2017	2019	2018	2017
Intercompany loans and financing (*)	13	**104,955**	106,214	16,323	**129,555**	132,929	53,550
Leases (current)	13	-	-	-	-	-	36
Lease liability (*)	15	**554,040**	564,526	569,329	**1,071,148**	851,439	876,045
Debentures (*)	13	**348,459**	176,276	331,543	**348,459**	176,276	331,543
Lease liability convertible into shares (noncurrent)	15	-	-	472,885	-	-	472,885
Derivative financial instruments (noncurrent)		-	-	70,351	-	-	71,146
Tax payment in installments (*)	19	**296**	387	957	**544**	711	1,444
Accounts payable for investments made (*)	17	**4,895**	8,657	15,605	**4,895**	8,657	15,605
(-) Cash and cash equivalents	5	**(73,933)**	(17,283)	(161,943)	**(120,196)**	(41,300)	(198,065)
Net debt		**938,712**	838,777	1,315,050	**1,434,405**	1,128,712	1,624,189
Equity	23	**569,136**	598,263	48,114	**581,115**	609,330	58,386

(*) Current and noncurrent.

There were no changes in capital management objectives, policies and procedures over the periods presented.

Sensitivity analysis of financial instruments

Sensitivity analysis for each type of market considered significant by management is stated in the table below.

(In thousands of reais - R$)

For the probable scenario, a one-year horizon was considered in management assessment. In addition, two other scenarios (A) and (B) are stated. The Company assumes a 25% increase (scenario A) and 50% increase (scenario B - extreme situation) in market projection for the CDI rate of the probable scenario.

				Market projection		
Individual	**Note**	**Index/rate**	**12/31/2019**	**Probable**	**Scenario A**	**Scenario B**
Loans and financing	**13**	CDI	**51,047**	54,084	54,844	55,603
Loans and financing - swap	**13**	Dollar (i)	**53,908**	57,116	57,917	58,719
Debentures	**13**	CDI	**348,459**	369,192	374,376	379,559
Accounts payable for investments made	**17**	IPCA	**4,895**	5,106	5,159	5,211
			458,309	485,498	492,295	499,093
Bank deposit certificate	**5**	CDI	**63,956**	67,761	68,713	69,664
Investment fund	**5**	CDI	**-**	-	-	-
			63,956	67,761	68,713	69,664
Total exposure, net			**394,353**	417,737	423,582	429,429
Loss				(23,384)	(29,229)	(35,076)

				Market projection		
Consolidated	**Note**	**Index/rate**	**12/31/2019**	**Probable**	**Scenario A**	**Scenario B**
Loans and financing	**13**	CDI	**75,647**	80,148	81,273	82,398
Loans and financing - swap	**13**	Dollar (i)	**53,908**	57,116	57,917	58,719
Debentures	**13**	CDI	**348,459**	369,192	374,376	379,559
Accounts payable for investments made	**17**	IPCA	**4,895**	5,106	5,159	5,211
			482,909	511,562	518,725	525,887
Bank deposit certificate	**5**	CDI	**105,714**	112,004	113,576	115,149
Investment fund	**5**	CDI	**1,548**	1,640	1,663	1,686
			107,262	113,644	115,239	116,835
Total exposure, net			**375,647**	397,918	403,485	409,053
Loss				(22,271)	(27,838)	(33,406)

(i) The loan is denominated in US$, the Company contracted a *swap* operation to convert the debt into CDI. See Note 13.

Total net effect of the abovementioned scenarios is basically due to the Company's exposure to CDI and IPCA.

The CDI rates used in scenarios Probable, (A) and (B) were 5.95%, 7.44% and 8.93% p.a., respectively. The IPCA rates used in scenarios Probable, (A) and (B) were 4.31%, 5.39% and 6.47% p.a., respectively. The CDI and IPCA projection was extracted from Brazil's Treasury web site.

30. Fair value

Financial instrument fair value calculation methodology

Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction.

The Company adopts CPC 40/IFRS 7 for financial instruments measured at fair value in the Statement of Financial Position, which requires disclosure of the fair value measurements at the following fair value measurement hierarchy level:

• Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

• Information, in addition to quoted prices, included in Level 1, used by the market for assets or liabilities, either directly (that is, based on prices) or indirectly (that is, deriving from prices) (Level 2); and

• Information for assets or liabilities that are not based on data adopted by the market (that is, unobservable information) (Level 3).

(In thousands of reais - R$)

The following tables show the fair value measurement hierarchy level for the Company's consolidated assets and liabilities.

