Financial Statements

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

December 31, 2018, 2017 and 2016
with Independent Auditor's Report

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

Financial statements

December 31, 2018, 2017 and 2016

Contents

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A free translation from Portuguese into English of Independent Auditor's Report on Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board - IASB

Independent auditor's report on financial statements

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

Opinion

We have audited the individual and consolidated financial statements of Allpark Empreendimentos, Participações e Serviços S.A. ("Company"), identified as Individual and Consolidated, respectively, which comprise the statement of financial position as at December 31, 2018 and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Allpark Empreendimentos, Participações e Serviços S.A. as at December 31, 2018, its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

Basis for opinion

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

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Emphasis of matter

Restatement of financial statements

On March 1, 2019, March 29, 2018 and March 31, 2017, we issued unmodified audit reports on the individual and consolidated financial statements of Allpark Empreendimentos, Participações e Serviços S.A. for the years ended December 31, 2018, 2017 and 2016, respectively, which are now restated. As mentioned in Note 2.30, these financial statements were modified and have been restated to reflect the correction of errors described in the referred to Note. As a result, our opinion considers these changes and replaces the opinions previously issued by us. We did not express any modified opinion with respect to this matter.

Key audit matters

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

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

Revenue recognition

The Company and its subsidiaries recognize revenue from provision of vehicle parking services to hourly or monthly customers, of labor, management of parking lots and operation of pay-and-display areas ("Zona Azul"). Revenue per establishment (parking lot) is quite dispersed. The revenue recognition criteria and amounts recognized (total revenue) are disclosed in Note 2.6.

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

Our audit approach

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

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

Impairment of goodwill

The Company presents, according to Note 12, at December 31, 2018, a goodwill balance of R$118.884 thousand (Consolidated) and R$109.787 thousand (Individual) representing 8,3% and 8,6% of total consolidated and individual assets, respectively, at that date. In accordance with accounting practices adopted in Brazil and IFRS, the Company and its subsidiaries analyze, on an annual basis, the recoverable amount of goodwill to determine whether there is any indication of impairment loss.

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

Our audit approach

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

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

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2018, prepared under Company management responsibility, whose presentation is required as supplementary information under IFRS, have been subject to audit procedures in conjunction with the audit of the Company's financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by CPC 09 - *Statement of Value Added*. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in the abovementioned accounting pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying the individual and consolidated financial statements and the auditor's report

Company management is responsible for this other information included in the Management Report, which is expected to be received after the date of this auditor's report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of assurance conclusion thereon.

In connection with the audit of the financial statements, we are responsible for reading the Management Report and, in so doing, considering whether such report presents significant inconsistency with the financial statements or with our knowledge obtained in the audit or otherwise seems to present material misstatements. If, based on the work performed, we conclude that the Management Report presents material misstatements, we are required to communicate such fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its subsidiaries' internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

São Paulo, August 13, 2019

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

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

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

Statements of financial position
December 31, 2018, 2017 and 2016
(In thousands of reais)

		Company				Consolidated			
	Note	**12/31/2018**	**12/31/2017**	**12/31/2016**	**01/01/2016**	**12/31/2018**	**12/31/2017**	**12/31/2016**	**01/01/2016**
Assets		**(restated)**	**(restated)**	**(restated)**	**(restated)**	**(restated)**	**(restated)**	**(restated)**	**(restated)**
Current assets									
Cash and cash equivalents	5	**17,283**	161,943	343,678	29,043	**41,300**	198,065	394,640	58,441
Accounts receivable	6	**47,177**	49,050	43,356	37,898	**54,204**	57,507	50,960	43,520
Taxes recoverable	7	**35,303**	24,739	23,720	33,192	**40,340**	30,189	26,955	36,762
Assignment of credits receivable	8	**-**	20,000	-	-	**-**	20,000	-	-
Prepaid expenses		**3,619**	1,925	1,804	2,086	**4,862**	5,269	4,186	4,348
Advances to suppliers		**1,017**	464	322	626	**1,629**	3,230	4,141	3,985
Advances to employees		**1,354**	1,567	1,735	1,658	**1,742**	1,979	2,119	1,585
Rent advances		**4,386**	5,118	5,166	3,587	**4,400**	5,818	6,072	4,711
Transactions with related parties	20.1	**13,272**	14,614	16,181	29,087	**21,203**	21,772	22,977	25,339
Other current assets		**1,382**	1,178	1,087	1,148	**1,607**	1,425	1,214	2,010
Total current assets		**124,793**	280,598	437,049	138,325	**171,287**	345,254	513,264	180,701
Noncurrent assets									
Taxes recoverable	7	**25,191**	25,359	27,704	10,968	**36,847**	27,871	30,525	13,160
Transactions with related parties	20.1	**15,355**	17,423	15,703	29,823	**228**	958	2,363	2,513
Rent advances		**4,974**	6,721	7,945	9,169	**4,974**	6,721	8,485	10,429
Prepaid expenses		**2,273**	1,231	-	169	**2,621**	1,231	-	184
Judicial deposits	21	**3,871**	3,568	3,202	4,412	**5,214**	6,045	5,002	6,353
Investment property	9	**14,474**	14,811	15,147	15,484	**14,474**	14,811	15,147	15,484
Investments	10	**288,408**	174,881	180,487	162,172	**29,331**	6,333	26,401	26,136
Property and equipment	11	**155,858**	133,774	144,596	155,828	**264,281**	250,793	252,561	250,344
Intangible assets	12	**528,896**	514,135	525,122	361,037	**794,749**	694,084	715,819	553,911
Total noncurrent assets		**1,039,300**	891,903	919,906	749,062	**1,152,719**	1,008,847	1,056,303	878,514
Total assets		**1,164,093**	1,172,501	1,356,955	887,387	**1,324,006**	1,354,101	1,569,567	1,059,215

	Note	Company				Consolidated			
		12/31/2018	12/31/2017	12/31/2016	01/01/2016	12/31/2018	12/31/2017	12/31/2016	01/01/2016
Liabilities and equity		(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
Current liabilities									
Loans, financing and debentures	13	**234,443**	342,644	436,758	38,460	**236,842**	342,903	466,893	55,358
Derivative financial instruments	14	**-**	-	7,612	-	**-**	-	16,886	-
Trade accounts payable		**46,415**	40,432	101,361	31,559	**59,473**	51,227	113,049	44,074
Obligation of public concession	16	**-**	-	-	-	**9,461**	10,393	11,681	12,405
Labor liabilities	18	**23,556**	22,188	22,878	21,512	**27,758**	26,734	28,902	26,364
Taxes and contributions payable		**9,299**	9,151	6,170	9,986	**11,702**	11,784	8,882	13,746
Accounts payable for investment acquisition	17	**5,657**	12,389	26,216	23,080	**5,657**	12,389	26,216	23,080
Tax installment	19	**133**	404	395	479	**217**	532	454	561
Advance to customers		**1,234**	126	177	60	**6,992**	4,930	4,778	3,960
Transactions with related parties	20.2	**2,204**	3,705	4,856	14,620	**1,426**	2,626	4,943	16,843
Provision for bonuses		**9,724**	-	-	6,823	**9,724**	-	-	6,823
Provision for losses on investees	10	**1,079**	373	42	1,266	**-**	-	-	681
Other current liabilities		**4,699**	1,644	1,798	1,387	**6,644**	6,507	4,612	4,470
Total current liabilities		**338,443**	433,056	608,263	149,232	**375,896**	470,025	687,296	208,365
Noncurrent liabilities									
Loans, financing and debentures	13	**48,047**	5,222	16,322	398,027	**72,363**	42,226	42,758	398,890
Derivative financial instruments	14	**-**	70,351	87,307	-	**-**	71,146	87,875	568
Financial liabilities convertible into shares	15	**-**	472,885	403,655	-	**-**	472,885	403,655	-
Trade accounts payable		**5,361**	507	-	858	**5,505**	650	145	1,002
Obligation of public concession	16	**-**	-	-	-	**74,677**	84,543	97,616	105,367
Accounts payable for investment acquisition	17	**3,000**	3,216	11,318	31,054	**3,000**	3,216	11,318	31,054
Tax installment	19	**254**	553	721	614	**494**	912	917	663
Transactions with related parties	20.2	**-**	-	5,631	4,690	**-**	728	-	123
Provision for contingencies	21	**7,937**	5,200	5,200	13,257	**19,845**	15,658	16,130	18,099
Other noncurrent liabilities		**-**	226	223	2,578	**-**	489	282	2,660
Total noncurrent liabilities		**64,599**	558,160	530,377	451,078	**175,884**	692,453	660,696	558,426
Total liabilities		**403,042**	991,216	1,138,640	600,310	**551,780**	1,162,478	1,347,992	766,791
Equity									
Capital	23	**212,153**	162,153	162,153	160,983	**212,153**	162,153	162,153	160,983
Capital reserve	23	**774,302**	221,964	221,964	221,964	**774,302**	221,964	221,964	221,964
Accumulated losses		**(225,404)**	(202,832)	(165,802)	(95,870)	**(225,404)**	(202,832)	(165,802)	(95,870)
Total equity		**761,051**	181,285	218,315	287,077	**761,051**	181,285	218,315	287,077
Non-controlling interests		**-**	-	-	-	**11,175**	10,338	3,260	5,347
		761,051	181,285	218,315	287,077	**772,226**	191,623	221,575	292,424
Total liabilities and equity		**1,164,093**	1,172,501	1,356,955	887,387	**1,324,006**	1,354,101	1,569,567	1,059,215

See accompanying notes.

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

Statements of profit or loss
For the years ended December 31, 2018, 2017 and 2016
(In thousands of reais, except for earnings (losses) per share)

		Company			Consolidated		
	Note	2018	2017	2016	2018	2017	2016
		(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
Net revenue from services	24	**774,866**	748,085	664,459	**979,233**	952,194	861,881
Cost of services	25	**(605,460)**	(589,659)	(558,748)	**(781,257)**	(766,051)	(726,695)
Gross profit		**169,406**	158,426	105,711	**197,976**	186,143	135,186
Operating income (expenses)							
General and administrative expenses	25	**(82,561)**	(61,710)	(57,017)	**(99,529)**	(74,023)	(71,988)
Amortization of intangible assets	12	**(55,540)**	(50,602)	(39,086)	**(69,952)**	(66,238)	(53,430)
Other operating (expenses), net	25	**10,905**	10,084	10,294	**43,372**	4,248	10,172
Equity pickup	10	**13,492**	(17,775)	(27,388)	**1,152**	1,210	2,141
Operating income (loss) before financial result and taxes		**55,702**	38,423	(7,486)	**73,019**	51,340	22,081
Finance income (costs)							
Finance income	26	**44,308**	52,301	37,522	**47,762**	53,332	47,138
Finance expenses	26	**(124,184)**	(127,752)	(99,967)	**(140,637)**	(136,020)	(134,277)
		(79,876)	(75,451)	(62,445)	**(92,875)**	(82,688)	(87,139)
Loss before income and social contribution taxes		**(24,174)**	(37,028)	(69,931)	**(19,856)**	(31,348)	(65,058)
Income and social contribution taxes							
Current	22	**-**	-	-	**(2,450)**	(2,908)	(3,789)
Deferred	22	**1,602**	(3)	(1)	**1,602**	-	(39)
		1,602	(3)	(1)	**(848)**	(2,908)	(3,828)
Loss for the year		**(22,572)**	(37,030)	(69,932)	**(20,704)**	(34,256)	(68,886)
Attributable to:							
Controlling shareholders		**(22,572)**	(37,030)	(69,932)	**(22,572)**	(37,030)	(69,932)
Non-controlling shareholders		**-**	-	-	**1,868**	2,774	1,046
Earnings (loss) per share							
Basic - common shares	27	**(1.0164)**	(2.3676)	(4.4753)	**(1.0164)**	(2.3676)	(4.4753)
Diluted - common shares	27	**(1.0164)**	(2.3676)	(4.4753)	**(1.0164)**	(2.3676)	(4.4753)
Basic - preferred shares	27	**(6.0984)**	-	-	**(6.0984)**	-	-
Diluted - preferred shares	27	**(6.0984)**	-	-	**(6.0984)**	-	-

See accompanying notes.

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

Statements of comprehensive income
For the years ended December 31, 2018, 2017 and 2016
(In thousands of reais)

	Company			Consolidated		
	2018 (restated)	**2017 (restated)**	**2016 (restated)**	**2018 (restated)**	**2017 (restated)**	**2016 (restated)**
Loss for the year	**(22,572)**	(37,030)	(69,932)	**(20,704)**	(34,256)	(68,886)
Total comprehensive loss for the period	**(22,572)**	(37,030)	(69,932)	**(20,704)**	(34,256)	(68,886)
Attributable to:						
Controlling shareholders	**(22,572)**	(37,030)	(69,932)	**(22,572)**	(37,030)	(69,932)
Non-controlling shareholders	**-**	-	-	**1,868**	2,774	1,046
	(22,572)	(37,030)	(69,932)	**(20,704)**	(34,256)	(68,886)

See accompanying notes.

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

Statements of changes in equity
For the years ended December 31, 2018, 2017 and 2016
(In thousands of reais)

			Capital reserve					
	Note	Capital	Capital reserve	Stock option plan	Accumulated losses	Total	Non-controlling interests	Total
As at January 1, 2016 (formerly stated)		160,983	221,354	-	(56,539)	325,798	5,347	331,145
Restatement impacts	2.30	-	(1,242)	1,852	(39,331)	(38,721)	-	(38,721)
As at January 1, 2016 (restated)		160,983	220,112	1,852	(95,870)	287,077	5,347	292,424
Capital increase	23	1,170	-	-	-	1,170	-	1,170
Goodwill reserve	23	-	-	-	-	-	-	-
Dividends	23	-	-	-	-	-	(3,133)	(3,133)
Loss for the year		-	-	-	(69,932)	(69,932)	1,046	(68,886)
Other comprehensive income		-	-	-	-	-	-	-
As at December 31, 2016 (restated)		162,153	220,112	1,852	(165,802)	218,315	3,260	221,575
Dividends	23	-	-	-	-	-	4,304	4,304
Loss for the year		-	-	-	(37,030)	(37,030)	2,774	(34,256)
Other comprehensive income		-	-	-	-	-	-	-
As at December 31, 2017 (restated)		162,153	220,112	1,852	(202,832)	181,285	10,338	191,623
Capital increase	23	**50,000**	**-**	**-**	**-**	**50,000**	**-**	**50,000**
Capital reserve	23	**-**	**450,000**	**-**	**-**	**450,000**	**-**	**450,000**
Goodwill reserve	23	**-**	**102,338**	**-**	**-**	**102,338**	**-**	**102,338**
Dividends	23	**-**	**-**	**-**	**-**	**-**	**(1,031)**	**(1,031)**
Loss for the year		**-**	**-**	**-**	**(22,572)**	**(22,572)**	**1,868**	**(20,704)**
Other comprehensive income		**-**	**-**	**-**	**-**	**-**	**-**	**-**
As at December 31, 2018 (restated)		**212,153**	**772,450**	**1,852**	**(225,404)**	**761,051**	**11,175**	**772,226**

See accompanying notes.

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

Statements of cash flows
For the years ended December 31, 2018, 2017 and 2016
(In thousands of reais)

	Note	Company			Consolidated		
		2018 (restated)	2017 (restated)	2016 (restated)	2018 (restated)	2017 (restated)	2016 (restated)
Loss before income and social contribution taxes		(24,174)	(37,028)	(69,931)	(19,856)	(31,348)	(65,058)
Non-cash adjustments							
Depreciation and amortization	9, 11 and 12	71,828	78,663	69,228	98,726	112,773	98,024
Provision (Reversal of) for contingencies	21	2,704	-	(2,510)	4,161	(472)	(5,392)
Disposal of property and equipment		112	-	720	1,052	7	1,380
Disposal of impairment	12	3,708	-	-	3,708	6,339	-
Disposal of the accounts payable for investment acquisition		(12,000)	(10,782)	(13,534)	(12,000)	(10,782)	(13,534)
Allowance for expected credit losses	6	281	-	-	281	-	-
Loss (gain on investment acquisition	10	-	3,997	-	(32,458)	4,471	-
Accrual for bonuses		14,357	2,451	-	14,357	2,451	-
Equity pickup	10	(13,492)	17,775	27,388	(1,152)	(1,210)	(2,141)
Fair value of swap derivatives		-	1,524	7,612	(841)	2,593	16,886
Fair value of options		(28,751)	(16,957)	1,143	(28,751)	(16,957)	(4,346)
Provision of interest		107,926	116,889	69,120	123,169	122,946	87,275
							-
Changes in working capital							-
Accounts receivable		(553)	(4,795)	(5,458)	133	(5,369)	(7,440)
Taxes recoverable		(8,670)	1,702	(940)	(15,089)	345	(1,234)
Prepaid expenses		(537)	(1,488)	282	(2,632)	(2,636)	162
Advances to suppliers		(553)	(142)	304	(378)	1,738	(156)
Advances to employees		(108)	168	(77)	(119)	120	(534)
Rent advances		2,480	(1,929)	(355)	3,140	(1,183)	583
Judicial deposits		(302)	(367)	1,210	831	(1,043)	1,351
Other assets		4,416	(2,118)	14,380	5,798	3,143	12,889
						-	-
Trade accounts payable		1,901	(64,444)	3,441	5,584	(65,804)	2,615
Bonus		(4,633)	(2,451)	(11,268)	(4,633)	(2,643)	(11,268)
Payment of contingencies		-	-	(5,494)	26	98	(5,494)
Income and social contribution taxes paid		-	4	-	(2,450)	(2,906)	(3,789)
Labor liabilities		1,368	(1,464)	1,366	2,330	(3,205)	2,538
Taxes and contributions taxes		470	2,981	(3,816)	(345)	2,599	(4,864)
Taxes installments		(673)	(293)	(480)	(777)	(256)	456
Advance from customers		1,109	(51)	117	(938)	132	818
Other liabilities		4,139	(1,391)	2,479	(1,584)	(3,471)	(17,278)
Net cash provided by (used in) operating activities		122,353	80,454	84,927	139,293	110,470	82,449

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

Statements of cash flows (Continued)
For the years ended December 31, 2018, 2017 and 2016
(In thousands of reais)

	Note	Company			Consolidated		
		2018	2017	2016	2018	2017	2016
		(restated)	(restated)	(restated)	(restated)	(restated)	(restated)
Cash flows from investing activities:							
Acquisition of property and equipment		**(32,642)**	(17,239)	(21,971)	**(38,818)**	(23,818)	(50,532)
Dividends received	10	**3,764**	1,344	2,173	**1,890**	635	1,982
Increase in future capital contributions from subsidiaries		**-**	-	1,775	**-**	-	180
Related parties		**-**	-	(770)	**-**	-	(295)
Acquisition of intangible assets		**(58,403)**	(26,794)	(136,842)	**(162,763)**	(28,603)	(149,010)
Capital increase in investees	10	**(107,822)**	(24,653)	(53,107)	**-**	(3,397)	(4,809)
Investment acquisition		**(5,855)**	(10,029)	(903)	**(5,855)**	(10,029)	(902)
Assignment receivable	8	**21,032**	(20,000)	-	**21,032**	(20,000)	-
Cash from business combination		**-**	-	-	**(308)**	-	-
Cash acquired from business combinations		**-**	-	-	**-**	578	-
Net cash provided by (used in) investing activities		**(179,926)**	(97,371)	(209,645)	**(184,822)**	(84,634)	(203,386)
Cash flow from financing activities:							
Loans, financing and debentures raised	13	**100,000**	-	63,016	**100,000**	5,818	119,542
Repayment of loans, financing and debentures		**(163,133)**	(108,512)	(42,092)	**(163,403)**	(148,344)	(59,659)
Interest paid on loans, financing and debentures	13	**(23,954)**	(50,641)	(72,635)	**(27,916)**	(55,007)	(72,837)
Payment of financial commissions		**-**	(5,664)	(8,937)	**-**	(5,138)	(8,937)
Financial liabilities convertible into shares		**-**	-	500,000	**-**	-	500,000
Dividends paid		**-**	-	-	**(360)**	(512)	(3,133)
Payment to granting authority		**-**	-	-	**(19,557)**	(19,228)	(17,840)
Net cash generated from (used in) financing activities		**(87,087)**	(164,817)	439,352	**(111,236)**	(222,411)	457,136
Net decrease in cash and cash equivalents		**(144,660)**	(181,735)	314,635	**(156,764)**	(196,575)	336,199
Cash and cash equivalents at beginning of year		**161,943**	343,678	29,043	**198,065**	394,640	58,441
Cash and cash equivalents at end of year		**17,283**	161,943	343,678	**41,300**	198,065	394,640

See accompanying notes.

