

(A free translation of the original in Portuguese)

Sonae Sierra Brasil S.A. and subsidiaries

**Quarterly information (ITR)
at June 30, 2019
and report on review of
quarterly information**



(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
Sonae Sierra Brasil S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Sonae Sierra Brasil S.A. (the "Company"), included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2019, comprising the balance sheet as at that date and the statements of income and comprehensive income for the quarter and six-month period then ended, and the statements of changes in equity and cash flows for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory information.

The management is responsible for the preparation of the parent company and consolidated interim accounting information in accordance with the accounting standard CPC 21 - "Interim Financial Reporting", issued by the Brazilian Accounting Pronouncements Committee (CPC), and the International Accounting Standard (IAS) 34 - "Interim Financial Reporting", issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission, applicable to the preparation of the 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 Reviews of Interim Financial Information (NBC TR 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410 - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim 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 Brazilian and International Standards on Auditing and, consequently, did 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 interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company and consolidated interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the Brazilian Securities Commission.



Sonae Sierra Brasil S.A.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2019. These statements are the responsibility of the Company's management and are required to be presented in accordance with standards issued by the Brazilian Securities Commission applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under International Financial Reporting Standards (IFRS), which do not require the presentation of a statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

São Paulo, July 29, 2019


PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5


Marcelo Orlando
Contador CRC 1SP217518/O-7

(A free translation of the original in Portuguese)

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

BALANCE SHEET AS OF JUNE 30, 2019

(In thousands of Brazilian Reais - R\$)

ASSETS	Note	Company		Consolidated		LIABILITIES AND EQUITY	Note	Company		Consolidated	
		06/30/19	12/31/18	06/30/19	12/31/18			06/30/19	12/31/18	06/30/19	12/31/18
CURRENT ASSETS						CURRENT LIABILITIES					
Cash and cash equivalents	7 and 24	31.977	62.551	183.826	280.145	Loans and financing	12	-	-	22.227	22.383
Trade receivables, net	8	802	-	45.664	50.694	Debentures	13	18.395	175.616	18.395	175.616
Recoverable taxes		-	-	10.754	9.889	Domestic trade accounts payable		94	6	11.194	9.317
Prepaid expenses		288	8	478	22	Taxes payable		148	26	14.190	17.415
Other receivables		34.880	161.679	6.605	4.119	Personnel, payroll taxes, benefits, and rewards		25	26	7.358	9.055
Total current assets		67.947	224.238	247.327	344.869	Key money		-	-	714	534
						Dividends payable		-	3.000	-	3.000
NONCURRENT ASSETS HELD FOR SALE	11	21.610	21.610	38.565	41.521	Earnings payable		-	-	7.615	8.071
						Other payables		585	141	9.280	9.681
NON-CURRENT ASSETS						Total current liabilities		19.247	178.815	90.973	255.072
Trade receivables, net	8	-	-	12.247	12.409	NON-CURRENT LIABILITIES					
Recoverable taxes		14.618	31.774	14.618	31.774	Loans and financing	12	-	-	301.930	312.832
Loans related to condominiums		-	-	21.202	22.296	Debentures	13	454.882	254.349	454.882	254.349
Deferred income tax and social contribution	18	-	-	1.213	1.828	Key money		-	-	32	767
Escrow deposits		2.731	2.730	30.903	24.089	Deferred income tax and social contribution	18	374	-	772.158	765.870
Other receivables		-	-	3.119	2.167	Provision for contingencies		2.707	2.671	6.584	6.581
Investments	9 and 24	3.003.515	2.922.085	44.484	44.643	Accruals for variable compensation	20	-	-	2.655	3.049
Investment properties	10 e 24	165.373	-	5.149.735	4.974.104	Total non-current liabilities		457.963	257.020	1.538.241	1.343.448
Property, plant and equipment		-	-	3.277	3.205						
Intangible assets		-	-	1.952	2.348	EQUITY	14				
Total non-current assets		3.186.237	2.956.589	5.282.750	5.118.863	Capital		1.397.866	1.397.866	1.397.866	1.397.866
						Capital reserves		80.115	80.115	80.115	80.115
						Earnings reserves		1.256.848	1.288.621	1.256.848	1.288.621
						Retained earnings		63.755	-	63.755	-
						Equity attributable to owners of the Company		2.798.584	2.766.602	2.798.584	2.766.602
						Non-controlling interests		-	-	1.140.844	1.140.131
						Total equity		2.798.584	2.766.602	3.939.428	3.906.733
TOTAL ASSETS		3.275.794	3.202.437	5.568.642	5.505.253	TOTAL LIABILITIES AND EQUITY		3.275.794	3.202.437	5.568.642	5.505.253

The accompanying notes are an integral part of these interim financial information.

(A free translation of the original in Portuguese)

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

STATEMENT OF INCOME
FOR THE PERIOD ENDED JUNE 30, 2019

(In thousands of Brazilian Reals - R\$, except earnings per share)

	Note	Company				Consolidated			
		04/01 a 06/30/19	01/01 a 06/30/19	04/01 a 06/30/18	01/01 a 06/30/18	04/01 a 06/30/19	01/01 a 06/30/19	04/01 a 06/30/18	01/01 a 06/30/18
NET OPERATING REVENUE FROM RENTALS, SERVICES, AND OTHERS	15	2.637	2.637	-	-	97.566	191.981	88.616	177.738
COST OF RENTALS AND SERVICES	16	(230)	(230)	-	-	(19.936)	(39.448)	(19.798)	(38.126)
GROSS PROFIT		<u>2.407</u>	<u>2.407</u>	<u>-</u>	<u>-</u>	<u>77.630</u>	<u>152.533</u>	<u>68.818</u>	<u>139.612</u>
OPERATING (EXPENSES) INCOME									
General and administrative expenses	16	(738)	(1.662)	(995)	(1.437)	(6.473)	(11.926)	(5.781)	(12.085)
Tax expenses		(17)	(198)	(14)	(236)	(280)	(719)	(184)	(623)
Equity pick-up	9 and 24	42.262	81.430	51.005	85.002	1.049	2.003	2.102	2.979
Changes in fair value of investment properties	10	-	-	-	-	-	-	94.804	94.804
Other operating income, net		(23)	(46)	-	-	1.914	2.633	2.464	3.891
Total income (expenses) from operations, net		<u>41.484</u>	<u>79.524</u>	<u>49.996</u>	<u>83.329</u>	<u>(3.790)</u>	<u>(8.009)</u>	<u>93.405</u>	<u>88.966</u>
OPERATING INCOME BEFORE FINANCIAL EXPENSES		<u>43.891</u>	<u>81.931</u>	<u>49.996</u>	<u>83.329</u>	<u>73.840</u>	<u>144.524</u>	<u>162.223</u>	<u>228.578</u>
FINANCIAL EXPENSES, NET	17	(8.924)	(17.802)	(8.271)	(16.732)	(8.896)	(22.271)	(14.017)	(27.752)
INCOME BEFORE INCOME TAX AND SOCIAL CONTRIBUTION		<u>34.967</u>	<u>64.129</u>	<u>41.725</u>	<u>66.597</u>	<u>64.944</u>	<u>122.253</u>	<u>148.206</u>	<u>200.826</u>
INCOME TAX AND SOCIAL CONTRIBUTION									
Current		-	-	-	-	(10.169)	(16.474)	(7.635)	(15.352)
Deferred		(374)	(374)	-	-	(2.883)	(6.903)	(44.442)	(46.737)
Total	18	<u>(374)</u>	<u>(374)</u>	<u>-</u>	<u>-</u>	<u>(13.052)</u>	<u>(23.377)</u>	<u>(52.077)</u>	<u>(62.089)</u>
NET INCOME FOR THE PERIOD		<u>34.593</u>	<u>63.755</u>	<u>41.725</u>	<u>66.597</u>	<u>51.892</u>	<u>98.876</u>	<u>96.129</u>	<u>138.737</u>
NET INCOME ATTRIBUTABLE TO									
Owners of the Company						34.593	63.755	41.725	66.597
Non-controlling interests						17.299	35.121	54.404	72.140
BASIC AND DILUTED EARNINGS PER SHARE - R\$	14	<u>0.45</u>	<u>0.83</u>	<u>0.55</u>	<u>0.87</u>	<u>0.45</u>	<u>0.83</u>	<u>0.55</u>	<u>0.87</u>

The accompanying notes represent an integral part of these interim financial information.

