

Company and Consolidated Financial Statements

Multipan Empreendimentos Imobiliários S.A.

March 31, 2019
with Independent Auditor's Review Report on Quarterly
Information - ITR

Multiplan Empreendimentos Imobiliários S.A.

Quarterly Information - ITR

March 31, 2019

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

Independent auditor's review report on quarterly information (ITR)

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

Introduction

We have reviewed the individual and consolidated interim financial information of Multiplan Empreendimentos Imobiliários S.A. ("Company"), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2019, which comprise the balance sheet as of March 31, 2019 and the related statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended, including other explanatory information.

Management is responsible for the preparation of the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21(R1) - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission ("CVM"), relating to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion on the individual and consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the individual and consolidated interim financial information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with Accounting Pronouncement CPC 21(R1) - Interim Financial Reporting and international standard IAS 34 - Interim Financial Reporting, applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission ("CVM") and that such information is not presented in conformity with the rules issued by the CVM applicable to the preparation of Quarterly Information (ITR).

Emphasis of matter

As described in Note 2, the individual and consolidated interim financial information contained in the Quarterly Information Form (ITR) was prepared in accordance with Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 – Interim Financial Reporting, applicable to real estate development entities in Brazil registered with CVM. Accordingly, the determination of the accounting policy adopted by the Company for the recognition of revenue in contracts for the purchase and sale of unfinished real estate units on aspects related to the transfer of control follows the understanding expressed by CVM in its Circular Letter/CVM/SNC/SEP No. 02/2018, regarding the application of NBC TG 47 (IFRS 15). Our conclusion is not qualified in respect of this matter.

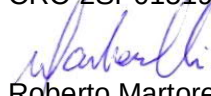
Other matters

Statements of value added

The quarterly information referred to above include the individual and consolidated statements of value added (SVA) for the three-month period ended March 31, 2019, prepared under the responsibility of the Company management and presented as supplementary information under the IAS 34. These statements have been subject to review procedures performed in conjunction with the review of the quarterly information, in order to determine whether they are reconciled with the interim financial information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Accounting Pronouncement CPC 09 - "Statement of Value Added". Based on our review, nothing has come to our attention that causes us to believe that they were not prepared, in all material respects, in accordance with the criteria set forth by this Accounting Pronouncement and consistently with the overall individual and consolidated interim financial information.

Rio de Janeiro, April 26, 2019.

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



Roberto Martorelli
Accountant CRC-1RJ106103/O-0

Multiplan Empreendimentos Imobiliários S.A.

Statements of financial position

March 31, 2019 and December 31, 2018

(In thousands of reais - R\$)

	Company	
	03/31/2019	12/31/2018
Assets		
Current assets		
Cash and cash equivalents (Note 3)	31,550	24,717
Short-term investments (Note 3)	617,005	516,739
Accounts receivable (Note 4)	155,130	195,281
Land and properties for sale (Note 6)	9,632	9,632
Accounts receivable from related parties (Note 5)	10,144	9,006
Taxes and social contributions to be offset	4,396	19,639
Deferred costs (Note 18)	21,217	21,736
Other	17,139	12,438
Total current assets	866,213	809,188
Noncurrent assets		
Accounts receivable (Note 4)	24,538	22,206
Land and properties for sale (Note 6)	19,386	19,386
Accounts receivable from related parties (Note 5)	11,092	11,849
Judicial deposits (Note 17.2)	26,921	30,677
Deferred costs (Note 18)	66,336	55,186
Other	3,365	6,534
Investments (Note 8)	3,293,500	3,232,175
Investment properties (Note 9)	3,482,560	3,440,642
Property and equipment (Note 10)	83,133	75,620
Intangible assets (Note 11)	353,494	354,871
Total noncurrent assets	7,364,325	7,249,146
Total assets	8,230,538	8,058,334

Multiplan Empreendimentos Imobiliários S.A.

Statements of financial position (Continued)
 March 31, 2019 and December 31, 2018
 (In thousands of reais - R\$)

	Consolidated	
	03/31/2019	12/31/2018
Assets		
Current assets		
Cash and cash equivalents (Note 3)	44,148	38,864
Short-term investments (Note 3)	961,123	816,905
Accounts receivable (Note 4)	234,324	284,310
Land and properties for sale (Note 6)	36,693	36,415
Accounts receivable from related parties (Note 5)	15,037	12,338
Taxes and social contributions to be offset	7,991	23,081
Deferred costs (Note 18)	39,180	38,924
Other	31,737	23,319
Total current assets	1,370,233	1,274,156
Noncurrent assets		
Accounts receivable (Note 4)	69,205	68,744
Land and properties for sale (Note 6)	410,709	406,768
Accounts receivable from related parties (Note 5)	12,207	13,004
Judicial deposits (Note 17.2)	29,801	33,407
Deferred income and social contribution taxes (Note 7)	21,400	21,613
Deferred costs (Note 18)	116,554	108,621
Other	8,679	12,105
Investments (Note 8)	138,645	139,250
Investment properties (Note 9)	6,404,255	6,361,367
Property and equipment (Note 10)	88,035	80,584
Intangible assets (Note 11)	354,233	355,639
Total noncurrent assets	7,653,723	7,601,102
 Total assets	 9,023,956	 8,875,258

Multiplan Empreendimentos Imobiliários S.A.

Statements of financial position (Continued)

March 31, 2019 and December 31, 2018

(In thousands of reais - R\$)

	Company	
	03/31/2019	12/31/2018
Liabilities and equity		
Current liabilities		
Loans and financing (Note 12)	149,981	149,288
Accounts payable (Note 13)	93,564	79,565
Property acquisition obligations (Note 15)	269	269
Taxes and contributions payable (Note 16)	9,570	9,999
Interest on shareholders' equity (Note 19.d)	129,551	129,551
Deferred revenues (Note 18)	14,077	14,438
Debentures (Note 14)	226,560	205,997
Other	4,296	4,793
Total current liabilities	627,868	593,900
Noncurrent liabilities		
Loans and financing (Note 12)	763,943	774,890
Accounts payable (Note 13)	44,325	-
Debentures (Note 14)	1,089,236	1,088,205
Provision for contingencies (Note 17.1)	5,883	4,604
Deferred income and social contribution taxes (Note 7)	200,720	197,463
Deferred revenues (Note 18)	33,914	26,615
Phantom stock options (Note 20.b)	30,198	36,677
Total noncurrent liabilities	2,168,219	2,128,454
Equity (Note 19)		
Capital	2,988,062	2,988,062
Share issue costs	(43,548)	(43,548)
Capital reserves	1,003,515	999,983
Income reserves	1,613,708	1,613,708
Treasury shares	(129,254)	(132,229)
Effects on capital transaction	(89,996)	(89,996)
Net Income for the period	91,964	-
Total equity	5,434,451	5,335,980
Total liabilities and equity	8,230,538	8,058,334

Multiplan Empreendimentos Imobiliários S.A.

Statements of financial position (Continued)

March 31, 2019 and December 31, 2018

(In thousands of reais - R\$)

	Consolidated	
	03/31/2019	12/31/2018
Liabilities and equity		
Current liabilities		
Loans and financing (Note 12)	196,409	190,591
Accounts payable (Note 13)	128,480	120,345
Property acquisition obligations (Note 15)	4,912	13,662
Taxes and contributions payable (Note 16)	27,471	28,944
Interest on shareholders' equity (Note 19.d)	129,551	129,551
Deferred revenues (Note 18)	18,583	18,758
Debentures (Note 14)	226,560	205,997
Other	5,640	6,085
Total current liabilities	737,606	713,933
Noncurrent liabilities		
Loans and financing (Note 12)	1,304,861	1,328,939
Accounts payable (Note 13)	44,530	-
Property acquisition obligations (Note 15)	7,883	9,044
Debentures (Note 14)	1,089,236	1,088,205
Provision for contingencies (Note 17.1)	12,807	12,010
Deferred income and social contribution taxes (Note 7)	212,148	208,639
Deferred revenues (Note 18)	45,741	37,225
Advance from customers	88,363	88,399
Phantom stock options (Note 20.b)	30,198	36,677
Total noncurrent liabilities	2,835,767	2,809,138
Equity (Note 19)		
Capital	2,988,062	2,988,062
Share issue costs	(43,548)	(43,548)
Capital reserves	1,003,515	999,983
Income reserves	1,613,708	1,613,708
Treasury shares	(129,254)	(132,229)
Effects on capital transaction	(89,996)	(89,996)
Net Income for the period	91,964	-
	5,434,451	5,335,980
Noncontrolling interests	16,132	16,207
Total equity	5,450,583	5,352,187
Total liabilities and equity	9,023,956	8,875,258

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of profit or loss

Three-month period ended March 31, 2019 and 2018

(In thousands of reais – R\$, except basic and diluted earnings per share, in reais)

	Company	
	03/31/2019	03/31/2018
Net operating revenue (Note 21)	226,390	214,723
Cost of services rendered and properties sold (Note 22)	(42,627)	(39,358)
Gross profit	183,763	175,365
Operating income (expenses):		
Administrative expenses – Headquarters (Note 22)	(38,266)	(30,226)
Administrative expenses – Properties (Note 22)	(1,616)	(2,482)
Expenses from projects for lease (Note 22)	(140)	(280)
Expenses from projects for sale (Note 22)	(327)	(649)
Expenses on share-based compensation (Note 20)	(10,980)	1,656
Depreciation and amortization	(3,640)	(3,318)
Other operating income (expenses), net	9,675	259
Equity pickup (Note 8)	<u>21,011</u>	<u>20,865</u>
Operating income before finance income (costs)	159,480	161,190
Net finance income (costs), net (Note 23)	<u>(27,366)</u>	<u>(21,101)</u>
Income before income and social contribution taxes	<u>132,114</u>	<u>140,089</u>
Income and social contribution taxes (Note 7)		
Current	(36,893)	(36,591)
Deferred	<u>(3,257)</u>	<u>(5,349)</u>
Total current and deferred income and social contribution taxes	<u>(40,150)</u>	<u>(41,940)</u>
Net income for the period	<u>91,964</u>	<u>98,149</u>
Basic earnings per share (Note 26)	0.1547	0.1643
Diluted earnings per share (Note 26)	<u>0.1540</u>	<u>0.1643</u>

Multiplan Empreendimentos Imobiliários S.A.

Statements of profit or loss (Continued)

Three-month period ended March 31, 2019 and 2018

(In thousands of reais – R\$, except basic and diluted earnings per share, in reais)

	Consolidated	
	03/31/2019	03/31/2018
Net operating revenue (Note 21)	302,338	287,012
Cost of services rendered and properties sold (Note 22)	(75,370)	(66,340)
Gross profit	226,968	220,672
Operating income (expenses):		
Administrative expenses – Headquarters (Note 22)	(38,719)	(30,534)
Administrative expenses – Properties (Note 22)	(5,239)	(5,251)
Expenses from projects for lease (Note 22)	(2,118)	(2,451)
Expenses from projects for sale (Note 22)	(821)	(1,918)
Expenses on share-based compensation (Note 20)	(10,980)	1,656
Depreciation and amortization	(3,821)	(3,402)
Other operating income (expenses), net	9,352	1,176
Equity pickup (Note 8)	<u>2,415</u>	<u>1,243</u>
Operating income before finance income (costs)	177,037	181,191
Net finance income (costs), net (Note 23)	<u>(34,189)</u>	<u>(30,095)</u>
Income before income and social contribution taxes	<u>142,848</u>	<u>151,096</u>
Income and social contribution taxes (Note 7)		
Current	(47,795)	(55,395)
Deferred	<u>(3,722)</u>	<u>1,954</u>
Total current and deferred income and social contribution taxes	(51,517)	(53,441)
Net income for the year	<u><u>91,331</u></u>	<u><u>97,655</u></u>
Income attributable to:		
Owners of the Company	91,946	98,134
Noncontrolling interest	<u>(615)</u>	<u>(479)</u>

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of comprehensive income
Three-month period ended March 31, 2019 and 2018
(In thousands of reais – R\$)

	Company	
	03/31/2019	03/31/2018
Net income for the period	91,964	98,149
Other comprehensive income	-	-
Total comprehensive income for the period	<u>91,964</u>	<u>98,149</u>
Total comprehensive income attributed to:		
Noncontrolling interests	-	-
Owners of the Company	91,964	98,149

	Consolidated	
	03/31/2019	03/31/2018
Net income for the period	91,331	97,655
Other comprehensive income	-	-
Total comprehensive income for the period	<u>91,331</u>	<u>97,655</u>
Total comprehensive income attributed to:		
Noncontrolling interests	(615)	(479)
Owners of the Company	91,946	98,134

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity (Company)

Three-month period ended March 31, 2019 and 2018

(In thousands of reais - R\$)

	Capital	Expenses on issue of shares	Stock options granted	Capital reserves Special goodwill reserve upon merger	Goodwill reserve on issue of shares	Income reserves Legal reserve	Expansion reserve	Treasury shares	Effects on capital ansactions	Retained earnings	Total
Balances at December 31, 2017	2,988,062	(43,548)	100,451	186,548	707,391	140,656	1,259,576	(64,051)	(89,996)	-	5,185,089
Stock option exercise	-	-	-	-	(874)	-	-	6,949	-	-	6,075
Stock buyback to be held in treasury	-	-	-	-	-	-	-	(15,846)	-	-	(15,846)
Stock options granted	-	-	461	-	-	-	-	-	-	-	461
Net income for the period	-	-	-	-	-	-	-	-	-	98,149	98,149
Balances at March 31, 2018	2,988,062	(43,548)	100,912	186,548	706,517	140,656	1,259,576	(72,948)	(89,996)	98,149	5,273,928
Balances at December 31, 2018	2,988,062	(43,548)	106,918	186,548	706,517	164,330	1,449,378	(132,229)	(89,996)	-	5,335,980
Stock option exercise	-	-	-	-	21	-	-	2,975	-	-	2,996
Stock options granted	-	-	3,511	-	-	-	-	-	-	-	3,511
Net income for the period	-	-	-	-	-	-	-	-	-	91,964	91,964
Balances at March 31, 2019	2,988,062	(43,548)	110,429	186,548	706,538	164,330	1,449,378	(129,254)	(89,996)	91,964	5,434,451

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity (Consolidated)
Three-month period ended March 31, 2019 and 2018
(In thousands of reais - R\$)

			Capital reserves			Income reserves		Effects on capital transactions	Treasury shares	Retained earnings	Total	Noncontrolling interests	Total
	Capital	Expenses on issue of shares	Stock options granted	Special goodwill reserve upon merger	Special goodwill reserve on issue of shares	Legal reserve	Expansion reserve						
Balances at December 31, 2017	2,988,062	(43,548)	100,451	186,548	707,391	140,656	1,259,576	(89,996)	(64,051)	-	5,185,089	15,224	5,200,313
Equity pickup – subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	15	15	-	15
Capital increase by noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	2,168	2,168
Stock option exercise	-	-	-	-	(874)	-	-	-	6,949	-	6,075	-	6,075
Stock buyback to be held in treasury	-	-	-	-	-	-	-	-	(15,846)	-	(15,846)	-	(15,846)
Stock options granted	-	-	461	-	-	-	-	-	-	-	461	-	461
Net income for the period	-	-	-	-	-	-	-	-	-	98,134	98,134	(479)	97,655
Balances at March 31, 2018	2,988,062	(43,548)	100,912	186,548	706,517	140,656	1,259,576	(89,996)	(72,948)	98,149	5,273,928	16,913	5,290,841
Balances at December 31, 2018	2,988,062	(43,548)	106,918	186,548	706,517	164,330	1,449,378	(89,996)	(132,229)	-	5,335,980	16,207	5,352,187
Equity pickup – subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	18	18	-	18
Capital increase by noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	540	540
Stock option exercise	-	-	-	-	21	-	-	-	2,975	-	2,996	-	2,996
Stock options granted	-	-	3,511	-	-	-	-	-	-	-	3,511	-	3,511
Net income for the period	-	-	-	-	-	-	-	-	-	91,946	91,946	(615)	91,331
Balances at March 31, 2019	2,988,062	(43,548)	110,429	186,548	706,538	164,330	1,449,378	(89,996)	(129,254)	91,964	5,434,451	16,132	5,450,583

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows

Three-month periods ended March 31, 2019 and 2018

(In thousands of reais - R\$)

	Company	
	03/31/2019	03/31/2018
Cash flow from operating activities		
Income before taxes	132,114	140,089
Adjustments to:		
Depreciation and amortization	29,511	27,529
Equity pickup	(21,011)	(20,865)
Stock option-based payments	10,980	(1,656)
Allocation of stores buyback	869	1,866
Allocation of deferred revenues and costs	(1,079)	(2,088)
Restatement of debentures	20,564	16,416
Restatement of loans and financing	16,619	16,835
Restatement of related-party transactions	(271)	(210)
Allowance for doubtful accounts	1,197	740
Other	4,151	(316)
	193,644	178,340
Changes in operating assets and liabilities		
Land and properties for sale	-	233
Trade accounts receivable	37,371	38,841
Judicial deposits	3,756	(1,125)
Deferred costs	(13,811)	(619)
Other assets	(1,533)	(121)
Accounts payable	3,729	5,815
Taxes and contributions payable	(2,574)	(13,641)
Deferred revenue	11,197	3,924
Other liabilities	(14,958)	(470)
Income and social contribution taxes paid	(19,253)	(23,573)
Net cash from operating activities	197,568	187,604
Cash flows from investing activities		
Increase in investments	(43,243)	(78,958)
Dividends received	1,250	2,807
Receipt (payment) in related-party transactions	569	1,063
Additions to property and equipment	(2,704)	(60,040)
Additions to investment properties	(18,767)	(10,276)
Write-off of investment properties	-	108
Additions to intangible assets	(1,645)	(2,834)
Short-term investments	(100,266)	173,559
Net cash from (used in) investing activities	(164,806)	25,429
Cash flows from financing activities		
Repayment of loans and financing	(16,169)	(15,760)
Payment of interest on loans and financing	(12,756)	(18,854)
Cash from stock options exercised	2,996	6,074
Stock buyback to be held in treasury	-	(15,846)
Dividends and interest on shareholders' equity	-	(165,914)
Net cash provided by (used in) financing activities	(25,929)	(210,300)
Increase (decrease) in cash and cash equivalents	6,833	2,733
Cash and cash equivalents at beginning of year	24,717	28,341
Cash and cash equivalents at end of year	31,550	31,074
Increase (decrease) in cash and cash equivalents	6,833	2,733

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows (Continued) Quarters ended March 31, 2019 and 2018 (In thousands of reais - R\$)

	Consolidated	
	03/31/2019	03/31/2018
Cash flow from operating activities		
Income before taxes	142,848	151,096
Adjustments to:		
Depreciation and amortization	52,017	49,644
Equity pickup	(2,415)	(1,243)
Expenses from share-based compensation	10,980	(1,656)
Noncontrolling interest	-	479
Allocation of stores buyback	945	2,012
Allocation of deferred revenues and costs	1,610	173
Restatement of debentures	20,564	16,416
Restatement of loans and financing	29,516	31,124
Restatement of property acquisition obligations	7	933
Restatement of related-party transactions	(283)	(216)
Allowance for doubtful accounts	4,416	386
Other	4,013	(1,328)
	<u>264,218</u>	<u>247,820</u>
Changes in operating assets and liabilities		
Land and properties held for sale	(5,971)	(6,985)
Trade accounts receivable	47,771	52,006
Judicial deposits	3,606	(460)
Deferred costs	(15,348)	(2,883)
	<u>(4,992)</u>	<u>(5,041)</u>
Other assets		
Accounts payable	(2,174)	(2,767)
Property acquisition obligations	14	(766)
Taxes and contributions payable	(3,284)	(40,398)
Deferred revenue	13,890	3,571
Other liabilities	(14,906)	(603)
Income and social contribution taxes paid	<u>(30,642)</u>	<u>(7,826)</u>
Net cash from operating activities	<u>252,182</u>	<u>235,668</u>
Cash flows from investing activities		
Dividends received	1,250	2,807
Increase in investments	-	(7,696)
Receipt in related-party transactions	(2,853)	1,220
Additions to property and equipment	(2,704)	(60,040)
Additions to investment properties	(50,075)	(64,965)
Write-off of investment properties	-	135
Additions to intangible assets	(1,645)	(3,034)
Short-term investments	<u>(144,218)</u>	<u>150,716</u>
Net cash from (used in) investing activities	<u>(200,245)</u>	<u>19,143</u>
Cash flows from financing activities		
Repayment of loans and financing	(23,960)	(33,550)
Payment of interest on loans and financing	(26,229)	(26,238)
Stock buyback to be held in treasury	-	(15,846)
Cash from stock options exercised	2,996	6,074
Dividends and interest on shareholders' equity	-	(165,914)
Noncontrolling interest	<u>540</u>	<u>1,689</u>
Net cash from (used in) financing activities	<u>(46,653)</u>	<u>(233,785)</u>
Increase (decrease) in cash and cash equivalents	<u>5,284</u>	<u>21,026</u>
Cash and cash equivalents at beginning of year	38,864	39,786
Cash and cash equivalents at end of year	<u>44,148</u>	<u>60,812</u>
Increase (decrease) in cash and cash equivalents	<u>5,284</u>	<u>21,026</u>
See accompanying notes.		