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

Statements of value added
For the years ended December 31, 2018, 2017 and 2016
(In thousands of reais)

	Company			Consolidated		
	2018 (restated)	2017 (restated)	2016 (restated)	2018 (restated)	2017 (restated)	2016 (restated)
Revenues:	**897,114**	870,622	772,165	**1,133,171**	1,105,558	999,169
Revenue of services	**897,114**	870,622	772,165	**1,133,171**	1,105,558	999,169
Inputs acquired from third parties	**(591,098)**	(561,597)	(528,606)	**(755,610)**	(719,515)	(682,101)
Cost of services	**(577,810)**	(552,924)	(524,957)	**(737,332)**	(707,264)	(676,358)
Materials, energy, outsourced services and others	**(13,289)**	(8,673)	(3,649)	**(18,279)**	(12,251)	(5,743)
Gross value added	**306,016**	309,025	243,559	**377,561**	386,043	317,068
Depreciation and amortization	**(71,829)**	(78,663)	(69,228)	**(98,726)**	(112,774)	(98,024)
Net value added produced by the Company	**234,186**	230,362	174,331	**278,835**	273,269	219,044
Value added received through transfer	**57,800**	34,526	10,134	**48,914**	54,542	49,279
Equity pickup	**13,492**	(17,775)	(27,388)	**1,152**	1,210	2,141
Financial income	**44,308**	52,301	37,522	**47,762**	53,332	47,138
Total value added to be distributed	**291,987**	264,888	184,465	**327,749**	327,811	268,323
Distribution of value added	**291,987**	264,888	184,465	**327,749**	327,811	268,323
Direct compensation and charges						
Direct compensation	**38,215**	30,400	31,329	**44,406**	35,081	38,604
Benefits	**7,916**	3,376	3,034	**8,667**	4,070	3,841
Unemployment Compensation Fund (FGTS)	**2,567**	2,253	2,007	**3,017**	2,668	2,517
Taxes, charges and contributions						
Federal	**78,909**	80,296	77,041	**99,824**	100,819	99,974
State	**613**	712	228	**1,153**	988	326
Local	**42,726**	41,529	36,617	**52,961**	51,557	46,817
Debt remuneration						
Interest	**123,491**	127,752	99,967	**139,945**	136,020	134,277
Leases	**3,262**	4,044	4,254	**4,763**	4,872	4,959
Other	**16,860**	11,556	(80)	**(6,283)**	25,992	5,894
Equity remuneration	**(22,572)**	(37,030)	(69,932)	**(20,704)**	(34,256)	(68,886)
(Loss) for the year	**(22,572)**	(37,030)	(69,932)	**(20,704)**	(34,256)	(68,886)

See accompanying notes.

1. Corporate information

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

At December 31, 2018, the Company's shareholders were Partners Beta Participações S.A., FIP Brasil de Governança Corporativa, TSEMF III Brazil S.A.R.L., TSEMF IV Brazil S.A.R.L., Riverside Fundo de Investimento em Participações, Hélio Francisco Alves Cerqueira, Armando Carmo Couri, Emilio Odebrecht de Queiroz, Francisco Peltier Queiroz and André Roberto Gomes Rossetto. Our main shareholder is BTG Pactual MB Partnerco Ltd.

At December 31, 2018, the Company had 663 parking lots (641 in 2017 and 683 in 2016) and 96 franchised parking lots (90 in 2017 and 82 in 2016) located in the main squares in the states of São Paulo, Rio Grande do Sul, Goiás, Pernambuco, Rio Grande do Norte, Bahia, Paraná, Santa Catarina, Minas Gerais, Rio de Janeiro, Espírito Santo, Tocantins, Alagoas, Sergipe, Paraíba and the Federal District.

For the years ended December 31, 2018, 2017 and 2016, the Company carried out significant transactions involving business combinations, as disclosed in Note 4.

2. Summary of significant accounting policies

These individual and consolidated financial statements were prepared by management, and are presented in accordance with accounting practices adopted in Brazil, which comprise Brazilian Securities and Exchange Commission (CVM) rules and Brazilian Financial Accounting Standards Board (CPC) pronouncements, which are in line with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The Company´s individual and consolidated financial statements present comparative information in relation to the prior year. In addition, the Company presents an additional statement of financial position for the earliest period disclosed when it retroactively restates or reclassifies items in its financial statements. The statement of financial position at January 1, 2016 is stated in these consolidated financial statements as per Note 2.30.

(In thousands of reais)

2. **Summary of significant accounting policies** (Continued)

The issue of these financial statements was approved by Company management on August 13, 2019.

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

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

2.1. Basis of consolidation

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

		% - 12/31/2018		**% - 12/31/2017**		**% - 12/31/2016**		**% - 01/01/2016**	
Company name	**Note**	**Direct**	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**
Riopark Estacionamentos Ltda. ("Riopark")		**99.99%**	**-**	99.99%	-	99.99%	-	99.99%	-
Hora Park Sist. Estacionamento Rotativo Ltda. ("Hora Park")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
Saepart Soc. Adm. Empreend. Part. Ltda. ("Saepart")		**99.99%**	**-**	99.99%	-	99.99%	-	99.99%	-
Capital Parking Estacionamento de Veículos Ltda. ("Capital")		**99.99%**	**-**	99.99%	-	99.99%	-	99.99%	-
Primeira Estacionamentos Ltda. ("Primeira")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
Minas Park Estacionamentos Ltda. ("Minas Park")	(a)	**-**	**-**	100.00%	-	100.00%	-	100.00%	-
Azera Parking Ltda. ("Azera")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
Empresa Brasileira de Estacionamentos Ltda. ("Autopark")	(b)	**-**	**99.99%**	-	99.99%	-	99.99%	-	99.99%
Cellopark Estacionamentos Ltda. ("Cellopark")	(b)	**-**	**100.00%**	-	100.00%	-	100.00%	-	100.00%
Estacionamentos Cinelândia S.A. ("Cinelândia")	(b)	**-**	**80.00%**	-	80.00%	-	80.00%	-	80.00%
Hospital Marcelino Champagnat Ltda. ("Marcelino")		**75.00%**	**-**	75.00%	-	75.00%	-	75.00%	-
OW Estacionamentos e Participações S.A.	(i)	**-**	**-**	-	-	-	-	100.00%	-
Omni Estacionamentos do Nordeste Ltda. ("Omni")	(c)	**-**	**-**	100.00%	-	100.00%	-	100.00%	-
Wellpark Estacionamentos e Serviços Ltda. ("Wellpark")		**100.00%**	**-**	100.00%	-	100.00%	-	100.00%	-
E.W.S Estacionamentos Salvador S.A. ("EWS")	(d)	**-**	**100.00%**	-	100.00%	-	100.00%	-	100.00%
Parking Tecnologia da Informação Ltda. ("Parking TI")		**99.90%**	**-**	99.90%	-	-	-	-	-
I-Park estacionamentos Inteligentes S.A. ("I-Park")	(e)	**-**	**83.59%**	-	83.59%	-	-	-	-
Loop Gestão de Pátios S.A. ("Loop")	(f)	**-**	**-**	75.50%	-	-	-	-	-
Loop AC participações Ltda. ("Loop AC")	(g)	**75.48%**	**-**	-	-	-	-	-	-
Calvitium Participações S.A. ("Calvitium")	(h)	**100.00%**	**-**	-	-	-	-	-	-
SCP Estacionamento do Shopping Monte Carmo ("Monte Carmo")	(g)	**51.00%**	**-**	-	-	-	-	-	-

(a) This company closed in 2018.

(b) Subsidiary of Hora Park.

(c) Company merged in 2018.

(d) Subsidiary of Hora Park (50%) and Wellpark (50%).

(e) Subsidiary of Capital.

(f) Loss of control in 2018.

(g) Company founded in 2018.

(h) Company acquired in 2018. See Note 4.

(i) Company merged into Allpark in 2016.

2. Summary of significant accounting policies (Continued)

2.1. Basis of consolidation (Continued)

Subsidiaries are fully consolidated as of acquisition date, which is the date the Company obtained control thereover, and continue to be consolidated until the date such control ceases to exist. The subsidiaries' financial statements are prepared for the same reporting period used by the Company, using consistent accounting policies. All intercompany balances, such as revenues, expenses, unrealized gains and losses, resulting from the respective transactions are eliminated in the consolidation.

The Company has no investments abroad.

Significant accounting information on the investments above is disclosed in Note 10.

2.2. Investments in affiliates and joint ventures

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

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.2. Investments in affiliates and joint ventures (Continued)

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

Total interest of the Company in affiliates’ and joint ventures’ profit or loss is presented in the statement of profit or loss, and represents income (loss) after taxes and non-controlling interests in the affiliates’ and joint ventures’ subsidiaries. The affiliate’s and joint venture’s financial statements are prepared for the same reporting period of the Company’s. Whenever necessary, adjustments are made for accounting policies to be aligned with the Company’s.

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

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

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.2. Investments in affiliates and joint ventures (Continued)

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

		% - 12/31/2018		% - 12/31/2017		% - 12/31/2016		% - 01/01/2016	
Company name	**Note**	**Direct**	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**	**Direct**	**Indirect**
CCN Centro de Convenções Ltda. ("CCN")	(a)	**-**	**50.00%**	-	50.00%	-	50.00%	-	50.00%
WPA Park Participações S.A. ("WPA")	(d)	**-**	**-**	-	-	58.00%	-	58.00%	-
Loop Gestão de Pátios S.A. ("Loop")	(b)	**-**	**49.00%**	-	-	-	-	-	-
Estacionamento E.T.M. Curitiba S.A. ("ETM")	(c)	**-**	**40.00%**	-	40.00%	-	40.00%	-	40.00%
I-Park Estacionamentos Inteligentes S.A. ("I-Park")	(e)	**-**	**-**	-	-	-	70.00%	-	70.00%
Consórcio Enéas de Carvalho Ltda. ("Enéas")	(d)	**-**	**5.60%**	-	5.60%	-	5.60%	-	5.60%
Consórcio Trianon Park Ltda. ("Trianon")	(d)	**-**	**5.00%**	-	5.00%	-	5.00%	-	5.00%
Consórcio Estacionamento Centro Cívico ("Centro Cívico")	(f)	**70.00%**	**-**	70.00%	-	70.00%	-	70.00%	-
Consórcio Estacionamento Novo Centro ("Novo Centro")	(f)	**60.00%**	**-**	60.00%	-	-	-	-	-

(a) Joint venture of Riopark.

(b) Affiliate of Loop AC.

(c) Joint venture of Hora Park.

(d) Affiliate of Primeira.

(e) Acquisition of control in 2017 by Capital Parking.

(f) The Company exercises significant influence in the investee. While equity interest is higher than 50%, the Company has no control over the entity, as it does not have the necessary amount of voting capital according to the shareholders' agreement.

Significant accounting information on the investments above is disclosed in Note 10.

2.3. Business combinations

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

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

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

2. Summary of significant accounting policies (Continued)

2.3. Business combinations (Continued)

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

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

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

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

2.4. Current versus noncurrent classification

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

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

2. Summary of significant accounting policies (Continued)

2.4. Current versus noncurrent classification (Continued)

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

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

The Company classifies all other liabilities as noncurrent.

2.5. Fair value measurement

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

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.5. Fair value measurement (Continued)

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

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

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

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

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

Independent appraisers are involved in the valuation of significant assets, such as investment properties, non-financial assets not quoted and significant financial liabilities convertible into shares, as per Note 15. Involvement of independent appraisers is decided by Company management after discussing the matter with the Board of Directors. The selection criteria include knowledge of the market, reputation, independence and checking whether professional standards are complied with.

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

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

2. Summary of significant accounting policies (Continued)

2.5. Fair value measurement (Continued)

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

2.6. Revenue recognition

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

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

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

2.7. Government grants

The Company has no government grants.

2.8. Taxes

2.8.1. Service taxes

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

- Social contribution tax on gross revenue for social integration program (PIS) - 0.65% and 1.65%;
- Social contribution tax on gross revenue for social security financing (COFINS) - 3.00% and 7.65%;

2. Summary of significant accounting policies (Continued)

2.8. Taxes (Continued)

2.8.1. Service taxes (Continued)

- Service tax (ISS) - 2% to 5%.

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

2.8.2 Current income and social contribution taxes

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

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

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

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

2.8.3. Deferred income and social contribution taxes

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

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

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

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.8. Taxes (Continued)

2.8.3. Deferred income and social contribution taxes (Continued)

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and written off as taxable profit is no longer likely to allow deferred tax assets to be fully or partially used. Deferred tax assets written off are reviewed at each statement of financial position date, and recognized as future taxable profits are likely to allow such tax assets to be recovered. At December 31, 2018, 2017 and 2016, the Company recorded no deferred income and social contribution taxes on balances related to temporary differences, and income and social contribution tax losses stated in Note 22.

2.9. Property and equipment

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

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

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

	2018	**2017**	**2016**
Buildings	**60 years**	25 years	25 years
Leasehold improvements	**10 years**	10 years	10 years
Facilities	**10 years**	10 years	10 years
Machinery and equipment	**10 years**	10 years	10 years
Furniture and fixtures	**12 years**	10 years	10 years
Signboards and signs	**8 years**	10 years	10 years
Pay-and-display machines	**15 years**	10 years	10 years
Computers and peripherals	**6 years**	5 years	5 years
Vehicles	**8 years**	5 years	5 years

2. Summary of significant accounting policies (Continued)

2.9. Property and equipment (Continued)

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

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

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

2.10. Intangible assets

Intangible assets acquired separately are measured at cost upon their initial recognition. Cost of intangible assets acquired in a business combination corresponds to fair value at the acquisition date.

After initial recognition, the intangible assets are measured at cost less accumulated amortization and impairment losses. Intangible assets generated internally, excluding capitalized development costs, are not capitalized, and expenses are reflected on profit or loss for the year in which they were incurred.

<u>Infrastructure use right</u>

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

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

2. Summary of significant accounting policies (Continued)

2.10. Intangible assets (Continued)

Infrastructure use right (Continued)

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

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

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

Amortization of the right to use the infrastructure is recognized in profit or loss for the year, according to the expected economic benefit curve over the service concession term. The amortization will be based on the arrangement straight-line curve. For more information, see Note 16.

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

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

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.10. Intangible assets (Continued)

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

Indefinite-lived intangible assets are not amortized, but are submitted to annual impairment tests, either individually or based on the relevant cash-generating unit. Indefinite useful life assessment is reviewed annually to determine whether such assessment continues to be justified. Otherwise, the change in the useful life assessment from indefinite to finite is made on a prospective basis. At December 31, 2018, 2017 and 2016, there was no indication of impairment and there were no changes in useful life assessment from indefinite to finite.

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

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

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

2. Summary of significant accounting policies (Continued)

2.11. Financial instruments - Initial recognition and subsequent measurement

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

i) Financial assets

Initial recognition and measurement

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

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.11. Financial instruments - Initial recognition and subsequent measurement (Continued)

i) Financial assets (Continued)

Subsequent measurement

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

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

Financial assets at amortized cost (debt instrument)

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.11. Financial instruments - Initial recognition and subsequent measurement (Continued)

i) Financial assets (Continued)

Subsequent measurement (Continued)

Financial assets measured at fair value through profit or loss

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

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

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

Derecognition

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

2. Summary of significant accounting policies (Continued)

2.11. Financial instruments - Initial recognition and subsequent measurement (Continued)

i) Financial assets (Continued)

Subsequent measurement (Continued)

Derecognition (Continued)

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

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

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

Impairment of financial assets

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

2. Summary of significant accounting policies (Continued)

2.11. Financial instruments - Initial recognition and subsequent measurement (Continued)

i) Financial assets (Continued)

Subsequent measurement (Continued)

Expected credit losses

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

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

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

ii) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

2. Summary of significant accounting policies (Continued)

2.11. Financial instruments - Initial recognition and subsequent measurement (Continued)

ii) Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at fair value through profit or loss

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

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

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

At December 31, 2018, the Company designated no financial liabilities at fair value through profit or loss. At December 31, 2017 and 2016, the Company designated the financial liability described in Note 15.

Loans, financing and non-convertible debentures

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

Derecognition

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

2. Summary of significant accounting policies (Continued)

2.12. Derivative financial instruments

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

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

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

2.13. Impairment of non-financial assets

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

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

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

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

Goodwill paid due to expected future profitability

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

2. Summary of significant accounting policies (Continued)

2.13. Impairment of non-financial assets (Continued)

Intangible assets

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

2.14. Cash and cash equivalents

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

2.15. Financial liabilities convertible into shares

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

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

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

Transaction costs are allocated to the components of the liability and of the derivative of convertible preferred shares, based on the allocation of amounts at initial recognition of the instruments that were converted in November 2018, as described in Note 15.

2. Summary of significant accounting policies (Continued)

2.16. Provisions

General

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

Provisions for contingencies

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

2.17. Employee benefits

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

Profit sharing

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

2. Summary of significant accounting policies (Continued)

2.17. Employee benefits (Continued)

<u>Post-employment benefits</u>

The Company has no tax deductible pension plan equivalent to US 401(K) type pension plan (PGBL) and/or life insurance coverage (VGBL), during or post-employment, or any defined contribution benefit.

2.18. Functional currency

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

2.19. Transactions involving share-based payment

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

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

There were no grants for the years ended December 31, 2018, 2017 and 2016.

2.20. Present value adjustment of assets and liabilities

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

2. Summary of significant accounting policies (Continued)

2.21. Investment properties

Investment properties are initially measured at cost, including transaction costs, and are depreciated over a fifty-year useful life. The Company determined the cost in order to measure its investment properties, and has disclosed their fair values in Note 9.

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

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

2.22. Cost of loans, financing and debentures

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

2.23. Lease

An agreement is characterized as (or whether it contains) a lease based on the substance of the agreement on the date of commencement. The contract is (or contains) a lease if compliance with this agreement is dependent on the use of a specific asset (or assets) and the agreement transfers the right to use a particular asset (or assets), even if that asset (or such assets) is not explicit in the agreement.

2. Summary of significant accounting policies (Continued)

2.23. Lease (Continued)

As lessee

Finance lease agreements transferring to the Company basically all risks and benefits related to the leased item ownership are capitalized at the beginning of the lease agreement for the lower of fair value of the leased asset item or fair value of minimum lease payments. Initial direct costs incurred in the transaction are added to cost, where applicable. Finance lease payments are allocated to financial charges and finance lease reduction, in order to obtain a constant interest rate on remaining lease balance.

Leased items are depreciated over their useful lives. However, when the Company is not sure to obtain the ownership at the end of the lease agreement term, the asset item is depreciated over the shorter of its estimated useful life or the lease agreement effective term.

An operating lease is different from a finance lease. Lease payments are recognized as expenses in the statement of profit or loss on a straight-line basis over the lease agreement effective term. However, variable payments, as the payments of parking lots in universities, are recorded on an accrual basis. For more information on commitments, see Note 32.