(A free translation of the original in Portuguese)

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2019
(In thousands of Brazilian Reals - R\$)**

	Company				Consolidated			
	<u>04/01 a</u> <u>06/30/19</u>	<u>01/01 a</u> <u>06/30/19</u>	<u>04/01 a</u> <u>06/30/18</u>	<u>01/01 a</u> <u>06/30/18</u>	<u>04/01 a</u> <u>06/30/19</u>	<u>01/01 a</u> <u>06/30/19</u>	<u>04/01 a</u> <u>06/30/18</u>	<u>01/01 a</u> <u>06/30/18</u>
NET INCOME FOR THE PERIOD	34.593	63.755	41.725	66.597	51.892	98.876	96.129	138.737
Other comprehensive income	-	-	-	-	-	-	-	-
TOTAL OF COMPREHENSIVE INCOME	<u>34.593</u>	<u>63.755</u>	<u>41.725</u>	<u>66.597</u>	<u>51.892</u>	<u>98.876</u>	<u>96.129</u>	<u>138.737</u>
NET INCOME ATTRIBUTABLE TO								
Owners of the Company					34.593	63.755	41.725	66.597
Noncontrolling interests					17.299	35.121	54.404	72.140

The accompanying notes are an integral part of these interim financial information.

(A free translation of the original in Portuguese)

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

STATEMENT OF CHANGE IN EQUITY (COMPANY AND CONSOLIDATED)
FOR THE PERIOD ENDED JUNE 30, 2019
(In thousands of Brazilian Reais - R\$)

	Capital	Capital reserves		Earnings reserves			Retained earnings	Total equity attributable to owners of the parent	Noncontrolling interests	Total equity
		Share Issuance costs	Share subscription premium	Legal reserve	Earnings retention reserve	Unrealized earnings				
BALANCES AS OF DECEMBER 31, 2017	1.397.866	(16.083)	96.198	66.033	948.713	92.389	-	2.585.116	1.029.985	3.615.101
Net income for the period	-	-	-	-	-	-	66.597	66.597	72.140	138.737
Dividends distributed in the period (R\$0.06 per share)	-	-	-	-	-	(4.773)	-	(4.773)	-	(4.773)
Dividends arising from operation of Fundo de Investimento Imobiliário Shopping Parque D. Pedro and Fundo de Investimento Parque D. Pedro Shopping Center	-	-	-	-	-	-	-	-	(32.043)	(32.043)
BALANCES AS OF JUNE 30, 2018	<u>1.397.866</u>	<u>(16.083)</u>	<u>96.198</u>	<u>66.033</u>	<u>948.713</u>	<u>87.616</u>	<u>66.597</u>	<u>2.646.940</u>	<u>1.070.082</u>	<u>3.717.022</u>
BALANCES AS OF DECEMBER 31, 2018	1.397.866	(16.083)	96.198	75.496	1.083.560	129.565	-	2.766.602	1.140.131	3.906.733
Net income for the period	-	-	-	-	-	-	63.755	63.755	35.121	98.876
Dividends distributed in the period (R\$0.42 per share)	-	-	-	-	-	(31.773)	-	(31.773)	-	(31.773)
Dividends arising from the operations of Fundo de Investimento Imobiliário Shopping Parque D. Pedro and Fundo de Investimento Parque D. Pedro Shopping Center	-	-	-	-	-	-	-	-	(34.408)	(34.408)
BALANCES AS OF JUNE 30, 2019	<u>1.397.866</u>	<u>(16.083)</u>	<u>96.198</u>	<u>75.496</u>	<u>1.083.560</u>	<u>97.792</u>	<u>63.755</u>	<u>2.798.584</u>	<u>1.140.844</u>	<u>3.939.428</u>

The accompanying notes are an integral part of these interim financial information.

(A free translation of the original in Portuguese)

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

**STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED JUNE 30, 2019
(In thousands of Brazilian Reais - R\$)**

	Company		Consolidated	
	06/30/19	06/30/18	06/30/19	06/30/18
CASH FLOW FROM OPERATING ACTIVITIES				
Net income for the period	63.755	66.597	98.876	138.737
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	843	1.011
Result value of property and equipment sold	-	-	31	53
(Gains) Losses on derivatives transactions, net	(35)	(86)	(35)	(86)
Unbilled revenue from rentals	(7)	-	(180)	47
Allowance for doubtful accounts	(13)	-	3.600	4.167
Reversal of civil, tax, labor, and social security risks	22	-	18	(1.403)
Monetary update of reserve for civil, tax, labor and social security risks	36	37	90	137
Accrual for variable compensation	-	-	1.955	1.218
Deferred income tax and social contribution	374	-	6.903	46.737
Income tax and social contribution	-	-	16.474	15.352
Interest on borrowing, financing and debentures	20.159	21.290	35.135	38.615
Gains on disposals of investments	-	-	(162)	-
Changes in fair value of investment properties	-	-	-	(94.804)
Equity pick-up	(81.430)	(85.002)	(2.003)	(2.979)
(Increase)/decrease in operating assets:				
Trade receivables	(782)	-	1.772	3.678
Loans related to condominiums	-	-	1.094	1.665
Recoverable taxes	17.156	(2.077)	16.291	(3.581)
Prepaid expenses	(280)	(47)	(456)	(181)
Escrow deposits	(1)	(96)	(6.814)	(1.636)
Other	(2.201)	-	(3.438)	(640)
Increase (decrease) in operating liabilities:				
Domestic trade accounts payable	88	28	1.877	1.847
Taxes payable	122	(48)	(6.290)	(5.546)
Personnel, payroll taxes, benefits and rewards	(1)	18	(4.046)	(2.974)
Key money	-	-	(555)	(1.351)
Payments of contingencies	(22)	-	(105)	-
Other payables	444	(1.610)	1.076	222
Cash (used in) provided by operating activities	17.384	(996)	161.951	138.305
Interest and derivative transactions paid	(22.127)	(28.184)	(37.263)	(45.657)
Income tax and social contribution paid	-	-	(13.409)	(11.547)
Net cash (used in) provided by operating activities	(4.743)	(29.180)	111.279	81.101
CASH FLOW FROM INVESTING ACTIVITIES				
Acquisition of investment property	(165.155)	-	(165.155)	-
Construction and maintenance of investment property	(218)	-	(10.476)	(16.347)
Acquisition of property and equipment	-	-	(529)	(658)
Acquisition of intangible assets	-	-	(21)	(406)
Sale of land	-	-	1.640	-
Capital reduction received from subsidiary	129.000	-	-	-
Dividends received	-	-	2.162	2.040
Net cash used in investing activities	(36.373)	-	(172.379)	(15.371)
CASH FLOW FROM FINANCING ACTIVITIES				
Debentures raised	200.000	-	200.000	-
Debentures issuance costs	(1.826)	-	(1.826)	-
Debentures paid - principal	(152.859)	(147.297)	(152.859)	(147.297)
Loans and financing paid - principal	-	-	(10.897)	(32.175)
Distributed earnings of real estate funds - non-controlling interests	-	-	(34.864)	(32.241)
Dividends paid	(34.773)	(34.773)	(34.773)	(34.773)
Net cash used in financing activities	10.542	(182.070)	(35.219)	(246.486)
DECREASE IN CASH AND CASH EQUIVALENTS, NET	(30.574)	(211.250)	(96.319)	(180.756)
CASH AND CASH EQUIVALENTS				
At the end of the period	31.977	62.077	183.826	267.673
At the beginning of the period	62.551	273.327	280.145	448.429
DECREASE IN CASH AND CASH EQUIVALENTS, NET	(30.574)	(211.250)	(96.319)	(180.756)

The accompanying notes are an integral part of these interim financial information.

(A free translation of the original in Portuguese)

SONAE SIERRA BRASIL S.A. AND SUBSIDIARIES

STATEMENT OF VALUE ADDED
FOR THE PERIOD ENDED JUNE 30, 2019
(In thousands of Brazilian Reais - R\$)

	Company		Consolidated	
	06/30/19	06/30/18	06/30/19	06/30/18
REVENUE				
Revenue from rentals and services	2.838	-	216.059	203.146
Other income	26	-	1.384	1.306
Changes in fair value of investment property	-	-	-	94.804
Expenditures related to the acquisition, construction of investment property and property and equipment	-	-	176.160	17.411
Allowance for doubtful accounts	-	-	(3.600)	(4.167)
	<u>2.864</u>	<u>-</u>	<u>390.003</u>	<u>312.500</u>
SERVICES AND SUPPLIES PURCHASED FROM THIRD PARTIES				
Cost of rentals and services	(294)	-	(33.831)	(36.333)
Supplier, power, outside services and others	(1.288)	(1.097)	(180.288)	(21.551)
	<u>(1.582)</u>	<u>(1.097)</u>	<u>(214.119)</u>	<u>(57.884)</u>
GROSS VALUE ADDED	<u>1.282</u>	<u>(1.097)</u>	<u>175.884</u>	<u>254.616</u>
DEPRECIATION AND AMORTIZATION	-	-	(843)	(1.011)
WEALTH CREATED BY THE COMPANY	<u>1.282</u>	<u>(1.097)</u>	<u>175.041</u>	<u>253.605</u>
WEALTH RECEIVED IN TRANSFER				
Equity pick-up	81.430	85.002	2.003	2.979
Financial income	2.678	4.560	13.905	11.020
	<u>84.108</u>	<u>89.562</u>	<u>15.908</u>	<u>13.999</u>
DISTRIBUTION OF WEALTH	<u>85.390</u>	<u>88.465</u>	<u>190.949</u>	<u>267.604</u>
WEALTH DISTRIBUTED				
Personnel:				
Salaries and wages	431	340	15.089	12.794
Benefits	-	-	1.460	1.723
Severance pay fund (FGTS)	-	-	788	656
	<u>431</u>	<u>340</u>	<u>17.337</u>	<u>15.173</u>
Taxes and fees:				
Federal	724	236	35.916	72.418
Municipal	-	-	1.538	1.441
	<u>724</u>	<u>236</u>	<u>37.454</u>	<u>73.859</u>
Lenders and lessors:				
Interest expenses	20.480	21.292	36.176	38.772
Rentals	-	-	1.106	1.063
	<u>20.480</u>	<u>21.292</u>	<u>37.282</u>	<u>39.835</u>
Interest on capital:				
Retained earnings	63.755	66.597	63.755	66.597
Noncontrolling interests	-	-	35.121	72.140
	<u>63.755</u>	<u>66.597</u>	<u>98.876</u>	<u>138.737</u>
Total	<u>85.390</u>	<u>88.465</u>	<u>190.949</u>	<u>267.604</u>

