



MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2021

MANAGEMENT’S DISCUSSION AND ANALYSIS

In compliance with legal requirements and in accordance with the Brazilian Corporate Laws, Multiplan Empreendimentos Imobiliários S.A. (“Company”) presents, as follows, its Management Discussion and Analysis for the financial and operational results for the year ended on December, 31, 2021.

Multiplan Empreendimentos Imobiliários S.A., a real estate company that manages, develops and owns shopping centers and office towers for lease, as well as mixed-use projects for sale, ended the 2021 fiscal year with resilient operating and financial results, surpassing in the fourth quarter 2021 the record performances of 2019. The Company's main source of revenue, rental revenue, presented a 14.3% increase in 2021 over 2020 as a result of lower operating restrictions in shopping centers during 2021, contributing to a 17.0% increase in NOI in the same period. The net income presented a 53.0% decrease when compared to 2020, when was benefited by the sale of the Diamond Tower corporate tower for R\$810.0 million.

Operating Performance

	2021	2020	2021 x 2020
(R\$ Million)			
Total Tenants Sales	14,110.0	9,915.7	42.3%
Rental revenue	1,118.1	978.1	14.3%
Parking revenue	163.4	114.5	42.7%
Others	101.0	76.9	31.3%
Gross Operating Revenues	1,382.5	1,169.5	18.2%
Taxes and contributions on sales and services	-94.1	-87.9	7.1%
Net Operating Revenues	1,288.4	1,081.6	19.1%
Cost of services rendered and properties sold	-271.4	-274.8	-1.2%
Administrative expenses - head office	-157.1	-139.4	12.7%
Administrative expenses – properties	-92.9	-82.2	13.0%
New projects for lease expenses	-22.1	-10.9	102.8%
New projects for sale expenses	-21.0	-5.2	303.8%
Other revenues (expenses)	-112.4	577.4	-119.5%
Operating Income Before Financial Income	611.5	1,146.5	-46.7%
Net financial income (loss)	-114.2	-76.1	50.1%
Income and social contribution taxes	-44.7	-106.4	-58.0%
Net Income	452.6	964.0	-53.0%
NOI	1,100.4	940.9	17.0%
EBITDA	812.6	1,370.3	-40.7%

Total Tenants Sales: in 2021, Multiplan shopping centers operated for only 83.6% of their regular operating hours, amid other restrictions, and registered R\$14.1 billion in sales, equivalent to 89.5% of the total registered in 2019 and an increase of 42.3% over 2020. VillageMall and ParkShopping Canoas surpassed 2019 sales, reaching 113.0% and 101.8%, respectively.

Gross Revenue: reached R\$1,382.5 million in the year, a 18.2% increase over 2020, mainly due to the 14.3% increase in rental revenue, which represented 80.9% of gross revenue.

Rental Revenues: reached the record high of R\$1,118.1 million, a 14.3% increase over 2020, benefited by the increase in operating hours. The shopping centers operated for 83.6% of the regular opening hours in 2021, compared to 58.5% in 2020.

Parking Revenues: reached R\$163.4 million, an increase of 42.7% over 2020, as a result of the higher car flow and time spent at the mall by customers.

Other Revenues: reached R\$101.0 million in 2021, 31.3% higher than in 2020, mainly due to the increase in services revenue.

Cost of Services Rendered and Properties Sold: totaled R\$271.4 million, a 1.2% decrease when compared to 2020. The main reasons for the decrease were lower depreciation and amortization costs.

Administrative Expenses – Head Office: 12.7% higher when compared to 2020, totaling R\$157.1 million, reflecting mainly the non recurring contingency measures implemented throughout 2020, including temporary salary reduction, corporate structure adjustments, as well as reductions in services, marketing and travel expenses.

Administrative Expenses – Properties: totaled R\$92.9 million in the year, 13.0% higher when compared to 2020 mainly due to the recovery of non recurring expenses in 2020.

New Projects for Lease Expenses: presented a 102.8% increase to R\$22.1 million in 2021 mainly due to higher marketing expenses related to ParkJacarepaguá, opened in November 2021.

New Projects for Sale Expenses: presented a 303.8% increase to R\$21.0 million in 2021, mainly due to the launch of the Golden Lake project.