As lessor

Commercial lease for which the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Lease revenue is accounted for on a straight-line basis over the lease period, and is included in revenues, in the statement of profit or loss, given its operating nature. Initial direct costs incurred in negotiating operating lease agreements are added to the carrying amount of the leased asset, and recognized over the lease term, similarly to lease revenue. The Company has no subleases and is not a lessor.

2.24. Earnings (loss) per share

The Company calculates basic earnings/loss per share using the weighted average number of common and preferred shares available for the period corresponding to profit or loss, as per IAS 33 (CPC 41). See Note 27.

2. Summary of significant accounting policies (Continued)

2.24. Earnings (loss) per shares (Continued)

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

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

2.25. Statements of cash flows

The statements of cash flows were prepared under the indirect method and are presented in accordance with CPC 03 (R2) - *Statement of Cash Flows* (IAS 7).

The Company presents its loan and financing interest payments as financing activities.

2.26. Segment information

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

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

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

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

2. Summary of significant accounting policies (Continued)

2.27. Statement of Value Added (SVA)

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

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

2.28. Adoption of pronouncements issued by IASB and CPC (effective on January 1, 2018)

The following IFRS standards, amendments to standards and interpretations issued by IASB became effective on January 1, 2018:

- Financial instruments - IFRS 9 (CPC 48): introduces new requirements for the classification, measurement and derecognition of financial assets and liabilities, a new impairment methodology for financial instruments, and new guidance for hedge accounting. It supersedes CPC 38 (equivalent to IAS 39).
- Revenues from contracts with customers - IFRS 15 (CPC 47): establishes the principles of nature, amount, timeliness and uncertainty of revenue and cash flow arising from a contract with a customer. It supersedes CPC 17 (R1) - *Construction contracts* (equivalent to IAS 11), CPC 30 - *Revenues* (equivalent to IAS 18), and related interpretations. The Company completed the assessment and detected no impacts on its financial statements.

The Company and its subsidiaries disclose the following information on the impacts of IFRS 9 (CPC 48) adoption, in line with the new accounting practices introduced by IASB.

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.28. Adoption of pronouncements issued by IASB and CPC (effective on January 1, 2018) (Continued)

Adoption of IFRS 9 (CPC 48) - Financial instruments

a) *Classification and measurement of financial assets and liabilities*

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

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

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

	Consolidated		January 01, 2018		
	Original classification in accordance with CPC 38/IAS 39		New classification in accordance with CPC 48/IFRS 9		
	Category	Carrying amount	Measured at fair value through profit or loss	Measured at fair value through other comprehensive income	Amortized cost
Financial assets					
Cash and cash equivalents	Fair value through profit or loss	**198,065**	**198,065**	**-**	**-**
Accounts receivable	Loans and receivables	**57,507**	**-**	**-**	**57,507**
Transaction with related parties	Loans and receivables	**22,730**	**-**	**-**	**22,730**
Financial liabilities					
Trade accounts payable	Amortized cost	**51,877**	**-**	**-**	**51,877**
Transaction with related parties	Amortized cost	**2,626**	**-**	**-**	**2,626**
Loans and financing	Amortized cost	**53,806**	**-**	**-**	**53,806**
Debentures	Amortized cost	**248,044**	**-**	**-**	**248,044**
Accounts payable for investment acquisition	Amortized cost	**15,605**	**-**	**-**	**15,605**

b) *Allowance for expected credit losses*

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

2. Summary of significant accounting policies (Continued)

2.28. Adoption of pronouncements issued by IASB and CPC (effective on January 1, 2018) (Continued)

Adoption of IFRS 9 (CPC 48) - Financial instruments (Continued)

b) *Allowance for expected credit losses* (Continued)

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

The Company prospectively adopted the impacts of IFRS 9, as the information is immaterial for retrospective application.

2.29. Standards, amendments and interpretations of standards issued, but not yet in force

Standards and interpretations issued but not yet adopted to the date of issuance of the Company's financial statements are presented below. The Company intends to adopt those new and revised standards and interpretations, if applicable, when they become effective.

IFRS 16 (CPC 06 (R2)) - *Leases*, and related interpretations (IFRIC 4, SIC 15 and SIC 27)

The Company elected to adopt the full retrospective approach as its transition method, and leases will be recorded as of January 1, 2019. The use of this approach substantially impacts lease agreements of parking lots and administrative buildings held until the adoption of the standard as operating leases.

Significant changes arising from adoption of IFRS 16 (CPC 06 (R2)) in the Company are as follows:

- Lease commencement - the Company defined the lease commencement as the date on which will exercise its right to use the property. In this regard, the Company determined the agreement execution date, as, as of this date, it begins to control operating issues related to the property, such as renovation and preparation of the physical environment.

2. Summary of significant accounting policies (Continued)

2.29. Standards, amendments and interpretations of standards issued, but not yet in force (Continued)

IFRS 16 (CPC 06 (R2)) - Leases, and related interpretations (IFRIC 4, SIC 15 and SIC 27) (Continued)

- Indefinite-term agreements - the Company is a lessee in some indefinite-term agreements. Considering that both the lessor and the lessee have the right to cancel the agreement at any time, the Company understands that these agreements should be treated as operating leases, with expenses recorded in profit or loss for the year over the lease term.
- In-substance fixed-payments - these are payments over the lease term that the Company is or may be obliged to make. The Company determined as in-substance fixed payments those amounts determined as fixed by the lessor (minimum lease payments). The Company did not consider, for the right-of-use asset and lease liability measurement purposes, variable lease payments resulting from billing, services and taxes. These are recorded as expenses in profit or loss for the year over the lease term.
- Lessee's incremental borrowing rate - the Company considered, for all agreements with third parties, the nominal interest rates necessary to acquire assets under conditions that are similar to the leases at the execution date. The rates adopted by the Company consider the borrowing cost based on CDI (Interbank Deposit Certificate) plus a risk spread of the Company. These interest rates were assessed considering the operating lease period with the renewal intention effects.
- Depreciation of the right-of-use asset - the Company's lease agreements have no clauses that allow the Company to acquire ownership of the asset at the end of the lease term. Accordingly, the useful lives of these assets, in the absence of impairment, will be the earlier of the contractual term, considering even the renewal term or early termination by the Company. The Company will allocate the right-of-use asset depreciation on a systematic and straight-line basis to profit or loss for the year, in the line relevant to its nature ("Cost of services rendered"/"Administrative expenses"). We point out that the Company will reassess, from time to time, the useful lives of the rights of use whenever there are changes in strategic business plans and the lessors' intention not to terminate the agreement.
- Financial charges arising from lease agreements - these will be recognized as finance costs and allocated to each period over the lease term. Contingent payments are recorded as expenses in profit or loss for the year, as incurred.

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.29. Standards, amendments and interpretations of standards issued, but not yet in force (Continued)

IFRS 16 (CPC 06 (R2)) - Leases, and related interpretations (IFRIC 4, SIC 15 and SIC 27) (Continued)

- Taxes recoverable - the Company calculated, on a net basis, the impacts of taxes recoverable on the definition of considerations assumed of applicable agreements.

Estimated impacts at December 31, 2018 are as follows:

	Company	Consolidated
Assets		
Rent advances	(8,806)	(10,786)
Deferred income and social contribution taxes	32,078	49,454
Investment	(34,552)	(585)
Right of use	424,789	635,513
Liabilities		
Lease liability	(510,329)	(770,503)
Net impact on equity	(96,820)	(96,907)

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

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

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

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

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

Notes to financial statements (Continued)
December 31, 2018, 2017 and 2016
(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.30. Restatement of financial statements

The individual and consolidated financial statements for the years ended December 31, 2018, 2017 and 2016, originally issued on March 1, 2019, March 29, 2018 and March 31, 2017, respectively, have been restated in compliance with CPC 23 - Accounting Policies, Changes in Estimates and Errors (IAS 8) and CPC 26 (R1) - Presentation of Financial Statements (IAS 1), for better presentation purposes. In addition, we included adjustments to the January 1, 2016 opening balance. The effects of adjustments and reclassifications are as follows:

	Company											
	12/31/2018 - originally stated	Adjustments	12/31/2018	12/31/2017 - originally stated	Adjustments	12/31/2017	12/31/2016 - originally stated	Adjustments	12/31/2016	01/01/2016 - originally stated	Adjustments	01/01/2016
Assets			(restated)			(restated)			(restated)			(restated)
Current assets												
Cash and cash equivalents	**18,731**	**(1,448)**	**17,283**	161,943	-	161,943	343,678	-	343,678	31,589	(2,546)	29,043
Accounts receivable	**47,458**	**(281)**	**47,177**	49,050	-	49,050	43,356	-	43,356	37,898	-	37,898
Taxes recoverable	**37,626**	**(2,323)**	**35,303**	24,739	-	24,739	23,720	-	23,720	33,192	-	33,192
Prepaid expenses	**3,619**	**-**	**3,619**	1,925	-	1,925	2,655	(851)	1,804	2,086	-	2,086
Total current assets	**128,845**	**(4,052)**	**124,793**	280,598	-	280,598	437,900	(851)	437,049	140,871	(2,546)	138,325
Noncurrent assets												
Deferred income and social contribution taxes	**110,030**	**(110,030)**	**-**	58,551	(58,551)	-	52,506	(52,506)	-	35,145	(35,145)	-
Judicial deposits	**3,871**	**-**	**3,871**	3,568	-	3,568	3,202	-	3,202	4,412	-	4,412
Investments	**287,447**	**961**	**288,408**	190,210	(15,329)	174,881	183,155	(2,668)	180,487	163,202	(1,030)	162,172
Property and equipment	**159,438**	**(3,580)**	**155,858**	133,774	-	133,774	144,596	-	144,596	155,828	-	155,828
Intangible assets	**528,896**	**-**	**528,896**	510,427	3,708	514,135	531,435	(6,313)	525,122	361,037	-	361,037
Total noncurrent assets	**1,151,949**	**(112,649)**	**1,039,300**	962,075	(70,172)	891,903	981,393	(61,487)	919,906	785,237	(36,175)	749,062
Total assets	**1,280,794**	**(116,701)**	**1,164,093**	1,242,673	(70,172)	1,172,501	1,419,293	(62,338)	1,356,955	926,108	(38,721)	887,387

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

Notes to financial statements (Continued)
December 31, 2018, 2017 and 2016
(In thousands of reais)

2. **Summary of significant accounting policies** (Continued)

2.30. **Restatement of financial statements** (Continued)

	Company											
	12/31/2018 - originally stated	Adjustments	12/31/2018	12/31/2017 - originally stated	Adjustments	12/31/2017	12/31/2016 - originally stated	Adjustments	12/31/2016	01/01/2016 - originally stated	Adjustments	01/01/2016
			(restated)			(restated)			(restated)			(restated)
Liabilities and equity												
Current liabilities												
Loans, financing and debentures	234,443	-	234,443	342,644	-	342,644	105,856	330,902	436,758	38,460	-	38,460
Labor liabilities	21,356	2,200	23,556	22,188	-	22,188	22,878	-	22,878	21,512	-	21,512
Provision for bonuses	5,356	4,368	9,724	-	-	-	-	-	-	6,823	-	6,823
Other current liabilities	3,207	1,492	4,699	1,644	-	1,644	1,798	-	1,798	1,387	-	1,387
Total current liabilities	330,383	8,060	338,443	433,056	-	433,056	277,361	330,902	608,263	149,232	-	149,232
Noncurrent liabilities												
Loans, financing and debentures	48,047	-	48,047	5,222	-	5,222	347,224	(330,902)	16,322	398,027	-	398,027
Provision for contingencies	5,233	2,704	7,937	5,200	-	5,200	5,200	-	5,200	13,257	-	13,257
Total noncurrent liabilities	61,895	2,704	64,599	558,160	-	558,160	861,279	(330,902)	530,377	451,078	-	451,078
Total liabilities	392,278	9,272	403,042	991,216	-	991,216	1,138,640	-	1,138,640	600,310	-	600,310
Equity												
Capital reserve	797,004	(22,702)	774,302	244,666	(22,702)	221,964	244,666	(22,702)	221,964	221,354	610	221,964
Accumulated losses	(120,641)	(104,763)	(225,404)	(155,362)	(47,470)	(202,832)	(126,166)	(39,636)	(165,802)	(56,539)	(39,331)	(95,870)
Total equity	888,516	(127,465)	761,051	251,457	(70,172)	181,285	280,653	(62,338)	218,315	325,798	(38,721)	287,077
									-			
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
	888,516	(127,465)	761,051	251,457	(70,172)	181,285	280,653	(62,338)	218,315	325,798	(38,721)	287,077
									-			
Total liabilities and equity	1,280,794	(1116,701)	1,164,093	1,242,673	(70,172)	1,172,501	1,419,293	(62,338)	1,356,955	926,108	(38,721)	887,387

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

Notes to financial statements (Continued)
December 31, 2018, 2017 and 2016
(In thousands of reais)

2. **Summary of significant accounting policies** (Continued)

2.30. **Restatement of financial statements** (Continued)

	12/31/2018 - originally stated	Adjustments	12/31/2018 (restated)	12/31/2017 - originally stated	Adjustments	12/31/2017 (restated)	12/31/2016 - originally stated	Adjustments	12/31/2016 (restated)
Cost of services	**(595,559)**	**(9,901)**	**(605,460)**	(590,510)	851	(589,659)	(560,443)	1,695	(558,748)
Gross profit	**179,307**	**(9,901)**	**169,406**	157,575	851	158,426	104,016	1,695	105,711
Operating income (expenses)									
General and administrative expenses	**(74,758)**	**(7,803)**	**(82,561)**	(61,710)	-	(61,710)	(57,017)	-	(57,017)
Amortization of intangible assets	**(55,540)**	**-**	**(55,540)**	(56,915)	6,313	(50,602)	(32,773)	(6,313)	(39,086)
Other operating income (expenses), net	**14,612**	**(3,708)**	**10,905**	12,925	(2,841)	10,084	10,294	-	10,294
Equity pickup	**(2,798)**	**16,290**	**13,492**	(11,663)	(6,112)	(17,775)	(25,750)	(1,638)	(27,388)
	(118,484)	**4,780**	**(113,704)**	(117,363)	(2,640)	(120,003)	(105,246)	(6,256)	(113,197)
Operating income (loss) before financial result and taxes	**60,823**	**(5,121)**	**55,702**	40,212	(1,789)	38,423	(1,230)	(6,256)	(7,486)
Finance expenses	**(123,491)**	**(693)**	**(124,184)**	(127,752)	-	(127,752)	(99,967)	-	(99,967)
Loss before income and social contribution taxes	**(18,360)**	**(5,814)**	**(24,174)**	(35,239)	(1,789)	(37,028)	(63,675)	(6,256)	(69,931)
Deferred	**53,081**	**(51,479)**	**1,602**	6,042	(6,045)	(3)	(5,952)	5,951	(1)
Net income (loss) for the year	**34,721**	**(57,293)**	**(22,572)**	(29,197)	(7,834)	(37,030	(69,627)	(305)	(69,932)

	Company								
	12/31/2018 - originally stated	Adjustments	12/31/2018 (restated)	12/31/2017 - originally stated	Adjustments	12/31/2017 (restated)	12/31/2016 - originally stated	Adjustments	12/31/2016 (restated)
Total comprehensive income (loss) for the year	**34,721**	**(57,293)**	**(22,572)**	(29,197)	(7,834)	(37,030	(69,627)	(305)	(69,932)

	Company								
	12/31/2018 - originally stated	Adjustments	12/31/2018 (restated)	12/31/2017 - originally stated	Adjustments	12/31/2017 (restated)	12/31/2016 - originally stated	Adjustments	12/31/2016 (restated)
Net cash provided by (used in) operating activities	**123,802**	**(1,449)**	**122,353**	80,454	-	80,454	83,760	1,167	84,927
Net cash provided by (used in) investing activities	**(179,926)**	**-**	**(179,926)**	(97,371)	-	(97,371)	(209,645)	-	(209,645)
Net cash generated from (used in) financing activities	**(87,087)**	**-**	**(87,087)**	(164,817)	-	(164,817)	437,974	1,378	439,352

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.30. Restatement of financial statements (Continued)

	Company								
	12/31/2018 - originally stated	Adjustments	12/31/2018 (restated)	12/31/2017 - originally stated	Adjustments	12/31/2017 (restated)	12/31/2016 - originally stated	Adjustments	12/31/2016 (restated)
Inputs acquired from third parties	**(582,850)**	**(8,248)**	**(591,098)**	(562,449)	852	(561,597)	(530,301)	1,695	(528,606)
Depreciation and amortization	**(68,249)**	**(3,580)**	**(71,829)**	(84,976)	6,313	(78,663)	(62,915)	(6,313)	(69,228)
Equity pickup	**(2,798)**	**16,290**	**13,492**	(11,663)	(6,112)	(17,775)	(25,570)	(1,638)	(27,388)
Total value added to be distributed	**287,525**	**4,462**	**291,987**	263,835	1,053	264,888	190,721	(6,256)	184,465
Distribution of value added	**287,525**	**4,462**	**291,987**	263,835	1,053	264,888	190,721	(6,256)	184,465
Direct compensation and charges	**42,130**	**6,568**	**48,698**	36,029	-	36,029	36,370	-	36,370
Debt remuneration	**88,426**	**55,187**	**143,613**	134,466	8,886	143,352	110,092	(5,951)	104,141
Income (loss) for the year	**34,721**	**(57,293)**	**(22,572)**	(29,197)	(7,833)	(37,030)	(69,627)	(305)	(69,932)

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

Notes to financial statements (Continued)
December 31, 2018, 2017 and 2016
(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.30. Restatement of financial statements (Continued)

	Consolidated											
	12/31/2018 - originally stated	Adjustments	12/31/2018 (restated)	12/31/2017 - originally stated	Adjustments	12/31/2017 (restated)	12/31/2016 - originally stated	Adjustments	12/31/2016 (restated)	01/01/2016 - originally stated	Adjustments	01/01/2016 (restated)
Assets												
Current assets												
Cash and cash equivalents	**42,748**	**(1,448)**	**41,300**	198,065	-	198,065	396,326	(1,686)	394,640	61,812	(3,371)	58,441
Accounts receivable	**54,485**	**(281)**	**54,204**	57,507	-	57,507	50,960	-	50,960	43,520	-	43,520
Taxes recoverable	**42,663**	**(2,323)**	**40,340**	30,189	-	30,189	26,955	-	26,955	36,762	-	36,762
Prepaid expenses	**4,862**	**-**	**4,862**	5,269	-	5,269	5,037	(851)	4,186	4,348	-	4,348
Total current assets	**175,339**	**(4,052)**	**171,287**	345,254	-	345,254	515,801	(2,537)	513,264	184,072	(3,371)	180,701
Noncurrent assets												
Deferred income and social contribution taxes	**114,987**	**(114,987)**	**-**	66,192	(66,192)	-	52,982	(52,982)	-	35,350	(35,350)	-
Judicial deposits	**6,414**	**(1,200)**	**5,214**	6,045	-	6,045	5,002	-	5,002	6,353	-	6,353
Investments	**18,145**	**11,186**	**29,331**	6,333	-	6,333	26,401	-	26,401	26,136	-	26,136
Property and equipment	**269,015**	**(4,734)**	**264,281**	250,793	-	250,793	252,561	-	252,561	250,344	-	250,344
Intangible assets	**794,749**	**-**	**794,749**	694,367	(283)	694,084	722,132	(6,313)	715,819	553,911	-	553,911
Total noncurrent assets	**1,262,454**	**(109,735)**	**1,152,719**	1,075,322	(66,475)	1,008,847	1,115,598	(59,295)	1,056,303	913,864	(35,350)	878,514
Total assets	**1,437,793**	**(113,787)**	**1,324,006**	1,420,576	(66,475)	1,354,101	1,631,399	(61,832)	1,569,567	1,097,936	(38,721)	1,059,215