The accompanying notes are an integral part of these interim financial information.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

1. General information

Sonae Sierra Brasil S.A. ("Sonae" or "Company"), headquartered in São Paulo City, São Paulo State, was established on June 18, 2003, and is primarily engaged in: (a) planning, developing, implementing and investing in real estate, namely shopping malls and related activities, as a developer, builder, lessor and advisor; (b) operating and managing own and/or third party properties and stores and providing related services; and (c) holding equity interests in other companies and/or real estate investment funds, directly or indirectly through subsidiaries and associates.

The Company trades its shares on Brasil Bolsa Balcão – B3 (São Paulo Stock Exchange), under the ticker symbol "SSBR3", and reports its information to the Brazilian Securities Commission (CVM).

The Company's immediate parent is Sierra Brazil 1 BV, a company headquartered in the Kingdom of the Netherlands while its ultimate parents are Sonae Sierra SGPS S.A., a company headquartered in Portugal, and Mr. Alexander Otto and his associates located in Germany.

At June 30, 2019 and 2018, the Company's direct and indirect subsidiaries included in this consolidated financial statements are the following:

	Equity interest - %
Direct subsidiaries:	
Sierra Investimentos Brasil Ltda.	99.99
Unishopping Consultoria Imobiliária Ltda.	99.99
Indirect subsidiaries:	
Fundo de Investimento Imobiliário I (a)	42.28
Fundo de Investimento Imobiliário II (a)	50.10
Pátio Boavista Shopping Ltda.	100.00
Pátio São Bernardo Shopping Ltda.	100.00
Pátio Sertório Shopping Ltda.	100.00
Pátio Uberlândia Shopping Ltda.	100.00
Pátio Londrina Empreendimentos e Participações Ltda.	100.00
Pátio Goiânia Shopping Ltda. (b)	-
Pátio São Paulo Shopping Ltda.	100.00
Unconsolidated associate:	
Campo Limpo Empreendimentos e Participações Ltda	20.00

(a) Fundo de Investimento II held a 17.72% interest in Fundo de Investimento I. Considering that Fundo de Investimento I and II held 85% and 15%, respectively, of Shopping Parque D. Pedro, the Company held 51% of this property on a combined basis.

(b) On May 2, 2018, the wholly-owned subsidiary Pátio Goiânia Shopping Ltda. was merged into Sierra Investimentos Brasil Ltda.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

At June 30, 2019 and 2018, the Company's subsidiaries and associates held the following interests in shopping malls:

<u>Developer</u>	<u>Shopping mall</u>	<u>Undivided interest - % at June 30, 2019</u>	<u>Undivided interest - % at June 30 and December 31, 2018</u>
Fundo de Investimento Imobiliário I	Shopping Parque D. Pedro	85.00	85.00
Fundo de Investimento Imobiliário II	Shopping Parque D. Pedro	15.00	15.00
Pátio Londrina Empreendimentos e Participações Ltda.	Shopping Plaza Sul	30.00	30.00
Pátio São Bernardo Shopping Ltda.	Shopping Plaza Sul	30.00	30.00
Sonae Sierra Brasil S.A.	Shopping Plaza Sul	30.00	-
Pátio Boavista Shopping Ltda.	Shopping Center Metr�pole	100.00	100.00
P�tio Uberl�ndia Shopping Ltda.	Franca Shopping	76.92	76.92
P�tio Uberl�ndia Shopping Ltda.	Uberl�ndia Shopping	100.00	100.00
P�tio Sert�rio Shopping Ltda.	Shopping Manauara	100.00	100.00
P�tio Londrina Empreendimentos e Participa��es Ltda.	Boulevard Londrina	88.64	88.64
Sierra Investimentos Brasil Ltda. (a)	Passeio das �guas Shopping	100.00	100.00
Campo Limpo Empreendimentos e Participa��es Ltda.	Shopping Campo Limpo	100.00	100.00

(a) On May 2, 2018, the company Sierra Investimentos Brasil Ltda. merged P tio Goi nia Shopping Ltda.

Signing of association agreement with Aliansce Shopping Centers S.A.:

On June 6, 2019, Sonae Sierra Brasil S.A. and Aliansce Shopping Centers S.A. ("Aliansce"), entered into an Association Agreement whereby the terms and conditions for the implementation of the business combination of the Companies were established through the merger of Aliansce into Sonae, pursuant to articles 223, 224, 225 and 227 of Law No. 6,404/76 ("Brazilian Corporation Law"), whereby Sonae's controlling shareholders and Aliansce's controlling shareholders agreed to vote in favor of such merger, subject to the terms and conditions set forth in the Association Agreement. Concurrently, the managements of Aliansce and Sonae entered into the Rationale and Protocol of Merger of Aliansce into Sonae, subject to the terms of the Association Agreement.

The purpose of this Transaction is the business combination of Aliansce and Sonae through the merger of Aliansce, at its book value, into Sonae (Sonae, after completion of the Merger, is hereinafter referred to as the "Combined Company"). Accordingly, upon completion of the Transaction, Aliansce will be wound up pursuant to article 219, item II of the Brazilian Corporation Law, and the Combined Company will succeed Aliansce in all its rights and obligations. Additionally, upon completion of the Merger, the shares issued by Aliansce will be canceled and new common shares issued by the Combined Company, traded on B3's Novo Mercado segment, will be attributed to Aliansce's former shareholders.

The completion of the transaction provides for the fulfillment of certain conditions precedent usual for this type of transaction. At the date of filing of this quarterly financial information, the only condition precedent still pending is the deliberation and approval of the completion of the transaction by the boards of directors of Sonae and Aliansce, since all the others were concluded as follows:

- On June 25, 2019, the respective shareholders of Aliansce and Sonae approved, at the Extraordinary General Meeting, the business combination of the Companies, through the merger of Aliansce into Sonae, pursuant to articles 223, 224, 225 and 227 of the Brazilian Corporation Law, according to the Rationale and Protocol of Merger of Aliansce into Sonae entered into on June 6, 2019;
- On July 1, 2019, the General Superintendence of the Administrative Council for Economic Defense - CADE published the opinion for the unrestricted approval of the business combination of the Companies through the merger of Aliansce into Sonae;

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

- On July 18, 2019, the Companies completed the obtaining of all third party authorizations, waivers, consents and approvals required to consummate the merger of Aliansce into Sonae;

2. Presentation of interim financial information and summary of significant accounting policies

Basis of presentation

The individual and consolidated interim financial information has been prepared and is being presented in accordance with the International Financial Reporting Standards (IFRS) - IAS 34 - Interim Financial Reporting, and in accordance with CPC 21 - "Interim Financial Information", issued by the Brazilian Accounting Pronouncements Committee (CPC).

The Company's individual interim financial information does not differ from the IFRS applicable to separate financial statements, in compliance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB). This individual interim financial information is disclosed together with the Company's consolidated interim financial information.

This information is being presented considering OCPC 07 - "Explanatory Notes", which reinforces the basic disclosure requirements of the existing standards and suggests disclosure focused on: (i) material information for the users; (ii) quantitative and qualitative aspects, and (iii) risks.

This interim financial information should be read together with the financial statements for the year ended December 31, 2018 since its objective is to provide an update of the significant activities, events and circumstances in relation to those financial statements.

The preparation of the individual and consolidated statements of value added is required by the Brazilian corporate legislation, and by the accounting practices adopted in Brazil for listed companies. IFRS does not require the presentation of this statement. Therefore, under IFRS, this statement is presented as supplementary information, and not as part of the set of financial statements.