Multiplan Empreendimentos Imobiliários S.A.

Statements of value added
Quarters ended March 31, 2019 and 2018
(In thousands of reais - R\$)

	Company	
	03/31/2019	03/31/2018
Revenues:		
Revenue from sales and services	249,694	236,761
Other revenues	16,223	1,821
Allowance for doubtful accounts	(1,197)	(740)
	<u>264,720</u>	<u>237,842</u>
Bought-in inputs		
Cost of sales and services	(19,123)	(15,368)
Power, outsourced services and other	(13,526)	(10,310)
	<u>(32,649)</u>	<u>(25,678)</u>
Gross value added	<u>232,071</u>	<u>212,164</u>
Retentions		
Depreciation and amortization	(29,511)	(27,529)
Net value added produced by the Entity	<u>202,560</u>	<u>184,635</u>
Value added received in transfer		
Equity pickup	21,011	20,865
Finance income	14,663	13,310
	<u>35,674</u>	<u>34,175</u>
Total value added to be distributed	<u>238,234</u>	<u>218,810</u>
Distribution of value added		
Personnel		
Direct compensation	(31,755)	(14,707)
Benefits	(2,033)	(2,014)
Unemployment Compensation Fund (FGTS)	(861)	(691)
	<u>(34,649)</u>	<u>(17,412)</u>
Taxes, charges and contributions		
Federal	(66,087)	(66,421)
State	(12)	(8)
Local	(1,585)	(1,466)
	<u>(67,684)</u>	<u>(67,895)</u>
Debt remuneration		
Interest, monetary variation and foreign exchange difference	(42,542)	(33,325)
Rental expenses	(1,395)	(2,029)
	<u>(43,937)</u>	<u>(35,354)</u>
Equity remuneration		
Retained profits	(91,964)	(98,149)
	<u>(91,964)</u>	<u>(98,149)</u>
Value added distributed	<u>(238,234)</u>	<u>(218,810)</u>

Multiplan Empreendimentos Imobiliários S.A.

Statements of value added (Continued)
Three-month period ended March 31, 2019 and 2018
(In thousands of reais - R\$)

	Consolidated	
	03/31/2019	03/31/2018
Revenues:		
Revenue from sales and services	333,968	315,815
Other revenues	16,074	1,730
Allowance for doubtful accounts	(4,416)	(386)
	<u>345,626</u>	<u>317,159</u>
Bought-in inputs		
Cost of sales and services	(27,596)	(20,942)
Power, outsourced services and other	(16,689)	(12,594)
	<u>(44,285)</u>	<u>(33,536)</u>
Gross value added	<u>301,341</u>	<u>283,623</u>
Retentions		
Depreciation and amortization	(52,017)	(49,644)
Net value added produced by the Entity	<u>249,324</u>	<u>233,979</u>
Value added received in transfer		
Equity pickup	2,415	1,243
Finance income	21,470	20,170
	<u>23,885</u>	<u>21,413</u>
Total value added to be distributed	<u>273,209</u>	<u>255,392</u>
Distribution of value added		
Personnel		
Direct compensation	(31,999)	(15,222)
Benefits	(2,044)	(2,047)
Unemployment Compensation Fund (FGTS)	(866)	(710)
	<u>(34,909)</u>	<u>(17,979)</u>
Taxes, charges and contributions		
Federal	(82,344)	(81,486)
State	(25)	(87)
Local	(6,781)	(6,936)
	<u>(89,150)</u>	<u>(88,509)</u>
Debt remuneration		
Interest, monetary variation and foreign exchange difference	(56,063)	(48,702)
Rental expenses	(1,756)	(2,547)
	<u>(57,819)</u>	<u>(51,249)</u>
Equity remuneration		
Noncontrolling interests in retained profits	616	479
Retained profits	(91,947)	(98,134)
	<u>(91,331)</u>	<u>(97,655)</u>
Value added distributed	<u>(273,209)</u>	<u>(255,392)</u>
See accompanying notes.		

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

1. Company information

The issue of the company and consolidated quarterly information of Multiplan Empreendimentos Imobiliários S.A. (the “Company”, “Multiplan” or “Multiplan Group” when referred to jointly with its subsidiaries) at March 31, 2019 was authorized by management on April 26, 2019. The Company was organized as a “limited liability company” and subsequently was transformed into a “joint-stock corporation”, and its registered office is located in the city and state of Rio de Janeiro, at Avenida das Américas 4.200, Bloco 2, sala 501, Barra da Tijuca, CEP 22.640-102.

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

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

At March 31, 2019, the Company holds direct and indirect interests in several shopping centers, which were detailed in the financial statements for the year ended December 31, 2018, disclosed on February 15, 2019.

At March 31, 2019 and December 31, 2018, the Company is the legal representative and manager of all shopping malls, except for Parque Shopping Maceió.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

2. Presentation of the quarterly information and significant accounting policies

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

This quarterly information includes the individual and consolidated interim financial information in accordance with Accounting Pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, which contemplates the guidance contained in Circular Letter/CVM/SNC/SEP No. 01/2018 relating to the application of OCPC 04, the guidance on revenue recognition over time, applicable to real estate development entities in Brazil registered with CVM as well as the presentation of such information in conformity with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Accordingly, the determination of the accounting policy adopted by the Company for recognition of revenue in contracts for the purchase and sale of unfinished real estate units on the aspects related to the transfer of control follows the understanding expressed by CVM in its Circular Letter CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15).

In addition, the Company considered the guidance provided for in Accounting Guidance OCPC 07, issued by Brazil's FASB (CPC) in November 2014, in preparing its financial statements. Accordingly, significant information of the financial statements themselves is being disclosed and corresponds to that used by management over its administration.

2.2. Basis of measurement

The company and consolidated quarterly information was prepared based on the historical cost, except for certain financial instruments measured at fair value, as disclosed in Note 25.

2.3. Basis of consolidation

The consolidated quarterly information comprises the quarterly information of the Company and its subsidiaries as at March 31, 2019 and is in accordance with the financial statements as of December 31, 2018 disclosed on February 15, 2019.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

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

2.3. Basis of consolidation (Continued)

The reconciliation between the net income for the quarters ended March 31, 2019 and 2018 between Company and Consolidated is as follows:

	Net income for the period	
	03/31/2019	03/31/2018
Company	91,964	98,149
Equity pickup on County P&L for the period (a)	(18)	(15)
Consolidated	91,946	98,134

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

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

2.4. Significant accounting policies adopted in the quarterly information

The significant accounting policies adopted by the Company in this quarterly information are consistent with those adopted in the financial statements for the year ended December 31, 2018, disclosed on February 15, 2019.

It is important to emphasize that as of January 1, 2019, the Company adopted the new accounting pronouncements provided in accordance with the disclosures made in the same annual financial statements.

The Company also adopted for the first time, on January 1, 2019, IFRS 16/CPC 06 (R2) - *Leases*, whose impacts are described below:

IFRS 16/CPC 06 (R2) – Leases

CPC 06 (R2) – *Leases*, issued by CPC is equivalent to international standard IFRS 16 – *Leases*, issued in January 2016, superseding the previous version of said standard (CPC 06 (R1), equivalent to international standard IAS 17), and is mandatory for annual periods beginning on or after January 1, 2019.

The new standard allows two transition methods: (i) full retrospective and (ii) modified retrospective with cumulative effect of first-time adoption recognized as an adjustment to the opening balance of retained earnings on first-time adoption date. The lease liability is measured based on the remaining contractual payments discounted at the incremental loan rate on the first-time adoption date, and the right-of-use asset equal to that liability, since there are no prepayments or provisions. The Company elected to adopt the modified retrospective method and, therefore, will not be required to restate comparative balances prior to the year presented.

In the following tables, the Company presents, for comparison purposes, a brief description and the amounts corresponding to the impacts generated in the statement of financial position in Company and Consolidated at January 1, 2019:

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

Company				
Adjustments reference	Balance sheet as of 01/01/2019 before adjustments	IFRS 16/ CPC 06 (R2) Adjustments	Balance sheet as of 01/01/2019	
Current assets	809,188	-	809,188	
Investment properties (a)	3,440,642	48,576	3,489,218	
Property and equipment (b)	75,620	6,019	81,639	
Noncurrent assets	7,249,146	54,595	7,303,741	
Total assets	8,058,334	54,595	8,112,929	
Accounts payable (a),(b)	79,565	8,309	87,874	
Current liabilities	593,900	8,309	602,209	
Accounts payable (a),(b)	-	46,286	46,286	
Noncurrent liabilities	2,128,454	46,286	2,174,740	
Equity	5,335,980	-	5,335,980	
Total liabilities and equity	8,058,334	54,595	8,112,929	

Consolidated				
Adjustments reference	Balance sheet as of 01/01/2019 before adjustments	IFRS 16/ CPC 06 (R2) Adjustments	Balance sheet as of 01/01/2019	
Current assets	1,284,156	-	1,284,156	
Investment properties (a)	6,361,367	48,820	6,410,187	
Property and equipment (b)	80,584	6,019	86,603	
Noncurrent assets	7,601,102	54,839	7,655,941	
Total assets	8,875,258	54,839	8,930,097	
Accounts payable (a),(b)	120,345	8,340	128,685	
Current liabilities	713,933	8,340	722,273	
Accounts payable (a),(b)	-	46,499	46,499	
Noncurrent liabilities	2,809,138	46,499	2,855,637	
Equity	5,352,187	-	5,352,187	
Total liabilities and equity	8,875,258	54,839	8,930,097	

The Company carried out an analysis of its lease agreements in order to identify the changes arising from the adoption of the new standard in the recognition of leases in relation to the accounting treatment in accordance with IAS 17/CPC 06 (R1), and found the following impacts:

(a) The amount recorded under investment property is due to the only existing lease agreement relating to the Diamond Mall, whose impact was R\$ 48,820, of which R\$ 48,576 in Company and R\$ 244 in subsidiary Renasce.

(b) The amount recorded under property, plant and equipment is due to the inventory count conducted by the Company of all current lease agreements, such as: office rental, IT equipment, etc. Each one was analyzed from the perspective of the standard in order to check for lease elements. The impact recorded amounted to R\$6,019.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

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

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Cash and cash equivalents				
Cash and banks	27,936	39,129	21,154	33,261
Short-term investments - Bank Deposit Certificates (CDB)	3,614	5,019	3,563	5,603
Total cash and cash equivalents	31,550	44,148	24,717	38,864

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

The short-term investments presented as cash and cash equivalents can be redeemed at any time without penalty and without affecting earnings recognized or any risk of significant change in value. These investments bear interest at an average effective rate of 92.34% of the Interbank deposit certificate (CDI) at March 31, 2019 and 94.84% at December 31, 2018.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

3. Cash and cash equivalents and short-term investments (Continued)

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Short-term investments with daily liquidity				
Investment fund DI - Fixed Income	617,005	961,123	516,739	816,905
Total short-term investments	617,005	961,123	516,739	816,905

The Fixed Income Investment Funds - DI are non-boutique funds classified by the Brazilian Financial and Capital Markets Association (ANBIMA) as short-term and low-risk funds, which bear interest at an average effective rate of 98.97% of the CDI at March 31, 2019 and 100.00% at December 31, 2018. The funds' portfolios are managed by Bradesco Asset Management, Santander Asset Management, Itaú Asset and BB DTVM. The Company does not interfere with or influence the management of the portfolios or the acquisition and sale of the securities included in the portfolios.

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

4. Accounts receivable

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Lease	111,204	147,310	159,446	204,359
Straight-line effect	28,094	45,745	20,000	36,437
Key money	23,187	30,825	17,633	23,698
Parking	9,637	18,504	13,657	23,403
Management fees (a)	11,369	11,369	9,839	9,839
Sale	181	181	577	577
Advertising	714	714	1,047	1,047
Real Estate	17,327	78,376	18,306	83,028
Other	10,641	13,942	5,659	8,747
	212,354	346,966	246,164	391,135
Allowance for doubtful accounts (ADA)	(32,686)	(43,437)	(28,677)	(38,081)
	179,668	303,529	217,487	353,054
Noncurrent	(24,538)	(69,205)	(22,206)	(68,744)
Current	155,130	234,324	195,281	284,310

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

4. Accounts receivable (Continued)

The aging list of accounts receivable is as follows:

Company	Balance falling due with no		Balance overdue with no impairment loss					Total
	impairment loss	< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	75,720	3,072	3,031	3,430	2,524	2,717	20,710	111,204
Straight-line effect	28,094	-	-	-	-	-	-	28,094
Key Money (*)	21,963	223	114	78	84	171	554	23,187
Parking	9,637	-	-	-	-	-	-	9,637
Management fees	9,299	466	-	-	-	-	1,604	11,369
Sale	179	-	2	-	-	-	-	181
Advertising	704	6	-	-	-	-	4	714
Real Estate	15,827	150	95	60	51	41	1,103	17,327
Other	3,718	575	3,748	-	146	-	2,454	10,641
Total at 03/31/2019	165,151	4,492	6,990	3,568	2,805	2,929	26,429	212,354
(-) ADA	(1,701)	(1,368)	(1,648)	(2,063)	(1,764)	(2,124)	(22,018)	(32,686)
Net balance at 03/31/2019	163,440	3,124	5,342	1,505	1,041	805	4,411	179,668

Company	Balance falling due with no		Balance overdue with no impairment loss					Total
	impairment loss	< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	126,710	4,859	2,505	1,502	1,330	2,311	20,229	159,446
Straight-line effect	20,000	-	-	-	-	-	-	20,000
Key Money (*)	15,939	217	176	121	124	220	836	17,633
Parking	13,657	-	-	-	-	-	-	13,657
Management fees	8,109	-	47	40	39	249	1,355	9,839
Sale	577	-	-	-	-	-	-	577
Advertising	992	33	-	-	-	14	8	1,047
Real Estate	17,061	113	63	43	45	99	882	18,306
Other	4,195	68	23	93	29	217	1,034	5,659
Total at 12/31/2018	207,240	5,290	2,814	1,799	1,567	3,110	24,344	246,164
(-) ADA	(2,084)	(2,213)	(1,184)	(882)	(877)	(1,690)	(19,747)	(28,677)
Net balance at 12/31/2018	205,156	3,077	1,630	917	690	1,420	4,597	217,487

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

4. Accounts receivable (Continued)

Consolidated	Balance falling due with no		Balance overdue with no impairment loss					Total
	impairment loss	< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	100,580	4,126	3,957	4,679	3,219	3,879	26,870	147,310
Straight-line effect	45,745	-	-	-	-	-	-	45,745
Key Money (*)	27,729	308	179	132	106	219	2,152	30,825
Parking	15,742	2,692	-	46	19	-	5	18,504
Management fees	9,299	466	-	-	-	-	1,604	11,369
Sale	179	-	2	-	-	-	-	181
Advertising	704	6	-	-	-	-	4	714
Real Estate	70,005	700	278	188	168	490	6,547	78,376
Other	5,145	609	4,564	1	146	2	3,475	13,942
Total at 03/31/2019	275,128	8,907	8,980	5,046	3,658	4,590	40,657	346,966
(-) ADA	(2,074)	(1,849)	(2,161)	(2,831)	(2,256)	(3,015)	(29,251)	(43,437)
Net balance at 03/31/2019	273,054	7,058	6,819	2,215	1,402	1,575	11,406	303,529

Consolidated	Balance falling due with no		Balance overdue with no impairment loss					Total
	impairment loss	< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Lease (*)	162,378	5,767	3,279	2,090	1,793	3,259	25,793	204,359
Straight-line effect	36,437	-	-	-	-	-	-	36,437
Key Money (*)	20,201	260	216	146	233	303	2,339	23,698
Parking	21,284	1,942	-	4	3	-	170	23,403
Management fees	8,109	-	47	40	39	249	1,355	9,839
Sale	577	-	-	-	-	-	-	577
Advertising	992	33	-	-	-	14	8	1,047
Real Estate	75,594	338	537	424	396	343	5,396	83,028
Other	5,286	170	62	171	205	313	2,540	8,747
Total at 12/31/2018	330,858	8,510	4,141	2,875	2,669	4,481	37,601	391,135
(-) ADA	(2,556)	(2,625)	(1,534)	(1,218)	(1,247)	(2,392)	(26,509)	(38,081)
Net balance at 12/31/2018	328,302	5,885	2,607	1,657	1,422	2,089	11,092	353,054

(*) The accounts receivable from lease and key money is net of a provision for tax loss amounting to R\$ 29,516 on March 31, 2019 (R\$27,187 at December 31, 2018), recorded in the statement of profit or loss as mall expenses.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

4. Accounts receivable (Continued)

Lease and key money

The Company chose to use the simplified approach to estimate the expected loss on its receivables using an expected loss matrix based on the loss history, adjusted by management's expectations, on aspects that might influence the default of storeowners in the future.

The information on the exposure to credit risk in the Company's lease receivables and key money is presented below, using a provision matrix:

Risk	03/31/2019	12/31/2018
Falling due	1.7%	1.5%
Overdue up to 30 days	42.7%	40.1%
Overdue up to 60 days	52.5%	48.8%
Overdue up to 90 days	59.0%	54.8%
Overdue up to 120 days	68.5%	63.8%
Overdue up to 180 days	73.7%	68.0%
Overdue for more than 180 days	93.8%	93.8%

Real Estate

The allowance for doubtful accounts is recorded to write down trade accounts receivable to their recoverable amount, based on an individual analysis of such receivables. As trade accounts receivable are guaranteed by the real estate units sold, when a customer becomes a defaulter, the total balance due on the unit is compared with the best estimate of the unit's market value, less costs to recover and sell. An allowance for doubtful accounts is set up when the total balance due is higher than the net value given in guarantee. At March 31, 2019 and December 31, 2018, the Company did not identify the need for an allowance for doubtful accounts on the sale of real estate.