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.30. Restatement of financial statements (Continued)

	Consolidated											
	12/31/2018 - originally stated	Adjustments	12/31/2018 (restated)	12/31/2017 - originally stated	Adjustments	12/31/2017 (restated)	12/31/2016 - originally stated	Adjustments	12/31/2016 (restated)	01/01/2016 - originally stated	Adjustments	01/01/2016 (restated)
Liabilities and equity												
Current liabilities												
Loans, financing and debentures	**236,842**	**-**	**236,842**	342,903	-	342,903	135,991	330,902	466,893	55,358	-	55,358
Obligation of public concession	**9,461**	**-**	**9,461**	10,393	-	10,393	11,175	506	11,681	12,405	-	12,405
Labor liabilities	**25,558**	**2,200**	**27,758**	26,734	-	26,734	28,902	-	28,902	26,364	-	26,364
Provision for bonuses	**5,356**	**4,368**	**9,724**	-	-	-	-	-	-	6,823	-	6,823
Other current liabilities	**5,152**	**1,492**	**6,644**	6,507	-	6,507	4,612	-	4,612	4,470	-	4,470
Total current liabilities	**367,836**	**8,060**	**375,896**	470,025	-	470,025	355,888	331,408	687,296	208,365	-	208,365
Noncurrent liabilities												
Loans, financing and debentures	**72,363**	**-**	**72,363**	42,226	-	42,226	373,660	(330,902)	42,758	398,890	-	398,890
Provision for contingencies	**17,141**	**2,704**	**19,845**	15,658	-	15,658	16,130	-	16,130	18,099	-	18,099
Total noncurrent liabilities	**173,180**	**2,704**	**175,884**	692,453	-	692,453	991,598	(330,902)	660,696	558,426	-	558,426
Total liabilities	**541,016**	**10,764**	**551,780**	1,162,478	-	1,162,478	1,347,486	506	1,347,992	766,791	-	766,791
Equity												
Capital reserve	**797,004**	**(22,702)**	**774,302**	244,666	(22,702)	221,964	244,666	(22,702)	221,964	221,354	610	221,964
Accumulated losses	**(120,641)**	**(104,763)**	**(225,404)**	(155,362)	(47,470)	(202,832)	(126,166)	(39,636)	(165,802)	(56,539)	(39,331)	(95,870)
Total equity	**888,516**	**(127,465)**	**761,051**	251,457	(70,172)	181,285	280,653	(62,338)	218,315	325,798	(38,721)	287,077
Non-controlling interests	**8,261**	**2,914**	**11,175**	6,641	3,697	10,338	3,260	-	3,260	5,347	-	5,347
	896,777	**(124,551)**	**772,226**	258,098	(66,475)	191,623	283,913	(62,338)	221,575	331,145	(38,721)	292,424
Total liabilities and equity	**1,437,793**	**(113,787)**	**1,324,006**	1,420,576	(66,475)	1,354,101	1,631,399	(61,832)	1,569,567	1,097,936	(38,721)	1,059,215

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.30. Restatement of financial statements (Continued)

	Consolidated								
	12/31/2018 - originally stated	**Adjustments**	**12/31/2018 (restated)**	**12/31/2017 - originally stated**	**Adjustments**	**12/31/2017 (restated)**	**12/31/2016 - originally stated**	**Adjustments**	**12/31/2016 (restated)**
Cost of services	**(770,202)**	**(11,325)**	**(781,527)**	(769,094)	3,043	(766,051)	(727,023)	328	(726,695)
Gross profit	**209,031**	**(11,055)**	**197,976**	183,100	3,043	186,143	134,858	328	135,186
Operating income (expenses)									
General and administrative expenses	**(90,526)**	**(9,003)**	**(99,529)**	(74,023)	-	(74,023)	(71,988)	-	(71,988)
Amortization of intangible assets	**(69,952)**	**-**	**(69,952)**	(72,551)	6,313	(66,238)	(47,117)	(6,313)	(53,430)
Other operating income (expenses), net	**22,594**	**20,777**	**43,371**	13,428	(9,180)	4,248	10,172	-	10,172
Equity pickup	**2,234**	**(1,082)**	**1,152**	1,210	-	1,210	2,141	-	2,141
	(135,650)	**10,692**	**(124,958)**	(131,936)	(2,867)	(134,803)	(106,792)	(6,313)	(113,105)
Operating income (loss) before financial result and taxes	**73,381**	**(362)**	**73,019**	51,164	176	51,340	28,066	(5,985)	22,081
Finance expenses	**(139,944)**	**(693)**	**(140,637)**	(136,020)	-	(136,020)	(134,277)	-	(134,277)
Loss before income and social contribution taxes	**(18,801)**	**(1,055)**	**(19,856)**	(31,524)	176	(31,348)	(59,073)	(5,985)	(65,058)
Deferred	**58,623**	**(57,021)**	**1,602**	4,313	(4,313)	-	(5,719)	5,680	(39)
Net income (loss) for the year	**37,372**	**(58,076)**	**(20,704)**	(30,119)	(4,137)	(34,256)	(68,581)	(305)	(68,886)

	Consolidated								
	12/31/2018 - originally stated	**Adjustments**	**12/31/2018 (restated)**	**12/31/2017 - originally stated**	**Adjustments**	**12/31/2017 (restated)**	**12/31/2016 - originally stated**	**Adjustments**	**12/31/2016 (restated)**
Total comprehensive income (loss) for the year	**37,372**	**(58,076)**	**(20,704)**	(30,119)	(4,137)	(34,256)	(68,581)	(305)	(68,886)
Attributable to:									
Controlling interests	**34,721**	**(57,293)**	**(22,572)**	(29,197)	(7,833)	(37,030)	(69,627)	(305)	(69,932)
Non-controlling interests	**2,651**	**(783)**	**1,868**	(922)	3,696	2,774	1,046	-	1,046

(In thousands of reais)

2. Summary of significant accounting policies (Continued)

2.30. Restatement of financial statements (Continued)

	Consolidated								
	12/31/2018 - originally stated	Adjustments	12/31/2018	12/31/2017 - originally stated	Adjustments	12/31/2017	12/31/2016 - originally stated	Adjustments	12/31/2016
			(restated)			(restated)			(restated)
Net cash provided by (used in) operating activities	**140,742**	**(1,448)**	**139,293**	109,071	1,399	110,470	81,776	673	82,449
Net cash provided by (used in) investing activities	**(184,822)**	**-**	**(184,822)**	(84,634)	-	(84,634)	(203,386)	-	(203,386)
Net cash generated from (used in) financing activities	**(111,236)**	**-**	**(111,236)**	(222,698)	287	(222,411)	456,124	1,012	457,136

	Consolidated								
	12/31/2018 - originally stated	Adjustments	12/31/2018	12/31/2017 - originally stated	Adjustments	12/31/2017	12/31/2016 - originally stated	Adjustments	12/31/2016
			(restated)			(restated)			(restated)
Inputs acquired from third parties	**(746,162)**	**(9,448)**	**(755,610)**	(722,558)	3,043	(719,515)	(682,429)	328	(682,101)
Depreciation/amortization	**(93,992)**	**(4,734)**	**(98,726)**	(119,087)	6,313	(112,774)	(91,711)	(6,313)	(98,024)
Equity pickup	**2,234**	**(1,082)**	**1,152**	1,210	-	1,210	2,141	-	2,141
Total value added to be distributed	**343,013**	**(15,264)**	**327,749**	318,455	9,356	327,811	274,308	(5,985)	268,323
Distribution of value added	**343,013**	**(15,264)**	**327,749**	318,455	9,356	327,811	274,308	(5,985)	268,323
Direct compensation and charges	**49,522**	**6,568**	**56,090**	41,819	-	41,819	44,962	-	44,962
Debt remuneration	**102,881**	**36,244**	**138,425**	153,391	13,493	166,884	150,810	(5,680)	145,130
Income (loss) for the year	**37,372**	**(58,076)**	**(20,704)**	(30,119)	(4,137)	(34,256)	(68,581)	(305)	(68,886)

	Company and Consolidated								
	12/31/2018 - originally stated	Adjustments	12/31/2018	12/31/2017 - originally stated	Adjustments	12/31/2017	12/31/2016 - originally stated	Adjustments	12/31/2016
			(restated)			(restated)			(restated)
Earnings per share									
Basic - common shares	**1.5634**	**(2.5798)**	**(1.0164)**	(1.8668)	(0.5008)	(2.3676)	(4.5530)	0.0777	(4.4753)
Diluted - common shares	**9.3806**	**(10.3970)**	**(1.0164)**	(1.3147)	(1.0529)	(2.3676)	(3.1370)	(1.3383)	(4.4753)
Basic - preferred shares	**1.5536**	**(7.6520)**	**(6.0984)**			-			-
Diluted - preferred shares	**9.3806**	**(15.4790)**	**(6.0984)**			-			-

2. Summary of significant accounting policies (Continued)

2.30. Restatement of financial statements (Continued)

The main adjustments made to restate amounts were: cash, taxes recoverable and labor obligation reconciliation adjustments; depreciation and amortization recalculation; additional provision for contingencies and bonus accrual; derecognition of deferred income and social contribution tax assets on income and social contribution tax losses.

3. Significant accounting judgments, estimates and assumptions

Judgments

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

Estimates and assumptions

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

Impairment of non-financial assets

An impairment loss exists when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs to sell is based on information available on sales transactions of similar assets or market prices less additional costs for the disposal of the asset. Value in use is calculated by using the discounted cash flow method. Cash flows derive from budget for the following five years and include no restructuring activities to which the Company is not yet committed or significant investments that may improve the asset base of the cash generating unit subject to tests. The recoverable amount is sensitive to the discount rate used under the discounted cash flow method, as well as expected future cash receipts, and to the growth rate used for extrapolation purposes.

3. Significant accounting judgments, estimates and assumptions (Continued)

<u>Estimates and assumptions</u> (Continued)

Expected credit losses

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

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

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

Taxes

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

Fair value of financial instruments

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

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

(In thousands of reais)

3. Significant accounting judgments, estimates and assumptions (Continued)

Estimates and assumptions (Continued)

Provision for contingencies

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

4. Business combinations

In the years ended December 31, 2018, 2017 and 2016, the Company and investees WPA Park Participações S.A. and Capital Parking Estacionamentos de Veículos Ltda. conducted the following business combination operations, and definitively determined the fair values of identifiable assets acquired and liabilities assumed, as follows:

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

4. Business combinations (Continued)

Loop / WPR

On January 13, 2017, WPA acquired additional 15.78% of equity interest in Loop (see Note 10). The acquisition resulted in goodwill amounting to R$3,708, which was recognized in profit or loss for the period as “other operating income (expenses)” in Allpark.

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

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

Also in 2017, WPA and WPR merged into Allpark.

I-Park

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

Calvitium

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

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

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

(In thousands of reais)

5. Cash and cash equivalents

	Index	Company			
		12/31/2018 (restated)	**12/31/2017**	**12/31/2016**	**01/01/2016 (restated)**
Cash and banks		**12,221**	9,449	9,544	7,382
Bank deposit certificates (a)	CDI	**4,323**	10,449	100,234	9,837
Certificate account with lottery prizes (b)	Savings account	**718**	-	-	-
Investment funds (c)	CDI	**21**	142,045	233,900	11,824
		17,283	161,943	343,678	29,043

	Index	Consolidated			
		12/31/2018 (restated)	**12/31/2017**	**12/31/2016 (restated)**	**01/01/2016 (restated)**
Cash and banks		**21,341**	19,091	15,100	23,330
Bank deposit certificates (a)	CDI	**15,067**	36,929	145,640	14,214
Certificate account with lottery prizes (b)	Savings account	**1,008**	-	-	-
Investment funds (c)	CDI	**3,884**	142,045	233,900	20,897
		41,300	198,065	394,640	58,441

(a) Investments in Bank Deposit Certificates are restated at the average rate of 60% of the Interbank Deposit Certificate (CDI).

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

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

(In thousands of reais)

6. Accounts receivable

	Company				Consolidated			
	12/31/2018 (restated)	12/31/2017	12/31/2016	01/01/2016	12/31/2018 (restated)	12/31/2017	12/31/2016	01/01/2016
Trade receivable	**18,343**	22,755	19,009	18,766	**19,961**	25,361	22,562	21,983
Services rendered in events	**1,124**	973	1,166	1,851	**1,331**	992	1,202	1,932
Agreements with payment tag companies	**16,849**	14,854	14,360	10,428	**18,276**	16,952	16,101	12,400
Agreements and sponsorships	**2,370**	1,905	1,872	1,708	**2,370**	1,893	1,872	1,708
Debit and credit cards	**7,179**	7,285	5,317	3,610	**10,850**	10,927	7,558	3,846
Trade receivable from franchisees	**1,593**	1,278	1,632	1,535	**1,697**	1,382	1,665	1,651
	47,458	49,050	43,356	37,898	**54,485**	57,507	50,960	43,520
Allowance for expected credit losses	**(281)**	-	-	-	**(281)**	-	-	-
	47,177	49,050	43,356	37,898	**54,204**	57,507	50,960	43,520

(In thousands of reais)

6. Accounts receivable (Continued)

At December 31, 2018, 2017 and 2016, the aging list of accounts receivable is as follows:

			Overdue amounts, with no impairment losses				
Company	**Total**	**Falling due**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**90 - 120 days**	**> 120 days**
12/31/2018 (restated)	**47,458**	**43,512**	**308**	**2,796**	**432**	**199**	**211**
12/31/2017	49,050	33,962	928	8,174	1,760	1,544	2,682
12/31/2016	43,356	32,691	1,040	1,724	1,417	243	6,241
01/01/2016	37,898	30,257	1,199	2,177	1,532	964	1,769

			Overdue amounts, with no impairment losses				
Consolidated	**Total**	**Falling due**	**< 30 days**	**30 - 60 days**	**60 - 90 days**	**90 - 120 days**	**> 120 days**
12/31/2018 (restated)	**54,485**	**49,921**	**447**	**2,971**	**469**	**234**	**443**
12/31/2017	57,507	41,527	1,039	8,202	1,765	1,552	3,422
12/31/2016	50,960	38,771	1,245	1,899	1,703	254	7,088
01/01/2016	43,520	35,718	1,217	2,179	1,532	977	1,897

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

Management understands that amounts overdue will be mostly received, as there are specific negotiations for each outstanding amount. Therefore, the Company set up no allowance for expected credit losses for these amounts, except for 2018. Renegotiations due to default are in place and generating positive results. Monthly parking customers have already been informed about pre-set payment plans. In addition, management actively charges on *ad hoc* events.

(In thousands of reais)

6. Accounts receivable (Continued)

Changes in allowance for expected credit losses are as follows:

	Company and Consolidated
At January 1, 2106	-
Additions	-
Reversals	-
Write-offs	-
At December 31, 2016	-
Additions	-
Reversals	-
Write-offs	-
At December 31, 2017	-
Additions	**(2,808)**
Reversals	**2,527**
Write-offs	**-**
At December 31, 2018 (restated)	**(281)**

7. Taxes recoverable

	Company			
	12/31/2018 (restated)	**12/31/2017**	**12/31/2016**	**01/01/2016**
Withholding income tax (IRRF)	**2,070**	7,011	-	3,963
Corporate Income Tax (IRPJ)	**7,459**	5	5,742	2,835
Social Contribution Tax on Net Profit (CSLL)	**505**	180	253	460
Social security contribution (INSS) and Unemployment Compensation Fund (FGTS)	**11,097**	9,843	11,508	15,562
Contribution taxes on gross revenue for social integration program (PIS) and for social security financing (COFINS)	**38,911**	32,683	30,446	14,887
Other taxes recoverable	**452**	376	3,475	6,453
	60,494	50,098	51,424	44,160
Current assets	**35,303**	24,739	23,720	33,192
Noncurrent assets	**25,191**	25,359	27,704	10,968
	60,494	50,098	51,424	44,160

(In thousands of reais)

7. Taxes recoverable (Continued)

	Consolidated			
	12/31/2018 (restated)	**12/31/2017**	**12/31/2016**	**01/01/2016**
Withholding income tax (IRRF)	**2,358**	7,243	26	4,150
Corporate Income Tax (IRPJ)	**8,168**	719	6,313	3,148
Social Contribution Tax on Net Profit (CSLL)	**774**	442	405	550
INSS e FGTS	**11,876**	10,602	12,450	16,206
PIS and COFINS	**53,013**	38,115	34,486	19,000
Other taxes recoverable	**998**	939	3,800	6,868
	77,187	58,060	57,480	49,922
Current assets	**40,340**	30,189	26,955	36,762
Noncurrent assets	**36,847**	27,871	30,525	13,160
	77,187	58,060	57,480	49,922

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

8. Assignment of credits receivable

On October 23, 2017, the Company signed a special instrument for the assignment of credits with Coesa Engenharia Ltda. for the assignment of credits receivable out of court-ordered debt, at the total amount of R$55,171.

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

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

(In thousands of reais)

9. Investment property

	Company and Consolidated		
	2018	**2017**	**2016**
Balance at January 1	**14,811**	15,147	15,484
Depreciation	**(337)**	(336)	(337)
Balance at December 31	**14,474**	14,811	15,147

The amount recorded as investment property refers to the acquisition cost of stores, restaurants and movie theaters in a venture in the city of São Paulo. This venture was acquired on December 28, 2011, together with the local parking lot.

At December 31, 2018, fair value of these investment properties was R$42,286 (R$46,094 in 2017 and R$55,242 in 2016), according to an appraisal report prepared by independent appraisers. The fair value hierarchy is classified as Level 3.

A summary of the valuation techniques used is as follows:

Valuation techniques	**Significant non-observable data**	**Average 2018**	**Average 2017**	**Average 2016**
Discounted cash flow method	Estimated annual lease amount	**R$8,500**	R$8,849	R$8,701
	Restatement	**Inflation**	Inflation	Inflation
	Perpetuity growth rate	**4.0%**	0.0%	5.5%
	Discount rate	**12.8%**	12.2%	13.6%

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

	Company and Consolidated		
	12/31/2018	**12/31/2017**	**12/31/2016**
Lease revenue resulting from investment property	**6,563**	6,284	6,153
Direct operating expenditures (including repair and maintenance) that generate lease	**(1,246)**	(1,278)	(1,203)
Income from investment properties	**5,317**	5,006	4,950

Future rental receivable deriving from the investment property is as follows:

	12/31/2018
Minimum lease payment:	
Within one year	**6,516**
From 2 to 4 years	**21,934**
From 5 to 10 years	**56,546**
	84,996

The property is the guarantee of debentures, as per Note 13.