For the convenience of users, the Company's material interim financial information (cash and cash equivalents, investments in subsidiaries) is presented in Note 24.

The Company adopted all standards, amendments to and interpretations of standards issued by the IASB and the CPC that were in effect on June 30, 2019.

The interim financial information was approved by the Officers on June 29, 2019.

3. New standards, amendments to and interpretations of standards

IFRS 16 (CPC 06) – Leases are effective since January 1, 2019. The new standard requires lessees to recognize the liability of the future payments and the right to use the leased asset for virtually all lease contracts, including operating leases. Certain short-term and low-value contracts may be out of the scope of this new standard. The criteria for the recognition and measurement of leases in the lessors' financial statements have been substantially maintained. The adoption of this new standard did not result in significant impact on the Company and its subsidiaries' financial statements.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

4. Estimates and critical accounting assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expected future events, which are considered reasonable in the circumstances. In the six-month period ended June 30, 2019, there were no changes in estimates and assumptions that presented a significant risk of causing material adjustments to the carrying amounts of assets and liabilities for the current year in relation to those detailed in the annual financial statements.

5. Financial risk management

5.1 Financial risk factors

The Company and its subsidiaries' activities expose them to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's risk management seeks to minimize potential adverse effects on the Company's financial performance.

These risks are managed based on policies, definitions of strategies and the establishment of control systems, which are duly monitored by the management of the Company and its subsidiaries, with a view to maximizing shareholder value and achieve a balance between debt and equity capital.

(a) Market risk

(i) Foreign currency risk

Trade receivables and trade payables are denominated in Brazilian Reais and are not exposed to exchange fluctuations.

(ii) Interest rate risk

Results from the portion of debt contracted with interest linked to the CDI, TR and IPCA and involves the risk of increases in financial expenses as a result of unfavorable rates.

The Company contracted non-speculative derivatives to swap variable indexes subject to interest on the second series of debentures issued in the year 2012. This transaction was paid on February 15, 2019, in the residual amount of R\$ 8,191.

The Company recognized in income for the year gains arising from changes in fair value of financial instruments (swap) of R\$ 35, as disclosed in Note 13.

(iii) Rent fluctuation risk

The Company's revenue consists basically of rentals received from shopping mall tenants. In general, rentals are adjusted based on the annual fluctuations in the consumer price index (IPCA), as provided for in the lease agreements. Management monitors these risks in order to minimize impacts on its business.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, as well as credit exposure to customers. The Company limits its exposure by adopting policies that allow transactions only with high-rating banks, as assessed by international credit rating agencies. Moreover, the Company constantly monitors the default level of its trade receivables. The allowance for expected doubtful debts is recognized in an amount considered by Management as sufficient to cover expected losses on the collection of receivables.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

(c) Liquidity risk

The Company and its subsidiaries manage their liquidity risk by maintaining proper reserves, bank and other credit facilities to raise new loans that they consider appropriate, based on the continuous monitoring of budgeted and actual cash flow, and the combination of the maturity profiles of financial assets and financial liabilities.

The table below details the remaining contractual maturity of the financial liabilities of the Company, its subsidiaries, and the contractual payment periods. The table was prepared in accordance with undiscounted cash flow of financial liabilities based on the closest date when the Company and its subsidiaries should settle the corresponding obligations.

June 30, 2019	Weighted average effective interest rate - %	2019	2020	2021	2022	2023	2024 onward	Total
Loans and financing	9.59%	41,143	54,034	80,048	75,264	67,489	137,829	455,807
Debentures	8.08%	24,960	34,245	97,022	92,556	149,805	267,508	666,096

5.2 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to provide returns for stockholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure of the Company, management can make, or may propose to the stockholders when their approval is required, adjustments to the amounts of dividends paid to stockholders, return capital to stockholders, issue new shares or sell assets to reduce, for example, debt.

The Company monitors capital on the basis of the gearing ratio. This ratio corresponds to the net debt expressed as a percentage of total capital. The gearing ratios at June 30, 2019 and December 31, 2018, were as follows:

	Consolidated	
	6/30/2019	12/31/2018
Debt (a)	797,434	757,055
Cash and cash equivalents	(183,826)	(280,145)
Net debt (net cash)	613,608	476,910
Equity attributable to owners of the parent company (b)	2,798,584	2,766,602
Net debt-to-equity ratio	21.93%	17.24%

(a) Debt is defined as short- and long-term loans, financing and debentures detailed in Notes 12 and 13 (at December 31, 2018 excludes accumulated loss arising from derivative instruments of R\$ 8,125).

(b) Shareholders' equity includes the Company's total capital and reserves, managed as capital.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

5.3 Financial instruments by category

The Company's and its subsidiaries' main financial instruments are represented by:

- a) Cash and cash equivalents: they are classified at amortized cost and their carrying amount is equivalent to the assets' fair value.
- b) Trade accounts receivable and loans to condominiums: are classified as amortized cost and recorded at the contracted amounts, which are equivalent to market value.
- c) Trade payables: classified at the contracted amounts, which are equivalent to market value.
- d) Loans and financing: classified as other financial liabilities and measured at amortized cost, which are equivalent to market value.
- e) Debentures: part is classified as other financial liabilities.

The fair value measurement of financial instruments is grouped into levels 1 to 3, based on the fair value hierarchy:

- Level 1 - quoted prices in active markets for identical assets or liabilities.
- Level 2 - other techniques under which all inputs with significant effects on the fair value are observable, either directly or indirectly.
- Level 3 - techniques that use inputs with significant effects on the fair value not based on observable market inputs.

The carrying amounts and fair values of the financial instruments of the Company and its subsidiaries at June 30, 2019 and December 31, 2018 are as follows:

Parent

<u>Nature</u>	<u>Classification</u>	Hierarchy <u>Fair value</u>	<u>6/30/2019</u>		<u>12/31/2018</u>	
			<u>Carrying amount</u>	<u>Fair value</u>	<u>Carrying amount</u>	<u>Fair value</u>
Assets:						
Cash and cash equivalents	Amortized cost	Level 1	31,977	31,977	62,551	62,551
Liabilities:						
Debentures	Other financial liabilities	Level 2	473,277	487,381	382,382	378,364
	Fair value through profit or loss	Level 2	-	-	39,458	39,458
Trade payables	Other financial liabilities	Level 2	94	94	6	6
Derivative financial instruments (i)	Fair value through profit or loss	Level 2	-	-	8,125	8,125

(i) Included in line item "Debentures" in the Company's liabilities.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

Consolidated

Nature	Classification	Hierarchy Fair value	6/30/2019		12/31/2018	
			Carrying amount	Fair value	Carrying amount	Fair value
Assets:						
Cash and cash equivalents	Amortized cost	Level 1	183,826	183,826	280,145	280,145
Trade receivables, net	Amortized cost	Level 2	57,911	57,911	63,103	63,103
Loans to condominiums	Amortized cost	Level 2	21,202	21,202	22,296	22,296
Liabilities:						
Loans and financing	Other financial liabilities	Level 2	324,157	324,157	335,215	335,215
Debentures	Other financial liabilities	Level 2	473,277	487,381	382,382	378,364
Debentures	Fair value through profit or loss	Level 2	-	-	39,458	39,458
Derivative financial instruments (i)	Fair value through profit or loss	Level 2	-	-	8,125	8,125
Trade payables	Other financial liabilities	Level 2	11,194	11,194	9,317	9,317

(i) Included in line item "Debentures" in the Company's liabilities.

6. Operating segment reporting

Segment reporting is used by the Company's senior management to make decisions about resources to be allocated to a segment and assess its performance.

The Company's reportable segments, in accordance with technical pronouncement CPC 22 (IFRS 8) - "Operating Segments" are as follow:

a) Third party services

Refer to the provision of assets and property management services to shopping malls' tenants and owners, brokerage services, and the development of projects for a new shopping mall.

b) Investment

Refers to the rentals of stores spaces to tenants and other commercial spaces, such as sales stands; the rental of commercial space for advertising and promotion; operation of parking lots; and the agreement for the use of property space (key money).