Other Revenues (Expenses): presented expenses of R\$112.4 million in 2021 compared to revenues of R\$577.4 million in 2020. In 2020, revenues were mainly the result of the sale of the Diamond Tower in July 2020 for R\$810.0 million, which recorded a net result of R\$574.3 million.

Net Operating Income (NOI): totaled R\$1,100.4 million in 2021, 17.0% higher than in the previous year, reflecting the increases in rental and parking revenues (reflecting lower operating restrictions in shopping centers in 2021).

EBITDA: reached R\$812.6 million in 2021, a decrease of 40.7% compared to 2020, mainly due to the sale of the Diamond Tower, one of the towers of Morumbi Corporate complex, in July 2020.

Net Income: reached R\$452.6 million in 2021, a 53.0% decrease compared to 2020, mainly due to the sale of the Diamond Tower in July 2020. In 2021, net income was benefited by the improvement in rent revenues of R\$140.0 million, increase in parking revenues of R\$48.9 million and decrease of R\$61.7 million in income and social contribution taxes.

Net Cash Position: the Company ended the year with cash, cash equivalents and financial investments of R\$778.5 million, and a gross debt of R\$3,267.0 million. As a result, the Company presented a net debt of R\$2,488.5 million, equivalent to 3.06x its EBITDA generated in 2021.

Projects development: in 2021, the Company continued to invest in the construction works and leasing process of ParkJacarepaguá, opened in November 2021. Other important investments include the expansions of DiamondMall and ParkShoppingBarigüi, the modernization of BarraShoppingSul, BH Shopping, RibeirãoShopping, ParkShopping Canoas and BarraShopping, beyond additional investments in digital innovation initiatives.

Independent auditors

Pursuant to the provisions of the Brazilian Securities Commission ("CVM") Instruction No. 381 of January 14, 2003, the Company sets forth below the description of information about non-external audit services provided by our independent auditors or parties to them related to the fiscal year ended on December, 31, 2021:

Contract Date	Duration	Nature of Service
April 14, 2021	1 month	Tax advice regarding operational analysis

The global amount of fees contracted for the services described above (R\$32.0 thousand) represents about 3% (three percent) of the fees related to external audit services.

Except for the aforementioned services, no other non-external audit services were contracted with our independent auditors and / or their related parties during the fiscal year ended on December, 31, 2021.

The Company adopts governance policies aimed at avoiding conflicts of interest and preserving the independence and objectivity of the independent auditors hired, namely: (i) the auditor should not audit his own work; (ii) the auditor should not perform managerial duties on his client; and (iii) the auditor should not promote the interests of his client.

The contracted companies have declared to the Company that they have performed all internal procedures to ensure that the services mentioned above do not constitute a conflict of interest, and have confirmed that the provision of such services does not compromise the independence and objectivity required for the performance of the external audit services.

Human Resources

The Human Resources management in Multiplan involves employees directly from the head office totalling 287 in 2020 and 333 in 2021. For the development and operation of its shopping centers, the Company and its tenants generates approximately 80,000 direct and indirect job posts. The Company works constantly to retain its talents and, therefore, promotes a pleasant and motivating work environment, offers training opportunities and promotes career development: in addition to benefits such as transportation, healthcare and food/meal cards, the Company promotes educational programs (PORTAL DO SABER, ELOS, ESTUDA RH and V.O.C.Ê. FAZ A DIFERENÇA) and awards (FUNCIONÁRIO NOTA 10). Multiplan also holds regular meetings with the tenants' sales teams, through lectures and short courses, to assist in their training (RETAIL CLUB).

Social

Multiplan and its shopping centers organize and run a wide range of actions that seek to benefit the residents and the communities in the surrounding areas of their properties. Valuing people is one of the Company's main commitments and is reflected in the relationship with its employees and third parties, as well as in the dialogue with tenants, communities, social organizations and other community members.

Since the beginning of the Covid-19 pandemic, Multiplan has engaged in a number of initiatives to support its tenants and neighboring communities in mitigating the impacts of the pandemic. Among the initiatives are the donation of more than 100,000 masks for tenants and shopping centers employees, the donation of 40,000 Covid-19 test kits and the use of parking lots to collect donations, host Covid-19 testing and vaccination campaigns. Between March and December 2021, more than 250,000 doses of vaccines were administered in the Company's shopping centers.