(In thousands of reais)

10. Investments

	Company				Consolidated			
	12/31/2018 (restated)	12/31/2017 (restated)	12/31/2016 (restated)	01/01/2016 (restated)	12/31/2018 (restated)	12/31/2017	12/31/2016	01/01/2016
Investments:								
Subsidiaries	**288,333**	174,806	165,860	149,738	**-**	-	-	4,006
Affiliates	**74**	75	2,143	-	**29,331**	6,333	13,967	9,696
Future capital contribution	**-**	-	12,484	12,434	**-**	-	12,434	12,434
Total assets	**288,407**	174,881	180,487	162,172	**29,331**	6,333	26,401	26,136
Capital deficiency:								
Subsidiaries	**(1,079)**	(373)	-	(585)	**-**	-	-	-
Affiliates	**-**	-	(42)	(681)	**-**	-	-	(681)
Total liabilities	**(1,079)**	(373)	(42)	(1,266)	**-**	-	-	(681)
Total investments	**287,328**	174,508	180,445	160,906	**29,331**	6,333	26,401	25,455

Change from “control” to “significant influence” over investment

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

(In thousands of reais)

10. Investments (Continued)

Change from “control” to “significant influence” over investment (Continued)

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

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

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

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

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

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

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

(In thousands of reais)

10. Investments (Continued)

Change from “control” to “significant influence” over investment (Continued)

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

Changes in investments

	Company	Consolidated
Balances at 01/01/2016	160,906	25,455
Capital increase in investees	53,106	4,809
Equity pickup	(27,388)	2,141
Dividends	(2,173)	(1,982)
Reclassification to intangible assets	(4,006)	(4,006)
Other	-	(16)
Balance at 12/31/2016	180,445	26,401
Equity pickup	(17,775)	1,210
Dividends	(6,772)	(635)
Loss in investment	-	(1,630)
Acquisition of investments	(4,590)	(22,410)
Capital increase in investees	24,654	3,397
Mergers	(1,454)	-
Balances at 12/31/2017	174,508	6,333
Equity pickup	**13,492**	**1,152**
Dividends	**(3,764)**	**(1,890)**
Capital increase in investees	**107,822**	**-**
Gain recognized on issue of new shares	**-**	**16,795**
Result in the measurement of investment held	**-**	**6,941**
Merger	**(4,729)**	**-**
Balances at 12/31/2018	**287,329**	**29,331**

(In thousands of reais)

10. Investments (Continued)

Information on subsidiaries and provision for investment losses

	Information on subsidiaries and affiliates (01/01 to 12/31/2018)					12/31/2018		12/31/2017		12/31/2016	
Company	Total assets	Total liabilities	Total equity	Net revenue	Profit or loss for the period	Investment balance	Equity pickup	Investment balance	Equity pickup	Investment balance	Equity pickup
Capital Parking Estacionamento de Veículos Ltda.	13,307	453	12,854	3,565	(2,045)	12,854	(2,045)	13,589	(8,703)	7,965	81
Hora Park Sist. Estacionamento Rotativo Ltda.	251,234	19,231	232,003	139,925	(1,403)	227,483	(1,403)	131,421	(4,958)	130,235	(17,676)
Riopark Estacionamentos Ltda.	16,807	10,617	6,190	176	3,482	6,190	3,482	3,070	84	7,680	1,534
Minas Park Estacionamentos Ltda.	-	-	-	-	(92)	-	(92)	1,489	(155)	1,769	(614)
Primeira Estacionamentos Ltda.	4,050	506	3,544	1	431	3,545	431	3,113	269	2,844	639
Saepart Soc. Adm. Empreend. Part. Ltda.	2,194	1,714	480	434	(252)	480	(252)	83	(332)	414	(1)
Wellpark Estacionamentos e Serviços Ltda.	25,886	5,523	20,363	21,143	(7,545)	20,364	(7,554)	21,050	(3,181)	11,559	(4,726)
Omni Estacionamento do Nordeste Ltda. (1)	-	-	-	1,679	223	-	223	4,506	1,112	3,394	488
OW Estacionamentos e Participações Ltda. (4)	-	-	-	-	-	-	-	-	-	-	(7,979)
WPA Park Participações S.A. (2)	-	-	-	-	-	-	-	-	(2,593)	-	-
Parking Tecnologia da Informação Ltda.	4,092	4,710	(618)	-	(1,918)	-	-	199	199	-	-
Hospital Marcelino Champagnat Ltda.	266	221	45	3,232	1,436	45	1,436	35	1,372	-	1,223
Loop Gestão de Pátios S.A. (3)	-	-	-	-	(3,394)	-	(3,394)	(3,749)	(737)	-	-
Loop AC Participações Ltda.	17,100	-	17,100	-	24,023	17,100	24,023	-	-	-	-
SCP Estacionamento do Shopping Monte Carmo	860	320	540	823	534	273	273	-	-	-	-
Calvitium Participações S.A.	-	-	-	-	-	-	-	-	-	-	-
						288,334	15,137	174,806	(17,263)	165,860	(27,031)
Subsidiaries' capital deficiency											
Azera Parking Ltda.	239	699	(460)	152	(86)	(460)	(86)	(373)	(332)	(42)	(272)
Parking Tecnologia da Informação Ltda.	4,092	4,711	(619)	-	(1,918)	(619)	(1,918)	-	-	-	-
						(1,079)	(2,004)	(373)	(332)	(42)	(272)
WPA Park Participações S.A. (2)	-	-	-	-	-	-	-	-	(443)	2,143	(85)
Consorcio Estacionamento Centro Cívico	382	196	186	794	457	74	319	75	229	-	-
Consorcio Estacionamento Novo Centro	277	277	-	196	99	-	40	-	34	-	-
						74	359	75	(180)	2,143	(85)

(1) Company merged in 2018 by Allpark.

(2) Company merged in 2017 by Allpark.

(3) Control lost in 2018.

(4) Company merged in 2016 by Allpark.

(In thousands of reais)

10. **Investments** (Continued)

Information on subsidiaries and provision for investment losses (Continued)

Consolidated	Information on affiliates (01/01 to 12/31/2018)					12/31/2018		12/31/2017		12/31/2016	
	Total assets	Total liabilities	Total equity	Net revenue	Profit or loss for the period	Investment balance	Equity pickup	Investment balance	Equity pickup	Investment balance	Equity pickup
Consórcio CCN Centro de Convenções Ltda. (1)	**4,368**	**54**	**4,314**	**2,598**	**853**	**2,157**	**427**	2,830	396	1,734	927
I-Park Soluções Inteligentes S.A.	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	(318)	19,956	(223)
WPA Park Participações S.A. (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	(443)	2,143	(84)
Estacionamentos E.T.M. Curitiba S.A. (1)	**9,966**	**1,969**	**7,997**	**5,173**	**1,393**	**3,959**	**557**	3,401	854	2,548	1,000
Consórcio Eneas de Carvalho Ltda.	**1,412**	**413**	**999**	**10,463**	**7,030**	**18**	**394**	5	388	-	443
Consórcio Trianon Park Ltda.	**2,547**	**1,972**	**575**	**2,274**	**1,006**	**23**	**50**	23	71	20	78
Loop Gestão de Pátios S.A.	**-**	**-**	**-**	**-**	**-**	**23,101**	**(635)**	-	-	-	-
Consórcio Estacionamento Centro Cívico	**382**	**196**	**186**	**794**	**457**	**74**	**319**	74	229	-	-
Consórcio Estacionamento Novo Centro	**277**	**277**	**-**	**196**	**99**	**-**	**40**	-	34	-	-
						29,331	**1,152**	6,333	1,210	26,401	2,141

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

(2) Company merged in 2017 by Allpark.

The joint venture has no significant contingent liabilities or commitments not recognized at December 31, 2018, 2017 and 2016.

(In thousands of reais)

11. Property and equipment

Company

	12/31/2018 (restated)			12/31/2017			12/31/2016		
	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Land	**1,310**	**-**	**1,310**	1,310	-	1,310	1,310	-	1,310
Buildings	**94,112**	**(25,667)**	**68,445**	87,984	(23,890)	64,094	85,684	(20,451)	65,233
Leasehold improvements	**108,390**	**(71,528)**	**36,862**	88,390	(68,305)	20,085	80,941	(54,279)	26,662
Machinery and equipment	**71,880**	**(35,993)**	**35,887**	64,228	(29,805)	34,423	59,570	(24,070)	35,500
Furniture and fixtures	**6,717**	**(3,900)**	**2,817**	6,359	(3,440)	2,919	6,104	(2,876)	3,228
Signboards and signs	**10,823**	**(5,631)**	**5,192**	9,500	(3,817)	5,683	8,857	(2,915)	5,942
Security system	**9,325**	**(5,271)**	**4,054**	8,329	(3,617)	4,712	7,670	(2,837)	4,833
Other property and equipment	**20,782**	**(19,491)**	**1,291**	18,952	(18,404)	548	17,804	(15,916)	1,888
Total	**323,339**	**(167,481)**	**155,858**	285,052	(151,278)	133,774	267,940	(123,344)	144,596

Consolidated

	12/31/2018 (restated)			12/31/2017			12/31/2016		
	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount	Cost	Accumulated depreciation	Net amount
Land	**1,310**	**-**	**1,310**	1,310	-	1,310	1,310	-	1,310
Buildings	**127,068**	**(40,870)**	**86,198**	120,940	(39,032)	81,908	118,640	(35,417)	83,223
Leasehold improvements	**210,151**	**(102,074)**	**108,077**	193,092	(94,330)	98,762	162,786	(68,840)	93,946
Machinery and equipment	**108,166**	**(61,532)**	**46,634**	96,191	(50,696)	45,495	88,350	(39,635)	48,715
Furniture and fixtures	**8,166**	**(4,724)**	**3,442**	7,849	(4,208)	3,641	7,431	(3,553)	3,878
Signboards and signs	**16,315**	**(8,527)**	**7,788**	14,624	(5,695)	8,929	13,509	(4,299)	9,210
Security system	**10,513**	**(5,866)**	**4,647**	9,338	(4,061)	5,277	8,563	(3,186)	5,377
Other property and equipment	**27,803**	**(21,619)**	**6,184**	25,805	(20,334)	5,471	23,937	(17,035)	6,902
Total	**509,492**	**(245,211)**	**264,281**	469,149	(218,356)	250,793	424,526	(171,965)	252,561

Changes - Company

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Depreciation	Balance at 12/31/2018
Land	**1,310**	**-**	**-**	**-**	**-**	**1,310**
Buildings	**64,094**	**-**	**-**	**5,677**	**(1,326)**	**68,445**
Leasehold improvements	**20,085**	**20,035**	**(58)**	**89**	**(3,289)**	**36,862**
Machinery and equipment	**34,423**	**7,666**	**(59)**	**85**	**(6,228)**	**35,887**
Furniture and fixtures	**2,919**	**372**	**(16)**	**12**	**(470)**	**2,817**
Signboards and signs	**5,683**	**1,388**	**(36)**	**-**	**(1,843)**	**5,192**
Security system	**4,712**	**1,052**	**(32)**	**-**	**(1,678)**	**4,054**
Other property and equipment	**548**	**1,892**	**(82)**	**50**	**(1,117)**	**1,291**
Total	**133,774**	**32,405**	**(283)**	**5,913**	**(15,951)**	**155,858**

(In thousands of reais)

11. Property and equipment (Continued)

Changes - Company (Continued)

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

	Balance at 01/01/2016	Additions	Write-offs	Transfers	Depreciation	Balance at 12/31/2016
Land	1,310	-	-	-	-	1,310
Buildings	68,570	256	-	-	(3,593)	65,233
Leasehold improvements	33,895	8,082	(120)	-	(15,195)	26,662
Machinery and equipment	33,695	7,550	(419)	-	(5,326)	35,500
Furniture and fixtures	3,508	291	(11)	-	(560)	3,228
Signboards and signs	4,920	1,879	(41)	-	(816)	5,942
Security system	4,859	745	(30)	-	(741)	4,833
Other property and equipment	5,299	538	(38)	-	(3,911)	1,888
Total	156,056	19,341	(659)	-	(30,142)	144,596

Changes - Consolidated

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Depreciation	Balance at 12/31/2018
Land	**1,310**	**-**	**-**		**-**	**1,310**
Buildings	**81,908**	**-**	**-**	**5,677**	**(1,387)**	**86,198**
Leasehold improvements	**98,762**	**22,501**	**(4,750)**	**224**	**(8,660)**	**108,077**
Machinery and equipment	**45,495**	**12,342**	**(129)**	**259**	**(11,333)**	**46,634**
Furniture and fixtures	**3,641**	**460**	**(106)**	**-**	**(553)**	**3,442**
Signboards and signs	**8,929**	**1,758**	**(38)**	**-**	**(2,861)**	**7,788**
Security system	**5,277**	**1,231**	**(35)**	**-**	**(1,826)**	**4,647**
Other property and equipment	**5,471**	**2,620**	**(478)**	**76**	**(1,505)**	**6,184**
Total	**250,793**	**40,912**	**(5,536)**	**6,236**	**(28,124)**	**264,281**

(In thousands of reais)

11. Property and equipment (Continued)

Changes - Consolidated (Continued)

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

	Balance at 01/01/2016	Additions	Write-offs	Transfers	Depreciation	Balance at 12/31/2016
Land	1,310	-	-	-	-	1,310
Buildings	86,707	256	-	-	(3,740)	83,223
Leasehold improvements	87,372	31,564	(183)	-	(24,807)	93,946
Machinery and equipment	48,340	10,083	(486)	-	(9,222)	48,715
Furniture and fixtures	4,021	436	(11)	-	(568)	3,878
Signboards and signs	7,829	2,619	(43)	-	(1,195)	9,210
Security system	5,319	906	(30)	-	(818)	5,377
Other property and equipment	9,446	2,266	(566)	-	(4,244)	6,902
Total	250,344	48,130	(1,319)	-	(44,594)	252,561

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

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

The Company detected no impairment indicators regarding its property and equipment for the years ended December 31, 2018, 2017 and 2016.

(In thousands of reais)

12. Intangible assets

	Company								
	12/31/2018			12/31/2017			12/31/2016 (restated)		
	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Software	**50,192**	**(31,300)**	**18,892**	41,835	(24,316)	17,519	34,945	(18,098)	16,847
Goodwill	**436,860**	**(103,554)**	**333,306**	380,271	(67,491)	312,780	353,218	(37,069)	316,149
Lease agreement	**122,168**	**(61,533)**	**60,635**	104,121	(51,921)	52,200	104,106	(39,505)	64,601
Service concession arrangement	**10,230**	**(4,646)**	**5,583**	18,697	(2,380)	16,317	18,697	(1,204)	17,493
Goodwill	**109,787**	**-**	**109,787**	112,955	-	112,955	107,684	-	107,684
Other	**692**	**-**	**692**	2,364	-	2,364	2,348	-	2,348
Total	**729,929**	**(201,033)**	**528,896**	660,243	(146,108)	514,135	620,998	(95,876)	525,122

	Consolidated								
	12/31/2018			12/31/2017 (restated)			12/31/2016 (restated)		
	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount	Cost	Accumulated amortization	Net amount
Software	**59,576**	**(36,887)**	**22,689**	51,945	(28,603)	23,342	40,888	(19,988)	20,900
Goodwill	**594,208**	**(122,805)**	**471,403**	436,271	(81,957)	354,314	405,594	(45,879)	359,715
Lease agreement	**117,751**	**(62,136)**	**55,615**	104,121	(52,825)	51,296	104,106	(40,409)	63,697
Concession infrastructure use right	**135,377**	**(26,950)**	**108,427**	135,377	(19,603)	115,774	135,377	(12,251)	123,126
Service concession arrangement	**23,145**	**(6,705)**	**16,440**	31,612	(4,060)	27,552	31,612	(2,653)	28,959
Goodwill	**118,884**	**-**	**118,884**	118,664	-	118,664	116,781	-	116,781
Other	**1,412**	**(120)**	**1,292**	3,262	(120)	3,142	2,761	(120)	2,641
Total	**1,050,352**	**(255,603)**	**794,749**	881,252	(187,168)	694,084	837,119	(121,300)	715,819

Changes - Company

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2018
Carrying amount						
Software	17,519	**8,586**	**(29)**	**72**	**(7,256)**	**18,892**
Goodwill	312,780	**60,837**	**200**	**(7,542)**	**(32,969)**	**333,306**
Lease agreement	52,200	**9,579**	**-**	**13,287**	**(14,431)**	**60,635**
Service concession arrangement	16,317	**-**	**-**	**(9,850)**	**(884)**	**5,583**
Goodwill	112,955	**420**	**(3,708)**	**120**	**-**	**109,787**
Other	2,364	**-**	**-**	**(1,672)**	**-**	**692**
Total	514,135	**79,422**	**(3,537)**	**(5,585)**	**(55,540)**	**528,896**

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

(In thousands of reais)

12. Intangible assets (Continued)

Changes - Company (Continued)

	Balance at 01/01/2016	Additions	Write-offs	Transfers	Amortization	Balance at 12/31/2016
Carrying amount						
Software	16,946	5,939	(61)	-	(5,977)	16,847
Goodwill	143,266	192,941	-	-	(20,058)	316,149
Lease agreement	77,265	-	-	-	(12,664)	64,601
Service concession arrangement	13,537	4,006	-	-	(50)	17,493
Goodwill	107,684	-	-	-	-	107,684
Other	2,339	9	-	-	-	2,348
Total	361,037	202,895	(61)	-	(38,749)	525,122

Changes - Consolidated

	Balance at 01/01/2018	Additions	Write-offs	Transfers (i)	Amortization	Balance at 12/31/2018
Carrying amount						
Software	23,342	**9,556**	**(1,195)**	**72**	**(9,086)**	**22,689**
Goodwill	354,314	**162,185**	**221**	**(7,542)**	**(37,775)**	**471,403**
Lease agreement	51,296	**9,579**	**(4,417)**	**14,316**	**(15,159)**	**55,615**
Concession infrastructure use right	115,774	**-**	**-**	**(679)**	**(6,668)**	**108,427**
Service concession arrangement	27,552	**-**	**-**	**(9,849)**	**(1,264)**	**16,440**
Goodwill	118,664	**4,411**	**(4,311)**	**120**	**-**	**118,884**
Other	3,142	**-**	**(86)**	**(1,764)**	**-**	**1,292**
Total	694,084	**185,731**	**(9,788)**	**(5,326)**	**(69,952)**	**794,749**

	Balance at 01/01/2017	Additions	Write-offs	Transfers	Amortization	Balance at 12/31/2017
Carrying amount						
Software	20,900	11,091	(1)	-	(8,649)	23,342
Goodwill	359,715	30,677	-	-	(36,078)	354,314
Lease agreement	63,697	15	-	-	(12,416)	51,296
Concession infrastructure use right	123,126	-	-	-	(7,352)	115,774
Service concession arrangement	28,959	-	-	-	(1,407)	27,552
Goodwill	116,781	8,222	(6,339)	-	-	118,664
Other	2,641	501	-	-	-	3,142
Total	715,819	50,506	(6,340)	-	(65,902)	694,084

	Balance at 01/01/2016	Additions	Write-offs	Transfers	Amortization	Balance at 12/31/2016
Carrying amount						
Software	20,431	7,472	(61)	-	(6,942)	20,900
Goodwill	181,613	203,576	-	-	(25,474)	359,715
Lease agreement	76,361	-	-	-	(12,664)	63,697
Concession infrastructure use right	131,089	-	-	-	(7,963)	123,126
Service concession arrangement	25,003	4,006	-	-	(50)	28,959
Goodwill	116,781	-	-	-	-	116,781
Other	2,633	8	-	-	-	2,641
Total	553,911	215,062	(61)	-	(53,093)	715,819

(i) Reclassification to other asset groups, particularly property and equipment.

12. Intangible assets (Continued)

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

Assets with indefinite useful lives, such as goodwill, are tested for impairment on an annual basis, regardless of the existence of impairment indications. The Company tested goodwill for impairment at December 31, 2018, 2017 and 2016.

In conducting impairment tests, the carrying amount of an asset or cash generating unit is compared to its recoverable amount. Recoverable amount is the higher of an asset’s fair value less costs to sell and its value in use. Considering the specific characteristics of the Company’s assets, recoverable amount used in the impairment test is the value in use, unless otherwise indicated.

This value in use is estimated based of the present value of future cash flows, resulting from the Company’s best estimates. Cash flows, arising from the ongoing use of the related assets, are adjusted for specific risks and use the discount rate of 13.2% p.a. This rate derives from Weighted Average Capital Cost rate (Nominal WACC). At December 31, 2018, significant assumptions are: the Company’s economic and financial assessment, a projected horizon comprising the period from January 2019 to December 2029, considering the present value of the cash flow perpetuity projected for the last year, with constant nominal growth of 4.0% p.a. This corresponds to the expected long-term inflation rate, as projected by the Central Bank of Brazil. The impairment test of the Company’s intangible assets concluded that the Company does not need to recognize losses on said assets.