Parking, management fee, sale, advertising and others

The Company understands that the credit risk for accounts receivable for parking, management fee, sale and advertising is very low and has no history of default. Therefore, at March 31, 2019 and December 31, 2018, the Company did not identify the need for an allowance for doubtful accounts on the respective balances.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

4. Accounts receivable (Continued)

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

For account Other, the Company identified the need to establish an allowance for doubtful accounts in the amount of R\$2,097 at March 31, 2019 and December 31, 2018.

Changes in allowance for doubtful accounts are as follows:

	ADA	
	Company	Consolidated
Balances at December 31, 2018	(28,677)	(38,081)
Additions	(12,274)	(16,433)
Write-offs	8,265	11,077
Balances at March 31, 2019	32,686	43,437

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

For the quarters ended March 31, 2019 and 2018, the Company had billings of R\$216,946 and R\$210,870, respectively, from minimum lease only in relation to agreements prevailing at the end of each year, which presented the following renewal schedule:

	Consolidated	
	March 31, 2019	March 31, 2018
In 2018	-	11.1%
In 2019	9.4%	17.1%
In 2020	13.8%	14.7%
In 2021	16.1%	15.8%
After 2021	49.0%	30.4%
Undetermined (*)	11.7%	10.9%
Total	100.0%	100.0%

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

5. Transactions with related parties

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

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Current assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	21,246	37,936	21,115	35,018
Shopping Mall Associations (b)	917	917	959	959
Parkshopping Canoas (i)	15	-	18	-
Park Jacarepaguá (i)	124	-	281	-
JundiaíShopping (i)	27	-	-	-
Shopping Mall Condominiums (c)	2,787	4,187	2,288	3,135
Loans — other (d)	-	-	-	-
Subtotal	25,116	43,040	24,661	39,112
Provision for losses (a)	(14,972)	(28,003)	(15,655)	(26,774)
Total sundry loans and advances - current	10,144	15,037	9,006	12,338
Accounts receivable				
Multiplan Administradora de Shopping Centers Ltda. (e)	9,637	-	13,610	-
Total accounts receivable – current	9,637	-	13,610	-
Total current assets	19,781	15,037	22,616	12,338
Noncurrent assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	10	12	-	-
Shopping Mall Condominiums (c)	3,030	4,144	3,600	4,754
Shopping Mall Associations (b)	7,791	7,791	7,989	7,989
Loans — other (d)	265	265	260	261
Subtotal	11,096	12,212	11,849	13,004
Provision for losses (a)	(4)	(5)	-	-
Total sundry loans and advances - noncurrent	11,092	12,207	11,849	13,004

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

5. Related-party transactions (Continued)

	Company	
	03/31/2019	03/31/2018
Statement of profit or loss:		
Service revenue		
Multiplan Administradora de Shopping Centers Ltda. (e)	28,078	27,290
Revenue from Hot Zone lease (f)	214	201
Shopping centers expenses:		
Multiplan Arrecadadora Ltda. (g)	258	258
Service agreement		
Peres - Advogados, Associados S/C (h)	377	174
Finance income (costs), net		
Interest on loans and sundry advances (j)	271	210
	Consolidated	
	03/31/2019	03/31/2018
Statement of profit or loss:		
Rental revenue from Hot Zone (f)	308	313
Service agreement		
Peres - Advogados, Associados S/C (h)	377	174
Finance income (costs), net		
Interest on loans and sundry advances (j)	283	216

(a) Prepayments of charges granted to condominiums of shopping malls owned by Multiplan Group, in light of the default of storeowners with the condominiums. At March 31, 2019, based on a study of expected credit losses for the balance, which identified a 29.7% (28.1% at December 31, 2018) historical percentage of return of all prepaid charges, the provision was adjusted to 70.3% (71.9% at December 31, 2018) of the prepaid balance, with an average effect of R\$ 1,234 as provision. A reversal of R\$ 8,244 was recorded at December 31, 2018 against profit or loss, as Shopping Expenses.

(b) These refer to advances granted to the Shopping Mall Associations the following Shopping Malls: BarraShopping Sul, ParkShopping Barigui and Ribeirão Shopping. These advances bear interest based on the CDI fluctuation, and will be fully settled between 2019 and 2022.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

5. Related-party transactions (Continued)

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

- (c) These refer to loans made with the condominiums of Village Mall, Barra Shopping, ParkShopping Canoas, ParkShopping São Caetano and Morumbi Corporate Towers that bear interest based on the CDI fluctuation, and will be fully settled up to 2023.
- (d) This refers to loans granted to employees, which are being repaid in annual installments.
- (e) This refers to the portion of accounts receivable and income (loss) that the Company has with subsidiary Multiplan Administradora de Shopping Centers Ltda., which manages the shopping malls' parking and transfers from 93% to 97.5% of net income to the Company. It should be noted that whenever total expenses exceed the income generated, the Company is required to reimburse such difference to Multiplan Administradora de Shopping Centers Ltda. plus 3% of monthly gross revenue. These amounts are billed and received on a monthly basis.
- (f) This refers to amounts billed as Hot Zone store leases entered into with Divertplan Comércio e Indústria Ltda. (lessee), in which Multiplan Planejamento Participações e Administração S/A, a Company shareholder, holds 99% of the capital.
- (g) This refers to lease collection services, common and specific charges, revenue from promotion funds and other revenue deriving from the operation and sale of office spaces of the Company and/or its subsidiaries.
- (h) This refers to the addendum to the legal service agreement entered into by the Company and Peres - Advogados, Associados S/C, owned by a close family member of the Company's controlling shareholder, dated May 1, 2011. The agreement has an indefinite term of duration and establishes a monthly compensation of R\$50, restated by reference to the Consumer Price Index (IPC) on an annual basis. Additionally, on February 22, 2019, the amount of R\$ 203 was paid referring to the exercise of Phantom stock options.
- (i) These are amounts recoverable from subsidiary Jundiaí Shopping Center Ltda., ParkShopping Jacarepaguá Ltda. and ParkShopping Canoas Ltda, referring to the sharing of payroll expenses.
- (j) This refers to the net finance income of interest on the various loans granted to related parties.

5.2. Key management personnel compensation

Key management personnel compensation

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

5. Related-party transactions (Continued)

5.2. Key management personnel compensation (Continued)

Key management personnel compensation (Continued)

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

	03/31/2019	03/31/2018
Short-term benefits	6,710	5,421
Stock option settled with equity instruments	-	242
Compensation based on variation of the share value (phantom) (*)	3,311	(1,116)
Compensation based on variation of the share value (restricted) (Note 20.c)	1,090	-
	11,111	4,547

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

At March 31, 2019, key management personnel comprised seven members of the Board of Directors and five executive officers.

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

6. Land and properties held for sale

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Land	19,386	410,709	19,386	406,768
Properties completed	9,632	36,693	9,632	36,415
	29,018	447,402	29,018	443,183
Current	9,632	36,693	9,632	36,415
Noncurrent	19,386	410,709	19,386	406,768
	29,018	447,402	29,018	443,183

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

6. Land and properties held for sale (Continued)

The Company reclassifies part of its inventories into noncurrent assets, according to launches scheduled for subsequent years, into the heading “land” and based on the completion schedule of its construction works, into the heading “construction in progress”.

No impairment indicators were detected for land and properties held for sale at March 31, 2019 and December 31, 2018.

7. Income and social contribution taxes

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

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Assets:				
Provision for legal and administrative proceedings	5,883	6,131	4,604	4,744
Allowance for doubtful accounts	30,088	35,223	28,212	31,876
Provision for losses on advances of charges	14,976	14,976	15,655	15,655
Accrued annual bonus (a)	45,408	45,408	34,390	34,390
Phantom stock options	30,198	30,198	36,677	36,677
Deferred (b)	3,878	3,878	3,906	3,906
Income and social contribution tax loss	-	109,972	-	108,925
Deferred tax asset base	130,431	245,786	123,444	236,173
Deferred income tax asset (c)	25,631	54,212	24,932	53,106
Deferred social contribution tax asset (c)	10,777	21,069	10,149	20,295
Subtotal	36,408	75,281	35,081	73,401
Liabilities:				
Unamortized goodwill on future profitability (d)	(316,845)	(316,845)	(316,845)	(316,845)
Straight-line revenue (e)	(2,205)	(454)	(2,501)	(990)
Income (loss) from real estate projects (f)	-	(38,472)	-	(42,540)
Depreciation (g)	(323,855)	(368,370)	(310,783)	(351,536)
Capitalized interest	(54,529)	(93,255)	(53,825)	(92,706)
Deferred tax liabilities base	(697,434)	(817,396)	(683,954)	(804,617)
Deferred income tax liabilities (c)	(174,360)	(195,507)	(170,989)	(191,378)
Deferred social contribution tax liabilities (c)	(62,768)	(70,521)	(61,555)	(69,049)
Subtotal	(237,128)	(266,028)	(232,544)	(260,427)
Deferred income and social contribution taxes, net	(200,720)	(190,748)	(197,463)	(187,026)
Noncurrent assets	-	21,400	-	21,613
Noncurrent liabilities	(200,720)	(212,148)	(197,463)	(208,639)

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

7. Income and social contribution taxes (Continued)

- (a) For the calculation of deferred income tax, only the share of employee profit sharing was considered.
- (b) The Company recognized deferred income and social contribution taxes by fully derecognizing deferred assets.
- (c) In consolidated, the basis for the deferred assets and liabilities also comprises entities subject to the calculation of Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) under the taxable profit computed as percentage of gross revenue regime. For that reason, the effect of these tax rates includes the tax rates applied to such taxation regime, pursuant to the federal legislation, which may vary depending on the nature of the income.
- (d) Goodwill on acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A. and Realejo Participações S.A. based on expected future profitability. Such companies were then merged and the respective goodwill reclassified to intangible assets. Pursuant to the new accounting standards, beginning January 1, 2009 such goodwill is no longer amortized and deferred income and social contribution tax liabilities were recognized on the difference between the tax base and the carrying amount of the related goodwill. For tax purposes, the amortization of goodwill ended November 2014.
- (e) The Company formed income and social contribution taxes on deferred taxation of straight-line income during the term of the contract, regardless of the receipt term. As of 2015, after the enactment of Law No. 12973 of May 13, 2014, this income has been subject to taxation on an accrual basis. Thus, the deferred balance up to December 31, 2014 will be subjected to taxation upon its realization.
- (f) According to the tax criterion, the income (loss) on the sale of real estate units is determined based on the financial realization of income (cash basis) while for accounting purposes such income (loss) is accounted for on an accrual basis.
- (g) The Company recognized deferred income and social contribution tax liabilities on differences between the amounts calculated based on the accounting method and criteria provided for in Law No. 12973 of May 13, 2014.

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

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
2019	15,091	15,789	14,151	14,798
2020	8,750	16,731	9,350	17,206
2021	8,832	16,649	9,432	17,124
2022 to 2023	2,297	17,215	1,431	16,182
2024 to 2025	1,438	8,897	717	8,091
	36,408	75,281	35,081	73,401

Reconciliation of income and social contribution tax expenses

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

7. Income and social contribution taxes (Continued)

Reconciliation of income and social contribution tax expenses (Continued)

Description	Company			
	March 31, 2019		March 31, 2018	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	132,114	132,114	140,089	140,089
Rate	25%	9%	25%	9%
Statutory rate	(33,029)	(11,890)	(35,022)	(12,608)
Permanent additions and exclusions				
Equity pickup	5,253	1,891	5,216	1,878
Interest on shareholders' equity deliberate	(420)	(151)	-	-
Other	(1,498)	(305)	(1,209)	(196)
Total additions and exclusions	3,335	1,435	4,007	1,682
Current income and social contribution taxes on profit or loss	(27,023)	(9,870)	(26,883)	(9,708)
Deferred income and social contribution taxes on profit or loss	(2,672)	(585)	(4,132)	(1,217)
Total	(29,694)	(10,455)	(31,015)	(10,926)

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

7. Income and social contribution taxes (Continued)

Reconciliation of income and social contribution tax expenses (Continued)

Description	Consolidated			
	March 31, 2019		March 31, 2018	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	142,847	142,847	151,096	151,096
Rate	25%	9%	25%	9%
Statutory rate	(35,712)	(12,856)	(37,774)	(13,599)
Permanent additions and exclusions				
Equity pickup	604	217	311	112
Interest on shareholders' equity received	(420)	(151)		
Current losses without tax credit	(2,987)	(1,075)	(2,564)	(923)
Income and social contribution taxes on companies operating under the taxable profit computed as a percentage of expected income regime	2,541	915	1,681	606
Other	(1,906)	(687)	(949)	(342)
Total additions and exclusions	(2,168)	(781)	(1,521)	(547)
Current income and social contribution taxes on profit or loss	(35,143)	(12,652)	(40,732)	(14,663)
Deferred income and social contribution taxes on profit or loss	(2,737)	(985)	1,437	517
Total	(37,880)	(13,637)	(39,295)	(14,147)

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments

Significant information on investees:

Investees	March 31, 2019			March 31, 2018		December 31, 2018	
	Number of units of interest/shares	% interest	Capital	Net income (loss) for the period	Equity	Net income (loss) for the period	Equity
CAA-Corretagem e Consultoria Publicitária Ltda.	40,000	99.00	400	(18)	2,427	547	2,445
RENASCE - Rede Nacional de Shopping Centers Ltda.	1,561,500	99.99	15,615	(366)	4,619	(289)	4,217
CAA-Corretagem Imobiliária Ltda.	182,477	99.61	1,825	-	5	-	5
MPH Empreendimento Imobiliário Ltda. (*)	154,940,898	100.00 (*)	154,941	3,809	192,080	3,506	188,272
Multiplan Administr. Shopping Centers Ltda.	20,000	99.00	20	2,779	35,164	2,433	32,385
Pátio Savassi Administração de Shopping Center Ltda.	7,370,800	100.00	91	(5)	175	(5)	180
Royal Green Península	-	98.00	51,582	-	2,535	(50)	2,536
Manati Empreendimentos e Participações S.A.	42,885,388	50.00	73,758	(218)	66,473	(693)	66,691
Parque Shopping Maceió S.A.	182,505,268	50.00	182,505	5,282	190,638	3,580	190,901
Danville SP Empreendimento Imobiliário Ltda.	50,923,073	99.99	50,923	(84)	46,987	(85)	46,761
Multiplan Holding S.A.	1,000	100.00	2,693	43	2,753	22	2,710
Embraplan Empresa Brasileira de Planejamento Ltda.	5,110,438	99.99	5,110	2	254	2	251
Multiplan Greenfield I Emp Imob Ltda.	35,943,556	99.99	35,944	599	63,602	1,008	63,002
Barrasul Empreendimento Imobiliário Ltda.	27,520,443	99.99	27,520	1,121	48,478	348	47,357
Ribeirão Residencial Emp Imob. Ltda.	18,796,056	99.90	18,796	(130)	16,026	(121)	15,806
Morumbi Business Center Empreendimento Imobiliário Ltda.	125,852,380	99.90	125,852	2,089	157,702	1,950	155,612
Multiplan Greenfield II Empr.Imob.Ltda.	112,024,966	99.90	112,025	5,031	146,690	4,398	141,659
Multiplan Greenfield IV Empr.Imob.Ltda.	103,876,853	99.90	103,877	4,467	135,073	5,690	130,606
Multiplan Greenfield III Empr.Imob.Ltda.	271,805,648	99.90	271,806	(690)	252,576	995	253,266
ParkShopping Campo Grande Ltda	330,952,797	99.90	330,953	2,986	376,414	2,251	373,428
Jundiaí Shopping Center Ltda	258,875,987	99.90	258,876	6,118	335,972	4,112	329,854
ParkShopping Corporate Empr.Imob. Ltda	54,243,251	99.90	54,243	15	40,226	(296)	39,211
Multiplan Arrecadadora Ltda.	1,000	99.90	1	196	4,581	190	4,385
ParkShopping Global Ltda.	32,076,470	87.00	32,076	(177)	24,201	(451)	22,078
ParkShopping Canoas Ltda.	309,427,570	94.67	309,428	(11,640)	237,041	(8,441)	243,682
Multishopping Shopping Center Ltda.	16,979	99.90	17	-	6	(1)	6
ParkShopping Jacarepagua Ltda.	225,760,731	99.90	225,761	(742)	222,746	(255)	196,888
Multiplan Greenfield XI Empr.Imob.Ltda.	90,103,755	99.90	90,104	801	92,091	(518)	86,760
Multiplan Greenfield XII Empr.Imob.Ltda.	7,112,881	99.90	7,113	(208)	5,812	(151)	6,021
Multiplan Greenfield XIII Empr.Imob.Ltda.	12,881	99.90	13	-	6	-	6
Multiplan Barra 1 Empr.Imob.Ltda.	463,135,848	99.90	463,136	2,784	496,945	3,110	494,162
Multiplan Morumbi 1 Empr.Imob.Ltda.	190,332,604	99.90	190,333	1,258	205,310	1,027	204,052
Multiplan Golden I Empr.Imob.Ltda.	17,326,301	99.90	17,326	(35)	16,904	(30)	16,528

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

Investees	March 31, 2019			March 31, 2018		December 31, 2018	
	Number of units of interest/shares	% interest	Capital	Net income (loss) for the period	Equity	Net income (loss) for the period	Equity
Multiplan Golden II Empr.Imob. Ltda.	21,000	99.90	21	-	19	-	19
Multiplan Golden III Empr.Imob. Ltda.	11,000	99.90	11	-	8	(1)	8
Multiplan Golden IV Empr.Imob. Ltda.	41,000	99.90	41	-	39	-	39
Multiplan Golden V Empr.Imob. Ltda.	7,688,457	99.90	7,688	(18)	7,483	(13)	7,302
Multiplan Golden VI Empr.Imob. Ltda.	8,372,585	99.90	8,373	(19)	8,150	(14)	7,953
Multiplan Golden VII Empr.Imob. Ltda.	8,373,585	99.90	8,374	(19)	8,151	(14)	7,952
Multiplan Golden VIII Empr.Imob. Ltda.	7,480,663	99.90	7,481	(17)	7,281	(13)	7,103
Multiplan Golden IX Empr.Imob. Ltda.	2,459,266	99.90	2,459	(5)	2,389	(5)	2,333
Multiplan Golden X Empr.Imob. Ltda.	4,941,343	99.90	4,941	(11)	4,805	(9)	4,689
Multiplan Golden XI Empr.Imob. Ltda.	5,108,139	99.90	5,108	(12)	4,968	(9)	4,848
Multiplan Golden XII Empr.Imob. Ltda.	3,460,030	99.90	3,460	(8)	3,362	(6)	3,282
Multiplan Golden XIII Empr.Imob. Ltda.	8,777,323	99.90	8,777	(20)	8,545	(15)	8,337
Multiplan Golden XIV Empr.Imob. Ltda.	7,698,458	99.90	7,698	(18)	7,493	(13)	7,312
Multiplan Golden XV Empr.Imob. Ltda.	7,478,647	99.90	7,479	(17)	7,280	(13)	7,104
Multiplan Golden XVI Empr.Imob. Ltda.	8,783,323	99.90	8,783	(20)	8,550	(15)	8,343
Multiplan Golden XVII Empr.Imob. Ltda.	10,051,688	99.90	10,052	(21)	9,790	(17)	9,555
Multiplan Golden XVIII Empr.Imob. Ltda.	9,795,242	99.90	9,795	(22)	9,537	(17)	9,306
MultiplanXVI Empr.Imob. Ltda.	1,000	99.90	1	-	1	-	1
MultiplanXVII Empr.Imob. Ltda.	6,000	99.90	6	(1)	3	-	5
MultiplanXVIII Empr.Imob. Ltda.	1,000	99.90	1	-	1	-	1
MultiplanXIX Empr.Imob. Ltda.	1,000	99.90	1	-	1	-	1
MultiplanXX Empr.Imob. Ltda.	1,000	99.90	1	-	1	-	1