Environmental

Multiplan is constantly seeking available technologies to minimize the environmental impact of its projects and operations. Besides complying with current legislation - laws, rules and resolutions - the Company uses best industry practices to ensure that its assets use fewer natural resources and produce the least amount of waste.

Environmental impact initiatives include the integration of green areas into its projects, generation of renewable energy, use of LED lamps and high-performance glasses, with a significant reduction of energy consumption, waste recycling, rainwater reuse systems, and water treatment to be used in the shopping center activities that do not involve human consumption.

In 2021, the solar plant built by Multiplan in Paty do Alferes (Rio de Janeiro State) supplied all the energy consumed by its corporate headquarters and allowed Multiplan to avoid the emission of 770 tons of CO₂. In the same period, the solar plant developed by Multiplan to

supply the energy demand of VillageMall (Rio de Janeiro State), avoided the emission of 12.583 tons of CO2 into the atmosphere.

ParkJacarepaguá, Multiplan 20th shopping center, was developed in Rio de Janeiro following the process of obtaining a LEED (Leadership in Energy and Environmental Design) certification. The project includes rainwater reuse and effluent treatment systems, motion sensor on taps, energy-efficient air conditioning system and solar panel installations. ParkJacarepaguá has a 16,000 sq.m solar energy plant installed across its roof enough to supply approximately 15% of the mall's energy needs.

In addition to the 20 shopping centers in operation, Multiplan also owns commercial towers with LEED certification - the Golden Tower, in São Paulo, and ParkShopping Corporate, in Brasília.

Multiplan has been progressively reducing its carbon footprint, maintaining inventory of its Greenhouse Gas Emissions (GHG) in accordance with the Brazilian GHG Protocol Program. The use of more efficient and less polluting materials allows the reduction of maintenance expenses.

These are some of the examples that allow Multiplan to reduce consumption, avoid waste and collaborate with the environment, while also generating financial savings in the management of its assets.

Management

Fiscal Council's Opinion

The Fiscal Council of Multiplan Empreendimentos Imobiliários S.A. ("Company"), in carrying out its legal and statutory duties, after examining and analyzing (i) the Company's Financial Statements and the Management's report regarding the fiscal year ended on December 31, 2021, together with the unqualified report issued by Ernst & Young Auditores Independentes S.S.; and (ii) the proposal of destination of net income for the fiscal year ended on December 31, 2021; issues a favorable opinion to the approval of such matters by the Company's General Meeting..

Rio de Janeiro, February 09, 2022.

Vitor Rogério da Costa
Effective member of the Fiscal Council

Ian de Porto Alegre Muniz
Effective member of the Fiscal Council

Carlos Alberto Alvahydo de Uihôa Canto
Effective member of the Fiscal Council

Officers' Representation on the Financial Statements

The officers state that, pursuant to CVM Ruling No. 480, item VI of article 25, dated December 7, 2009, they have reviewed, discussed and agreed to the Company's Financial Statements for 2021.

Rio de Janeiro, February 09, 2022.

José Isaac Peres
Chairman

Armando D'Almeida Neto
Vice Chairman and Investor Relations Officer

Eduardo Peres
Vice Chairman

Marcelo Barnes
Vice Chairman

Vander Giordano
Vice Chairman

Hans Melchers
Officer

Officers' representation on the Independent Auditor's Report

The officers state that, pursuant to CVM Ruling No. 480, item V of article 25, dated December 7, 2009, they have reviewed, discussed and agreed to the Independent Auditor's Report on the Company's Financial Statements for 2021.

Rio de Janeiro, February 09, 2022.

José Isaac Peres
Chairman

Armando D'Almeida Neto
Vice Chairman and Investor Relations Officer

Eduardo Peres
Vice Chairman

Marcelo Barnes
Vice Chairman

Vander Giordano
Vice Chairman

Hans Melchers
Officer

Individual and Consolidated Financial Statements

Multiplan Empreendimentos Imobiliários S.A.

December 31, 2021 and 2020
with Independent Auditor's Report

Multiplan Empreendimentos Imobiliários S.A.