(In thousands of reais)

13. Loans, financing and debentures

	Interest rate	Guarantees	Maturity	Company 12/31/2018	Company 12/31/2017	Company 12/31/2016 (restated)	Company 01/01/2016	Consolidated 12/31/2018	Consolidated 12/31/2017	Consolidated 12/31/2016 (restated)	Consolidated 01/01/2016
Working capital	4.50% to 18.86% p.a. + CDI	-	Dec/27	**106,215**	16,323	29,001	36,593	**133,958**	49,184	61,338	53,840
Working capital - swap	100% CDI + 4.50% p.a.	-	-	**-**	-	27,627	-	**-**	4,586	52,006	-
Leases payable	19.56% p.a.	-	-	**-**	-	13	64	**-**	36	130	578
Debentures (6th issue)	118% CDI p.a.	Investment property	Jun/19	**27,752**	83,279	139,440	144,133	**27,752**	83,279	139,440	144,133
Debentures (7th issue)	100% CDI + 2.40% p.a.	Credit rights assigned	Jun/20	**151,122**	251,974	260,626	260,483	**151,122**	251,974	260,626	260,483
Borrowing costs		-	-	**(2,599)**	(3,710)	(3,627)	(4,786)	**(3,627)**	(3,930)	(3,889)	(4,786)
				282,490	347,866	453,080	436,487	**309,205**	385,129	509,651	454,248
Current liabilities				**234,443**	342,644	436,758	38,460	**236,842**	342,903	466,893	55,358
Noncurrent liabilities				**48,047**	5,222	16,322	398,027	**72,363**	42,226	42,758	398,890
Total				**282,490**	347,866	453,080	436,487	**309,205**	385,129	509,651	454,248

The Company capitalized no property and equipment borrowing costs for the year.

(In thousands of reais)

13. Loans, financing and debentures (Continued)

Changes in loans and financing are as follows:

	Company	Consolidated
At January 1, 2016	436,487	454,248
Amount raised	63,016	119,542
Payment of principal	(42,092)	(59,659)
Payment of interest	(72,635)	(72,837)
Interest allocation	71,444	77,071
Foreign exchange difference	(4,385)	(9,959)
Commissions	1,246	1,246
At December 31, 2016	453,080	509,651
Amount raised	-	5,818
Payment of principal	(99,376)	(123,598)
Payment of interest	(50,641)	(55,007)
Business combination effect	-	4,922
Interest allocation	45,735	48,797
Foreign exchange difference	(849)	(5,150)
Commissions	(84)	(303)
At December 31, 2017	347,866	385,129
Amount raised	**100,000**	**100,000**
Payment of principal	**(163,133)**	**(163,403)**
Payment of interest	**(23,954)**	**(27,916)**
Interest allocation	**20,599**	**24,327**
Foreign exchange difference	**-**	**1,045**
Commissions	**1,113**	**40**
Business combination effect	**-**	**(10,017)**
At December 31, 2018	**282,490**	**309,205**

Loans and financing are not backed by security interests.

<u>Debentures</u>

The characteristics of debenture issued are as follows:

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

(In thousands of reais)

13. Loans, financing and debentures (Continued)

Debentures (Continued)

Debentures are subject to the following covenants:

(a) Net debt/Adjusted EBITDA equal to or lower than 3.0;

(b) Net debt/equity equal to or lower than 3;

(c) Adjusted EBITDA/ finance costs equal to or greater than 1.

At December 31, 2018, the Company was compliant with the established conditions. At December 31, 2017 and 2016, the Company was compliant with the conditions established in “b” and “c”.

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

Expenses with debentures issued as of December 31, 2018 amounted to R$2,598, allocated as reducing items of debenture balance to be settled, and monthly allocated to profit or loss, over the pro-rata day maturity flow, using the effective interest rate.

At December 31, 2018, the aging list of noncurrent amounts is as follows:

	Company	Consolidated
2020	48,047	50,292
2021	-	2,600
2022	-	2,816
2023	-	3,070
2024 to 2027	-	13,585
	48,047	**72,363**

(In thousands of reais)

14. Derivative financial instruments

	Company			Consolidated		
	2018	2017	2016	2018	2017	2016
Zilren Empreendimentos Imobiliários Ltda.	-	-	-	-	568	568
Derivative financial instruments - foreign exchange swap (a)	-	-	7,612	-	227	16,886
Derivative financial instruments - stock option (b)	-	70,351	87,307	-	70,351	87,307
	-	70,351	94,919	-	71,146	104,761
Current liabilities	-	-	7,612	-	-	16,886
Noncurrent liabilities	-	70,351	87,307	-	71,146	87,875
Total	-	70,351	94,919	-	71,146	104,761

(a) Derivative financial instruments to hedge against currency risk

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

Company	**Principal amount (notional)**			**Curve value**			**Fair value**			**Gain/(loss) MTM**		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Long position:												
Long position - dollar	-	-	32,636	-	-	36,220	-	-	28,608	-	-	(7,612)
Short position:												
Short position - CDI	-	-	32,636	-	-	27,627	-	-	27,627	-	-	-
	-	-	-	-	-	8,593	-	-	981	-	-	(7,612)

Consolidated	**Principal amount (notional)**			**Curve value**			**Fair value**			**Gain/(loss) MTM**		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Long position:												
Long position - dollar	-	4,477	62,636	-	5,089	71,414	-	4,862	54,528	-	(227)	(16,886)
Short position:												
Short position - CDI	-	4,477	62,636	-	4,586	52,006	-	4,586	52,006	-	-	-
	-	-	-	-	503	19,408	-	276	2,522	-	(227)	(16,886)

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

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

(b) Derivatives - Stock option

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

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

(In thousands of reais)

15. Financial liabilities convertible into shares

	Company and Consolidated		
	2018	**2017**	**2016**
Financial liabilities convertible into shares	-	480,452	413,835
Commissions - issue - financial liabilities	-	(7,567)	(10,180)
	-	472,885	403,655
Current liabilities	-	-	-
Noncurrent liabilities	-	472,885	403,655
	-	472,885	403,655

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

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

Preferred shares are automatically converted into common shares after the fixed yield period ending March 31, 2019. This yield period is based on the monthly variation of IPCA, plus a monthly percentage margin calculated based on 4% p.a. from the date the investment agreement is executed through March 31, 2019.

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

On November 28, 2018, the Special General Shareholders' Meeting approved the conversion of the financial liability and the option, restated, amounting to R$602,338.

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

(In thousands of reais)

16. Obligation of public concession

	Consolidated			
	12/31/2018	**12/31/2017**	**12/31/2016 (restated)**	**01/01/2016**
Fixed portions (a)	**84,138**	94,936	109,297	117,772
	84,138	94,936	109,297	117,772
Current liabilities	**9,461**	10,393	11,681	12,405
Noncurrent liabilities	**74,677**	84,543	97,616	105,367
Total	**84,138**	94,936	109,297	117,772

(a) According to the service concession arrangement of subsidiary E.W.S. Estacionamentos Salvador S.A., whose nature is the operation of parking lots, the payment of fixed burden is subdivided in 240 equal monthly consecutive installments, maturing as of the month the parking lot starts up its operations, with annual restatement by the INPC. At December 31, 2018, there were 178 installments falling due.

In conformity with accounting pronouncement CPC 12 - *Present Value Adjustment*, the present value adjustment concept was introduced for obligations with the grantor, considering a 14.13% p.a. discount rate. Similar to the interest rate attributed to the loans raised by the Company.

Noncurrent installments mature, by year, as follows:

	Consolidated
2020	8,653
2021	7,912
2022	7,234
2023	6,612
2024 to 2033	44,266
	74,677

Changes are as follows:

	Consolidated		
	2018	**2017**	**2016**
Opening balance:	**94,936**	109,297	117,772
Additions	**-**	-	-
Monetary variation on obligations with the Grantor	**8,759**	4,867	9,365
Payment of principal and restatement	**(19,557)**	(19,228)	(17,840)
Closing balance	**84,138**	94,936	109,297

(In thousands of reais)

17. Accounts payable for investment acquisition

	Index	Company and Consolidated 2018	2017	2016
Consideration to equity holders	IPCA	**5,657**	15,605	37,534
Consideration to equity holders	IGP-M	**3,000**	-	-
		8,657	15,605	37,534
Current liabilities		**5,657**	12,389	26,216
Noncurrent liabilities		**3,000**	3,216	11,318
Total		**8,657**	15,605	37,534

These refer to obligations for investment acquisition. For the period ended December 31, 2018, 2017 and 2016, these obligations were restated by reference to their contractual index (IPCA and CDI), amounting to R$904 (R$832 in 2017 and R$4,220 in 2016). These amounts were allocated to profit or loss for the year, under “Finance costs”. In 2018, the Company reversed R$12,000 (R$10,782 in 2017 and R$13,534 in 2016) for the sellers failed to achieve the contractual goals.

18. Labor liabilities

	Company				Consolidated			
	12/31/2018	12/31/2017 (restated)	12/31/2016	01/01/2016	12/31/2018	12/31/2017 (restated)	12/31/2016	01/01/2016
INSS and FGTS payable	**5,269**	5,590	4,859	5,652	**6,214**	6,566	5,804	6,843
Provision for labor claims	**18,287**	16,598	18,019	15,860	**21,544**	20,168	23,098	19,521
	23,556	22,188	22,878	21,512	**27,758**	26,734	28,902	26,364

(In thousands of reais)

19. Tax installment

At December 31, 2018, 2017 and 2016, the Company had plans for local and federal tax payment in installments, as follows:

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Plan for local tax payment in installments - PPI/PAT/IPTU/charges/fine	**279**	824	1,116	**377**	1,039	1,371
Plan for federal tax payment in installments - RFB/PGFN - PIS/COFINS/fine GFIP	**108**	132	-	**334**	405	-
	387	957	1,116	**711**	1,444	1,371
Current	**133**	404	395	**217**	532	454
Noncurrent	**254**	553	721	**494**	912	917

20. Transaction with related parties

20.1. Assets

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Current assets						
Riopark Estacionamentos e Garagens Ltda.	**19**	88	57	**-**	-	-
Capital Parking Estacionamentos Ltda.	**85**	272	169	**-**	-	-
Saepart Soc. de Adm. Emp. e Part. Ltda.	**665**	651	525	**-**	-	-
Hora Park Sistema Estacionamentos Rotativos Ltda.	**576**	1,355	1,370	**-**	-	-
Azera Parking Ltda.	**666**	700	700	**-**	-	-
Hosp Marcelino Champagnat Ltda.	**62**	55	-	**-**	-	-
Wellpark Estacionamento e serviços Ltda.	**465**	8	-	**-**	-	-
Consórcio Estacionamento Novo Centro	**234**	134	-	**234**	-	-
Consórcio Centro Cívico	**175**	-	-	**175**	-	
Shopping SCP Mogi Ltda.	**541**	639	805	**541**	639	805
Shopping SCP Monte Carmo	**174**	-	-	**-**	-	
Shopping Granja Vianna Ltda.	**-**	261	1,487	**-**	261	1,487
Shopping da Ilha Ltda.	**-**	423	744	**-**	423	744
Shopping Leblon Ltda.	**244**	345	511	**244**	345	511
Shopping SCP Recreio Ltda.	**649**	1,090	-	**649**	1,090	-
Shopping SCP Mooca Plaza.	**-**	798	-	**-**	798	-
Shopping Metro Santa Cruz	**541**	541	-	**541**	541	-
Shopping Mestre Álvaro	**393**	393	-	**393**	393	-
Shopping Catuai Londrina	**-**	647	-	**-**	647	-
Shopping São Bernardo Plaza	**-**	148	-	**-**	148	-
Advances to equity holders	**7,375**	5,108	5,856	**18,148**	14,596	15,420
Other	**408**	958	3,957	**278**	1,891	4,010
	13,272	14,614	16,181	**21,203**	21,772	22,977

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Noncurrent assets						
E.W.S. Estacionamentos Salvador S.A.	**15,127**	15,013	13,340	**-**	-	-
WPR Empreendimento Imobiliário Ltda.	**-**	-	1,119	**-**	-	1,119
WPA Park Participações S.A.	**-**	-	1,234	**-**	-	1,234
Loop Gestão de Pátios S.A.	**-**	2,180	-	**-**	-	-
Other	**228**	230	10	**228**	958	10
	15,355	17,423	15,703	**228**	958	2,363

(In thousands of reais)

20. Transaction with related parties (Continued)

20.2. Liabilities

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Current liabilities:						
Riopark Estacionamentos e Garagens Ltda.	**2**	3	1	**-**	-	-
Saepart Soc. de Adm. Emp. e Part. Ltda.	**17**	22	76	**-**	-	-
Hora Park Sistema Estacionamentos Rotativos Ltda.	**85**	54	8	**-**	-	-
Wellpark Estacionamento e serviços Ltda.	**397**	184	-	**-**	-	-
Minas Park Aparecida Estacionamentos Ltda.	**-**	838	-	**-**	-	-
Consórcio Shopping Tamboré Ltda.	**-**	401	1,804	**-**	401	1,804
Consórcio Estacionamento Shopping ABC Ltda.	**972**	972	1,258	**972**	972	1,258
Shopping SCP Capim Dourado Ltda.	**-**	-	-	**-**	97	-
Shopping Catuai Maringá Ltda.	**-**	106	-	**-**	106	-
Shopping Catuai Londrina Ltda.	**-**	153	-	**-**	153	-
Shopping Estação BH Ltda.	**-**	87	57	**-**	87	57
Shopping Estação Curitiba Ltda.	**-**	168	168	**-**	168	168
Shopping SCP Vila da Serra Ltda.	**-**	205	-	**-**	205	-
Shopping SCP Monte Carmo Ltda.	**242**	-		**-**	-	-
Shopping SBC Plaza Ltda.	**-**	-	757	**-**	-	757
Other	**489**	512	727	**454**	437	899
	2,204	3,705	4,856	**1,426**	2,626	4,943

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Noncurrent liabilities:						
Riopark Estacionamentos e Garagens Ltda.	**-**	-	5,631	**-**	-	-
Future capital contribution	**-**	-	-	**-**	728	-
	-	-	5,631	**-**	728	-

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

The Company has no intercompany purchase and sale operations.

<u>Fund</u>

The balances of fund transactions at December 31, 2018, 2017 and 2016, and effects on profit or loss are as follows:

(In thousands of reais)

20. Transaction with related parties (Continued)

20.2. Liabilities (Continued)

Fund (Continued)

	Company			Income		
	2018	2017	2016	2018	2017	2016
Open-end investment funds (i)	**-**	85,185	103,835	**2,663**	18,743	12,364
Total	**-**	85,185	103,835	**2,663**	18,743	12,364

	Consolidated			Income		
	2018	2017	2016	2018	2017	2016
Open-end investment funds (i)	**-**	85,185	103,835	**2,773**	18,743	12,364
Total	**-**	85,185	103,835	**2,773**	18,743	12,364

(i) The open-end fund comprises BTG Pactual CDB I FIC FI Renda Fixa Crédito Privado (formerly BTG PAC Corp I FIQ), which is a fixed-income investment fund managed, administered by and under custody of Banco BTG Pactual S.A.

These comprise short-term investments in investment funds for short-term cash commitment and other purposes. For the period ended December 31, 2018, 2017 and 2016, no losses related to expected realization of these investments were recognized. There are no commitments related to terms, special conditions and amounts to be maintained in these funds.

The management fee of the BTG Pactual CDB I FIC FI Renda Fixa Crédito Privado investment fund is equivalent to an annual percentage of 0.15% on the fund net worth (0.30% in 2017 and 2016), daily allocated to the share amount. For the period ended December 31, 2018, 2017 and 2016, expenses with this fee amounted to R$39, R$36 and R$25, respectively.

As in other related-party transactions, our operations with BTG Pactual CDB I FIC FI Renda Fixa Crédito Privado was conducted under conditions agreed by and between the parties.

On September 26, 2016, the Company paid R$8,855 to Banco BTG Pactual S.A. as fees for the operation conducted with fund Riverside Fundo de Investimento em Participações.

(In thousands of reais)

20. Transaction with related parties (Continued)

20.2. Liabilities (Continued)

Leases

Lease payments for the years ended December 31, 2018, 2017 and 2016 amounted to:

	Company and Consolidated		
	2018	2017	2016
Leases paid	**877**	485	-
Total	**877**	485	-

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

Transactions with key management personnel

Key management personnel include the CEO and officers.

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

Key management personnel compensation, which includes retention bonus for the year, amounted to R$14,205 for the year ended December 31, 2018 (R$6,302 at December 31, 2017 and R$12,131 at December 31, 2016), and is considered as a short-term benefit.

21. Provision for contingencies

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

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

(In thousands of reais)

21. Provision for contingencies (Continued)

At December 31, 2018, 2017 and 2016, the Company maintained the following provisions, corresponding to legal and administrative proceedings whose likelihood of an unfavorable outcome was rated as probable:

	Company				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balance at January 1, 2016	2,179	5,253	5,825	13,257	3,476	6,478	8,145	18,099
Additions	-	-	-	-	-	-	2,392	2,392
Write-off (payment)	(2,004)	(1,266)	(4,787)	(8,057)	(2,519)	(1,842)	-	(4,361)
Balance at December 31, 2016	175	3,987	1,038	5,200	957	4,636	10,537	16,130
Additions	-	-	-	-	493	-	191	684
Write-off (payment)	-	-	-	-	(1,156)	-	-	(1,156)
Balance at December 31, 2017	175	3,987	1,038	5,200	294	4,636	10,728	15,658
Additions	**-**	**1,075**	**1,629**	**2,704**	**-**	**2,704**	**1,457**	**4,161**
Write-off (payment)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transfers	**9**	**(940)**	**964**	**33**	**-**	**(1,111)**	**1,137**	**26**
Balance at December 31, 2018	**184**	**4,122**	**3,631**	**7,937**	**294**	**6,229**	**13,322**	**19,845**

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

- Labor: the Company and investees recognize a provision for labor claims based on an average percentage of loss history of the past three years, considering the best estimated of amounts in claims pending judgment. Claims are related to overtime, severance pay, among others.
- Civil: the main civil claim whose likelihood of an unfavorable outcome was rated as probable is an out-of-court enforcement proceeding filed by Infraero, on July 26, 2005, to collect amounts related to the service concession arrangement for the operation of the parking lot in Rio de Janeiro International Airport - Galeão. This claim has a development whose likelihood of loss was rated as possible.