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments of the Company

Investees	12/31/2018	Additions	Transfers	Dividends	Equity pickup	03/31/2019
<u>Investments</u>						
CAA Corretagem e Consultoria Publicitária Ltda.	2,421	-	-	-	(18)	2,403
CAA Corretagem Imobiliária Ltda.	4	-	-	-	-	4
RENASCE - Rede Nacional de Shopping Centers Ltda.	4,219	-	750	-	(348)	4,621
Royal Green Península	1,983	-	-	-	-	1,983
Multiplan Admin. Shopping Center Ltda	32,061	-	-	-	2,751	34,812
MPH Empreendimento Imobiliário Ltda	94,137	-	-	-	1,904	96,041
Manati Empreendimentos e Participações S.A.	33,346	-	-	-	(109)	33,237
Parque Shopping Maceió S.A.	95,607	-	-	(2,930)	2,642	95,319
Pátio Savassi Administração de Shopping Center Ltda.	179	-	-	-	(5)	174
Danville SP Empreendimento Imobiliário Ltda.	61,204	-	310	-	(84)	61,430
Multiplan Holding S.A.	2,711	-	-	-	43	2,754
Embraplan Empresa Brasileira de Planejamento Ltda.	252	-	-	-	2	254
Ribeirão Residencial Emp Im Ltda.	18,291	-	350	-	(130)	18,511
Morumbi Business Center Empreendimento Imobiliário Ltda.	155,457	-	-	-	2,087	157,544
Barrasul Empreendimento Imobiliário Ltda.	47,357	-	-	-	1,121	48,478
Multiplan Greenfield I Emp.Imobiliario Ltda.	63,003	-	-	-	599	63,602
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	141,517	-	-	-	5,026	146,543
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	253,013	-	-	-	(689)	252,324
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	130,476	-	-	-	4,462	134,938
ParkShopping Campo Grande Ltda.	373,054	-	-	-	2,983	376,037
Jundiaí Shopping Center Ltda.	329,524	-	-	-	6,112	335,636
ParkShopping Corporate Empreendimento Imobiliário Ltda.	39,172	-	999	-	15	40,186
Multiplan Arrecadadora Ltda	4,381	-	-	-	196	4,577
ParkShopping Global Ltda.	19,208	-	2,001	-	(154)	21,055
ParkShopping Canoas Ltda.	230,693	-	4,734	-	(11,021)	224,406
Multishopping Shopping Center Ltda	6	-	-	-	-	6
ParkShopping Jacarepagua Ltda.	196,691	-	26,573	-	(741)	222,523
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	86,673	-	4,525	-	801	91,999

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments of the Company (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Equity pickup	03/31/2019
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	6,015	-	-	-	(208)	5,807
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	7	-	-	-	-	7
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	493,667	-	-	-	2,781	496,448
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	203,848	-	-	-	1,256	205,104
Multiplan Golden I Empreendimento Imobiliário Ltda.	16,512	-	410	-	(35)	16,887
Multiplan Golden II Empreendimento Imobiliário Ltda.	19	-	-	-	-	19
Multiplan Golden III Empreendimento Imobiliário Ltda.	7	-	-	-	-	7
Multiplan Golden IV Empreendimento Imobiliário Ltda.	38	-	-	-	-	38
Multiplan Golden V Empreendimento Imobiliário Ltda.	7,295	-	198	-	(18)	7,476
Multiplan Golden VI Empreendimento Imobiliário Ltda.	7,944	-	216	-	(19)	8,141
Multiplan Golden VII Empreendimento Imobiliário Ltda.	7,942	-	218	-	(19)	8,141
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	7,096	-	195	-	(17)	7,273
Multiplan Golden IX Empreendimento Imobiliário Ltda.	2,329	-	62	-	(5)	2,386
Multiplan Golden X Empreendimento Imobiliário Ltda.	4,684	-	127	-	(11)	4,800
Multiplan Golden XI Empreendimento Imobiliário Ltda.	4,843	-	132	-	(12)	4,963
Multiplan Golden XII Empreendimento Imobiliário Ltda.	3,277	-	89	-	(8)	3,358
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	8,331	-	228	-	(20)	8,539
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	7,305	-	198	-	(18)	7,486
Multiplan Golden XV Empreendimento Imobiliário Ltda.	7,096	-	193	-	(17)	7,272
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	8,335	-	227	-	(20)	8,542
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	9,544	-	256	-	(21)	9,779
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	9,298	-	253	-	(22)	9,528
Multiplan XVI Empreendimento Imobiliário Ltda.	1	-	-	-	-	1
Multiplan XVII Empreendimento Imobiliário Ltda.	5	-	-	-	(1)	4
Multiplan XVIII Empreendimento Imobiliário Ltda.	1	-	-	-	-	1
Multiplan XIX Empreendimento Imobiliário Ltda.	1	-	-	-	-	1
Multiplan XX Empreendimento Imobiliário Ltda.	1	-	-	-	-	1
Other	94	-	-	-	-	94
Subtotal – Investments	3,232,175	-	43,244	(2,930)	21,011	3,293,500

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments of the Company (Continued)

Investees	12/31/2018	Additions	Transfers	Dividends	Equity pickup	03/31/2019
Future capital contributions	-	-	-	-	-	-
RENASCE - Rede Nacional de Shopping Centers Ltda.	-	750	(750)	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	310	(310)	-	-	-
Ribeirão Residencial Emp Imobiliário Ltda.	-	350	(350)	-	-	-
ParkShopping Global Ltda.	-	2,001	(2,001)	-	-	-
ParkShopping Canoas Ltda.	-	4,734	(4,734)	-	-	-
ParkShopping Jacarepagua Ltda.	-	26,573	(26,573)	-	-	-
Multiplan Greenfield XI Empreendimento Imobiliário Ltda	-	4,525	(4,525)	-	-	-
ParkShopping Corporate Empreendimento Imobiliário Ltda	-	999	(999)	-	-	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	410	(410)	-	-	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	198	(198)	-	-	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	216	(216)	-	-	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	218	(218)	-	-	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	195	(195)	-	-	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	62	(62)	-	-	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	127	(127)	-	-	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	132	(132)	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	89	(89)	-	-	-
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	228	(228)	-	-	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	198	(198)	-	-	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	193	(193)	-	-	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	227	(227)	-	-	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	256	(256)	-	-	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	253	(253)	-	-	-
Subtotal – Future capital contribution	3,232,175	43,244	43,244	-	-	-
Total net investments	3,232,175	43,244	-	(2,930)	21,011	3,293,500

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.2. Changes in consolidated investments

Investees	12/31/2018	Addition	Transfer	Dividends	Amortization	Equity pickup	03/31/2019
SCP - Royal Green Península (*)	1,983	-	-	-	-	-	1,983
Manati Empreendimentos e Participações S.A.	33,346	-	-	-	-	(109)	33,237
Parque Shopping Maceió S.A.	95,607	-	-	(2,930)	-	2,642	95,319
Multiplan Greenfield XII Empreendimento Imobiliário Ltda. (**)	162	-	-	-	-	(118)	44
Other	153	-	-	-	-	-	153
Subtotal – Investments	131,251	-	-	(2,930)	-	2,415	130,736
Intangible assets - Fullab (**)							
Intangible assets – finite useful life	1,261	-	-	-	(90)	-	1,171
Goodwill - indefinite useful life	6,738	-	-	-	-	-	6,738
Subtotal – Goodwill	7,999	-	-	-	(90)	-	7,909
Total net investments	139,250	-	-	(2,930)	(90)	2,415	138,645

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

(**) On February 8, 2018, subsidiary Multiplan Greenfield XII Empreendimento Imobiliário Ltda. ("Greenfield XII") acquired a 20% interest in the capital of Fullab Participações S.A. ("Fullab") for R\$ 7,000, and the amount paid has been allocated to the respective lines as per the table above. In addition, at June 30, 2018, Greenfield XII made an additional acquisition of 6.46% of additional interest of Fullab for the amount of R\$ 2,196, which will be settled up to 100 quarters, the first installment due and payable on October 15, 2018.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries

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

	March 31, 2019				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda. (a)	2,439	-	12	-	-
RENASCE - Rede Nacional de Shopping Centers Ltda.	963	6,334	2,404	274	114
CAA Corretagem Imobiliária Ltda. (a)	5	-	-	-	-
MPH Empreendimento Imobiliário Ltda.	46,194	149,088	2,171	1,030	6,936
Multiplan Administr. Shopping Centers Ltda.	67,443	94	32,301	72	72,191
Pátio Savassi Administração de Shopping Center Ltda.	22	156	3	-	-
Danville SP Empreendimento Imobiliário Ltda. (c)	294	46,693	-	-	-
Multiplan Holding S.A.	129	2,628	4	-	-
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	261	-	7	-	-
Multiplan Greenfield I Emp Imob Ltda.	47,754	22,219	1,697	4,674	(83)
Barrasul Empreendimento Imobiliário Ltda.	34,261	18,275	1,056	3,002	4
Ribeirão Residencial Emp Imob. Ltda. (c)	311	15,750	35	-	-
Morumbi Business Center Empr. Imob. Ltda. (d)	2,258	155,787	343	-	260
Multiplan Greenfield II Empr.Imob.Ltda.	48,038	234,805	19,055	117,098	11,122
Multiplan Greenfield IV Empr.Imob.Ltda.	37,372	237,331	19,257	120,373	11,072
Multiplan Greenfield III Empr.Imob.Ltda. (c)	19,370	233,292	86	-	-
ParkShopping Campo Grande Ltda	32,102	364,816	10,783	9,720	10,154
Jundiaí Shopping Center Ltda	43,738	295,804	2,957	614	10,187
ParkShopping Corporate Empr.Imob. Ltda	2,598	39,126	378	1,120	721
Multiplan Arrecadadora Ltda.	177,788	10,682	183,889	-	236
ParkShopping Global Ltda.	4,023	21,865	1,686	-	-
ParkShopping Canoas Ltda.	19,038	544,911	17,991	308,917	5,325
Multishopping Shopping Center Ltda	6	-	-	-	-
ParkShopping Jacarepaguá Ltda.	4,185	227,078	7,712	804	-
Multiplan Greenfield XI Empr.Imob.Ltda.	2,143	90,477	405	124	1,900
Multiplan Greenfield XII Empr.Imob.Ltda.	79	7,952	2,219	-	-
Multiplan Greenfield XIII Empr.Imob.Ltda.	6	-	-	-	-
Multiplan Barra 1 Empr.Imob.Ltda.	70,031	432,147	3,240	1,993	9,291
Multiplan Morumbi 1 Empr.Imob.Ltda.	35,494	173,068	1,765	1,486	4,189
Multiplan Golden I Empr.Imob.Ltda.	405	30,497	832	13,167	-
Multiplan Golden II Empr.Imob. Ltda.	19	-	-	-	-
Multiplan Golden III Empr.Imob. Ltda.	8	-	-	-	-
Multiplan Golden IV Empr.Imob. Ltda.	39	-	-	-	-
Multiplan Golden V Empr.Imob.Ltda.	162	14,096	403	6,372	-
Multiplan Golden VI Empr.Imob. Ltda.	176	15,352	438	6,939	-
Multiplan Golden VII Empr.Imob.Ltda.	177	15,352	438	6,939	-
Multiplan Golden VIII Empr.Imob.Ltda.	158	13,712	392	6,198	-
Multiplan Golden IX Empr.Imob.Ltda.	100	4,408	126	1,992	-
Multiplan Golden X Empr.Imob.Ltda.	105	9,049	258	4,090	-
Multiplan Golden XI Empr.Imob.Ltda.	112	9,347	267	4,225	-
Multiplan Golden XII Empr.Imob.Ltda.	78	6,324	181	2,859	-
Multiplan Golden XIII Empr.Imob.Ltda.	184	16,097	460	7,276	-
Multiplan Golden XIV Empr.Imob.Ltda.	172	14,096	403	6,372	-
Multiplan Golden XV Empr.Imob.Ltda.	158	13,712	392	6,198	-
Multiplan Golden XVI Empr.Imob.Ltda.	189	16,097	460	7,276	-
Multiplan Golden XVII Empr.Imob.Ltda.	334	18,205	520	8,229	-
Multiplan Golden XVIII Empr.Imob.Ltda.	213	17,950	513	8,114	-
Multiplan XVI Empreendimento Imob.Ltda	1	-	-	-	-
Multiplan XVII Empreendimento Imob.Ltda	3	-	-	-	-
Multiplan XVIII Empreendimento Imob.Ltda	1	-	-	-	-
Multiplan XIX Empreendimento Imob.Ltda	1	-	-	-	-
Multiplan XX Empreendimento Imob.Ltda	1	-	-	-	-
Balances at March 31, 2019	701,141	3,544,672	317,539	667,547	143,619

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries (Continued)

	December 31, 2018				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda. (a)	2,535	-	90	-	1,068
RENASCE - Rede Nacional de Shopping Centers Ltda.	727	6,159	2,600	69	459
CAA Corretagem Imobiliária Ltda. (a)	5	-	-	-	-
MPH Empreendimento Imobiliário Ltda.	41,260	149,853	2,015	827	26,993
Multiplan Administr. Shopping Centers Ltda.	73,154	79	40,817	32	290,983
Pátio Savassi Administração de Shopping Center Ltda.	24	156	-	-	-
Danville SP Empreendimento Imobiliário Ltda. (c)	403	46,693	335	-	-
Multiplan Holding S.A.	166	2,544	-	-	-
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	257	-	6	-	-
Multiplan Greenfield I Emp Imob Ltda.	45,532	23,834	1,520	4,843	292
Barrasul Empreendimento Imobiliário Ltda.	32,157	19,795	1,065	3,529	(1,276)
Ribeirão Residencial Emp Imob. Ltda. (c)	430	15,698	323	-	-
Morumbi Business Center Empr. Imob. Ltda. (d)	1,967	153,936	290	-	1,050
Multiplan Greenfield II Empr.Imob.Ltda.	44,943	236,952	18,849	121,387	45,933
Multiplan Greenfield IV Empr.Imob.Ltda.	35,398	239,885	19,894	124,782	50,280
Multiplan Greenfield III Empr.Imob.Ltda. (c)	20,287	233,037	58	-	-
ParkShopping Campo Grande Ltda	23,737	368,879	9,446	9,742	40,183
Jundiaí Shopping Center Ltda	34,924	298,918	3,396	592	40,762
ParkShopping Corporate Empr.Imob. Ltda	1,833	39,157	717	1,063	1,825
Multiplan Arrecadadora Ltda.	240,328	9,079	245,022	-	943
ParkShopping Global Ltda.	310	21,771	3	-	-
ParkShopping Canoas Ltda.	20,655	549,151	12,328	313,797	18,000
Multishopping Shopping Center Ltda	6	-	-	-	-
ParkShopping Jacarepaguá Ltda.	1,261	209,273	13,646	-	-
Multiplan Greenfield XI Empr.Imob.Ltda.	3,011	88,475	4,590	137	8,580
Multiplan Greenfield XII Empr.Imob.Ltda.	101	8,161	2,241	-	-
Multiplan Greenfield XIII Empr.Imob.Ltda.	6	-	-	-	-
Multiplan Barra 1 Empr.Imob.Ltda.	64,075	435,527	3,318	2,123	37,683
Multiplan Morumbi 1 Empr.Imob.Ltda.	31,219	174,421	1,269	318	16,871
Multiplan Golden I Empr.Imob.Ltda.	739	29,976	857	13,330	-
Multiplan Golden II Empr.Imob. Ltda.	19	-	-	-	-
Multiplan Golden III Empr.Imob. Ltda.	8	-	-	-	-
Multiplan Golden IV Empr.Imob. Ltda.	39	-	-	-	-
Multiplan Golden V Empr.Imob.Ltda.	324	13,843	415	6,451	-
Multiplan Golden VI Empr.Imob. Ltda.	353	15,077	452	7,026	-
Multiplan Golden VII Empr.Imob.Ltda.	352	15,077	452	7,026	-
Multiplan Golden VIII Empr.Imob.Ltda.	315	13,467	403	6,275	-
Multiplan Golden IX Empr.Imob.Ltda.	151	4,329	130	2,017	-
Multiplan Golden X Empr.Imob.Ltda.	209	8,887	266	4,141	-
Multiplan Golden XI Empr.Imob.Ltda.	220	9,180	275	4,278	-
Multiplan Golden XII Empr.Imob.Ltda.	151	6,211	186	2,894	-
Multiplan Golden XIII Empr.Imob.Ltda.	368	15,809	474	7,367	-
Multiplan Golden XIV Empr.Imob.Ltda.	334	13,843	415	6,451	-
Multiplan Golden XV Empr.Imob.Ltda.	316	13,467	403	6,275	-
Multiplan Golden XVI Empr.Imob.Ltda.	374	15,809	474	7,367	-
Multiplan Golden XVII Empr.Imob.Ltda.	542	17,879	536	8,331	-
Multiplan Golden XVIII Empr.Imob.Ltda.	420	17,628	528	8,214	-
Multiplan XVI Empreendimento Imob.Ltda	1	-	-	-	-
Multiplan XVII Empreendimento Imob.Ltda	5	-	-	-	-
Multiplan XVIII Empreendimento Imob.Ltda	1	-	-	-	-
Multiplan XIX Empreendimento Imob.Ltda	1	-	-	-	-
Multiplan XX Empreendimento Imob.Ltda	1	-	-	-	-
Balances at December 31, 2018	725,954	3,541,915	390,104	680,684	580,629

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries (Continued)

- (a) In 2007, these companies' operations were transferred to the Company.
- (b) Dormant company since 2003.
- (c) Companies with buildings under construction.
- (d) Profit or loss for the year of subsidiary Morumbi Business Center Empr. Imob. Ltda. basically arises from equity pickup due to the 50% interest held in subsidiary MPH Empreendimentos Imobiliários Ltda.

8.4. Information on joint ventures

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

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

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A.	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Assets				
Current assets				
Cash and cash equivalents	431	200	17,432	20,738
Short-term investments	66	4	-	-
Accounts receivable	3,942	4,556	6,082	8,163
Taxes and contributions recoverable	224	113	2,049	1,657
Deferred costs	2,104	2,224	-	-
Sundry advances	-	-	428	428
Other	45	2	1,904	1,035
	6,811	7,099	27,895	32,021
Noncurrent assets				
Judicial deposits	31	-	21	-
Accounts receivable	161	22	-	21
Deferred income and social contribution taxes	4,805	4,701	10	(196)
Deferred costs	4,661	4,853	-	-
Other	-	-	251	298
Investment properties	49,136	49,473	244,833	244,694
Intangible assets	1,730	1,746	32	-
	60,524	60,795	245,147	244,817
Total assets	67,335	67,894	273,042	276,838

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint ventures (Continued)

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A.	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
Liabilities and equity				
Current liabilities				
Accounts payable	624	842	188	1,014
Loans and financing	-	-	11,533	11,312
Taxes and contributions payable	85	158	1,823	527
Dividends payable	-	-	3,116	4,760
Deferred revenue and costs	23	36	-	-
Other	94	127	380	535
	826	1,163	17,043	18,148
Noncurrent liabilities				
Loans and financing	-	-	49,187	52,220
Deferred income and social contribution taxes	-	-	15,208	14,330
Deferred revenue and costs	36	40	966	927
	36	40	65,361	67,477
Equity:				
Capital	73,758	73,758	182,505	182,505
Reserve for new investments	-	-	8,708	13,640
Prepaid interest on shareholders' equity	-	-	5,860	(23,800)
Accumulated losses	(7,067)	(5,723)	-	-
Income (loss) for the period and year	(218)	(1,344)	5,285	18,868
	66,473	66,691	190,638	191,213
Total liabilities and equity	67,335	67,894	273,042	276,838

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais – R\$, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint ventures (Continued)

	Manati Empreendimentos Participações S.A.		Parque Shopping Maceió S.A.	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Statement of profit or loss				
Net revenue	1,928	1,018	9,686	9,494
Cost of services rendered	(2,600)	(2,023)	(3,751)	(3,609)
Gross profit (loss)	(672)	(1,005)	5,935	5,885
Administrative expenses – headquarters	-	(3)	-	-
Administrative expenses – properties	(29)	(70)	(68)	(33)
Parking	-	-	-	(212)
Other operating income	281	1	-	(42)
Income before finance income (costs)	(420)	(1,077)	5,867	5,598
Finance income (costs)	98	27	316	(1,358)
Income before income and social contribution taxes	(322)	(1,050)	6,183	(4,240)
Income and social contribution taxes				
Current	-	-	(227)	(44)
Deferred	104	357	(671)	(616)
Net income/(loss) for the period	(218)	(693)	5,285	3,580

The financial information referring to the joint ventures was based on the trial balances presented by the Companies on the closing date for the period.