Individual and consolidated financial statements

December 31, 2021 and 2020

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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 the accounting practices adopted in Brazil and the International Financial Reporting Standards applicable to real estate development entities

Independent auditor's report on the individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers
Multiplan Empreendimentos Imobiliários S.A.
Rio de Janeiro - RJ

Opinion on the individual and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards ("IFRS") applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM)

We have audited the individual and consolidated financial statements of Multiplan Empreendimentos Imobiliários S.A. (the "Company"), identified as Individual and Consolidated, respectively, which comprise the balance sheet as at December 31, 2021, and the statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Multiplan Empreendimentos Imobiliários S.A. as at December 31, 2021, and its individual and consolidated financial performance and cash flows for the year then ended in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM).

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 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 and the professional standards issued by Brazil's National Association of State Boards of Accountancy (CFC) and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As described in Note 2.1, the individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS), applicable to real estate development entities in Brazil registered with the Brazilian Securities and Exchange Commission (CVM). Therefore, the determination of the accounting policy adopted by the entity for revenue recognition on contracts of purchase and sales of uncompleted real estate units, as it relates to the transfer or control aspects, follow the CVM understanding manifested through Circular Letter/CVM/SNC/SEP No. 02/2018 on the application of NBC TG 47 (IFRS 15). Our opinion is not qualified in relation 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 for 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 a separate 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.

1. Recoverable amount of investment properties and goodwill

As at December 31, 2021, the balances of investment properties measured using the cost method (Note 9) and of goodwill (Note 11) totaled R\$7.673.145 thousand and R\$303,430 thousand, respectively, and represent 74% of total consolidated assets on that date. The Company and its subsidiaries support the realization of these assets through estimates of their future profitability and cash generation prepared by management, based on their judgment and supported by the business plan and budget approved annually by the corporate governance bodies. These estimates are prepared and reviewed internally in accordance with the Company's governance structure since they involve a high degree of judgment. The Company evaluates the assumptions and estimates of future profitability and cash generation by Cash-Generating Units (CGUs) to which the properties and respective goodwill are allocated on a quarterly basis, as well as growth rates, discount rates and projected cash flows, among other indicators, since there may be changes in the business markets, whether economic or regulatory in nature.

Given the subjective nature of these assessments and the changes that may occur in these estimates, which may have a material impact on the recoverable amount of these assets, we consider this to be a significant audit matter.

How our audit addressed this matter

Our audit procedures included, among others: (a) use of valuation model specialists to assist us in testing the assumptions and methodologies used by management in preparing cash flow projections, through comparisons with methodologies used in valuing similar assets, and tracing assumptions (such as gross revenue, operating expenses, net operating income (loss), vacancy, default, discount rate and growth rate in perpetuity, among others) to internal and external sources, segment information and historical data, as well as assessment of the effects of the current COVID-19 pandemic on the assumptions used; (b) validation of the information used as well as the mathematical calculations presented in the model; (c) retrospective review of previous projections and crosschecking information with other estimates prepared by management to identify any potential inconsistencies in developing estimates in the future; (d) independent calculation sensitizing the main assumptions used; and (e) review of the adequacy of the disclosures made in the financial statements.

Based on the results of the audit procedures performed on the impairment testing of investment properties and goodwill, which is consistent with management's assessment, we consider that the criteria and assumptions adopted by management, as well as the related disclosures in the respective notes are adequate in the context of the financial statements as a whole.

2. Recognition of rental income and key money

As mentioned in Note 2.9, the Company and its subsidiaries recognize their rental income and key money using the straight-line method over the lease period, included in revenue in the statement of profit or loss due to their operational nature. These operations are classified as operating leases, since the Company does not transfer substantially all the risks and rewards of ownership of the asset.

For rental income, the lease agreements in general establish that the lessees are required to pay the higher of a stipulated minimum contractual amount and a variable amount, calculated through a percentage on the sale of each establishment. Minimum lease payments are adjusted by regular fixed increases over the term of the lease contracts, double lease payments in December, and by inflation. In accordance with CPC 06 (R1)/IAS 17 - Leases, revenue from minimum lease payments, considering any effects of grace periods and discounts, and excluding inflationary effects, must be recognized on a straight-line basis over the lease term, and any excess of the lease variable amount is recognized as incurred. Similarly, revenues from key money are also recognized on a straight-line basis over the lease terms, from the inception of the lease. The significant number of contracts and the peculiarity of the contractual conditions, as well as the potential risks involved as regards the revenue recognition period led us to identify this matter as a key audit matter.