Possible risks

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

	2018	2017	2016
Civil proceedings	**22,690**	25,656	29,520
Tax proceedings	**6,982**	9,715	8,507
	29,672	35,371	38,027

(In thousands of reais)

21. Provision for contingencies (Continued)

Possible risks (Continued)

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

Judicial and appeal deposits

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

	Company				Consolidated			
	Tax	Labor	Civil	Total	Tax	Labor	Civil	Total
Balance at January 1, 2016	1,003	831	2,578	4,412	1,003	896	4,454	6,353
Additions (deposits)	221	350	-	571	221	611	-	832
Unfavorable outcome	-	-	(1,781)	(1,781)	-	-	(2,183)	(2,183)
Balance at December 31, 2016	1,224	1,181	797	3,202	1,224	1,507	2,271	5,002
Additions (deposits)	116	598	375	1,089	116	1,062	588	1,766
Unfavorable outcome	(318)	(38)	(367)	(723)	(318)	(38)	(367)	(723)
Balance at December 31, 2017	1,022	1,741	805	3,568	1,022	2,531	2,492	6,045
Additions (deposits)	**-**	**1,048**	**6**	**1,054**	**-**	**1,196**	**3**	**1,199**
Unfavorable outcome	**(49)**	**(119)**	**(53)**	**(221)**	**(49)**	**(1,419)**	**(60)**	**(1,528)**
Favorable outcome	**(461)**	**(148)**	**(13)**	**(622)**	**(461)**	**(176)**	**(13)**	**(650)**
Monetary restatement	**49**	**30**	**13**	**92**	**49**	**84**	**15**	**148**
Balance at December 31, 2018	**561**	**2,552**	**758**	**3,871**	**561**	**2,216**	**2,437**	**5,214**

(In thousands of reais)

22. Current and deferred income and social contribution taxes

Income and social contribution taxes

Reconciliation between the tax expense and the book profit multiplied by the tax rate or the periods ended December 31, 2018, 2017 and 2016 is as follows:

	Company			Consolidated		
	2018 (restated)	**2017 (restated)**	**2016 (restated)**	**2018 (restated)**	**2017 (restated)**	**2016 (restated)**
Loss before income and social contribution taxes	**(24,174)**	(37,028)	(69,931)	**(19,856)**	(31,348)	(65,058)
Income and social contribution taxes at a statutory tax rate of 34%	**8,219**	12,589	23,777	**6,751**	10,658	22,120
Permanent differences:						
Equity pickup	**4,587**	(6,044)	(9,312)	**392**	411	728
Tax impact generated by SCPs	**146**	659	1,097	**24**	1,450	1,206
Other permanent differences	**(3,519)**	5,765	1,478	**(1,331)**	2,006	362
Temporary differences:						
Deferred provisions or the year	**(7,832)**	(12,973)	(17,041)	**(6,683)**	(17,434)	(28,244)
Income and social contribution tax expenses	**1,602**	(3)	(1)	**(848)**	(2,908)	(3,828)
Current	**-**	-	-	**(2,450)**	(2,908)	(3,789)
Deferred	**1,602**	(3)	(1)	**1,602**	-	(39)
	1,602	(3)	(1)	**(848)**	(2,908)	(3,828)

Deferred income and social contribution taxes

At December 31, 2018, the Company's income and social contribution tax losses amounted to approximately R$353,760. The Company did not recognize the potential tax credit from deferred income and social contribution taxes as it failed to meet all the deferred tax credit recognition assumptions, such as history of profitability and not being in its pre-operating phase, as required by CVM Rule No. 371/2002.

23. Equity

According to its bylaws, the Company is authorized to increase its capital up to the limit of 300,000,000 (three hundred million) common shares. The capital increase and consequent issue of new shares are to be approved by the Board of Directors, subject to the authorized capital limit.

On March 1, 2016, in a meeting, the Board of Directors approved an increase in the Company's capital by issuing 56,977 new common registered shares, with no par value, at a total issue price of R$1,170.

On September 16, 2016, the Special General Shareholders' meeting approved an increase in the Company's capital by issuing 5,254,170 redeemable registered preferred shares, with no par value, at a total issue price of R$400,000. For accounting purposes, this transaction was considered as a financial liability. See Note 15.

On December 23, 2016, the Special General Shareholders' meeting approved an increase in the Company's capital by issuing 1,313,542 redeemable registered preferred shares, with no par value, at a total issue price of R$100,000. For accounting purposes, this transaction was considered as a financial liability. See Note 15.

On December 30, 2016, as part of the corporate restructuring process, the terms and conditions for the downstream merger of Newpark II Participações S.A. and TSEMF IV (Brasil) Participações Ltda. were approved, with merger of tax benefit amounting to R$23,312.

On November 28, 2018, the Special General Shareholders' Meeting approved the conversion of the option, restated, amounting to R$602,338. See Note 15.

The conversion was conducted in accordance with the Special General Shareholders' Meetings held on September 16, 2016 and December 23, 2016, updated on November 28, 2018. Therefore, (i) the amount of R$50,000 corresponding to 10% of the investment was converted into capital; (ii) the amount of R$450,000 corresponding to 90% of the investment was converted into capital reserve; and (iii) the amount of R$102,338 resulting from the yield based on the IPCA, plus a monthly percentage margin calculated based on 4% p.a., net of the balance to be allocated to expenses with share issue. This amount was converted into a share subscription reserve.

At December 31, 2018, fully subscribed and paid-in capital social amounted to R$212,153 (R$162,153 at December 31, 2017 and December 31, 2016). The number of common registered shares, with no par value, and preferred registered shares, with no par value, is as follows:

(In thousands of reais)

23. **Equity** (Continued)

	2018	2017	2016
Common shares	**15,640,472**	15,640,472	15,640,472
Preferred shares	**6,567,712**	-	-
	22,208,184	15,640,472	15,640,472

Capital reserve

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

Dividends

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

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

For the year ended December 31, 2018, 2017 and 2016, no dividend was paid in the Company. Subsidiary Cinelândia paid R$360 in dividends in 2018, R$512 in 2017 and R$3,133 in 2016.

24. Net revenue from services

	Company			Consolidated		
	2018	2017	2016	2018	2017	2016
Revenue:						
Operation of parking lots	**834,572**	814,590	717,073	**1,006,557**	983,965	890,970
Management contracts	**33,007**	28,580	27,311	**34,019**	29,632	29,797
Operation of pay-and-display areas	**-**	-	-	**53,795**	55,638	47,923
Lease of spaces	**7,908**	7,362	6,762	**8,062**	7,581	7,426
Revenue as agent	**431**	2,294	3,702	**431**	2,341	3,952
Revenue from services rendered in events	**9,628**	9,219	7,886	**10,793**	10,218	8,600
Remarketing revenues	**-**	-	-	**6,446**	6,669	-
Other service revenues	**11,568**	8,577	9,431	**13,068**	9,514	10,501
	897,114	870,622	772,165	**1,133,171**	1,105,558	999,169
Deductions:						
PIS - 0.65% and 1.65%	**(14,077)**	(14,324)	(12,683)	**(17,808)**	(17,987)	(16,126)
COFINS - 3.00% and 7.65%	**(64,832)**	(65,972)	(58,406)	**(82,016)**	(82,832)	(74,340)
ISS - 2% to 5%	**(42,726)**	(41,529)	(36,617)	**(52,961)**	(51,557)	(46,817)
Other deductions	**(613)**	(712)	-	**(1,153)**	(988)	(5)
	(122,248)	(122,537)	(107,706)	**(153,938)**	(153,364)	(137,288)
	774,866	748,085	664,459	**979,233**	952,194	861,881

(In thousands of reais)

25. Costs and expenses by nature

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
	(restated)	**(restated)**	**(restated)**	**(restated)**	**(restated)**	**(restated)**
Payroll and related charges	**(264,008)**	(241,966)	(233,845)	**(314,090)**	(288,878)	(290,101)
Leases	**(311,639)**	(303,375)	(282,976)	**(399,863)**	(390,937)	(365,935)
Individual and legal entity services	**(27,038)**	(22,920)	(22,652)	**(38,284)**	(35,659)	(33,986)
General	**(26,764)**	(24,527)	(22,070)	**(44,155)**	(40,032)	(29,142)
Utilities	**(11,055)**	(10,435)	(9,004)	**(15,111)**	(14,209)	(12,867)
Maintenance	**(10,979)**	(8,374)	(5,026)	**(14,303)**	(11,412)	(7,630)
Insurance	**(6,640)**	(6,175)	(6,499)	**(7,860)**	(7,321)	(7,536)
Depreciation	**(16,289)**	(28,061)	(30,142)	**(28,774)**	(46,536)	(44,594)
Reversal of accounts payable for investment acquisition (Note 17)	**12,000**	10,782	13,534	**12,000**	10,782	13,534
Gain on control lost (Note 10)	**-**	-	-	**28,750**	-	-
Other costs and expenses	**(14,704)**	(6,234)	(6,791)	**(15,724)**	(11,624)	(10,254)
Total	**(677,116)**	(641,285)	(605,471)	**(837,414)**	(835,826)	(788,511)
Cost of services	**(605,460)**	(589,659)	(558,748)	**(781,257)**	(766,051)	(726,695)
General and administrative expenses	**(82,561)**	(61,710)	(57,017)	**(99,529)**	(74,023)	(71,988)
Other operating income (expenses), net	**10,905**	10,085	10,294	**43,371**	4,248	10,172
Total	**(677,116)**	(641,285)	(605,471)	**(837,414)**	(835,826)	(788,511)

26. Finance income (costs)

Finance income

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Interest on short-term investments	**6,223**	26,259	16,679	**7,358**	27,056	17,192
Discounts obtained	**68**	62	51	**422**	282	281
Interest income	**492**	1,097	669	**554**	1,238	756
Monetary variation	**1,402**	273	439	**1,674**	539	525
Foreign exchange difference	**-**	1,656	7,394	**654**	1,263	16,125
Fair value adjustment - swap	**-**	-	-	**969**	-	-
Fair value adjustment - options	**35,703**	20,819	8,926	**35,703**	20,819	8,926
Interest on intercompany loans	**420**	2,135	3,364	**428**	2,135	3,333
	44,308	52,301	37,522	**47,762**	53,332	47,138

Finance costs

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
	(restated)	**(restated)**	**(restated)**	**(restated)**	**(restated)**	**(restated)**
Interest	**(108,519)**	(111,844)	(77,108)	**(120,642)**	(122,967)	(87,032)
Tax on financial transactions (IOF)	**(681)**	(12)	(514)	**(785)**	(104)	(643)
Fair value adjustment - swap	**-**	(1,524)	-	**(192)**	(2,555)	-
Fair value adjustment - options	**(6,952)**	(3,862)	(14,577)	**(6,952)**	(3,862)	(32,721)
Bank surety	**-**	-	-	**(4)**	(24)	(1,850)
Commissions	**(6,679)**	(8,319)	(3,140)	**(8,084)**	(8,652)	(3,477)
Foreign exchange difference	**-**	(824)	(3,236)	**(2,142)**	3,885	(6,346)
Bank fees	**(1,002)**	(1,015)	(728)	**(1,387)**	(1,398)	(1,005)
Other finance costs	**(351)**	(352)	(664)	**(449)**	(343)	(1,203)
	(124,184)	(127,752)	(99,967)	**(140,637)**	(136,020)	(134,277)

27. Earnings per share

	Company and Consolidated				
	12/31/2018				
	Common shares	Preferred shares	Total	12/31/2017	12/31/2016
			(restated)	(restated)	(restated)
Numerator - Basic					
Loss for the year	**(15,897)**	**(6,675)**	**(22,572)**	(37,031)	(69,932)
Denominator - Basic					
Weighted average number of shares - Basic - in thousands	**15,640,472**	**1,094,619**	**16,735,091**	15,640,472	15,626,228
Basic loss per share	**(1.0164)**	**(6.0984)**		(2.3676)	(4.4753)
Numerator - Basic					
Loss for the year	**(15,897)**	**(6,675)**	**(22,572)**	(37,031)	(69,932)
Denominator - Basic					
Weighted average number of common shares - Basic - in thousands	**15,640,472**	**-**	**15,640,472**	15,640,472	15,626,228
Stock options (Note 33) - in thousands	**99,407**	**-**	**99,407**	99,407	99,407
Weighted average number of preferred shares - Basic (Note 15) - in thousands	**-**	**1,094,619**	**1,094,619**	6,567,712	6,567,712
Weighted average number of shares - Diluted	**15,640,472**	**1,094,619**	**16,735,091**	15,640,472	15,626,228
Diluted loss per share	**(1.0164)**	**(6.0984)**		(2.3676)	(4.4753)

At December 31, 2018, 2017 and 2016, the Company recorded an antidilutive effect related to: (i) stock options, with effect of R$0.0064 in 2018, R$0.6927 in 2017 and R$1.3101 in 2016; and (ii) conversion of preferred shares, with effect of R$5.0820 in 2018, R$0.0074 in 2017 and R$0.0141 in 2016.

28. Segment information

Segment information are reported consistently with the internal reports provided to chief operating decision makers for purposes of assessment of each segment performance and fund allocation.

28. Segment information (Continued)

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

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

Information in this Note has been restated due to the opening of segments *Concessions - On* and *Off-Street*, previously stated in a single column, and to an improvement in the disclosure of apportionments by segment.

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

- Leased and Managed Locations: comprises agreement executed with the private sector for up to 10 years. There are operations in the parking area in various segments, such as: commercial buildings, malls, hospitals, educational institutions, banks, and land. Agreements are for leases (fixed or variable leases, or a combination of both) and management (fixed or variable fee).
- Owned Locations: these are real estate acquisition agreements (garages or parking spaces) as a unit separate from the venture where it is located.
- Off-Street: comprises agreements with the Government, won through bidding, ranging from five to 35 years. It may be related to infrastructure, which demands huge volumes of investment. These agreements are off-street, and mainly include airports and underground parking lots.
- On-Street: on-street pay-and-display parking space management agreements entered into with the Cities. Right of operation ranges from five to ten years (renewable for the same period). The contra entry includes investments in pay-and-display machines, infrastructure, signs and markings, and initial grants in the cities of Araraquara, Belo Horizonte, Itajaí, Itatiba, Jacareí, Jaraguá do Sul, Juiz de Fora, Limeira, Mauá, Mogi das Cruzes, Pindamonhangaba, Piracicaba, Rio Claro, Santa Bárbara d'Oestes, Santo André, São Carlos, São João da Boa Vista, São Paulo and Vila Velha.

28. Segment information (Continued)

- Long-term Contracts: include agreements entered into with the private sector for terms that exceed ten years, and demand investments in infrastructure and/or initial grant. We highlight parking operations in the following segments: commercial buildings, airports, educational institutions, among others.
- Others: secondary revenues that are not specifically identifiable to an operating segment, such as operation of investee in Loop, franchise revenues, and specific operations considered as extraordinary.

(In thousands of reais)

28. Segment information (Continued)

For the years ended December 31, 2018, 2017 and 2016, segment reporting was as follows:

	Consolidated											
	Leased and managed locations			Long-term contracts			Owned locations			Off-street		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Net revenue from services rendered	**470,453**	469,974	531,175	**330,337**	309,627	186,514	**29,340**	26,802	19,121	**94,406**	89,532	81,120
Gross profit	**72,715**	81,165	92,050	**110,686**	106,485	48,251	**13,951**	13,127	10,636	**20,050**	18,803	14,827
General and administrative expenses	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Other operating income (expenses), net	**11,734**	9,765	10,172	**-**	-	-	**-**	-	-	**3,990**	(6,339)	-
Equity pickup	**-**	-	-	**-**	-	-	**360**	263	(10)	**1,428**	1,391	2,236
Income (loss) before depreciation and amortization	**84,448**	90,930	102,222	**110,686**	106,485	48,251	**14,310**	13,390	10,626	**25,467**	13,855	17,063
Depreciation and amortization	**(33,397)**	(41,303)	(38,745)	**(37,354)**	(35,606)	(29,070)	**(2,461)**	(4,904)	(3,888)	**(19,681)**	(24,150)	(21,160)
Income (loss) before finance income (costs)	**51,051**	49,627	63,477	**73,332**	70,878	19,181	**11,849**	8,486	6,738	**5,787**	(10,295)	(4,097)
Finance income												
Finance costs												
Loss before income and social contribution taxes												
Current income and social contribution taxes (b)	**-**	-	-	**(1,308)**	(1,425)	(1,652)	**-**	-	-	**(452)**	(347)	(326)
Deferred income and social contribution taxes	**-**	-	-	**-**	-	-	**-**	-	-	**-**	-	-
Loss for the year	**51,051**	49,627	63,477	**72,024**	69,453	17,529	**11,849**	8,486	6,738	**5,335**	(10,642)	(4,423)

	Consolidated											
	On-street			Other			Unallocated			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Net revenue from services rendered	**47,477**	49,181	42,405	**7,219**	7,078	1,546	**-**	-	-	**979,233**	952,194	861,881
Gross profit	**12,444**	14,552	12,625	**(3,096)**	(1,455)	1,391	**-**	-	-	**226,750**	232,678	179,780
General and administrative expenses	**-**	-	-	**-**	-	-	**(99,529)**	(74,023)	(71,988)	**(99,529)**	(74,023)	(71,988)
Other operating income (expenses), net	**-**	-	-	**27,648**	822	-	**-**	-	-	**43,371**	4,248	10,172
Equity pickup	**-**	-	-	**(635)**	(442)	(85)	**-**	-	-	**1,152**	1,210	2,141
Income (loss) before depreciation and amortization	**12,444**	14,552	12,625	**23,917**	(1,075)	1,306	**(99,529)**	(74,023)	(71,988)	**171,744**	164,114	120,105
Depreciation and amortization	**(4,860)**	(5,883)	(5,161)	**(972)**	(927)	-	**-**	-	-	**(98,726)**	(112,773)	(98,024)
Income (loss) before finance income (costs)	**7,583**	8,670	7,464	**22,945**	(2,002)	1,306	**(99,529)**	(74,023)	(71,988)	**73,019**	51,341	22,081
Finance income							**47,762**	53,332	47,138	**47,762**	53,332	47,138
Finance costs							**(140,637)**	(136,020)	(134,277)	**(140,637)**	(136,020)	(134,277)
Loss before income and social contribution taxes							**(192,404)**	(156,711)	(159,127)	**(19,856)**	(31,347)	(65,058)
Current income and social contribution taxes (b)	**-**	-	-	**-**	-	-	**(690)**	(1,136)	(1,811)	**(2,450)**	(2,908)	(3,789)
Deferred income and social contribution taxes	**-**	-	-	**-**	-	-	**1,602**	-	(39)	**1,602**	-	(39)
Loss for the year	**7,583**	8,670	7,464	**2**	(2,002)	1,306	**(191,492)**	(157,847)	(160,978)	**(20,704)**	(34,256)	(68,886)

(In thousands of reais)

28. Segment information (Continued)

(a) Management separately monitors operating income (loss) of business units in order to make decisions on fund allocation and evaluate performance. Performance of segments is assessed based on revenue and contribution margin. Administrative expenses, Company's finance income (costs), and income taxes are managed at the Group level, rather than allocated to the operating segments.

(b) Current income and social contribution taxes are allocated only to companies with one segment only.

Significant information on assets

	Leased and managed locations			Long-term contracts			Owned locations			Off-street			On-street			Other			Total		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**	**2018**	**2017**	**2016**
Property and equipment																					
Acquisition cost	**156,669**	142,924	133,220	**65,562**	52,154	48,888	**93,539**	83,176	80,266	**130,347**	128,012	109,685	**35,194**	30,951	28,087	**28,182**	31,933	24,379	**509,492**	469,149	424,526
Depreciation	**(98,103)**	(87,713)	(74,394)	**(37,389)**	(33,133)	(23,260)	**(25,129)**	(22,097)	(18,420)	**(47,516)**	(41,002)	(28,987)	**(20,813)**	(17,458)	(12,979)	**(16,260)**	(16,954)	(13,925)	**(245,211)**	(218,356)	(171,965)
Balance	**58,566**	55,212	58,826	**28,173**	19,022	25,628	**68,410**	61,078	61,846	**82,831**	87,010	80,698	**14,380**	13,493	15,108	**11,921**	14,979	10,455	**264,281**	250,793	252,561
Intangible assets																					
Goodwill	**102,924**	102,924	102,924	**2,084**	2,084	2,084	**-**	-	-	**11,088**	7,160	11,773	**-**	-	-	**2,788**	6,496	-	**118,884**	118,664	116,781
Other intangible assets:																					
Acquisition cost	**132,056**	123,368	118,230	**425,264**	341,237	321,640	**2,356**	8,467	6,426	**289,402**	214,086	206,449	**17,287**	7,053	7,335	**65,104**	75,156	60,258	**931,469**	769,367	720,337
Amortization	**(73,905)**	(58,232)	(37,733)	**(89,215)**	(56,264)	(36,277)	**(497)**	(774)	(607)	**(49,567)**	(36,273)	(22,748)	**(4,767)**	(3,366)	(2,725)	**(37,652)**	(32,261)	(21,210)	**(255,603)**	(187,171)	(121,300)
Balance	**161,075**	168,059	183,421	**338,134**	287,058	287,447	**1,859**	7,693	5,819	**250,923**	184,972	195,474	**12,520**	3,687	4,610	**30,240**	49,391	39,048	**794,750**	700,860	715,819
Additions																					
Capital invested in property and equipment	**18,170**	12,167	15,413	**14,862**	3,704	5,724	**841**	2,972	246	**2,984**	18,350	22,198	**3,973**	1,703	4,550	**395**	5,877	-	**41,225**	44,773	48,131
Capital invested in intangible assets	**15,549**	13,984	10,829	**71,098**	22,680	193,875	**214**	2,345	134	**92,492**	2,910	9,481	**2,136**	1,012	745	**250**	1,516	-	**181,739**	44,447	215,064
Total capital invested	**33,719**	26,151	26,242	**85,960**	26,384	199,599	**1,055**	5,317	380	**95,476**	21,260	31,679	**6,109**	2,715	5,295	**645**	7,393	-	**222,964**	89,220	263,195

29. Financial instruments and financial risk management policies

Financial instruments carried by the Company at December 31, 2018, 2017 and 2016 are basically:

- Cash and cash equivalents

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

- Loans and financing

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

- Debentures

  Debentures are subject to the CDI variation (100% and 118%), plus average percentage of 2.4% p.a., as disclosed in Note 13.