At March 31, 2019, the Company has no commitments assumed with its joint ventures. Additionally, these joint ventures have no contingent liabilities, comprehensive income and other disclosures required by CPC 45 – Disclosure of Interests in Other Entities (IFRS 12) besides the abovementioned ones.

Multiplan Empreendimentos Imobiliários S.A.

Notas explicativas às informações trimestrais--Continuação

31 de março de 2019

(Em milhares de reais, exceto quando indicado de outra forma)

9. Investment properties

Changes in investment properties are as follows:

	Average annual weighted average depreciation rate (%)	Company									
		December 31, 2018	Impact of IFRS 16/CPC 06 (R2) adoption	January 1, 2019	Additions	Write-offs	Capitalized interest	Allocation	Depreciation	Transfer	March 31, 2019
Cost											
Land		672,093	-	672,093	72	-	319	-	-	-	672,484
Buildings and improvements	2,25	2,975,950	-	2,975,950	1,951	-	-	-	-	-	2,977,901
(-) Accumulated depreciation		(622,795)	-	(622,795)	-	-	-	-	(14,497)	-	(637,292)
Net amount		2,353,155	-	2,353,155	1,951	-	-	-	(14,497)	-	2,340,609
Facilities	15,88	432,070	-	432,070	431	-	-	-	-	-	432,501
(-) Accumulated depreciation		(277,567)	-	(277,567)	-	-	-	-	(8,623)	-	(286,190)
Net amount		154,503	-	154,503	431	-	-	-	(8,623)	-	146,311
Machinery, equipment, furniture and fixtures	10	47,063	-	47,063	17	-	-	-	-	-	47,080
(-) Accumulated depreciation		(28,534)	-	(28,534)	-	-	-	-	(1,013)	-	(29,547)
Net amount		18,529	-	18,529	17	-	-	-	(1,013)	-	17,533
Leases	12,6	-	48,576	48,576	-	-	-	-	-	-	48,576
(-) Accumulated depreciation		-	-	-	-	-	-	-	(1,534)	-	(1,534)
Net amount		-	48,576	48,576	-	-	-	-	(1,534)	-	47,042
Other	10	9,859	-	9,859	5	-	-	-	-	-	9,864
(-) Accumulated depreciation		(4,839)	-	(4,839)	-	-	-	-	(204)	-	(5,043)
Net amount		5,020	-	5,020	5	-	-	-	(204)	-	4,821
Construction in progress		194,698	-	194,698	16,404	-	483	-	-	-	211,585
Stores buyback		42,644	-	42,644	400	-	-	(869)	-	-	42,175
		3,440,642	48,576	3,489,218	19,280	-	802	(869)	(25,871)	-	3,482,560

Multiplan Empreendimentos Imobiliários S.A.

Notas explicativas às informações trimestrais--Continuação

31 de março de 2019

(Em milhares de reais, exceto quando indicado de outra forma)

9. Investment properties (Continued)

Consolidated											
	Weighted average depreciation rate (%)	December 31, 2018	Impact of IFRS 16/CPC 06 (R2) adoption	January 1, 2019	Additions	Write-offs	Capitalized interest	Allocation	Depreciation	Transfer	March 31, 2019
Cost											
Land		1,416,181	-	1,416,181	2,790	-	354	-	-	34,107	1,453,432
Buildings and improvements	2,23	4,877,434	-	4,877,434	2,925	-	-	-	-	18,612	4,898,971
(-) Accumulated depreciation		(774,466)	-	(774,466)	-	-	-	-	(24,375)	-	(798,841)
Net amount		4,102,968	-	4,102,968	2,925	-	-	-	(24,375)	18,612	4,100,130
Facilities	15,04	850,586	-	850,586	861	-	-	-	-	3,295	854,742
(-) Accumulated depreciation		(454,143)	-	(454,143)	-	-	-	-	(20,137)	-	(474,280)
Net amount		396,443	-	396,443	861	-	-	-	(20,137)	3,295	380,462
Machinery, equipment, furniture and fixtures	10	76,613	-	76,613	296	-	-	-	-	12	76,921
(-) Accumulated depreciation		(39,601)	-	(39,601)	-	-	-	-	(1,825)	-	(41,426)
Net amount		37,012	-	37,012	296	-	-	-	(1,825)	12	35,495
Leases	12,6	-	48.820	48,820	-	-	-	-	-	-	48,820
(-) Accumulated depreciation		-	-	-	-	-	-	-	(1,542)	-	(1,542)
Net amount		-	48.820	48,820	-	-	-	-	(1,542)	-	47,278
Other	10	18,199	-	18,199	910	-	-	-	-	-	19,109
(-) Accumulated depreciation		(7,595)	-	(7,595)	-	-	-	-	(317)	-	(7,912)
Net amount		10,604	-	10,604	910	-	-	-	(317)	-	11,197
Construction in progress		348,374	-	348,374	34,085	-	483	-	-	(56,026)	326,916
Stores buyback		49,785	-	49,785	505	-	-	(945)	-	-	49,345
		6,361,367	48.820	6,410,187	42,372	-	837	(945)	(48,196)	-	6,404,255

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

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

In 2019, the Company updated its methodology for calculating the discount rate, aligning country risk rate and market practices, and started using the original unleveraged beta before adjustments.

Based on these assumptions, the Company used a nominal, unleveraged weighted average discount rate of 11.75% at March 31, 2019, resulting from a statutory discount rate of 11.45% calculated in accordance with the CAPM model, and, based on internal analyses, a spread from 0 to 150 base points was added to this rate, resulting in an additional weighted average spread of 29 base points in the valuation of each shopping mall, commercial building and project.

Cost of equity	March 2019	March 2018
Risk Free Rate	3.38%	3.39%
Market risk premium	6.11%	6.26%
Beta	0.74	0.83
Country risk	247 b.p.	290 b.p.
Additional spread	29 b.p.	38 b.p.
Cost of equity – US\$	10.03%	11.84%
Inflation assumptions	March 2019	March 2018
Inflation (BR) - (i)	3.90%	4.02%
Inflation (USA)	2.30%	2.40%
Cost of equity – R\$	11.75%	13.61%

- (i) Inflation (BR) of March 2018 refers to the weighted average of estimates for the period between April 2018 and March 2022. Inflation (BR) of March 2019 refers to the weighted average of expectations for the period between April 2019 and March 2023.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

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

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

	Company	
	March 2019	March 2018
Valuation of investment properties		
Shopping centers and office towers in operation	16,572,462	12,265,267
Projects in progress (not advertised) (i)	148,393	152,586
	<u>16,720,855</u>	<u>12,417,853</u>
	Consolidated	
	March 2019	March 2018
Valuation of investment properties		
Shopping centers and office towers in operation	22,009,980	16,434,755
Projects in progress (advertised) (i)	225,028	118,622
Projects in progress (not advertised) (i)	170,346	174,086
	<u>22,405,264</u>	<u>16,727,463</u>

(i) Projects in progress were valued at cost.

The interest of 37.5% held in Santa Úrsula Shopping Mall and 50.0% in the Parque Shopping Maceió project through joint ventures were not considered in the consolidated valuation.

No impairment indicators for investment properties were detected at March 31, 2019.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

10. Property and equipment

	Annual depreciation rates (%)	Company						
		December 31, 2018	Impact of IFRS 16/CPC 06 (R2) adoption	January 1, 2019	Additions	Write-offs	Depreciation	March 31, 2019
Cost								
Land	-	2,015	-	2,015	-	-	-	2,015
Buildings and improvements	4	5,145	-	5,145	-	-	-	5,145
(-) Accumulated depreciation		(1,960)	-	(1,960)	-	-	(52)	(2,012)
Net amount		3,185	-	3,185	-	-	(52)	3,133
Facilities	10	3,908	-	3,908	3	-	-	3,911
(-) Accumulated depreciation		(2,776)	-	(2,776)	-	-	(90)	(2,866)
Net amount		1,132	-	1,132	3	-	(90)	1,045
Machinery, equipment, furniture and fixtures	10	11,156	-	11,156	464	-	-	11,620
(-) Accumulated depreciation		(7,391)	-	(7,391)	-	-	(234)	(7,625)
Net amount		3,765	-	3,765	464	-	(234)	3,995
Vehicles (a)	10	78,574	-	78,574	-	(18,631)	-	59,943
(-) Accumulated depreciation		(20,721)	-	(20,721)	-	18,631	(506)	(2,596)
Net amount		57,853	-	57,853	-	-	(506)	57,347
Leases	1.6 a 7.4	-	6,019	6,019	-	-	-	6,019
(-) Accumulated depreciation		-	-	-	-	-	(178)	(178)
Net amount		-	6,019	6,019	-	-	(178)	5,841
Other	10	9,788	-	9,788	2,237	-	-	12,025
(-) Accumulated depreciation		(2,118)	-	(2,118)	-	-	(150)	(2,268)
Net amount		7,670	-	7,670	2,237	-	(150)	9,757
		75,620	6,019	81,639	2,704	-	(1,210)	83,133

(a) The Company sold an aircraft for R\$14 million, and the amount was recorded in other operating income in the statement of profit or loss for the period. We should point out that the recorded aircraft cost was R\$18,631 and was fully depreciated.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

10. Property and equipment (Continued)

	Annual depreciation rates (%)	December 31, 2018	Impact of IFRS 16/CPC 06 (R2) adoption	January 1, 2019	Additions	Consolidated		
						Write-offs	Depreciation	March 31, 2019
Cost								
Land	-	4,442	-	4,442	-	-	-	4,442
Buildings and improvements	4	11,344	-	11,344	-	-	-	11,344
(-) Accumulated depreciation		(5,576)	-	(5,576)	-	-	(114)	(5,690)
Net amount		5,768	-	5,768	-	-	(114)	5,654
Facilities	10	5,139	-	5,139	3	-	-	5,142
(-) Accumulated depreciation		(3,977)	-	(3,977)	-	-	(90)	(4,067)
Net amount		1,162	-	1,162	3	-	(90)	1,075
Machinery, equipment, furniture and fixtures	10	12,849	-	12,849	464	-	-	13,313
(-) Accumulated depreciation		(9,109)	-	(9,109)	-	-	(234)	(9,343)
Net amount		3,740	-	3,740	464	-	(234)	3,970
Vehicles (a)	10	78,574	-	78,574	-	(18,631)	-	59,943
(-) Accumulated depreciation		(20,723)	-	(20,723)	-	18,631	(506)	(2,598)
Net amount		57,851	-	57,851	-	-	(506)	57,345
Leases	1.6 a 7.4	-	6,019	6,019	-	-	-	6,019
(-) Accumulated depreciation		-	-	-	-	-	(178)	(178)
Net amount		-	6,019	6,019	-	-	(178)	5,841
Other	10	10,283	-	10,283	2,237	-	-	12,520
(-) Accumulated depreciation		(2,662)	-	(2,662)	-	-	(150)	(2,812)
Net amount		7,621	-	7,621	2,237	-	(150)	9,708
		80,584	6,019	80,584	2,704	-	(1,272)	88,035

(a) The Company sold an aircraft for R\$14 million, and the amount was recorded in other operating income in the statement of profit or loss for the period. We should point out that the recorded aircraft cost was R\$18,631 and was fully depreciated.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

10. Property and equipment (Continued)

No impairment indicators for property and equipment were detected at March 31, 2019 and December 31, 2018.

11. Intangible assets

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

		Company				
	Annual amortization rates	December 31, 2018	Additions	Write-offs	Amortization	March 31, 2019
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		254,671	-	-	-	254,671
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		48,759	-	-	-	48,759
System licenses						
Software license (c)	10	104,107	1,645	(592)	-	105,160
Brands and patents	10	341	-	-	-	341
Accumulated amortization		(53,007)	-	-	(2,430)	(55,437)
		51,441	1,645	(592)	(2,430)	50,662
		354,871	1,645	(592)	(2,430)	353,494

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

11. Intangible assets (Continued)

	Annual amortization rates	Consolidated				
		December 31, 2018	Additions	Write-offs	Amortization	March 31, 2019
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		254,671	-	-	-	254,671
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		48,759	-	-	-	48,759
System licenses						
Software license (c)	10	105,305	1,645	(592)	-	106,358
Brands and patents		442	-	-	-	442
Accumulated amortization		(53,538)	-	-	(2,459)	(55,997)
		52,209	1,645	(592)	(2,459)	50,803
		355,639	1,645	(592)	(2,459)	354,233

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

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

(c) In order to strengthen its internal control system while sustaining a solid growth strategy, the Company started implementing SAP ECC System. To make this implementation feasible, the Company and SAP Brasil Ltda. entered into two software license and maintenance contracts, dated June 24, 2008. Additionally, the Company entered into a service agreement with IBM Brasil - Indústria, Máquinas e Serviços Ltda., on June 30, 2008, for the deployment of such tool. Since then, the Company has commissioned services of evaluation and implementation of new SAP features, aimed at promoting greater efficiency, transparency, and autonomy to the managers of the company.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

11. Intangible assets (Continued)

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

The impairment test for goodwill validation was conducted considering the projected cash flow of shopping malls that presented goodwill upon their establishment (cash generating unit). The assumptions used to prepare this cash flow are described in Note 9. In case of changes in the main assumptions used to determine the recoverable amount of cash-generating units, goodwill with indefinite useful life allocated to the cash-generating units plus the carrying amounts of investment properties (cash-generating units) would be substantially lower than the fair values of investment properties, i.e., there has been no indication of *impairment* losses in the cash-generating units since the last test conducted on presentation of the financial statements for the years ended December 31, 2018.

12. Loans and financing

				Annual average interest rate	March 31, 2019		December 31, 2018	
				December 31, 2018	Company	Consolidated	Company	Consolidated
				Index				
Current Santander	BHS Exp. V	(a)	TR	8.70%	8,341	8,341	12,389	12,389
	Multiplan Greenfield IV	(b)	TR	8.70%	-	17,988	-	17,704
	Multiplan Greenfield II	(b)	TR	8.70%	-	17,499	-	17,223
Banco Itaú	São Caetano	(c)	TR	9.35%	10,702	10,702	10,746	10,746
	VillageMall	(d)	TR	9.35%	27,395	27,395	27,511	27,511
	CCB 325	(e)	% of CDI	108.00%	25,053	25,053	25,463	25,463
Banco do Brasil	CCB 175	(f)	% of CDI	110.00%	22,762	22,762	22,790	22,790
	CCB 50	(g)	% of CDI	110.00%	10,220	10,220	10,232	10,232
	CCB 150	(h)	% of CDI	110.00%	30,660	30,660	30,696	30,696
Banco Bradesco	BarraShopping VII	(i)	TR	8.90%	11,490	11,490	11,500	11,500
	CCB 300	(j)	% of CDI	1.00%	8,188	8,188	2,849	2,849
	Canoas	(k)	TR	9.25%	-	12,384	-	7,819
Other	Cia. Real de Distribuição	(l)			53	53	53	53
	Funding costs				(4,883)	(6,326)	(4,941)	(6,384)
	Subtotal current				149,981	196,409	149,288	190,591

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

				Annual average interest rate	March 31, 2019		December 31, 2018	
				December 31, 2018	Company	Consolidated	Company	Consolidated
Noncurrent				Index				
	Multiplan Greenfield IV	(b)	TR	8.70%	-	122,850	-	127,375
	Multiplan Greenfield II	(b)	TR	8.70%	-	119,507	-	123,909
Banco Itaú	São Caetano	(c)	TR	9.35%	56,699	56,699	59,316	59,316
	VillageMall	(d)	TR	9.35%	151,711	151,711	158,404	158,404
Banco do Brasil	CCB 175	(f)	% of CDI	110.00%	77,955	77,955	77,955	77,955
	CCB 50	(g)	% of CDI	110.00%	35,000	35,000	35,000	35,000
	CCB 150	(h)	% of CDI	110.00%	105,000	105,000	105,000	105,000
	BarraShopping VII	(i)	TR	8.90%	48,813	48,813	51,630	51,630
Banco Bradesco	CCB 300	(j)	% of CDI	1.00%	300,000	300,000	300,000	300,000
	Canoas	(k)	TR	9.25%	-	309,249	-	313,813
Other	Cia. Real de Distribuição	(l)	-		284	284	297	297
	Funding costs		-		(11,519)	(22,207)	(12,712)	(23,760)
	Subtotal noncurrent				763,943	1,304,861	774,890	1,328,939
	Grand total				913,924	1,501,270	924,178	1,519,530

- (a) On November 19, 2009, the Company entered into a loan agreement with Banco ABN AMRO Real S.A., later merged by Banco Santander, for expansion of the area of BH Shopping, totaling R\$102,400. The corresponding charges included TR plus 10% per year, and repayment in 105 monthly consecutive installments beginning December 15, 2010. The loan is guaranteed by chattel mortgage of 35.31% of the property being financed, resulting in a valuation of R\$153,599 (on the date of execution of the agreement) for the portion assigned as guarantee, and amounts referring to receivables from lease and key money over the property being financed to which the Company is entitled were assigned in trust, which should correspond, at least, to 120% of one monthly installment until the total settlement of the debt. On August 28, 2013, the 1st amendment to the financing agreement was signed, amending: (i) the financial covenant of total bank debt/EBITDA lower than or equal to 4 times to "net bank debt"/EBITDA lower than or equal to 4 times, (ii) the transaction rate from TR + 10% p.a. to TR + 8.70% p.a.

Financial Covenants of the agreement:

Total debt/Equity lower than or equal to 1;

Net bank debt/EBITDA lower than or equal to 4 x.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

At March 31, 2019, the Company was compliant with all covenants set forth in the financing agreement.