(i) Segment reporting of assets

	Consolidated - 6/30/2019		
	Third party services	Investment	Total
Cash and cash equivalents	16,025	167,801	183,826
Trade receivables, net	632	57,279	57,911
Property, plant, equipment and intangible assets	5,229	-	5,229
Investment properties and noncurrent assets held for sale	-	5,188,300	5,188,300
Other assets	2,728	130,645	133,373
Total assets	24,614	5,544,025	5,568,639

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

	Consolidated - 12/31/2018		
	Third party services	Investment	Total
Cash and cash equivalents	11,129	269,016	280,145
Trade receivables, net	605	62,498	63,103
Property, plant, equipment and intangible assets	5,553	-	5,553
Investment properties and noncurrent assets held for sale	-	5,015,625	5,015,625
Other assets	<u>8,413</u>	<u>132,414</u>	<u>140,827</u>
Total assets	<u>25,700</u>	<u>5,479,553</u>	<u>5,505,253</u>

(ii) Segment reporting of income statement

	Consolidated - 4/01 to 6/30/19			
	Third party services	Investment	Related parties transactions eliminated	Total
Gross revenue	12,394	105,095	(6,746)	110,743
Deductions:				
Taxes	(1,737)	(3,217)	-	(4,954)
Discounts and abatements	-	(8,223)	-	(8,223)
Total	(1,737)	(11,440)	-	(13,177)
Net operating revenue	<u>10,657</u>	<u>93,655</u>	<u>(6,746)</u>	<u>97,566</u>
Operating costs, general and administrative expenses and other	(9,517)	(22,004)	6,746	(24,775)
Equity pick-up	-	1,049	-	1,049
Financial expenses, net	<u>181</u>	<u>(9,077)</u>	<u>-</u>	<u>(8,896)</u>
Total	<u>(9,336)</u>	<u>(30,032)</u>	<u>6,746</u>	<u>(32,622)</u>
Profit before income tax and social contribution	<u>1,321</u>	<u>63,623</u>	<u>-</u>	<u>64,944</u>

	Consolidated - 4/01 to 6/30/2018			
	Third party services	Investment	Related parties transactions eliminated	Total
Gross revenue	12,862	95,548	(6,291)	102,119
Deductions:				
Taxes	(1,819)	(2,781)	-	(4,600)
Discounts and abatements	-	(8,903)	-	(8,903)
Total	(1,819)	(11,684)	-	(13,503)
Net operating revenue	<u>11,043</u>	<u>83,863</u>	<u>(6,291)</u>	<u>88,616</u>
Operating costs, general and administrative expenses and other	(8,266)	(21,324)	6,291	(23,299)
Equity pick-up	-	2,102	-	2,102
Changes in fair value of investment properties	-	94,804	-	94,804
Financial expenses, net	<u>180</u>	<u>(14,197)</u>	<u>-</u>	<u>(14,017)</u>
Total	<u>(9,733)</u>	<u>10,571</u>	<u>6,291</u>	<u>59,590</u>
Income before income tax and social contribution	<u>2,957</u>	<u>145,249</u>	<u>-</u>	<u>148,206</u>

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

	Consolidated – 1/01 to 6/30/19			
	<u>Third party services</u>	<u>Investment</u>	<u>Related parties transactions eliminated</u>	<u>Total</u>
Gross revenue	26,565	204,678	(13,800)	217,443
Deductions:				
Taxes	(3,755)	(6,163)	-	(9,918)
Discounts and abatements	-	(15,544)	-	(15,544)
Total	(3,755)	(21,707)	-	(25,462)
Net operating revenue	<u>22,810</u>	<u>182,971</u>	<u>(13,800)</u>	<u>191,981</u>
Operating costs, general and administrative expenses and other	(20,103)	(43,157)	13,800	(49,460)
Equity pick-up	-	2,003	-	2,003
Financial expenses, net	367	(22,638)	-	(22,271)
Total	<u>(19,736)</u>	<u>(63,792)</u>	<u>13,800</u>	<u>(69,728)</u>
Income before income tax and social contribution	<u>3,074</u>	<u>119,179</u>	<u>-----</u>	<u>122,253</u>

	Consolidated – 1/01 to 6/30/2018			
	<u>Third party services</u>	<u>Investment</u>	<u>Related parties transactions eliminated</u>	<u>Total</u>
Gross revenue	25,468	191,243	(12,259)	204,452
Deductions:				
Taxes	(3,601)	(5,559)	-	(9,160)
Discounts and abatements	-	(17,554)	-	(17,554)
Total	(3,601)	(23,113)	-	(26,714)
Net operating revenue	<u>21,867</u>	<u>168,130</u>	<u>(12,259)</u>	<u>177,738</u>
Operating costs , general and administrative expenses and other	(18,852)	(40,350)	12,259	(46,943)
Equity pick-up	-	2,979	-	2,979
Changes in fair value of investment properties	-	94,804	-	94,804
Financial expenses, net	367	(28,119)	-	(27,752)
Total	<u>(18,485)</u>	<u>(29,314)</u>	<u>12,259</u>	<u>23,088</u>
Income before income tax and social contribution	<u>3,382</u>	<u>197,444</u>	<u>-----</u>	<u>200,826</u>

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

7. Cash and cash equivalents

	Consolidated	
	6/30/2019	12/31/2018
Cash and checking account	11,674	3,942
Short-term investments (a)	<u>172,151</u>	<u>276,203</u>
Total	<u>183,826</u>	<u>280,145</u>

- (a) At June 30, 2019, the short-term investments are highly liquid and earn yields at the weighted average interest rate of 99.75% of the interbank deposit rate (CDI) (100.27% at December 31, 2018). The securities purchased by the Company and its subsidiaries comprise CDBs and debentures issued by banks with which the Company and its subsidiaries maintain relationship. In view of the Company's risk management policy, these investments are held only with first-tier banks highly rated by international rating agencies.

8. Trade receivables, net

Trade receivables

	Consolidated	
	6/30/2019	12/31/2018
Rentals	91,727	93,198
Assignment of rights receivables (a)	<u>540</u>	<u>820</u>
Total trade receivables billed	92,267	94,018
Unbilled rentals (b)	<u>14,854</u>	<u>14,695</u>
Total trade receivables	107,121	108,713
Allowance for expected doubtful debts	<u>(49,210)</u>	<u>(45,610)</u>
Total	<u>57,911</u>	<u>63,103</u>
Current	<u>45,664</u>	<u>50,694</u>
Noncurrent	<u>12,247</u>	<u>12,409</u>

- (a) Represent receivables from agreements for the assignment of rights for use property spaces in shopping malls, also known as "Key Money".
- (b) Represent the effects of unbilled revenue from rentals recognized on a straight line basis, according to the agreement terms.

The aging list of trade receivables billed at f June 30, 2019 and December 31, 2018 is as follows:

	Consolidated	
	6/30/2019	12/31/2018
Current	<u>40,986</u>	<u>50,811</u>
Past due:		
Up to 30 days	4,868	3,535
31 to 60 days	2,413	2,243
61 to 90 days	1,890	1,760
91 to 180 days	4,285	4,875
Over 180 days	<u>37,825</u>	<u>30,794</u>
Subtotal	<u>51,281</u>	<u>43,207</u>
Total	<u>92,267</u>	<u>94,018</u>

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

Allowance for expected doubtful accounts

The change in the allowance for expected doubtful accounts for the six-month period ended June 30, 2019, is as follows:

	<u>Consolidated</u>
Balance at December 31, 2018	(45,610)
Additions in the period, net	(3,600)
Balance at June 30, 2019	(49,210)

9. Investments

- (i) Ownership interest in Campo Limpo Empreendimentos e Participações Ltda.

	<u>Consolidated</u>	
	<u>6/30/2019</u>	<u>12/31/2018</u>
<u>Balance sheet</u>		
Number of units of interest held by Sierra Investimentos	9,435,400	9,435,400
Ownership interest in investee (%)	20.00	20.00
Investment balance	44,484	44,643
<u>Statement of income</u>		
Share of profit or loss of subsidiary for the period	2,003	2,979

- (ii) Financial information of Campo Limpo Empreendimentos e Participações Ltda.

	<u>Consolidated</u>	
	<u>6/30/2019</u>	<u>12/31/2018</u>
<u>Balance sheet</u>		
Current assets	3,427	4,212
Noncurrent assets	311,416	311,177
Current liabilities	1,608	1,861
Noncurrent liabilities	90,819	90,316
Equity	222,416	223,212
<u>Statement of income</u>		
Net operating revenue from rentals and others	12,609	12,442
Profit and comprehensive income for the period	10,014	14,894

- (iii) Changes in investments for the six-month period ended June 30, 2019 are as follows:

	<u>Consolidated</u>
Balances at December 31, 2018	44,643
Share of profit or loss of subsidiary for the period	2,003
Dividends received	(2,162)
Balances at June 30, 2019	44,484

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

10. Investment property

Under technical pronouncement CPC 28 (IAS 40) - "Investment Property", properties held to earn rentals and/or for capital appreciation can be recognized as investment property. The Company's management adopted the fair value method in order better to reflect its business.

	Consolidated	
	6/30/2019	12/31/2018
Constructed investment property	5,125,131	4,949,762
Investment property under construction	<u>24,604</u>	<u>24,342</u>
Total	<u>5,149,735</u>	<u>4,974,104</u>

Changes in investment property for the six-month period ended June 30, 2019:

	Consolidated		
	Constructed investment properties	Investment properties under construction	Total
Balance at December 31, 2018	4,949,762	24,342	4,974,104
Acquisition of 30% of Shopping Plaza Sul (i)	165,155	-	165,155
Additions	<u>10,214</u>	<u>262</u>	<u>10,476</u>
Balance at June 30, 2019	<u>5,125,131</u>	<u>24,604</u>	<u>5,149,735</u>

- (i) On April 17, 2019, the Company concluded the purchase of 30% of Shopping Plaza Sul for R\$ 165,155 (R\$ 158,500 related to the property plus costs with taxes and registration fees).