						12/31/2019
Consolidated	**Note**	**Carrying amount**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets with fair value disclosed						
Noncurrent						
Investment property (c)	**8**	**14,137**	**42,078**	**-**	**-**	**42,078**
Assets measured at fair value						
Cash and cash equivalents	**5**	**120,196**	**120,196**	**-**	**120,196**	**-**
Trade accounts receivable	**6**	**58,053**	**58,053**	**-**	**58,053**	**-**
Derivative financial instruments (b)	**14**	**1,660**	**1,660**	**-**	**1,660**	**-**
Liabilities measured at fair value						
Current						
Loans, financing and debentures (a)	**13**	**478,014**	**478,014**	**-**	**478,014**	**-**
Trade accounts payable		**75,282**	**75,282**	**-**	**75,282**	**-**
Accounts payable for investments made	**17**	**4,895**	**4,895**	**-**	**4,895**	**-**

						12/31/2018
Consolidated	**Note**	**Carrying amount**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets with fair value disclosed						
Noncurrent						
Investment property (c)	8	14,474	42,286	-	-	42,286
Assets measured at fair value						
Cash and cash equivalents	5	41,300	41,300	-	41,300	-
Trade accounts receivable	6	54,204	54,204	-	54,204	-
Liabilities measured at fair value						
Current						
Loans, financing and debentures (a)	13	309,205	309,205	-	309,205	-
Trade accounts payable		64,978	64,978	-	64,978	-
Accounts payable for investments made	17	8,657	8,657	-	8,657	-

						12/31/2017
Consolidated	**Note**	**Carrying amount**	**Total**	**Level 1**	**Level 2**	**Level 3**
Assets with fair value disclosed						
Noncurrent						
Investment property (c)	8	14,811	46,094	-	-	46,094
Assets measured at fair value						
Cash and cash equivalents	5	198,065	198,065	-	198,065	-
Trade accounts receivable	6	57,707	57,707	-	57,707	-
Liabilities measured at fair value						
Current						
Loans, financing and debentures (a)	13	385,129	385,129	-	385,129	-
Derivative financial instruments (b)	14	71,146	71,146	-	71,146	-
Trade accounts payable		51,877	51,877	-	51,877	-
Accounts payable for investments made	17	15,605	15,605	-	15,605	-
Financial liabilities convertible into shares	14	472,885	472,885	-	472,885	-

(a) the book value of loans, financing and debentures presented in the financial statements approximates the fair value since the rates of these instruments are market values and there is no intention of early settlement. The debentures are private.
(b) derivative transactions traded over the counter are measured at Level 2, as shown above.
(c) investment properties are accounted for at cost. If they were recorded at their fair value, they would be classified as level 3. More information on the assumptions used in the calculation and sensitivity analysis are shown in Note 8.

We consider that the balances of trade accounts receivable, trade accounts payable, lease liabilities and accounts payable for investments made at book value, less impairment, approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments.

(In thousands of reais - R$)

For the years ended December 31, 2019, 2018 and 2017, there was no fair value assessment transfer between Level 1 and Level 2, or fair value assessment transfer between Level 3 and Level 2.

31. Insurance coverage

Insurance coverage is as follows:

Type of coverage	Coverage
Civil Liability and D&O	25,000
Vehicle insurance	4,700
Corporate insurance and fire in facilities	25,837
Insurance against accidents in garages	120,615
Cash robbery in garages	500
Total	176,652

The Company has insurance coverage at amounts considered sufficient by management to cover risks, if any, inherent in the operation of its assets and/or liabilities.

In its main insurance policy, the Company covers all operational points, which include: branches, related companies and affiliates.

The Company currently has an internal contingent event department that manages the Company's needs regarding taking out insurance and effectively contacting insurers in case of a contingent event.

In 2019, 2018 and 2017, the Company took out insurance from Tokio Marine Seguros to cover its operating activities. Other insurance coverage is taken out from first-tier insurers, considering premium, risks and contingent event policy.