- (b) On August 7, 2013, subsidiaries Multiplan Greenfield II Empreendimento Imobiliário Ltda. and Multiplan Greenfield IV Empreendimento Imobiliário Ltda. entered into a financing agreement with Banco Santander S.A. for construction of the Morumbi Corporate project located in São Paulo. The amount raised totaled R\$400,000, and each company became individually responsible for its stake in the project, i.e., 49.3104% for Multiplan Greenfield II and 50.6896% for Multiplan Greenfield IV. The financing was subject to charges of 8.70% per year plus TR, with repayment in 141 monthly installments beginning November 15, 2013. The total financing amount had been released at December 31, 2015. The loan is guaranteed by chattel mortgage of the portion of 0.4604509 of property being financed, represented by a certain number of autonomous units, and amounts referring to receivables from lease of the property being financed to which the Company is entitled were assigned in trust, which should correspond, at least, to 120% of one monthly installment until the total settlement of the debt. In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiaries. This agreement does not provide for financial covenants.
- (c) On August 10, 2010, the Company carried out a Bank Credit Bill operation for the construction of ParkShopping São Caetano, totaling R\$140,000, with Banco Itaú BBA S.A. This financing was subject to TR plus 9.75% per year, with repayment in 99 monthly consecutive installments, beginning June 15, 2012. The total financing amount had been released at December 31, 2015. As guarantee for the loan, the amounts referring to receivables from lease and key money to use the stores of the project being financed were assigned in trust, which should correspond, at least, to 120% of one monthly installment, from the project launch to the total settlement of the debt. On September 30, 2013, the 1st amendment to the financing agreement was signed, amending: (i) the agreement's rate from Referential Rate (TR) + 9.75% p.a. to TR + 9.35% p.a., and (ii) the final amortization deadline from August 15, 2020 to August 15, 2025.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

All other clauses from the original agreement remained unchanged.

Financial Covenants of the agreement:

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

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

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

At March 31, 2019, the Company was compliant with all covenants set forth in the financing agreement.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

- (e) On September 19, 2016, the Company signed 13 Bank Credits Bills (CCB), with Banco Itaú BBA, in the total amount of R\$325,000 in order to consolidate its cash position. No guarantee was given for such instruments. The interest is payable semiannually and the principal in one installment, on September 19, 2019. On June 16, 2017, the Company settled in advance the amount of R\$300,000 and the corresponding interest so that only one of the CCBs in the amount of R\$25,000 remained outstanding. This settlement was made on the contract curve, without penalties, as provided for in the transaction instruments.

Start date	Final date	Amount	Interest rate
09/19/2016	09/19/2019	25,000	108.00% CDI

Financial Covenants of the agreement:

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

EBITDA/Net finance costs $\geq 2 \times$

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

At March 31, 2019, the Company was compliant with all covenants set forth in the bank credit bill.

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

Financial Covenants of the agreement:

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

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

At March 31, 2019, the Company was compliant with all covenants set forth in the bank credit bill.

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

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

Financial Covenants of the agreement:

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

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

At March 31, 2019, the Company was compliant with all covenants set forth in the bank credit bill.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Financial Covenants of the agreement:

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

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

At March 31, 2019, the Company was compliant with all covenants set forth in the financing agreement.

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

Financial Covenants of the agreement:

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

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

At March 31, 2019, the Company was compliant with all covenants set forth in the financing agreement.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

There are no financial covenants for this contract.

- (k) On May 25, 2015, the subsidiary ParkShopping Canoas Ltda entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkShopping Canoas project in the city of Canoas, state of Rio Grande do Sul. The total amount contracted was R\$280,000 and this financing bears interest of 9.25% p.a., plus the Reference Rate (TR), payable in 144 monthly installments beginning April 25, 2019. As guarantee for the loan, the subsidiary provided a mortgage on 80% of the property for which the financing was obtained, and assigned 80% of the receivables from lease of this property in trust, which should correspond to at least 120% of the amount of one monthly installment until full settlement of the debt. In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiary. On July 24, 2016, the Company signed an addendum to the credit facility agreement collateralized by a mortgage for construction of the ParkShopping Canoas project in the city of Canoas, which sets forth the following: (i) maturity of the first installment on August 25, 2019, (ii) reduction of the term of return to 140 months, (iii) debt maturity on July 27, 2019, and (iv) final term for the construction work on August 25, 2017. At March 31, 2018, the amount of R\$266,090 regarding such financing had been released.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

- (l) The balance payable to Companhia Real de Distribuição arises from the intercompany loan with the merged subsidiary Multishopping to finance the construction of BarraShopping Sul, to be settled in 516 monthly installments of R\$4, as from the hypermarket inauguration date in November 1998, not subject to interest or monetary restatement.

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Loans and financing				
2020	229,827	271,918	241,967	297,548
2021 onwards	545,635	1,055,150	545,635	1,055,151
Subtotal – Loans and financing	775,462	1,327,068	787,602	1,352,699
Funding costs				
2020	(3,576)	(4,659)	(4,768)	(6,212)
2021 onwards	(7,944)	(17,548)	(7,944)	(17,548)
Subtotal – Funding costs	(11,520)	(22,207)	(12,712)	(23,760)
Total – Loans and financing	763,942	1,304,861	774,890	1,328,939

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

Reconciliation of the changes in equity to cash flows from financing activities

Company

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Total
Balances at December 31, 2018	924,178	1,294,202	129,551	5,335,980	7,683,911
Changes in cash flows from financing					
Payment of loans	(16,169)	-	-	-	(16,169)
Payment of interest on loans and financing	(12,756)	-	-	-	(12,756)
Stock option exercise	-	-	-	2,996	2,996
Total changes in cash flows from financing	(28,925)	-	-	2,996	(25,929)
Other changes					
Appropriation of interest on loans and financing raised	16,619	-	-	-	16,619
Capitalization of interest	802	-	-	-	802
Appropriated funding costs	1,250	1,030	-	-	2,280
Appropriation of debenture charges	-	20,563	-	-	20,563
Stock options granted	-	-	-	3,511	3,511
Profit or loss	-	-	-	91,964	91,964
Total of other changes	18,671	21,594	-	95,475	135,739
Balances at March 31, 2019	913,924	1,315,796	129,551	5,434,451	7,793,722

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Consolidated

	Loans and financing	Debentures	Interest on shareholders' equity	Capital	Capital increase by noncontrolling shareholders	Total
Balances at December 31, 2018	1,519,530	1,294,202	129,551	5,335,980	16,207	8,295,470
Changes in cash flows from financing						
Payment of loans	(23,960)	-	-	-	-	(23,960)
Payment of interest on loans and financing	(26,229)	-	-	-	-	(26,229)
Stock option exercise	-	-	-	2,996	-	2,996
Non-controlling interest	-	-	-	-	540	540
Total changes in cash flows from financing	(50,189)	-	-	2,996	540	(46,653)
Other changes						
Appropriation of interest on loans and financing raised	29,516	-	-	-	-	29,516
Capitalization of interest	802	-	-	-	-	802
Appropriated funding costs	1,611	-	-	-	-	1,611
Debenture funding costs	-	1,030	-	-	-	1,030
Appropriation of debenture charges	-	20,563	-	-	-	20,563
Stock options granted	-	-	-	3,511	-	3,511
Profit or loss	-	-	-	91,964	(615)	91,349
Total of other changes	31,929	21,593	-	95,475	(615)	148,382
Balances at March 31, 2019	1,501,270	1,315,796	129,551	5,434,451	16,132	8,397,200

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

“EBITDA” and “EBIT” are part of the Company's main indexes, as they are important performance metrics and certain covenants for financial statements users.

In order to comply with the terms of paragraph 2 of article 2 of CVM Rule No. 527/12, we state below the reconciliation of EBITDA and EBIT amounts for the quarters ended March 31, 2019 and 2018.

	March 31, 2019		March 31, 2018	
	Company	Consolidated	Company	Consolidated
Net income for the period	91,964	91,946	98,149	98,134
Non-controlling interest	-	(616)	-	(479)
Income and social contribution taxes	40,150	51,517	41,940	53,441
Finance income (costs), net	27,366	34,189	21,102	30,096
EBIT	159,480	177,036	161,190	181,192
Depreciation and amortization	29,511	52,017	27,529	49,644
EBITDA	188,991	229,055	188,719	230,836

13. Accounts payable

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Suppliers	21,735	48,423	24,274	57,293
Leases (*)	52,634	52,870	-	-
Contractual retentions	3,276	6,908	2,941	6,310
Indemnification payable	9,938	12,023	10,064	13,012
Labor obligations	50,306	52,786	42,286	43,730
	137,889	173,010	79,565	120,345
current liabilities	93,564	128,480	79,565	120,345
Noncurrent liabilities	44,325	44,530	-	-

(*) As disclosed in Note 2.4, the impacts of first-time adoption on January 1, 2019 in Company and Consolidated were R\$ 54,595 (R\$8,309 classified as current and R\$46,286 as noncurrent) and R\$54,839 (R\$8,340 classified as current and R\$46,499 as noncurrent), respectively.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

14. Debentures

The debentures are presented below:

	Company and Consolidated	
	31/03/2019	31/12/2018
Current liabilities		
3rd Issue - Debentures	212,883	205,878
4th Issue - Debentures	5,094	773
5th Issue - Debentures	5,166	843
6th Issue - Debentures	7,538	2,625
Subtotal	230,681	210,119
Funding cost – 3rd issue	(688)	(688)
Funding cost – 4th issue	(2,052)	(2,052)
Funding cost – 5th issue	(1,133)	(1,133)
Funding cost – 6th issue	(248)	(249)
Total – Funding cost	(4,121)	(4,122)
Total - Current liabilities	226,560	205,997
Noncurrent liabilities		
3rd Issue - Debentures	200,000	200,000
4th Issue - Debentures	300,000	300,000
5th Issue - Debentures	300,000	300,000
6th Issue - Debentures	300,000	300,000
Subtotal	1,100,000	1,100,000
Funding cost – 3rd issue	(401)	(573)
Funding cost – 4th issue	(5,644)	(6,157)
Funding cost – 5th issue	(3,681)	(3,965)
Funding cost – 6th issue	(1,038)	(1,100)
Total – Funding cost	(10,764)	(11,795)
Total - Noncurrent liabilities	1,089,236	1,088,205

Third issue of debentures for primary public distribution

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Third issue of debentures for primary public distribution (Continued)

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

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

At March 31, 2019, the Company had met all the covenants determined in the indenture.

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

Any amendments or renegotiation of terms or conditions of the aforementioned Indenture shall be approved by debenture holders, subject to the rules and quorum set forth therein.

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

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

The Company's net proceeds from this debenture issue will be fully used directly or through its subsidiaries, through the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping malls and/or real estate developments, as described in the Indenture of Issue of Debentures:

ParkJacarepaguá, BarraShopping, VillageMall, Village Corporate, RibeirãoShopping, Pátio Savassi and Residencial Porto Alegre.

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

Interest was paid as follows: (i) R\$15,182 on June 13, 2017; (ii) R\$12,070 on December 13, 2017; (iii) R\$9,031 on June 13, 2018; and (iv) R\$9,035 on December 13, 2018.

At March 31, 2019, the Company had met all the covenants determined in the indenture.

Any amendments or renegotiation of terms or conditions of the aforementioned Indenture shall be approved by debenture holders, subject to the rules and quorum set forth therein.

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

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

The Company's net proceeds from this debenture issue will be fully used directly or through its subsidiaries, through the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping malls and/or real estate developments, as described in the Indenture of Issue of Debentures:

ParkJacarepaguá, BarraShopping, VillageMall, Village Corporate, ParkShoppingBarigui, ParkShoppingCanoas, DiamondMall and MorumbiShopping.

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

Interest was paid as follows: (i) R\$12,105 on June 12, 2017; (ii) R\$9,036 December 12, 2018; and (iii) R\$9,035 on December 12, 2018.

At March 31, 2019, the Company had met all the covenants determined in the indenture.

Any amendments or renegotiation of terms or conditions of the aforementioned Indenture shall be approved by debenture holders, subject to the rules and quorum set forth therein.

Sixth issue of debentures for primary public distribution

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Sixth issue of debentures for primary public distribution (Continued)

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

Interest was paid as follows: (i) R\$8,830 on November 12, 2018.

At March 31, 2019, the Company had met all the covenants determined in the indenture.

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

Any amendments or renegotiation of terms or conditions of the aforementioned Indenture shall be approved by debenture holders, subject to the rules and quorum set forth therein.

15. Property acquisition obligations

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Current				
Attached land – Jacarepaguá (a)	-	-	-	4,100
Stake in PKB (b)	-	-	-	4,095
Jockey (c)	-	4,643	-	5,198
Other	269	269	269	269
	269	4,912	269	13,662
Noncurrent				
Jockey (c)	-	7,883	-	9,044
	-	7,883	-	9,044
	-	-	-	-
Total	269	12,794	269	22,706

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

15. Property acquisition obligations (Continued)

- (a) Through the Deed of Purchase and Sale executed on April 13, 2018, the Company, through subsidiary ParkShopping Jacarepaguá Ltda., acquired from CCISA05 Incorporadora Ltda. 91% of the plot of land of 56,029.40 sqm, located in the municipality of Rio de Janeiro, for R\$16,375. That amount will be settled as follows: (i) down payment of R\$1,365 payable within five days from execution of the deed and (ii) R\$15,010 in 11 consecutive monthly installments, the first one amounting to R\$1,365 to be paid in 30 days after the down payment, and the remaining installments on the same day of the subsequent months. Item (ii) above will bear interest, calculated from the date of execution of the deed until the due dates, based on variation of the CDI rate (100%). The amount was fully settled on March 20, 2019.
- (b) By means of a Private Purchase and Sale Commitment Instrument executed on January 11, 2017, the Company acquired, through subsidiary Multiplan Greenfield XI Empreendimento Imobiliário Ltda., the fraction of 9.33% of ParkShopping Barigüi held by Invest Bens Administradora de Bens S/A, for the agreed price of R\$91,000, with payment in 24 monthly consecutive installments, beginning 30 days after execution of said agreement. Installments will bear interest calculated based on the variation of the Interbank Deposit Certificate (CDI) rates (100%). The amount was fully settled on January 11, 2019.
- (c) By means of the Deeds for Purchase and Sale and Deed of Novation and Acknowledgment of Debt with Promise of Accord and Satisfaction and other Covenants, executed on November 9, 2016, and subsequent addenda, the Company, through its subsidiaries Multiplan Golden I Empreendimento Imobiliário Ltda, Multiplan Golden V Empreendimento Imobiliário Ltda, Multiplan Golden VI Empreendimento Imobiliário Ltda, Multiplan Golden VII Empreendimento Imobiliário Ltda, Multiplan Golden VIII Empreendimento Imobiliário Ltda, Multiplan Golden IX Empreendimento Imobiliário Ltda, Multiplan Golden X Empreendimento Imobiliário Ltda, Multiplan Golden XI Empreendimento Imobiliário Ltda, Multiplan Golden XII Empreendimento Imobiliário Ltda, Multiplan Golden XIII Empreendimento Imobiliário Ltda, Multiplan Golden XIV Empreendimento Imobiliário Ltda, Multiplan Golden XV Empreendimento Imobiliário Ltda, Multiplan Golden XVI Empreendimento Imobiliário Ltda, Multiplan Golden XVII Empreendimento Imobiliário Ltda and Multiplan Golden XVIII Empreendimento Imobiliário Ltda, acquired from Jockey Club do Rio Grande do Sul ("Jockey") a plot of land located in Porto Alegre, state of Rio Grande do Sul (RS), for R\$164,644, through handover of five (05) "pro soluto" promissory notes, amounting to R\$89,861, R\$19,966, R\$28,245, R\$3,000 and R\$23,572.

The referred to promissory notes were replaced with the following obligations: (i) R\$89,861 through accord and satisfaction of the entire commercial venture to be built with approximate area of 13,723.93 sqm in the referred to land; (ii) R\$19,966 through an obligation to build the new structure of Vila Hípica stalls in the property owned by the Jockey; (iii) R\$27,852, settled in cash; (iv) R\$3,000 also settled in cash; and (v) R\$23,572, in the monthly amount of R\$393. This amount will be annually restated, based on May 2016, by reference to FGV's IGP-M index variation.

Noncurrent property acquisition obligations mature by 2021.

	March 31, 2019	December 31, 2018
2020	3,482	4,642
2021	4,401	4,402
	7,883	9,044

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

16. Taxes and contributions payable

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Social Security Tax (INSS) payable	-	179	-	162
Contribution Tax on Gross Revenue for Social Integration Program (PIS) and Contribution Tax on Gross Revenue for Social Security Financing (COFINS) payable	7,539	9,045	9,999	12,035
Service tax (ISS) payable	-	1,443	-	1,765
Income (IRPJ) and social contribution (CSLL) taxes payable	2,031	9,417	-	7,748
Other	-	7,387	-	7,234
	9,570	27,471	9,999	28,944

17. Provision for contingencies and judicial deposits

17.1. Provision for contingencies

Provision for contingencies	Company			
	December 31, 2018	Additions	Write-offs	March 31, 2019
Civil (a)	1,419	480	-	1,899
Labor	2,944	799	-	3,743
Tax	241	-	-	241
	4,604	1,279	-	5,883

Provision for contingencies	Consolidated			
	December 31, 2018	Additions	Write-offs	March 31, 2019
Civil (a)	8,620	482	(588)	8,514
Labor	3,086	903	-	3,989
Tax	304	-	-	304
	12,010	1,386	(588)	12,807

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

- (a) The legal advisors rated the likelihood of loss on certain legal proceedings related to real estate contract terminations as probable, totaling R\$6,491 (R\$6,581 at December 31, 2018).

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

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

Contingencies with likelihood of loss rated as possible

The Company is defendant in various tax, administrative, labor and civil proceedings, whose likelihood of loss is assessed by its legal advisors as possible, estimated at R\$58,876 at March 31, 2019 (R\$56,407 at December 31, 2018), as follows:

	Consolidated	
	March 31, 2019	December 31, 2018
Tax	34,117	33,862
Civil and administrative	11,413	7,578
Labor	13,346	14,967
Total	58,876	56,407

Tax

ITBI (Property Transfer Tax) collection arising from full merger of companies that own properties. The disputes regarding levy of this tax are concentrated in the municipalities of São Paulo (R\$6,249), Belo Horizonte (R\$8,013) and Brasília (R\$2,205); in all cases, the Company claims acknowledgment of the non-levy of ITBI based on the provisions of article 37, paragraph 4, of the Brazilian Tax Code.

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

In São Paulo, four tax collection proceedings have been filed and are still pending judgment.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

In Belo Horizonte, of the four disputes, three are at the administrative level awaiting analysis of the appeals filed at the lower court. Regarding the third discussion, in December 2016, the Company was awarded an unfavorable decision in the appellate court in one of its proceedings. It filed a lawsuit when the City Administration filed a Tax Enforcement Proceeding. The merit of the discussion involving the enforceability of ITBI remains pending analysis in the writ of mandamus. Lastly, in connection with the fourth proceeding, in October 2018, a decision was handed down dismissing the Voluntary Appeal filed by the Company.

In February 2019, a final decision was awarded dismissing the Special Appeal. Therefore, the discussion was closed at the administrative level and the Company will proceed to a legal discussion.

The Company also has a discussion at the administrative level referring to social security contributions, totaling R\$7,413. The tax authority issued a tax delinquency notice requesting social security contributions on amounts referring to the Company's stock option plan. The lower court decision was unfavorable and the Company filed a voluntary appeal. The appeal was awarded a favorable decision in December 2018, with the publication of the Judgment, and the case was submitted to the Attorney General's Office of the Department of Finance, which may appeal.

Finally, a tax notice was issued in January 2018 for income and social contribution taxes, PIS and COFINS levied on the land purchase and sale transaction for the construction of a Company's project amounting to R\$ 3,876. It has been challenged and a lower court decision is awaited.

Civil, administrative and labor

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

Other

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Other (Continued)

In 2018, the Company became aware of inquiries about the performance of one of the six members of CARF panel that analyzed the matter. In this context, expenses incurred by the Company with the engagement of a law firm to work on the referred to judgment were disallowed by the Income Tax Audit, and the Company was served a notice amounting to R\$3.3 million. The Company paid, under protest, R\$2.5 million, with 50% fine reduction applied by the Department of Finance, and lodged a suit to recover these unduly paid amounts, as it disagrees with the notice.