The values of the investment properties were appraised at December 31, 2018 by an independent appraiser.

Although the Company's accounting practice is to remeasure the fair value of the investment properties on a semi-annual basis, at June 30, 2019, the Company's Management elected not to remeasure these properties due to the imminent business combination with Aliansce described in Note 1. The Company's Management is evaluating the accounting practice that will be adopted in the combined Company, and revising the fair values that will be allocated as a result of the combination.

11. Non-current assets held for sale

The Company has pieces of land on some shopping malls which Management intends to negotiate with potential developers of residential and/or commercial properties that bring synergy and increase the flow of visitors in these shopping malls. At June 30, 2019, the balance of these properties is R\$ 38,565, recognized in line item "Non-current assets held for sale".

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

On May 31, 2019, the Company concluded the sale of a land attached to Shopping Uberlândia for R\$ 3,118. Considering that this property was already recognized at its fair value, the final price variation, in the amount of R\$ 162, is recorded under "Other operating income, net".

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

12. Loans and financing

The loans obtained by the Company's subsidiaries are intended for financing construction works and expanding projects, as described below:

<u>Domestic</u>	<u>Mall</u>	<u>Annual interest rate</u>	<u>Final maturity</u>	<u>Consolidated</u>	
				<u>6/30/2019</u>	<u>12/31/2018</u>
Banco do Amazonas S.A. - BASA (a)	Manauara Shopping	8.5%	12/10/2020	25,688	34,251
Banco Bradesco S.A. (a)	Boulevard Londrina	TR + 9.7%	3/27/2028	81,567	81,567
Banco Bradesco S.A. (a)	Uberlândia Shopping	TR + 9.7%	1/26/2028	45,432	45,432
Banco Santander S.A. (a)	Passeio das Águas	TR + 9.7%	6/22/2025	152,758	152,865
Banco Itaú BBA S.A. (b)	Shopping Metr�pole	TR + 9.3%	5/10/2023	<u>18,712</u>	<u>21,100</u>
Total				<u>324,157</u>	<u>335,215</u>
Current				<u>22,227</u>	<u>22,383</u>
Noncurrent				<u>301,930</u>	<u>312,832</u>

Guarantees

(a) In this financing the loan is collateralized by the shopping mall property and collateral of the parent companies of the group.

(b) In this financing the loan is collateralized by the shopping mall property and net receivables.

At June 30, 2019, the total amount of the properties pledged to the banks in connection with the loans and financing is R\$ 2,229,800 and the amount of net receivables pledged by P tio Boavista is R\$ 3,446.

Changes in loans and financing:

Consolidated

Balance at December 31, 2018	<u>335,215</u>
Payments – principal	(10,897)
Interest payments	(15,136)
Financial charges recorded in net income	<u>14,975</u>
Balance at June 30, 2019	<u>324,157</u>

The loans and financing classified in noncurrent liabilities at June 30, 2019 mature as follow:

From July 1 st , 2020	15,134
2021	55,511
2022	55,511
2023	52,724
2024	50,734
2025 – 2028	<u>72,316</u>
Total	<u>301,930</u>

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

13. Debentures

Debentures	Annual interest rate	Final maturity	Parent and Consolidated	
			6/30/2019	12/31/2018
Securities issued in 2012 - 2 nd series (a)	IPCA+6.25%	2/15/2019	-	160,416
Securities issued in 2017 - 1 st series (b)	CDI+0.75%	7/15/2022	127,727	127,639
Securities issued in 2017 - 2 nd series (b)	IPCA+6.24%	7/15/2024	141,515	133,785
Securities issued in 2019 - 1 st series (c)	CDI+0.80%	1/15/2024	91,766	-
Securities issued in 2019 - 2 nd series (c)	CDI+1.05%	1/15/2027	112,269	-
Loss on derivatives in fair value hedge accounting			-	8,125
Total			<u>473,277</u>	<u>429,965</u>
Current			<u>18,395</u>	<u>175,616</u>
Noncurrent			<u>454,882</u>	<u>254,349</u>

- (a) On February 15, 2012, the Company issued 30,000 nonconvertible debentures, in two series, with a par value of R\$10 each, totaling R\$300,000.

On August 22, 2013, the Company contracted a derivative instrument ("swap") in the notional amount of R\$54,500, to swap variable indexes subject to the interest of the 2nd series of debentures. In this transaction, the Company replaced the IPCA plus 6.25% per year by the CDI plus 1.24% per year.

On February 15, 2019, these debentures and the corresponding swap instrument were fully paid in the amount of R\$ 162,413 and R\$ 8,191, respectively.

- (b) On July 15, 2017, the Company issued 250,000 nonconvertible debentures pursuant to CVM Instruction 476/09, in two series, with a par value of R\$ 1 each, totaling R\$ 250,000 as detailed below:

- First tranche: 125,000 debentures, totaling R\$ 125,000, at an annual floating interest rate equivalent to CDI+0.75%, with a 5-year final term.
- Second tranche: 125,000 debentures, totaling R\$ 125,000, at an annual floating interest rate equivalent to IPCA+6.24%, with a 7-year final term.

- (c) On February 4, 2019, the Company issued R\$ 200,000 in Debentures, with the following characteristics:

- First tranche: 90,000 debentures, totaling R\$ 90,000, at an annual floating interest rate equivalent to CDI+0.80%, with a 5-year final term; and
- Second tranche: 110,000 debentures, totaling R\$ 110,000, at an annual floating interest rate equivalent to CDI+1.05%, with a 8-year final term.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

Changes in debentures, recorded in current and noncurrent liabilities, are broken down as follows:

	<u>Consolidated</u>
Balance at December 31, 2018	429,965
New borrowings	200,000
Transaction costs	(1,826)
Amortized borrowing costs	543
Interest allocated to net income	19,616
Principal paid	(152,859)
Interest paid	(13,936)
Derivative transactions paid	(8,191)
Gain on derivatives transactions, net	(35)
Balance at June 30, 2019	<u>473,277</u>

The debentures, classified in noncurrent liabilities, will be repaid as follows:

	<u>Principal and interest</u>	<u>Borrowing costs</u>	<u>Total</u>
From July 1 st , 2020	-	(453)	(453)
2021	62,500	(908)	61,592
2022	62,500	(756)	61,744
2023	111,541	(542)	110,999
2024	111,541	(288)	111,253
2025 onwards	<u>110,000</u>	<u>(253)</u>	<u>109,747</u>
Total	<u>458,082</u>	<u>(3,200)</u>	<u>454,882</u>

Covenants

The debenture indenture subjects the Company to covenants, which may in cases of non-compliance lead to the early maturity of the debt. These covenants are mainly related to financial ratios such as "Earnings Before Interest, Taxes, Depreciation and Amortization - EBITDA", net debt and net financial expenses. The required ratios are shown as follow:

- Net debt/EBITDA maximum of 3.5
- EBITDA/Net financial expenses Minimum 1.75

At June 30, 2019, the Company is compliant with all covenants.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

14. Equity

(a) Dividends

On April 29, 2019, the Company approved the distribution of complementary dividends in the amount of R\$31,773, totaling R\$34,773 of dividends using the reserve for unrealized profits. On May 13, 2019, the Company paid the total amount of dividends.

(b) Earnings per share:

As required by technical pronouncement CPC 41 (IAS 33) – “Earnings per Shares”, the table below shows the reconciliation of net income with the amounts used to calculate the basic earnings per share.