- Derivative financial instruments

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

- Financial liabilities convertible into shares

  Financial liabilities convertible into shares are subject to the rate described in Note 15.

- Accounts payable for investment acquisition

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

Management reviews and sets policies for management of each of these risks, which are as follows:

<u>Credit risk</u>

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

(In thousands of reais)

29. Financial instruments and financial risk management policies (Continued)

Market risk

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

			Company			Consolidated		
	Note	Index	2018	2017	2016	2018	2017	2016
Financial assets:								
Bank deposit certificate	5	CDI	**5,041**	10,449	100,234	**16,075**	36,929	145,640
Investment fund	5	CDI	**21**	142,045	233,900	**3,885**	142,045	233,900
			5,062	152,494	334,134	**19,960**	178,974	379,540
Financial liabilities:								
Working capital	13	CDI	**106,214**	16,322	29,003	**132,931**	48,964	61,078
Working capital - swap	13	Dollar (i)	**-**	-	27627	**-**	4,586	52,006
Lease	13	CDI	**-**	-	13	**-**	36	130
Debentures	13	CDI	**176,276**	331,543	396,437	**176,275**	331,543	396,437
Derivative financial instruments	14	CDI	**-**	70,351	94,919	**-**	71,146	104,761
Financial liabilities convertible into shares	15	IPCA	**-**	472,885	403,655	**-**	472,885	403,655
Accounts payable for investment acquisition	17	IPCA/IGP-M	**8,657**	15,605	37,534	**8,657**	15,605	37,534
			291,147	906,707	989,188	**317,863**	944,765	1,055,601

(i) While the loan is denominated in US$, the Company contracted a swap operation to convert the debt into CDI. See Note 14.

Liquidity risk

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

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

In addition, treasury monitors the consolidated liquidity level, considering the expected cash flows.

The following table shows the liquidity risks of significant financial liabilities by maturity, and reflect the Company's undiscounted financial flow at December 31, 2018, 2017 and 2016:

(In thousands of reais)

29. Financial instruments and financial risk management policies (Continued)

Liquidity risk (Continued)

	Company				Consolidated			
At December 31, 2018	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Loans, financing and debentures	**234,443**	**48,047**	**-**	**282,490**	**236,842**	**72,363**	**-**	**309,205**
Trade accounts payable	**46,415**	**5,361**	**-**	**51,776**	**59,473**	**5,505**	**-**	**64,977**
Accounts payable for investment acquisition	**5,657**	**3,000**	**-**	**8,657**	**5,657**	**3,000**	**-**	**8,657**
	286,515	**56,408**	**-**	**342,923**	**301,972**	**80,868**	**-**	**382,839**

	Company				Consolidated			
At December 31, 2017	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Loans, financing and debentures	342,644	5,222	-	347,866	342,903	42,226	-	385,129
Trade accounts payable	40,431	507	-	40,938	51,227	650	-	51,877
Accounts payable for investment acquisition	12,389	3,216	-	15,605	12,389	3,216	-	15,605
Derivative financial instruments	-	70,351	-	70,351	-	71,146	-	71,146
Financial liabilities convertible into shares	-	472,885	-	472,885	-	472,885	-	472,885
	395,464	552,181	-	947,645	406,519	590,123	-	996,642

	Company				Consolidated			
At December 31, 2016	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**	**1 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Loans, financing and debentures	436,758	16,322	-	453,080	466,893	42,758	-	509,651
Trade accounts payable	101,361	-	-	101,361	113,049	145	-	113,194
Accounts payable for investment acquisition	26,216	11,318	-	37,534	26,216	11,318	-	37,534
Derivative financial instruments	7612	87,307	-	94,919	16886	87,875	-	104,761
Financial liabilities convertible into shares	-	403,655	-	403,655	-	403,655	-	403,655
	571,947	518,602	-	1,090,549	623,044	545,751	-	1,168,795

Capital management

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

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

(In thousands of reais)

29. Financial instruments and financial risk management policies (Continued)

Capital management (Continued)

At December 31, 2018, 2017 and 2016, bases or the indexes were as follows:

		Company			Consolidated		
	Note	2018	2017	2016	2018	2017	2016
Loans and financing	13	**106,214**	16,322	56,630	**132,931**	53,550	113,084
Lease	13	**-**	-	13	**-**	36	130
Debentures	13	**176,276**	331,543	396,438	**176,275**	331,543	396,438
Financial liabilities convertible into shares	15	**-**	472,885	403,655	**-**	472,885	403,655
(-) Cash and cash equivalents	5	**(17,283)**	(161,943)	(343,678)	**(41,300)**	(198,065)	(394,640)
Net debt		**265,207**	658,807	513,058	**267,906**	659,949	518,667
Equity	23	**770,809**	187,335	218,315	**775,934**	191,623	221,575

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

Sensitivity analysis of financial instruments

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

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

Company						
					Market projection	
	Note	Index	2018	Probable	Scenario A	Scenario B
Loans and financing	**13**	CDI	**106,214**	**113,012**	**114,711**	**116,411**
Debentures	**13**	CDI	**176,276**	**187,558**	**190,378**	**193,198**
Accounts payable for investment acquisition	**17**	IPCA	**8,657**	**8,882**	**8,938**	**8,995**
			291,147	**309,452**	**314,027**	**318,604**
Bank deposit certificate	**5**	CDI	**5,041**	**5,364**	**5,444**	**5,525**
Investment fund	**5**	CDI	**21**	**22**	**23**	**23**
			5,062	**5,386**	**5,467**	**5,548**
Total exposure, net			**286,085**	**304,066**	**308,560**	**313,056**
Loss				**(17,981)**	**(22,475)**	**(26,971)**

(In thousands of reais)

29. Financial instruments and financial risk management policies (Continued)

Financial instruments sensitivity analysis (Continued)

Company

	Note	Index	2017	Probable	Market projection Scenario A	Market projection Scenario B
Loans and financing	13	CDI	16,323	17,364	17,624	17,884
Debentures	13	CDI	331,543	352,696	357,984	363,272
Accounts payable for investment acquisition	17	IPCA	15,605	16,198	16,346	16,495
Financial liabilities convertible into shares	15	IPCA	472,885	490,855	495,347	499,840
			836,356	877,113	887,301	897,491
Bank deposit certificate	5	CDI	10,449	11,116	11,282	11,449
Investment fund	5	CDI	142,045	151,107	153,373	155,639
			152,494	162,223	164,655	167,088
Total exposure, net			683,862	714,890	722,646	730,403
Loss				(31,028)	(38,784)	(46,541)

	Note	Index	2016	Probable	Scenario A	Scenario B
Loans and financing	13	CDI	29,003	31,831	32,538	33,245
Loans and financing - swap	13	Dollar (i)	27,627	30,321	30,994	31,667
Debentures	13	CDI	396,438	435,091	444,754	454,417
Accounts payable for investment acquisition	17	IPCA	35,148	36,905	37,345	37,784
Financial liabilities convertible into shares	15	IPCA	403,655	423,838	428,883	433,929
			891,871	957,986	974,514	991,042
Bank deposit certificate	5	CDI	100,234	110,007	112,450	114,893
Investment fund	5	CDI	233,900	256,705	262,407	268,108
			334,134	366,712	374,857	383,001
Total exposure, net			557,737	591,274	599,657	608,041
Loss				(33,537)	(41,920)	(50,304)

Consolidated

	Note	Index	2018	Probable	Market projection Scenario A	Market projection Scenario B
Loans and financing	**13**	CDI	**132,931**	**141,439**	**143,565**	**145,692**
Debentures	**13**	CDI	**176,275**	**187,557**	**190,377**	**193,197**
Accounts payable for investment acquisition	**17**	IPCA	**8,657**	**8,882**	**8,938**	**8,995**
			317,863	**337,878**	**342,880**	**347,884**
Bank deposit certificate	**5**	CDI	**16,075**	**17,104**	**17,361**	**17,618**
Investment fund	**5**	CDI	**3,885**	**4,134**	**4,196**	**4,258**
			19,960	**21,238**	**21,557**	**21,876**
Total exposure, net			**297,903**	**316,640**	**321,323**	**326,008**
Loss				**(18,737)**	**(23,420)**	**(28,105)**

(In thousands of reais)

29. Financial instruments and financial risk management policies (Continued)

Financial instruments sensitivity analysis (Continued)

Consolidated

	Note	Index	2017	Probable	Market projection Scenario A	Scenario B
Loans and financing	13	CDI	49,000	52,126	52,908	53,689
Loans and financing - swap	13	Dollar (i)	4,586	4,879	4,952	5,025
Debentures	13	CDI	331,543	352,696	357,984	363,272
Accounts payable for investment acquisition	17	IPCA	15,605	16,198	16,346	16,495
Financial liabilities convertible into shares	15	IPCA	472,885	490,855	495,347	499,840
			873,619	916,754	927,537	938,321
Bank deposit certificate	5	CDI	36,929	39,285	39,874	40,463
Investment fund	5	CDI	142,045	151,107	153,373	155,639
			178,974	190,392	193,247	196,102
Total exposure, net			694,645	726,362	734,290	742,219
Loss				(31,717)	(39,645)	(47,574)

	Note	Index	2016	Probable	Scenario A	Scenario B
Loans and financing	13	CDI	61,078	67,033	68,522	70,011
Loans and financing - swap	13	Dollar (i)	52,006	57,077	58,344	59,612
Debentures	13	CDI	396,438	435,091	444,754	454,417
Accounts payable for investment acquisition	17	IPCA	35,148	36,905	37,345	37,784
Financial liabilities convertible into shares	15	IPCA	403,655	423,838	428,883	433,929
			948,325	1,019,944	1,037,848	1,055,753
Bank deposit certificate	5	CDI	145,640	159,840	163,390	166,940
Investment fund	5	CDI	233,900	256,705	262,407	268,108
			379,540	416,545	425,797	435,048
Total exposure, net			568,785	603,399	612,051	620,705
Loss				(34,614)	(43,266)	(51,920)

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

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

The CDI rates used in scenarios Probable, (A) and (B) were 6.40%, 8.00% and 9.60% p.a., respectively. The IPCA rates used in scenarios Probable, (A) and (B) were 2.60%, 3.25% and 3.90% p.a., respectively. The CDI and IPCA projection was extracted from Brazil's Treasury web site.

(In thousands of reais)

30. Fair value

Financial instrument fair value calculation methodology

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

There is a three-level hierarchy for fair value measurement, which is based on observable and non-observable inputs. Observable inputs reflect market date obtained from independent sources, whereas non-observable inputs reflect the Company’s market assumptions.

These two types of inputs create the fair value hierarchy below:

Level 1: prices quoted for identical instruments in active markets;

Level 2: prices quoted in active markets for similar instruments, prices quoted for identical or similar instruments in inactive markets, and valuation models for which inputs are observable; and

Level 3: instruments whose significant inputs are non-observable.

Fair values of financial assets and liabilities vs. carrying amounts, classified as “Level 2” in the fair value hierarchy, are as follows.

The fair value of financial assets and liabilities is included in the amount for which a financial instrument could be exchanged in a current transaction between willing parties, other than a forced sale or settlement.

		Company					
		Carrying amount			Fair value		
	Note	2018	2017	2016	2018	2017	2016
Financial assets							
Cash and cash equivalents	**5**	**17,283**	161,943	343,678	**17,283**	161,943	343,678
Accounts receivable	**6**	**47,177**	49,050	43,356	**47,177**	49,050	43,356
		64,460	210,993	387,034	**64,460**	210,993	387,034
Financial liabilities							
Loans, financing and debentures	**13**	**282,490**	347,866	453,080	**282,490**	347,866	453,080
Trade accounts payable		**51,776**	40,939	101,361	**51,776**	40,939	101,361
Accounts payable for investment acquisition	**17**	**8,657**	15,605	37,534	**8,657**	15,605	37,534
Derivative financial instruments	**14**	**-**	70,351	94,919	**-**	70,351	94,919
Financial liabilities convertible into shares	**15**	**-**	472,885	403,655	**-**	472,885	403,655
Total		**342,923**	947,646	1,090,549	**342,923**	947,646	1,090,549

(In thousands of reais)

30. Fair value (Continued)

Financial instrument fair value calculation methodology (Continued)

		Consolidated					
		Carrying amount			Fair value		
	Note	2018	2017	2016	2018	2017	2016
Financial assets							
Cash and cash equivalents	**5**	**41,300**	198,065	394,640	**41,300**	198,065	394,640
Accounts receivable	**6**	**54,204**	57,507	50,960	**54,204**	57,507	50,960
		95,504	255,572	445,600	**95,504**	255,572	445,600
Financial liabilities							
Loans, financing and debentures	**13**	**309,205**	385,129	509,651	**309,205**	385,129	509,651
Trade accounts payable		**64,978**	51,877	113,194	**64,978**	51,877	113,194
Accounts payable for investment acquisition	**17**	**8,657**	15,605	37,534	**8,657**	15,605	37,534
Derivative financial instruments	**14**	**-**	71,146	104,761	**-**	71,146	104,761
Financial liabilities convertible into shares	**15**	**-**	472,885	403,655	**-**	472,885	403,655
Total		**382,840**	996,642	1,168,795	**382,840**	996,642	1,168,795

For the year ended December 31, 2018, 2017 and 2016, there was no fair value assessment transfer between Level 1 and Level 2, or fair value assessment transfer between Level 3 and Level 2.

31. Insurance coverage

Insurance coverage is as follows:

Type of coverage	Coverage
Vehicle insurance	825
Corporate insurance and fire in facilities	30,603
Insurance against accidents in garages	2,500
Cash robbery in garages	100
Total	34,028

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

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

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

In 2018, 2017 and 2016, the Company took out insurance from Tokio Marine (2018 and 2017) and Porto Seguro (2016) to cover its operating activities. Other insurance coverage is taken out from first-tier insurers, considering premium, risks and contingent event policy.

(In thousands of reais)

32. Commitments - operating lease agreements

At December 31, 2018, 2017 and 2016, the Company has operating leases of garages. These leases are effective for five years, on average, and can be renewed after this period. Lease payments are restated from time to time, according to the respective agreement, based on leases in the market. The Company also has leases with contingent payments, which vary according to the ranges and percentage of parking log billing.

Minimum future non-cancellable lease payments are as follows:

	Company			Consolidated		
	2018	**2017**	**2016**	**2018**	**2017**	**2016**
Within one year	**134,716**	150,777	153,111	**201,815**	216,585	218,241
After one year, but before five years	**437,755**	484,164	765,556	**691,004**	728,341	1,091,205
Over 5 years	**341,241**	404,284	918,667	**517,901**	621,916	1,309,446
	913,712	1,039,225	1,837,334	**1,410,720**	1,566,842	2,618,892

33. Share-based payment plan

First stock option plan

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

The Board of Directors, in meeting held on July 3, 2013, approved the First Stock Option Plan (“First Program”), whereby the beneficiary is granted a stock option for shares to be issued and sold by the Company.

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

(In thousands of reais)

33. Share-based payment plan (Continued)

First stock option plan (Continued)

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

	Grant
Date of issue	03/06/2013
Vesting date	03/06/2013
Strike price	16.33
Strike price (estimated) at the statement of financial position balance	30.72
Risk-free interest rate %	8.2%
contractual term for exercise per lot (days)	941
Expected dividend yield	0%
Share volatility in the market	24.2%
Total number of outstanding options	99,407
Total number of vested options	-
Total number of lost/expired options	-
Number of options exercised	-
Number of options granted/to be exercised	99,407
Estimated fair value (R$/share)	18.63

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

34. Non-cash transactions

In 2018, 2017 and 2016, the Company conducted non-transactions which, therefore, were not presented in the Statements of Cash Flows, as follows:

- Change in control over investment Loop, as disclosed in Note 10.
- Conversion of option into capital and capital reserve in 2018, as disclosed in Note 23.

(In thousands of reais)

35. Subsequent events

Second stock option plan

On January 2, 2019, in the Company's Annual Shareholders' Meeting, the creation of a stock option plan for shares issued by the Company was approved ("Plan").

On March 4, 2019, in the Annual Shareholders' Meeting, the Company's Board of Directors approved the Second Stock Option Plan ("Second Plan"), whereby the Beneficiary was granted a stock option, for invaluable consideration, for shares issued or sold by the Company.

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

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

	First grant	Second grant	Third grant	Fourth grant
Date of issue	01/04/2019	01/04/2019	01/04/2019	01/04/2019
Vesting date	03/31/2019	10/01/2019	04/01/2020	10/01/2020
Strike price	74.77	76.3	77.83	79.36
Strike price (estimated) at the statement of financial position balance	90.46	90.46	90.46	90.46
Risk-free interest rate %	7.4%	8.2%	8.2%	8.3%
contractual term for exercise per lot (days)	214	397	580	762
Expected dividend yield	0%	0%	0%	0%
Share volatility in the market	31%	27.9%	27.5%	27.5%
Total number of outstanding options	-	65,780	78,200	83,473
Total number of vested options	205,425	30,745	18,325	13,052
Total number of lost/expired options	-	-	-	-
Number of options exercised	-	-	-	-
Number of options granted/to be exercised	205,425	96,525	96,525	96,525
Estimated fair value (R$/share)	25.26	28.72	31.78	34.72

(In thousands of reais)

35. Subsequent events (Continued)

Second stock option plan (Continued)

	First grant	Second grant	Third grant	Fourth grant	Fifth grant
Date of issue	03/04/2019	03/04/2019	03/04/2019	03/04/2019	03/04/2019
Vesting date	03/31/2019	10/01/2019	04/01/2020	10/01/2020	04/01/2021
Strike price	74.44	76.3	77.83	79.36	80.9
Strike price (estimated) at the statement of financial position balance	90.46	90.46	90.46	90.46	90.46
Risk-free interest rate %	7.4%	8.2%	8.2%	8.3%	8.3%
contractual term for exercise per lot (days)	214	397	580	762	945
Expected dividend yield	0%	0%	0%	0%	0%
Share volatility in the market	31%	27.9%	27.5%	27.5%	27.5%
Total number of outstanding options	-	10,203	10,898	11,153	11,284
Total number of vested options	13,200	1,497	802	547	416
Total number of lost/expired options	-	-	-	-	-
Number of options exercised	-	-	-	-	-
Number of options granted/to be exercised	13,200	11,700	11,700	11,700	11,700
Estimated fair value (R$/share)	25.26	28.72	31.78	34.72	37.40

Participants' initial vesting (first lot) was on January 4, 2019. The remaining lots will become exercisable on March 31, 2019, September 30, 2019, March 31, 2020, September 30, 2020, March 31, 2021, and September 30, 2021. For participation purposes, the vesting period for each lot will be considered the full time elapsed of these periods.

The remaining expected average life of unvested periods is 1,365 days on January 4, 2019.