Since it became aware of the inquiries above, the Company has immediately started an internal analysis, for which it engaged renowned professionals, who were in charge of analyzing the issue deeply and comprehensively. This analysis was conducted by a specialized Law Firm, supported by an international company specialized in forensic audit.

The internal analysis concluded that there was no proof that the Company or its management members participated in any irregular acts related to this tax notice.

On February 13, 2019, the Company became aware of a representation in progress in CARF, with the purpose of arguing on the nullity of the decision awarded on August 7, 2013, announced in the Release to the Market on December 11, 2013 ("Decision"), which determined the cancellation of tax assessment notices issued by the Brazilian IRS against the Company related to the use of goodwill in the context of the corporate restructuring in 2007. The Company presented its defense within the regulatory period, relying on the maintenance of the Decision.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

17.2. Judicial deposits

Judicial deposits	Company			
	December 31, 2018	Additions	Write-offs	March 31, 2019
PIS and COFINS (a)	1,794	1,711	(3,404)	101
ITBI (b)	4,695	-	-	4,695
Civil	19,212	1,454	(4,228)	16,438
Labor	4,529	701	-	5,230
Other	447	10	-	457
	30,677	3,876	(7,632)	26,921

Judicial deposits	Consolidated			
	December 31, 2018	Additions	Write-offs	March 31, 2019
PIS and COFINS (a)	2,514	1,711	(3,404)	821
ITBI (b)	4,695	-	-	4,695
Civil	20,304	1,598	(4,228)	17,674
Labor	4,916	707	-	5,623
Other	978	10	-	988
	33,407	4,026	(7,632)	29,801

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

(b) In October 2017, a full deposit of the ITBI tax credit was made in Brasília, as mentioned under the item Tax of Note 17.1.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

18. Deferred revenue and costs

	March 31, 2019		December 31, 2018	
	Company	Consolidated	Company	Consolidated
Revenue from Key money	46,787	63,120	39,836	54,766
Deferred cost of sales (a)	(87,553)	(155,734)	(76,922)	(147,545)
Other revenues	1,204	1,204	1,217	1,217
	(39,562)	(91,410)	(35,869)	(91,562)
Current assets	(21,217)	(39,180)	(21,736)	(38,924)
Noncurrent assets	(66,336)	(116,554)	(55,186)	(108,621)
Current liabilities	14,077	18,583	14,438	18,758
Noncurrent liabilities	33,914	45,741	26,615	37,225

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

19. Equity

a) Capital

On January 9, 2017, the Board of Directors approved the Company's capital increase, within the authorized capital limit, by means of private subscription amounting to R\$600,000, and issue of 10,256,411 common book-entry registered shares, with no par value, all issued by the Company at the price of R\$58.50 per share ("Capital Increase"). The capital increase was completed on March 8, 2017.

On July 20, 2018, Company shareholders, at Special General Meeting, decided to split all Company's common and preferred shares, at a ratio of 1:3, without changing capital, so that shareholders registered in the Company's records on that date were entitled to receive the shares resulting from the split, all of the same type and class of the original shares, and with the same rights and advantages of the shares currently in existence.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

a) Capital (Continued)

As a result, the Company's subscribed and paid-in capital comprised 600,760,875 registered shares with no par value, of which 565,185,834 are common shares and 35,575,041 are preferred shares.

At March 31, 2019 and December 31, 2018, the Company's capital comprised 600,760,875 common and preferred shares, registered and book-entry, with no par value.

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

Shareholder	Number of shares					
	March 31, 2019			December 31, 2018		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Multiplan Planejamento. Participações e Administração S.A.	126,371,349	-	126,371,349	126,371,349	-	126,371,349
1700480 Ontário Inc.	128,841,603	35,575,041	164,416,644	128,841,603	35,575,041	164,416,644
José Isaac Peres	26,092,673	-	26,092,673	26,092,673	-	26,092,673
Maria Helena Kaminitz Peres	7,379,268	-	7,379,268	7,379,268	-	7,379,268
Outstanding shares	270,279,854	-	270,279,854	270,136,687	-	270,136,687
Board of Directors and Executive Board	471	-	471	471	-	471
Total outstanding shares	558,965,218	35,575,041	594,540,259	558,822,051	35,575,041	594,397,092
Treasury shares	6,220,616	-	6,220,616	6,363,783	-	6,363,783
	565,185,834	35,575,041	600,760,875	565,185,834	35,575,041	600,760,875

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

b) Effect on capital transactions

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

c) Treasury shares

The Company acquired 26,203,500 common shares up to March 31, 2019 (26,203,500 through December 31, 2018). Up to March 31, 2019, 19,982,884 shares (19,839,717 shares through December 31, 2018) were used to settle the exercise of stock options. At March 31, 2019, treasury shares comprised 6,220,616 shares (6,363,783 shares at December 31, 2018). See Note 20 for more details.

At March 31, 2019, the percentage of outstanding shares (outstanding shares and shares held by the board of directors and executive board) was 44.99% (44.97% at December 31, 2018). Treasury shares were acquired at a weighted average cost of R\$20.78 (amount in reais), at a minimum cost of R\$3.27 (amount in reais), and at a maximum cost of R\$24.65 (amount in reais). The closing price of the shares calculated based on the last quotation prior to year end was R\$23.39 (amount in reais).

d) Dividends and interest on shareholders' equity

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

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

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

Interest on shareholders' equity approved in 2018

On June 21, 2018, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on *shareholders' equity* in the gross amount of R\$110,000 assigned to the Company's shareholders' registered as such on June 26, 2018, corresponding to R\$0.55378689447 per share, before the 15% of withholding income tax, except for those shareholders who are tax-exempt or tax-immune as set forth in the applicable laws. This amount was paid to the Company's shareholders on September 25, 2018.

The amount of R\$0.55378689447 per share mentioned above: (i) was determined based on the number of shares representing the Company's capital prior to the split of the shares issued by the Company at the ratio of 1:3 (one to three) approved at the Special General Meeting held on July 20, 2018, (ii) does not consider the effects of said split.

On September 21, 2018, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on *shareholders' equity* in the gross amount of R\$80,000 assigned to the Company's shareholders registered as such on September 26, 2018, corresponding to R\$0.13459016048 per share, before the 15% of withholding income tax, except for those shareholders who are tax-exempt or tax-immune as set forth in the applicable laws. This amount will be paid to the Company's shareholders by May 31, 2019.

On December 21, 2018, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on *shareholders' equity* in the gross amount of R\$70,000 assigned to the Company's *shareholders'* registered as such on December 28, 2018, corresponding to R\$0.11776639042 per share, before the 15% of withholding income tax, except for those shareholders who are tax-exempt or tax-immune as set forth in the applicable laws. This amount will be paid to the Company's shareholders by May 31, 2019.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

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

	<u>2018</u>
Net income for the year	473,474
Allocation to legal reserve	<u>(23,674)</u>
Net income after deduction of the legal reserve	<u>449,800</u>
 Interest on shareholders' equity approved, net of taxes	 224,354

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment

a) Stock option plan (share-based payment)

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

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

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

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

At March 31, 2019, the percentage of stock options granted is 4.4235% of capital, without considering the CEO's options, and 5.4211% when the CEO's options are considered.

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

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

The Company offered nine stock option grants from 2007 to March 31, 2019, which satisfy the maximum limit of 7% provided for in the plan.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

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

On January 7, 2010, Chief Executive Officer, Mr. José Isaac Peres, exercised 4,493,319 stock options. In addition, throughout 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018 and in the first quarter of 2019, 19,982,884 stock options were exercised related to Programs 2, 3, 4, 5, 6, 7 and 9 by some beneficiaries. All options exercised were settled through common shares of the Company. Therefore, at March 31, 2019, the total amount of shares that make up the balance of the options granted, not exercised, by the Company, amounted to 8,091,683 shares, which represent 1.35% of the total shares.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

The vesting periods to exercise the options are as follows:

Vesting periods as of the grant date	% of options released for the year	Maximum number of shares (1)	Number of options exercised through March 31, 2019
Program 1			
180 days after the Initial Public Offering - 01/26/2008	100%	4,493,319	4,493,319
Program 2			
As from the second anniversary - 12/20/2009	33.4%	98,196	98,196
As from the third anniversary - 12/20/2010	33.3%	97,902	97,902
As from the fourth anniversary - 12/20/2011	33.3%	97,902	97,902
Program 3			
As from the second anniversary - 06/04/2010	33.4%	936,662	936,662
As from the third anniversary - 06/04/2011	33.3%	933,865	933,865
As from the fourth anniversary - 06/04/2012	33.3%	933,873	933,873
Program 4			
As from the second anniversary - 04/13/2011	33.4%	1,258,500	1,258,500
As from the third anniversary - 04/13/2012	33.3%	1,254,740	1,254,740
As from the fourth anniversary - 04/13/2013	33.3%	1,254,754	1,254,754
Program 5			
As from the second anniversary - 03/04/2012	33.4%	968,665	968,665
As from the third anniversary - 03/04/2013	33.3%	965,780	965,780
As from the fourth anniversary - 03/04/2014	33.3%	948,834	948,834
Program 6			
As from the second anniversary - 03/23/2013	33.4%	1,299,625	1,299,625
As from the third anniversary - 03/23/2014	33.3%	1,275,760	1,275,760
As from the fourth anniversary - 03/23/2015	33.3%	1,245,799	1,245,799
Program 7			
As from the second anniversary - 03/07/2014	33.4%	1,330,599	1,330,599
As from the third anniversary - 03/07/2015	33.3%	1,296,651	1,296,651
As from the fourth anniversary - 03/07/2016	33.3%	1,296,660	1,296,660
Program 8			
As from the second anniversary - 05/14/2015	33.4%	1,432,860	-
As from the third anniversary - 05/14/2016	33.3%	1,428,570	-
As from the fourth anniversary - 05/14/2017	33.3%	1,428,570	-
Program 9 (2)			
As from the second anniversary - 04/16/2016	33.4%	2,100,793	1,288,793
As from the third anniversary - 04/16/2017	33.3%	2,094,503	974,948
As from the fourth anniversary - 04/16/2018	33.3%	2,094,504	224,376

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

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

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

(1) Closing price on the last day used in the pricing of the stock option plan.

(2) Issue price on the Company's IPO date, i.e. June 27, 2007.

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

Additional information on the stock option plan:

	Number of options (1)	Price (2) (R\$)
Total stock options granted		
At December 31, 2012	22,195,185	7.92
At December 31, 2013	27,086,910	11.66
At December 31, 2014	33,400,650	13.15
At December 31, 2015	33,400,650	14.57
At December 31, 2016	33,028,329	15.47
At December 31, 2017	33,028,116	15.85
At December 31, 2018	32,567,886	16.39
At March 31, 2019	32,567,886	16.54
Options granted in 2012	4,043,880	13.78
Options granted in 2013	5,008,650	19.25
Options granted in 2014	6,523,650	16.58
Options granted in 2015	-	-
Options granted in 2016	-	-
Options granted in 2017	-	-
Options granted in 2018	-	-
Options granted in the first quarter of 2019	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

	Number of options (1)	Price (2) (R\$)
Total stock options exercised		
At December 31, 2012	10,544,484	6.00
At December 31, 2013	12,822,537	6.67
At December 31, 2014	15,851,145	7.81
At December 31, 2015	17,670,459	8.42
At December 31, 2016	20,416,740	9.61
At December 31, 2017	24,012,636	11.04
At December 31, 2018	24,333,036	11.14
At March 31, 2019	24,476,203	11.20
Stock options exercised in 2012	3,250,668	8.27
Stock options exercised in 2013	2,278,053	9.74
Stock options exercised in 2014	3,028,608	12.63
Stock options exercised in 2015	1,819,314	13.72
Stock options exercised in 2016	2,746,281	17.29
Stock options exercised in 2017	3,595,896	19.16
Stock options exercised in 2018	320,400	18.96
Options exercised in the first quarter of 2019	143,167	20.93
	Number of options (1)	Price (2) (R\$)
Total stock options expired		
At December 31, 2012	11,112,939	6.12
At December 31, 2013	14,604,762	7.15
At December 31, 2014	18,149,121	8.56
At December 31, 2015	22,594,338	10.65
At December 31, 2016	27,309,054	12.56
At December 31, 2017	30,940,206	13.77
At December 31, 2018	32,567,886	14.27
At March 31, 2019	32,567,886	14.32
Stock options expired in 2012	3,117,420	8.63
Stock options expired in 2013	3,491,823	10.51
Stock options expired in 2014	3,544,359	14.29
Stock options expired in 2015	4,445,217	18.82
Stock options expired in 2016	4,849,854	20.78
Stock options expired in 2017	3,631,365	22.11
Stock options expired in 2018	2,049,549	20.91
Options expired in the first quarter of 2019	-	-
Total not exercised		
At December 31, 2012	11,650,701	11.83
At December 31, 2013	14,264,373	15.28
At December 31, 2014	17,549,505	16.95
At December 31, 2015	15,730,191	19.25
At December 31, 2016	12,611,589	21.10
At December 31, 2017	9,015,480	22.50
At December 31, 2018	8,234,850	23.51
At March 31, 2019	8,091,683	23.77

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Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

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

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

For stock options exercised in 2013, the weighted average market price of shares was R\$ 19.40. In 2014, the weighted average market price of the shares was R\$ 17.74. In 2015, the weighted average market price of the shares was R\$ 18.60. In 2016, the weighted average market price of the shares was R\$ 19.60. In 2017, the weighted average market price of the shares was R\$ 23.68. In 2018, the weighted average market price of the shares was R\$ 23.52. In the first quarter of 2019, the weighted average market price of the shares was R\$24.80.

The share-based payment recognition effect on equity and profit or loss for the year ended December 31, 2018 was R\$614, of which R\$322 referred to management's portion.

b) Phantom Stock Option Program

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

Phantom 1 - on July 29, 2015, the Board of Directors approved the granting, for 2015, of 7,502,949 units of investments (equivalent to 2,500,983 units of investment prior to the split) to elected participants. Of this total, 332,216 investment units (equivalent to 110,739 investment units prior to the split) were granted to employees that left the Company before the vesting period.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

Phantom 2 - on September 21, 2016, the Board of Directors approved the granting, for 2016, of 7,502,250 units of investments (equivalent to 2,500,750 units of investment prior to the split) to elected participants. Of this total, 419,250 investment units (equivalent to 139,750 investment units prior to the split) were granted to employees that left the Company before the vesting period.

In 2018 and in the first quarter of 2019 no investment units were granted.

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

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

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

	<u>Consolidated</u>
December 31, 2018	36,677
Fair value of Phantom program	6,484
Labor charges	1,498
Payments	<u>(14,461)</u>
March 31, 2019	<u><u>30,198</u></u>

i) *Measurement of fair value*

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

i) *Measurement of fair value* (Continued)

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

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

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

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

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

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

Fair value at March 31, 2019								
	Reference value (R\$)	Share price (R\$)	Ajustment index	Number of options	Volatility MULT3	Risk-free rate	Average maturity	Average fair value
Phantom 1	15.57	24.02	IPCA	7,170,733	4.0%	6.5%	0.3 years	R\$5.45
Phantom 2	20.46	24.02	IPCA	7,083,000	5.5% to 5.6%	6.5% to 7.0%	0.7 years	R\$2.01

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

i) *Measurement of fair value* (Continued)

	Number of options	Price (1) (R\$)
Grant		
Total balance of investment units granted at December 31, 2017	14,957,199	19.46
Total balance of investment units granted at December 31, 2018	14,253,734	20.25
Total balance of investment units granted at March 31, 2019	14,253,734	20.43
Investment units granted in 2017	-	-
Investment units granted in 2018	-	-
Investment units granted in the first quarter of 2019	-	-
Exercise		
Total balance of investment units exercised at December 31, 2017	2,580,828	17.44
Total balance of investment units exercised at December 31, 2018	2,789,919	17.51
Total balance of investment units exercised at March 31, 2019	4,898,359	17.97
Investment units exercised in 2017	2,444,379	17.46
Investment units exercised in 2018	209,091	18.33
Investment units exercised in the first quarter of 2019	2,108,440	18.59
Expired		
Total balance of investment units expired at December 31, 2017	2,671,704	17.45
Total balance of investment units expired at December 31, 2018	7,286,940	19.27
Total balance of investment units expired at March 31, 2019	7,241,503	19.32
Investment units expired in 2017	2,444,379	17.46
Investment units expired in 2018	4,615,237	20.31
Investment units expired in the first quarter of 2019	-	-
Not redeemed		
Total balance of investment units not redeemed at December 31, 2017	12,376,371	19.83
Total balance of investment units not redeemed at December 31, 2018	11,463,815	20.69
Total balance of investment units not redeemed at March 31, 2019	9,355,375	21.34

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

ii) *Revenue (expense) recognized in profit or loss*

At March 31, 2019, the amount of R\$7,574 (R\$2,117 at March 31, 2018) was recognized in profit or loss, of which R\$3,311 (-R\$930 at March 31, 2018) refers to the management's portion.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

c) Restricted Stock Option Plan (Restricted Stock Unit)

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

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

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

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

In addition, the maximum number of Restricted Stock Units that may be granted by the Board of Directors annually shall be limited to 0.5% of the shares representing the Company's total capital.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

i) *Measurement of fair value*

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

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

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

(1) The reference value of the Restricted Stock Units on the grant date corresponds to the closing price of the Company's shares on BM&FBOVESPA on the trading floor on the grant date.

(2) The discount rate refers to the weighted average market expectations for the Selic rate for the vesting periods of each tranche, available in the Central Bank of Brazil (BACEN) Market Expectations System.

(3) The expectation of future dividends is the weighted average of the present value of the annual expectation of dividends in accordance with the Company's internal models, brought to present value according to the discount rates based on market expectations for the Selic rate for the vesting periods of each tranche.

(4) The average fair value is the result of the weighted average fair value of each of the four tranches of the program.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

ii) *Vesting conditions*

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

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

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

(1) The cancellation rate was calculated in accordance with the losses and cancellations of the 8 stock option plans (subject to settlement through equity instruments) granted between December 20, 2007 and April 16, 2014.

iii) *Recognition in equity and profit or loss*

At March 31, 2019, the restricted stock unit recognition effect in equity and in profit or loss was R\$3,511, of which R\$1,090 refers to management's portion.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

21. Net operating revenue

	March 31, 2019		March 31, 2018	
	Company	Consolidated	Company	Consolidated
Gross operating revenue from sales and services				
Stores leased	188,346	254,750	181,395	245,576
Parking	28,078	50,657	27,290	49,223
Services	32,149	29,691	26,172	23,657
Key money	222	(2,544)	233	(2,185)
Real Estate for sale	-	-	563	(2,264)
Other	899	1,497	1,107	1,808
	249,694	333,968	236,760	315,815
Taxes and contributions on sales and services	(23,304)	(31,630)	(22,037)	(28,803)
Net operating revenue	226,390	302,338	214,723	287,012

22. Breakdown of costs and expenses by nature

For the periods ended March 31, 2019 and 2018, the Company incurred in the following costs and expenses:

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

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

	Cost of services rendered and properties sold			
	March 31, 2019		March 31, 2018	
	Individual	Consolidated	Company	Consolidated
Services	(1,158)	(1,198)	(534)	(377)
Parking	-	(1,015)	-	(1,220)
Leases (*)	-	-	(2,381)	(2,393)
Properties (charges, IPTU, lease, condominium fees)	(7,321)	(9,759)	(8,141)	(11,789)
Occupancy cost	(1)	(1)	(9)	(14)
Other costs	(8,276)	(15,306)	(3,837)	(6,279)
Cost of properties sold	-	105	(245)	1,973
Depreciation and amortization	(25,871)	(48,196)	(24,211)	(46,241)
Total	(42,627)	(75,370)	(39,358)	(66,340)
Costs:				
Services rendered	(42,627)	(75,475)	(39,113)	(68,313)
of properties sold	-	105	(245)	1,973
Total	(42,627)	(75,370)	(39,358)	(66,340)

(*) For the three-month period ended March 31, 2019, Company and Consolidated lease expenses are classified under depreciation and amortization in the amount of R\$1,534 and R\$ 1,542, respectively.