The Company has no debt convertible into shares nor stock options granted; therefore, there is no diluted effect on the earnings per share as shown below:

	Parent and Consolidated			
	<u>4/01 to</u> <u>6/30/2019</u>	<u>1/01 to</u> <u>6/30/2019</u>	<u>4/01 to</u> <u>6/30/2018</u>	<u>1/01 to</u> <u>6/30/2018</u>
Net income for the period attributable to the Company's owners	34,593	63,755	41,725	66,597
Weighted average of outstanding common shares - in thousands	<u>76,424</u>	<u>76,424</u>	<u>76,424</u>	<u>76,424</u>
Basic and diluted earnings per share - R\$	<u>0.45</u>	<u>0.83</u>	<u>0.55</u>	<u>0.87</u>

15. Net operating revenue from rentals, services and others

	Consolidated			
	<u>4/01 to</u> <u>6/30/2019</u>	<u>1/01 to</u> <u>6/30/2019</u>	<u>4/01 to</u> <u>6/30/2018</u>	<u>1/01 to</u> <u>6/30/2018</u>
Gross operating revenue:				
Rentals	89,826	174,714	81,538	163,894
Revenue from services	5,649	12,766	6,571	13,210
Parking revenue	13,260	26,235	11,382	22,777
Key Money	1,086	2,345	1,686	3,265
Other income	<u>922</u>	<u>1,383</u>	<u>942</u>	<u>1,306</u>
Total	<u>110,743</u>	<u>217,443</u>	<u>102,119</u>	<u>204,452</u>
Deductions:				
Taxes on rentals and services	(4,954)	(9,918)	(4,600)	(9,160)
Discounts and rebates	<u>(8,223)</u>	<u>(15,544)</u>	<u>(8,903)</u>	<u>(17,554)</u>
Total	<u>(13,177)</u>	<u>(25,462)</u>	<u>(13,503)</u>	<u>(26,714)</u>
Net operating revenue from rentals, services and others	<u>97,566</u>	<u>191,981</u>	<u>88,616</u>	<u>177,738</u>

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

16. Expenses and costs by nature

	Consolidated			
	4/01 to 6/30/2019	1/01 to 6/30/2019	4/01 to 6/30/2018	1/01 to 6/30/2018
Depreciation and amortization	411	843	488	1,011
Personnel costs	10,192	20,778	9,060	17,160
External services	1,831	4,026	3,065	5,584
Costs of occupancy (vacant stores)	3,209	6,284	4,100	7,936
Costs of contractual agreements with tenants	4,248	7,671	3,424	6,586
Allowance for expected doubtful accounts	2,089	3,600	1,539	4,167
Other	<u>4,429</u>	<u>8,172</u>	<u>3,903</u>	<u>7,767</u>
Total	<u>26,409</u>	<u>51,374</u>	<u>25,579</u>	<u>50,211</u>
Classified as:				
Cost of rentals and services provided	<u>19,936</u>	<u>39,448</u>	<u>19,798</u>	<u>38,126</u>
General and administrative expenses	<u>6,473</u>	<u>11,926</u>	<u>5,781</u>	<u>12,085</u>

17. Financial income (expenses), net

	Consolidated			
	4/01 to 6/30/2019	1/01 to 6/30/2019	4/01 to 6/30/2018	1/01 to 6/30/2018
Financial income:				
Interest on short-term investments	1,704	5,454	3,182	7,915
Other	<u>6,962</u>	<u>8,451</u>	<u>1,098</u>	<u>3,105</u>
Total	<u>8,666</u>	<u>13,905</u>	<u>4,280</u>	<u>11,020</u>
Financial expenses:				
Interest on loans and financing	(7,420)	(14,976)	(8,527)	(17,325)
Interest on debentures	(9,914)	(20,159)	(9,712)	(21,290)
Other	<u>(228)</u>	<u>(1,041)</u>	<u>(58)</u>	<u>(157)</u>
Total	<u>(17,562)</u>	<u>(36,176)</u>	<u>(18,297)</u>	<u>(38,772)</u>
Total, net	<u>(8,896)</u>	<u>(22,271)</u>	<u>(14,017)</u>	<u>(27,752)</u>

18. Income tax and social contribution

a) Income tax and social contribution expense

	Consolidated			
	4/01 to 6/30/2019	1/01 to 6/30/2019	4/01 to 6/30/2018	1/01 to 6/30/2018
Profit before income tax and social contribution	64,964	122,273	148,206	200,826
Statutory rate	<u>34%</u>	<u>34%</u>	<u>34%</u>	<u>34%</u>
Income tax and social contribution charge, at statutory rate	(22,088)	(41,573)	(50,390)	(68,281)
Effect of income tax and social contribution on permanent and temporary differences:				
Share of profit or loss of subsidiary	357	681	715	1,013
Other permanent differences	-	-	(21,079)	(21,079)
Tax losses carried forwards not considered	(1,489)	(2,408)	(3,172)	(4,406)
Effect of taxation of subsidiaries based on deemed income	4,296	7,950	3,318	6,253
Effect of differential taxation of Fundos de Investimento Imobiliário I and II (i)	<u>5,872</u>	<u>11,973</u>	<u>18,531</u>	<u>24,411</u>

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

	Consolidated			
	4/01 to 6/30/2019	1/01 to 6/30/2019	4/01 to 6/30/2018	1/01 to 6/30/2018
Income tax and social contribution expense at effective rate	(13,052)	(23,377)	(52,077)	(62,089)
Effective rate - %	<u>20</u>	<u>19</u>	<u>35</u>	<u>31</u>

(i) Fundos de Investimento Imobiliário I and II are tax exempt.

b) Deferred income tax and social contribution

Based on the analyses of the multi-year operating projections, the Company recognized tax credits related to tax losses carried forwards and temporary differences in prior years.

The maintenance of tax credits from tax losses carried forwards, deferred income tax and social contribution is supported by future earnings projections prepared by the Company's management and periodically reviewed, for the next ten years, to determine the recoverability of tax losses carried forwards and temporary differences.

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

	Consolidated	
	6/30/2019	12/31/2018
Tax losses carried forwards	13,999	14,286
Reserve for contingencies	1,075	1,207
Allowance for doubtful accounts	5,441	5,133
Other temporary reserves	3,905	3,076
Changes in fair values of investment property, net	(796,154)	(787,744)
Total deferred income tax and social contribution	<u>(770,945)</u>	<u>(764,042)</u>
In noncurrent assets	<u>1,213</u>	<u>1,828</u>
In noncurrent liabilities	<u>(772,158)</u>	<u>(765,870)</u>

The credit balances totaling R\$ 39,494 (Consolidated), at June 30, 2019, shall be realized within a period of up to ten years, as shown below:

<u>Year</u>	<u>Consolidated</u>
2019	-
2020	167
2021	811
2022	1,904
2023	3,016
2024	5,010
2025-2028	<u>28,586</u>
Total	<u>39,494</u>

At June 30, 2019, the Company and its subsidiaries have R\$ 285,025 of tax loss carryforwards for which no deferred income tax and social contribution was recognized, since the expected realization is not probable, based on studies and internal projections.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

19. Related parties

In the normal course of the Company's business, controlling shareholders, subsidiaries, the associate and condominiums (related parties) carry out commercial and financial intercompany transactions. These commercial transactions mainly include the management of shopping malls (common charges and promotion fund).

Balances and transactions with related parties are as follows:

<u>Balance sheet</u>	<u>Purpose</u>	<u>Consolidated</u>	
		<u>6/30/2019</u>	<u>12/31/2018</u>
Current assets			
Related parties:			
Condomínio Boulevard Londrina Shopping	(a)	112	216
Condomínio Passeio das Águas Shopping	(a)	-	2
Condomínio Uberlândia Shopping	(a)	185	358
Condomínio Franca Shopping Center	(a)	<u>6</u>	<u>10</u>
Total (*)		<u>303</u>	<u>586</u>
Noncurrent assets			
Related parties:			
Condomínio Boulevard Londrina Shopping	(b)	7,035	7,325
Condomínio Passeio das Águas Shopping	(b)	8,788	9,148
Condomínio Shopping Center Plaza Sul	(b)	590	684
Condomínio Uberlândia Shopping	(b)	<u>4,789</u>	<u>5,139</u>
Total		<u>21,202</u>	<u>22,296</u>
Current liabilities			
Related parties:			
Parque D. Pedro I BV SARL	(c)	<u>3,493</u>	<u>3,801</u>
Total		<u>3,493</u>	<u>3,801</u>

<u>Statement of profit or loss</u>	<u>Purpose</u>	<u>Consolidated</u>			
		<u>4/01 to</u> <u>6/30/2019</u>	<u>4/01 to</u> <u>6/30/2019</u>	<u>4/01 to</u> <u>6/30/2018</u>	<u>4/01 to</u> <u>6/30/2018</u>
Operating revenue					
Related parties:					
Condomínio Shopping Center Penha	(a)	-	490	491	981
Condomínio Civil Center Shopping São Bernardo	(a)	432	884	427	848
Condomínio Franca Shopping Center	(a)	182	361	177	356
Condomínio Shopping Center Plaza Sul	(a)	629	1,256	609	1,218
Condomínio Parque Dom Pedro Shopping	(a)	1,183	2,377	1,115	2,246
Condomínio Campo Limpo Shopping	(a)	239	542	314	617
Condomínio Manauara Shopping	(a)	689	1,426	656	1,322
Condomínio Uberlândia Shopping	(a)	431	856	419	831
Condomínio Boulevard Londrina Shopping	(a)	445	906	471	915
Condomínio Passeio das Águas Shopping	(a)	<u>528</u>	<u>1,057</u>	<u>514</u>	<u>1,052</u>
Total		<u>4,758</u>	<u>10,155</u>	<u>5,193</u>	<u>10,386</u>
Financial income					
Related parties:					
Condomínio Boulevard Londrina Shopping	(b)	106	174	72	181
Condomínio Passeio das Águas Shopping	(b)	129	211	80	195
Condomínio Uberlândia Shopping	(b)	75	125	52	122
Condomínio Shopping Center Plaza Sul	(b)	<u>17</u>	<u>30</u>	<u>26</u>	<u>96</u>
Total		<u>327</u>	<u>540</u>	<u>230</u>	<u>594</u>

(*) Included in trade receivables, net, and other receivables.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

- (a) Refers to revenue from services related to the management of common charges and the promotion fund for the said condominiums. This revenue is recognized in the line item "Service revenues", as disclosed in Note 15. These services have been rendered by Unishopping Consultoria. Additionally, there are receivables from the initial expenses of the incorporation of condominiums of recently opened shopping malls, which were paid by the companies owning the respective shopping malls and are recorded in "other receivables" in current assets.
- (b) Refers to loans to condominiums.
- (c) Earnings payable from Fundos de Investimento Imobiliário I and II to the related party Parque D. Pedro I BV SARL that holds 27.6% and 15.9% of the units of these funds. This amount is recognized as "Earnings payable".