32. Non-cash transactions

In December 31, 2019, 2018 and 2017, the Company conducted non-cash transactions which, therefore, were not presented in the Statements of Cash Flows, as follows:

- Remeasurements and additions related to CPC 06 (R1) - IFRS 16, according to Notes 10 and 15.
- Share-based compensation, according to Note 33.
- Remeasurement of concession rights payable in the amount of R$40,652, in accordance with Note 16 and Note 12.
- Conversion of option into capital and capital reserve, in accordance with Note 23.
- Change in control over investment Loop, as disclosed in Note 9.
- Addition to property and equipment in the amount of R$2,094 in 2018 and R$20,955 in 2017 - Consolidated, through business combinations described in Note 4.
- Addition to intangible assets in the amount of R$9,243 in 2018 and R$8,473 in 2017 - Individual, and R$11,932 in 2018 and R$18,291 in 2017 - Consolidated, through business combinations described in Note 9.
- Addition of goodwill to intangible assets related to new locations, of which R$9,504 in 2019, R$11,776 in 2018 and R$4,012 in 2017 - Individual, and R$9,553 in 2019, R$11,036 in 2018 and R$3,612 in 2017 – Consolidated.

33. Stock option plan

The data on the volume and values of the options below are shown considering the effect of the stock split approved on February 11, 2020, as per Note 34.

First stock option plan

On August 30, 2011, in the Company's Annual Shareholders' Meeting, the creation of a stock option plan for shares issued by the Company was approved ("First Plan").

The Board of Directors, in meeting held on July 03, 2013, approved the First Stock Option Plan ("Second Program"), whereby the beneficiary is granted a stock option for shares to be issued and sold by the Company.

The fair value of each option granted is estimated on the grant date using the Black & Scholes option pricing model, considering the following assumptions: (i) share price; (ii) strike price; (iii) risk-free interest rate; (iv) expected share price volatility; and (v) term until option expiry, as detailed in the table below. Options, when exercised, are converted into shares.

(In thousands of reais - R$)

Information on the stock option program and assumptions used in the valuation are as follows:

	Lot
	03/06/2013
Vesting date	03/06/2013
Strike price	2.33
Strike price (estimated) at the statement of financial position date	4.39
Risk-free interest rate %	8%
Contractual term for exercise per lot (days)	941
Expected dividend yield	0%
Share volatility in the market	24%
Total number of outstanding options	695,849
Total number of vested options	-
Total number of lost/expired options	-
Number of options exercised	-
Number of options to be exercised	695,849
Estimated fair value (R$/share)	2.66

Considering the expected average life of the series, the maximum exercise term is 540 days from the date the employee ceases to be in the position of administrator of the Company and/or entities controlled by the Company. Options, when exercised, are converted into shares.

Second stock option plan

On January 02, 2019, in the Company's Annual Shareholders' Meeting, the creation of a stock option plan for shares issued by the Company was approved ("Plan").

On March 04, 2019, in the Annual Shareholders' Meeting, the Company's Board of Directors approved the Second Stock Option Plan ("Second Plan"), whereby the Beneficiary was granted a stock option, for invaluable consideration, for shares issued or sold by the Company.

The fair value of each option granted is estimated on the grant date using the Black & Scholes option pricing model, considering the following assumptions: (i) share price; (ii) strike price; (iii) risk-free interest rate; (iv) expected share price volatility; and (v) term until option expiry, as detailed in the table below. Options, when exercised, are converted into shares.

Information on the stock option program and assumptions used in the valuation are as follows:

	First lot	Second lot	Third lot	Fourth lot
Date of issue	01/04/2019	01/04/2019	01/04/2019	01/04/2019
Vesting date	03/31/2019	10/01/2019	01/04/2020	10/01/2020
Strike price	10.68	10.90	11.12	11.34
Strike price (estimated) at the statement of financial position date	12.92	12.92	12.92	12.92
Risk-free interest rate %	7.4%	8.2%	8.2%	8.3%
Contractual term for exercise per lot (days)	214	397	580	762
Expected dividend yield	0%	0%	0%	0%
Share volatility in the market	31%	27.9%	27.5%	27.5%
Total number of outstanding options	-	-	135,135	290,540
Total number of vested options	1,437,975	675,675	540,540	385,135
Total number of lost/expired options	42,000	-	-	-
Number of options exercised	-	-	-	-
Number of options granted/to be exercised	1,437,975	675,675	675,675	675,675
Estimated fair value (R$/share)	3.61	4.10	4.54	4.96

First lot	Second lot	Third lot	Fourth lot	Fifth lot

Date of issue	04/03/2019	04/03/2019	04/03/2019	04/03/2019	04/03/2019
Vesting date	31/03/2019	01/10/2019	01/04/2020	01/10/2020	01/04/2021
Strike price	10.68	10.90	11.12	11.34	11.56
Strike price (estimated) at the statement of financial position date	12.92	12.92	12.92	12.92	12.92
Risk-free interest rate %	7.4%	8.2%	8.2%	8.3%	8.3%
Contractual term for exercise per lot (days)	214	397	580	762	945
Expected dividend yield	0%	0%	0%	0%	0%
Share volatility in the market	31%	27.9%	27.5%	27.5%	27.5%
Total number of outstanding options	-	-	18,837	39,312	49,140
Total number of vested options	92,400	81,900	63,063	42,588	32,760
Total number of lost/expired options	-	-	-	-	-
Number of options exercised	-	-	-	-	-
Number of options granted/to be exercised	92,400	81,900	81,900	81,900	81,900
Estimated fair value (R$/share)	3.61	4.10	4.54	4.96	5.34