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

- Headquarters: payroll expenses (administrative, operational and development) of Multiplan group's headquarters and branches, in addition to expenditures on corporate marketing, outsourcing and travel.
- Properties: expenses on civil condominium of properties in operation.
- Projects for Lease: Pre-operating expenses relating to real estate projects and shopping centers' expansion.
- Projects for sale: Pre-operating expenses arising from real estate projects for sale.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

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

	Administrative and project-related expenses			
	March 31, 2019		March 31, 2018	
	Company	Consolidated	Company	Consolidated
Payroll	(22,424)	(22,499)	(18,079)	(18,226)
Services	(6,456)	(7,862)	(5,451)	(6,774)
Marketing	(2,547)	(4,510)	(2,643)	(3,620)
Travel	(996)	(1,384)	(890)	(911)
Properties (charges, IPTU, lease and condominium fees)	(614)	(3,006)	(562)	(3,512)
Occupancy cost	(1,138)	(1,390)	(2,111)	(2,538)
Other	(6,174)	(6,246)	(3,901)	(4,573)
Total	<u>(40,349)</u>	<u>(46,897)</u>	<u>(33,637)</u>	<u>(40,154)</u>
Expenses:				
Administrative expenses – headquarters	(38,266)	(38,719)	(30,226)	(30,534)
Administrative expenses – properties	(1,616)	(5,239)	(2,482)	(5,251)
Expenses with projects for lease	(140)	(2,118)	(280)	(2,451)
Expenses with projects for sale	(327)	(821)	(649)	(1,918)
Total	<u>(40,349)</u>	<u>(46,897)</u>	<u>(33,637)</u>	<u>(40,154)</u>

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

23. Finance income (costs), net

	March 31, 2019		March 31, 2018	
	Company	Consolidated	Company	Consolidated
Short-term investment yield	8,694	13,458	9,872	12,215
Interest and monetary variation on loans, financing and debentures	(38,995)	(52,014)	(32,866)	(47,010)
Interest on real estate projects	438	1,746	188	1,342
Bank fees and other charges	(1,229)	(1,782)	(1,280)	(1,981)
Monetary gains	410	93	135	141
Fine and interest on lease and key money - shopping mall	2,719	3,297	2,368	3,035
Fine and interest on tax assessment notices	(404)	(424)	(3)	(9)
Interest on related-party transaction	271	283	210	216
Interest and monetary variation on asset acquisition obligations	-	(7)	-	(906)
Other	730	1,161	275	2,862
Total	<u>(27,366)</u>	<u>(34,189)</u>	<u>(21,101)</u>	<u>(30,095)</u>

24. Segment reporting

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

a) Properties for lease

This refers to the Company's share in the civil condominium of shopping malls and their respective parking, as well as real estates for lease. This is the Company's major revenue-generating segment, accounting for 91.45% of its gross operating revenue for the year ended March 31, 2019. The determining factor for the amount of revenue and expenses in this segment is the Company's share in each venture. Its revenues and expenses are described below:

Lease revenue

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

24. Segment reporting (Continued)

a) Properties for lease (Continued)

Parking revenues

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

Expenses

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

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

Other

Includes depreciation expenses.

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

b) Real estate for sale

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

24. Segment reporting (Continued)

b) Real estate for sale (Continued)

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

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

c) Projects

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

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

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

d) Management and other

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

24. Segment reporting (Continued)

d) Management and other (Continued)

	March 31, 2019 (Consolidated)				
	Properties for lease	Real estate	Projects	Management and other	Total
Gross revenue	305,407	(83)	(2,544)	31,187	333,967
Costs	(75,476)	105	-	-	(75,371)
Expenses	(5,239)	(821)	(2,118)	(49,700)	(57,878)
Other	(22,610)	3,584	268	(39,112)	(57,870)
Income before income and social contribution taxes	202,082	2,785	(4,394)	(57,625)	142,848
Operating assets	7,051,774	691,509	367,323	913,350	9,023,956

	March 31, 2018 (Consolidated)				
	Properties for lease	Real estate for sale	Projects	Management and other	Total
Gross revenue	294,798	(2,264)	(2,185)	25,466	315,815
Costs	(68,313)	1,973	-	-	(66,340)
Expenses	(5,251)	(1,918)	(2,451)	(28,878)	(38,498)
Other	(20,463)	5,173	(13,509)	(31,083)	(59,882)
Income before income and social contribution taxes	200,771	2,964	(18,145)	(34,495)	151,095
Operating assets	6,484,736	639,321	469,189	1,032,407	8,625,653

25. Financial instruments and risk management

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.1. Capital risk management

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

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

Debt-to-equity ratio is as follows:

	Company		Consolidated	
	31/03/2019	31/12/2018	31/03/2019	31/12/2018
Debt (a)	2,229,988	2,218,649	2,829,861	2,836,439
Cash and cash equivalents and short-term investments	(648,555)	(541,456)	(1,005,271)	(855,769)
Net debt	1,581,433	1,677,193	1,824,590	1,980,670
Equity (b)	5,434,452	5,335,980	5,450,584	5,352,187
Net debt-to-equity ratio	29.10%	31.43%	33.48%	37.01%

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

Of the total defined in item (a) above, R\$376.810 refers to the amount classified in Individual, maturing in the short-term, at March 31, 2019 (R\$355,554 at December 31, 2018) and R\$ 1.853.178 classified as noncurrent at March 31, 2019 (R\$1,863,095 at December 31, 2018). In Consolidated, at March 31, 2019, R\$ 427.880 is classified as current (R\$410,250 at December 31, 2018) and R\$ 2.401.981 as noncurrent at March 31, 2019 (R\$2,426,182 at December 31, 2018).

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

25.2. Market risk management

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

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

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

Pursuant to CVM Rule No. 550, issued on October 17, 2008, which provides for the presentation of information on derivative financial instruments in the notes to financial statements, the Company has not contracted derivative financial instruments; there is no risk resulting from a potential exposure associated with such instruments.

25.2.1. Interest rate risk management

Interest rate risk refers to:

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.2. Credit risk related to service rendering

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

25.2.3. Financial credit risk

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

25.2.4. Sensitivity analysis

In order to analyze the sensitivity of financial asset and liability indexes to which the Company is exposed at March 31, 2019, five different scenarios were defined and a sensitivity analysis to fluctuations in the indexes of such instruments was prepared. At March 29, 2019, the IGP-DI, IGP-M and IPCA index projection was extracted from the FOCUS Report, the TJLP was extracted from BNDES's official web site, the CDI index was extracted from the CETIP's official web site, and the reference rate (TR) was extracted from BM&F BOVESPA's official web site for 2018. Such indexes and rates were considered as probable scenario and 25% and 50% decreases and increases were calculated.

Indexes of financial assets and liabilities:

Index	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
CDI	2.88%	4.33%	5.77%	7.21%	8.65%
IGP-DI	3.64%	5.46%	7.28%	9.10%	10.92%
IGP - M	2.62%	3.93%	5.24%	6.55%	7.86%
IPCA	1.95%	2.92%	3.89%	4.86%	5.84%
TJLP	3.52%	5.27%	7.03%	8.79%	10.55%

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Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial assets

The gross income was calculated for each scenario at March 31, 2019, based on one-year projection and not taking into consideration any tax levied on income. The sensitivity for each scenario is analyzed below.

Revenues sensitivity – 2019

Company

		Balance at 03/31/2019	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	31,550	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	617,005	17,798	26,697	35,596	44,494	53,393
		648,555	17,798	26,697	35,596	44,494	53,393
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	81,891	2,981	4,472	5,962	7,453	8,943
Trade accounts receivable - straight-line	IGP-DI	28,094	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - Key money	IGP-DI	21,911	798	1,196	1,595	1,994	2,393
Trade accounts receivable - sale of completed units	IGP-M + 12%	17,327	2,533	2,760	2,987	3,214	3,441
Other trade accounts receivable	N/A	30,445	N/A	N/A	N/A	N/A	N/A
		179,668	6,312	8,428	10,544	12,661	14,777
Related-party transactions							
Shopping Mall Association	N/A	8,707	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums Charges	N/A	5,818	N/A	N/A	N/A	N/A	N/A
Sundry loans and advances	N/A	6,281	N/A	N/A	N/A	N/A	N/A
		430	N/A	N/A	N/A	N/A	N/A
		21,236	-	-	-	-	-
Total		849,459	24,110	35,125	46,140	57,155	68,170

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial assets (Continued)

Revenues sensitivity – 2019 (Continued)

Consolidated

		Balance at 31/03/19	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	44,148	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	961,123	27,724	41,586	55,448	69,310	83,172
		1,005,271	27,724	41,586	55,448	69,310	83,172
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	108,935	3,966	5,948	7,931	9,914	11,897
Straight-line effect	IGP-DI	45,745	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - Key money	IGP-DI	27,860	1,014	1,521	2,028	2,536	3,043
Trade accounts receivable - sale of completed units	IGP-M + 12%	17,327	2,533	2,760	2,987	3,214	3,441
Trade accounts receivable - sale of completed units	IGP-M + 11%	61,049	8,315	9,115	9,914	10,714	11,514
Other trade accounts receivable	N/A	42,613	N/A	N/A	N/A	N/A	N/A
		303,529	15,828	19,344	22,860	26,378	29,895
Related-party transactions							
Shopping Mall Associations	110% CDI	8,707	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums	110% CDI	8,464	N/A	N/A	N/A	N/A	N/A
Charges	N/A	9,946	N/A	N/A	N/A	N/A	N/A
Loans – other	N/A	127	N/A	N/A	N/A	N/A	N/A
		27,244	-	-	-	-	-
Total		1,336,044	43,552	60,930	78 308	95,688	113,067

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Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities

Finance cost projection - 2019

Company

The Company calculated gross finance costs for each scenario, not taking into account the taxes levied and the aging list of contracts for 2019. The reporting date used was March 31, 2019, projecting indexes for one year and checking their sensitivity in each scenario.

	Yield	Balance at 31/03/2019	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
Santander BHS Exp V	TR + 8.70%	8,341	726	726	726	726	726
Banco Itaú PSC	TR + 9.35%	67,401	6,302	6,302	6,302	6,302	6,302
Banco Itaú VLG	TR + 9.35%	179,106	16,746	16,746	16,746	16,746	16,746
CCB Itaú 325M	108% CDI	25,053	780	1,171	1,561	1,951	2,341
Bradesco MTE	CDI + 1.00%	308,188	11,972	16,417	20,862	25,306	29,751
CCB - BB 175M	110% CDI	100,717	3,196	4,794	6,391	7,989	9,587
CCB - BB 50M	110% CDI	45,220	1,435	2,152	2,870	3,587	4,304
CCB - BB 150M	110% CDI	135,660	4,304	6,457	8,609	10,761	12,913
BB - BRS Exp. VII	TR + 8.90%	60,303	5,367	5,367	5,367	5,367	5,367
Funding costs	N/A	(16,403)	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	337	N/A	N/A	N/A	N/A	N/A
		913,923	50,828	60,132	69,434	78,735	88,037
Property acquisition obligations							
Other	N/A	269	N/A	N/A	N/A	N/A	N/A
		269	-	-	-	-	-
Debentures							
3rd issue of debentures	CDI + 0.87%	412,883	15,502	21,457	27,412	33,367	39,321
3rd issue of debentures	107.25% CDI	305,094	9,439	14,158	18,877	23,597	28,316
Funding costs		(8,785)	N/A	N/A	N/A	N/A	N/A
4th and 5th issues of debentures (CRI)	95% CDI	612,704	16,790	25,185	33,580	41,975	50,370
Funding costs		(6,100)	N/A	N/A	N/A	N/A	N/A
		1,315,796	41,731	60,800	79,869	98,939	118,007
Total		2,229,988	92,559	120,932	149,303	177,674	206,044

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

Finance cost projection – 2019 (Continued)

Consolidated

	Yield	Balance at 31/03/2019	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
Santander BHS Exp V	TR + 8.70%	8,341	726	726	726	726	726
Banco Itaú PSC	TR + 9.35%	67,401	6,302	6,302	6,302	6,302	6,302
Banco Itaú VLG	TR + 9.35%	179,106	16,746	16,746	16,746	16,746	16,746
Banco Itaú 325M	108% CDI	25,053	780	1,171	1,561	1,951	2,341
Bradesco MTE	CDI + 1.00%	308,188	11,972	16,417	20,862	25,306	29,751
Banco do Brasil 175M	110% CDI	100,717	3,196	4,794	6,391	7,989	9,587
Banco do Brasil 50M	110% CDI	45,220	1,435	2,152	2,870	3,587	4,304
Banco do Brasil 150M	110% CDI	135,660	4,304	6,457	8,609	10,761	12,913
Banco do Brasil BRS Exp VII	TR + 8.90%	60,303	5,367	5,367	5,367	5,367	5,367
Morumbi Corporate - DTIY	TR+8.70%	140,838	12,253	12,253	12,253	12,253	12,253
Morumbi Corporate - GTIY	TR+8.70%	137,006	11,920	11,920	11,920	11,920	11,920
Bradesco - Canoas	TR+9.25%	321,633	29,751	29,751	29,751	29,751	29,751
Funding costs	N/A	(28,533)	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	337	N/A	N/A	N/A	N/A	N/A
		1,501,270	104,752	114,056	123,358	132,659	141,961
Property acquisition obligations							
		12,526	328	492	656	820	985
Jockey							
Other	N/A	269	N/A	N/A	N/A	N/A	N/A
		12,795	328	492	656	820	985
Debentures							
3rd issue of debentures	CDI + 0.87%	412,883	15,502	21,457	27,412	33,367	39,321
3rd issue of debentures	107.25% CDI	305,094	9,439	14,158	18,877	23,597	28,316
Funding costs		(8,785)	N/A	N/A	N/A	N/A	N/A
4th and 5th issues of debentures (CRI)	95% CDI	612,704	16,790	25,185	33,580	41,975	50,370
Funding costs		(6,100)	N/A	N/A	N/A	N/A	N/A
		1,315,796	41,731	60,800	79,869	98,939	118,007
Total		2,829,861	146,811	175,348	203,883	232,418	260,953

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

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

For the quarter ended March 31, 2019, the Company's financial assets and liabilities generated net finance costs amounting to R\$ 34,189.

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

25.2.5. Liquidity risk management

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.2. Market risk management (Continued)

25,2,5. Liquidity risk management (Continued)

March 31, 2019	Company			Total
	Up to one year	From one to three years	Over three years	
Loans and financing	210,688	774,101	124,269	1,109,058
Property acquisition obligations	269	-	-	269
Debentures	285,375	707,852	651,089	1,644,316
Total	496,332	1,481,953	775,358	2,753,643

March 31, 2019	Consolidated			Total
	Up to one year	From one to three years	Over three years	
Loans and financing	306,280	1,076,678	611,009	1,993,967
Property acquisition obligations	4,910	8,866	-	13,776
Debentures	285,375	707,852	651,089	1,644,316
Total	596,565	1,793,396	1,262,098	3,652,059

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25.3. Category of the main financial instruments

The fair values of main financial instruments classified by category are as follows:

	Company		Consolidated	
	31/03/2019	31/12/2018	31/03/2019	31/12/2018
Financial assets available for sale				
Short-term investments	617,005	516,739	1,005,271	816,905
Financial assets classified as loans and receivables measured at amortized cost				
Accounts receivable	179,668	217,487	303,529	353,054
Related-party receivables	21,236	20,855	27,244	25,342
Financial liabilities classified as loans and receivables measured at amortized cost				
Loans and financing	913,923	924,178	1,501,270	1,519,530
Property acquisition obligations	269	269	12,795	22,706
Debentures	1,315,796	1,294,202	1,315,796	1,294,202

Valuation techniques and assumptions applied for purposes of fair value calculation

The estimated fair values of financial assets and liabilities of the Company and its subsidiaries have been determined using available market information and appropriate valuation methodologies in conformity with the financial statements for the year ended December 31, 2018.

Multiplan Empreendimentos Imobiliários S.A.

Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

25. Financial instruments and risk management (Continued)

25.3. Category of the main financial instruments (Continued)

Valuation techniques and assumptions applied for purposes of fair value calculation (Continued)

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

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

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

26. Earnings per share

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

		March 31, 2019		March 31, 2018	
		Company	Consolidated	Company	Consolidated
A	Weighted average of shares issued	600,760,875	600,760,875	600,760,875	600,760,875
B	Treasury shares (average)	6,220,616	6,220,616	3,558,083	3,558,083
C= A - B	Outstanding shares (average)	594,540,259	594,540,259	597,202,792	597,202,792
D	Dilutive	2,743,248	2,743,248	264,894	264,894
E	Net income for the period attributed to Company's shareholders	91,964	91,946	98,149	98,134
E/C	Earnings per share	R\$0.1547	R\$0.1547	R\$0.1643	R\$0.1643
E/(C+D)	Adjusted earnings per share	R\$0.1540	R\$0.1539	R\$0.1643	R\$0.1642

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Notes to quarterly information (Continued)

March 31, 2019

(In thousands of reais, unless otherwise stated)

27. Subsequent events

On April 1, 2019, the Company signed an investment agreement whereby it will hold 18.79% interest in the capital of Delivery Center Holding S.A. by granting exclusivity in the operation of distribution centers in the eighteen shopping malls currently managed by the Company, in addition to a contribution of R\$12 million. The completion of the operation is subject to compliance with certain conditions precedent.

On April 8, 2019, the Company's Board of Directors approved the issuance of the 7th issue of simple, non-convertible unsecured debentures, in a single series, in the amount of R\$ 350,000, which will be subject to public offering for distribution with restricted placement, by ICVM 476. Efforts net proceeds to be obtained by the Company with the issuance will be fully used to: (i) investment in new ventures and expansion of existing ones, (ii) acquisition of non-controlling interests, and (iii) payment of general expenses and short- and long-term debts, and/or working capital reinforcement for the Company and/or its subsidiaries. The Issue Date, for all legal purposes, will be April 25, 2019 and the term of the Debentures will be seven years, with amortization of 50% of the principal in the sixth year and 50% in the seventh year, from the issue date, thus maturing on April 25, 2026.

Additionally, on April 11, 2019, the Company signed the purchase and sale promise as a result of the exercise of the preemptive rights of its member's interest in BH Shopping, corresponding to 20% of the venture, for R\$360 million. Of this amount, R\$330 million was paid on the date the business was formalized, and R\$30 million will be paid within 12 months. After the acquisition, the Company became holder of 100% interest in BH Shopping.

On April 17, 2019, the Company received a tax assessment notice from the City Administration of Rio de Janeiro in the amount of R\$ 27 million plus applicable fine and interest charges, demanding collection of municipally imposed Service Tax (ISS) levied on certain types of revenue/expense reimbursement. The Company disagrees with this tax proceeding and will submit a defense together with its outside lawyers and advisors.