20. Management compensation

Expenses on management compensation are shown below:

	Consolidated	
	<u>6/30/2019</u>	<u>6/30/2018</u>
Payroll and related taxes	2,412	2,333
Variable compensation	1,955	1,218
Benefits	<u>222</u>	<u>193</u>
Total	<u>4,589</u>	<u>3,744</u>

These amounts are recorded as "cost of rentals and services rendered", in the statement of profit or loss for the period.

The amounts referring to the compensation of key management personnel are represented by short and long-term benefits, substantially corresponding to fixed and variable compensation (including performance bonus). There is no post-employment benefits or share-based compensation.

At June 30, 2019, the balance of the line item "Accrual for variable compensation", in the amount of R\$ 2,655 (R\$ 3,049 at December 31, 2018), classified in noncurrent liabilities, includes only variable compensation (performance bonuses) awarded to Company's officers.

In addition, as approved at the Annual and Extraordinary Shareholders' Meetings held on April 29, 2019, the overall compensation limit to the Company Directors and Officers for the year 2019 is R\$ 10,000.

21. Insurance coverage

At June 30, 2019, insurance coverage is as follows:

<u>Type</u>	<u>Insured amounts</u>
Civil liability (shopping mall operations)	97,014
Fire	832,367
Loss of profits	337,112
Windstorms/smokes	260,114
Other	29,528

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

22. Commitments

With the enactment of Law 12,024, of August 27, 2009, which prescribes the tax treatment applicable to income earned by real estate investment funds, the manager of Fundo de Investimento Imobiliário I, Banco Ourinvest S.A., ceased to retain IRRF on income paid to a certain shareholder headquartered in Brazil. In view of the inquiry made by Banco Ourinvest S.A. to the Federal Revenue Service on the content and scope of this Law, the subsidiary Sierra Investimentos committed under an agreement entered into with this bank, dated October 29, 2009, to make a short-term investment under custody to cover the possible collection of the tax that is not being withheld. At the same date, Parque D. Pedro 1 BV/SARL (a Luxembourg company belonging to the same corporate group of the Company) and Sierra Investimentos entered into an agreement under which Parque D. Pedro 1 BV/SARL agrees to reimburse Sierra Investimentos for any type of risk arising from the nonpayment of the said tax by Banco Ourinvest S.A.

On May 13, 2010, the federal government filed an appeal against the federal lower court decision. On June 11, 2010, Banco Ourinvest S.A. filed its counterarguments and currently awaits the appellate court decision.

On June 25, 2015, the Federal Court accepted the appeal of the federal government, thus overruling the lower court decision. On July 13, 2015, BTG Pactual Serviços Financeiros S.A. DTVM, the current manager of Fundo de Investimento Parque D. Pedro I, has filed an appeal to continue the suspension of the obligation of the tax credit, as well as to reverse this decision.

As a result of this decision and pursuant to the earlier commitment, the subsidiary Sierra Investments used the totality of the funds held in restricted investments to make a deposit in an escrow account, which aims to ensure the suspension of the tax credit.

At June 30, 2019, the subsidiary Sierra Investimentos has R\$ 27,895 pledged as collateral, classified as escrow deposits in noncurrent assets (R\$ 21,032 at December 31, 2018).

23. Subsequent event

As described in Note 1, the Company depends on certain conditions precedent for the consummation of the business combination operation between Sonae and Aliansce. After June 30, 2019, the following approvals have been obtained:

- On July 1, 2019, the General Superintendence of the Administrative Council for Economic Defense - CADE published the opinion for the unrestricted approval of the business combination of the Companies through the merger of Aliansce into Sonae;
- On July 18, 2019, the Companies completed the obtaining of all third party authorizations, waivers, consents and approvals required to consummate the merger of Aliansce into Sonae.

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

24. Parent's financial statements

24.1 Cash and cash equivalents

	Company	
	<u>6/30/2019</u>	<u>12/31/2018</u>
Cash and banks	260	134
Short-term investments	<u>31,717</u>	<u>62,417</u>
Total	<u>31,977</u>	<u>62,551</u>

Short-term investments are highly liquid and earn interest at the weighted average interest rate of 100.63% of the Interbank Deposit Certificate (CDI) (100.27% at December 31, 2018).

24.2 Other receivables

In November 2018, the Company reduced the capital of its subsidiaries Sierra Investimentos and Unishopping Consultoria by R\$ 165,000 and R\$ 10,000, respectively. At June 30, 2019, the amount of R\$ 32,678 remains pending receipt from the company Sierra Investimentos.

24.3 Investment property

On April 17, 2019, the Company concluded the purchase of 30% of Shopping Plaza Sul for R\$165,155 (R\$ 158,500 related to the property plus costs with taxes and registration fees).

	<u>Total</u>
Balance at December 31, 2018	-
Acquisition of 30% of Shopping Plaza Sul	165,155
Additions	<u>218</u>
Balance at June 30, 2019	<u>165,373</u>

24.4 Investments in subsidiaries

a) Ownership interests

	Number of <u>shares</u> <u>held</u>	Ownership interests <u>- %</u>	Share of profit or loss of <u>subsidiaries</u>	Investment <u>balance</u>
<u>June 30, 2019</u>				
Subsidiaries:				
Sierra Investimentos	913,862,171	100.00	78,690	2,989,052
Unishopping Consultoria	2,663,327	100.00	<u>2,740</u>	<u>14,463</u>
			<u>81,430</u>	<u>3,003,515</u>
<u>December 31, 2018</u>				
Subsidiaries:				
Sierra Investimentos	913,862,171	100.00	215,580	2,910,363
Unishopping Consultoria	2,663,327	100.00	<u>9,822</u>	<u>11,722</u>
			<u>225,402</u>	<u>2,922,085</u>

(i) Financial information of investees

Sonae Sierra Brasil S.A.

Notes to the interim financial information

At June 30, 2019

All amounts in thousands of reais, unless otherwise stated

	Sierra Investimentos		Unishopping Consultoria	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
<u>Statement of financial position</u>				
Total assets	3,238,328	3,287,253	24,614	25,700
Total liabilities	249,276	376,890	10,151	13,978
Equity	2,989,052	2,910,363	14,463	11,722
<u>Statement of profit or loss</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Net operating revenue	18,076	6,229	26,565	25,468
Profit and comprehensive income for the period	78,690	80,903	2,741	4,099

(ii) Movements in investments for the six-month period ended June 30, 2019 are as follows:

	Parent
Balance at December 31, 2018	2,922,085
Share of profit or loss of subsidiaries	81,430
Balance at June 30, 2019	<u>3,003,515</u>

b) Noncontrolling interests

(i) Noncontrolling interests in Fundo de Investimento Imobiliário I and II

	Fundo de Investimento Imobiliário I (Noncontrolling interests – 40%)		Fundo de Investimento Imobiliário II (Noncontrolling interests – 49.9%)	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
<u>Statement of financial position</u>				
Equity attributable to noncontrolling interests	790,572	789,909	350,272	350,222
<u>Statement of profit or loss</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Profit for the period from noncontrolling interests	24,633	50,229	10,544	21,911
Dividends paid to noncontrolling interests	24,663	22,785	10,202	9,456

(ii) Financial information of Fundo de Investimento Imobiliário I and II

	Fundo de Investimento Imobiliário I		Fundo de Investimento Imobiliário II	
	6/30/2019	12/31/2018	6/30/2019	12/31/2018
<u>Statement of financial position</u>				
Current assets	36,000	38,365	14,111	13,647
Noncurrent assets	1,955,489	1,954,799	697,021	696,947
Current liabilities	14,450	18,087	8,833	9,322
Noncurrent liabilities	608	305	107	54
Equity	1,976,431	1,974,772	702,192	701,218
<u>Statement of profit or loss</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Net operating revenue from rentals and others	72,224	68,622	12,745	12,110
Profit and comprehensive income for the period	61,583	125,574	21,131	43,910

* * *