Participants acquired the right to exercise the first and second lots of their options from March 31, 2019 and from October 1, 2019 ("Initial vesting"), respectively. The remaining lots will be exercisable on April 1, 2020, October 1, 2020, April 1, 2021, and it is certain that for the purposes of this participation, the Vesting Period will be the entire period elapsed in relation to each lot.

On September 30, 2019, plan beneficiaries exercised the purchase option referring to the acquisition right of the first lot in the amount of R$763, presented in Financing activities in the statement of cash flows. At December 31, 2019, stock option plan expenses amounted to R$13,650, as disclosed in Note 20.

The remaining expected average life of unvested periods is 1,004 days at December 31, 2019.

34. Events after the reporting period

34.1 Conversion of preferred shares into common shares and stock split

The Special General Meeting held on February 11, 2020 approved:

The conversion of all Company issued preferred shares into Company issued common shares, in the proportion of 1:1.12785198, as provided for in our bylaws then in force, so that 6,567,712 (six million, five hundred and sixty-seven thousand and seven hundred and twelve) Company issued preferred shares, corresponding to all Company issued preferred shares, were converted into 7,407,407 (seven million, four hundred and seven thousand and four hundred and seven) Company issued common shares, all registered and with no par value, with the same rights and conditions as the common shares already issued by the Company.

The stock split of all common shares issued by the Company, in the proportion of 1:7, so that the Company's capital is now represented by 161,335,153 (one hundred and sixty-one million, three hundred and thirty-five thousand one hundred and fifty-three) registered common shares with no par value.

The change in the number of shares subject to the authorized capital as a result of the split provided for above, so that the Company's authorized capital is now 2,100,000,000 common shares.

34.2 Reformulation of the Company's Bylaws

On February 11, 2020, the Company's Bylaws were reformulated to adapt it to the legal and regulatory requirements applicable to publicly-held companies and to the rules of the special listing segment of B3 S.A. - Brasil, Bolsa, Balcão called Novo Mercado contained in its listing regulation.

34.3 Settlement of intercompany loan agreement

On January 21, 2020, the Company settled its loan agreement with subsidiary EWS Parque Salvador S.A. entered into on October 1, 2013, with the purpose of raising cash flow to finance the operation of Salvador Airport.

34.4 Subscription warrants

On February 12, 2020, the Board of Directors approved the issuance of 462,017 subscription warrants. Each subscription bonus will grant its holder the right to subscribe Company issued common share(s) in an amount to be determined by applying the formula in the minutes, and, in any case, limited to 10 Company issued common shares. The issue price of the shares to be subscribed as a result of the exercise of the subscription warrant is R$100.00 for a total of 4,620,170 common shares that can be subscribed due to the exercise of all subscription warrants, and such exercise should result in the payment proportional to the number of common shares effectively subscribed as a result of their exercise. The rights granted by subscription warrants may be exercised within five business days after the physical and financial settlement of the initial public offering of Company shares approved at the SGM held on February 11, 2020 (Offer) (inclusive). The rights granted by the subscription warrants can only be exercised if the physical and financial settlement of the Offer occurs until August 10, 2020 (inclusive), and if the physical and financial settlement of the Offer does not occur by such date, the subscription warrant holders lose their right to subscribe Company shares due to their warrants is forfeited. The rights granted by the subscription warrants are subject to the resolutive condition that the price per share obtained as a result of the procedure for collecting investment intentions carried out and organized by the coordinators of the Offer (Price per Share) is equal to or greater than R$10.32 plus an amount equal to (a) the variation of the IPCA calculated from September 30, 2018 until the date the Company was registered as a category A securities issuer with CVM (in which case, if the IPCA for the month of registration has not yet been released, the index for the immediately preceding month shall be used and calculated on a pro rata basis to replace the index not yet released); plus (b) 4% per year, considering possible stock splits and other significant corporate events, in both cases, calculated on a pro rata die basis, until the Price per Share is defined. In the event of fulfillment of the abovementioned resolutive condition, subscription warrants and all rights granted by them are extinguished.