How our audit addressed this matter

Our audit procedures included, among others: (a) an assessment of the design and effectiveness of the controls implemented by the Company in the process of recognizing rental income and key money; (b) document testing through sampling, including examination of the respective contracts and recalculation of the straight-line amounts recognized throughout the year; (c) understanding and assessing the impacts of concessions made to storeowners due to the COVID-19 pandemic on the rental income calculation on a straight-line basis, through document testing of a selected sample; (d) analytical procedures on the monthly changes in rental income and key money, using data separated by shopping mall, to identify changes inconsistent with our expectations obtained from our prior knowledge of the Company and the industry and which may indicate potential accrual problems; and (e) review of the adequacy of disclosures made in the financial statements.

Based on the results of audit procedures performed on the recognition of revenue from rental income and key money, which is consistent with management's assessment, we understand that the revenue recognition criteria used by the Company management, as well as the respective disclosures in the explanatory information are acceptable in context of the financial statements as a whole.

Other matters

Statements of value added

The individual and consolidated statements of value added (SVA) for the year ended December 31, 2021, prepared under the responsibility of the Company management and presented as supplementary information for IFRS purposes were submitted to audit procedures performed in conjunction with the audit of the Company's financial statements. For the purpose of forming our opinion, we evaluate whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set forth in Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria set forth in this Accounting Pronouncement and are consistent with the overall individual and consolidated financial statements.

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

Management is responsible for such other information, which comprise the Management 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 our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that 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 these individual and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil registered with the CVM, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free of 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 of 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 the audit conducted in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identified and assessed the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 individual and consolidated financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the corresponding transactions and events in a manner that achieves fair presentation.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements, including those regarding independence, and communicated 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 determined 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.

Rio de Janeiro, February 09, 2022

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

A handwritten signature in blue ink, appearing to read 'Roberto Martorelli', is written over the printed name.

Roberto Martorelli
Accountant CRC-1RJ106103/O-0

A free translation from Portuguese into English of Individual and Consolidated Financial Statements prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

Multiplan Empreendimentos Imobiliários S.A.

Balance sheet
December 31, 2021 and 2020
(In thousands of reais – R\$)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Assets				
Current assets				
Cash and cash equivalents (Note 3)	287,124	644,875	553,793	1,223,414
Short-term investments (Note 3)	224,670	-	224,670	-
Accounts receivable (Note 4)	364,990	363,625	533,846	501,716
Land and properties for sale (Note 6)	3,818	5,094	66,437	16,332
Accounts receivable from related parties (Note 5)	26,382	14,508	38,849	19,684
Taxes and social contributions to offset (Note 16)	36,838	4,822	43,296	13,578
Deferred costs (Note 18)	27,230	26,056	45,681	41,921
Other	17,873	14,438	28,515	21,463
Total current assets	988,925	1,073,418	1,535,087	1,838,108
Noncurrent assets				
Accounts receivable (Note 4)	12,679	15,476	29,297	42,434
Land and properties for sale (Note 6)	19,826	19,681	470,114	431,127
Accounts receivable from related parties (Note 5)	35,267	30,650	58,767	38,068
Judicial deposits (Note 17.2)	147,990	37,157	157,088	39,750
Deferred income and social contribution taxes (Note 7)	-	-	21,478	18,417
Deferred costs (Note 18)	58,637	60,462	99,087	87,987
Other	2,028	2,709	4,889	5,521
Investments (Note 8)	4,543,398	4,172,022	139,417	150,123
Investment properties (Note 9)	3,922,905	4,241,212	7,673,145	7,439,580
Property and equipment (Note 10)	87,574	89,374	105,159	107,483
Intangible assets (Note 11)	365,657	363,114	368,932	365,686
Total noncurrent assets	9,195,961	9,031,857	9,127,373	8,726,176
Total assets	10,184,886	10,105,275	10,662,460	10,564,284

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Liabilities and equity				
Current liabilities				
Loans and financing (Note 12)	82,811	363,821	113,488	393,594
Accounts payable (Note 13)	83,152	100,421	137,434	138,895
Property acquisition obligations (Note 15)	98,636	130,380	106,481	135,426
Income and social contribution taxes (Note 16)	-	11,574	15,332	48,943
Interest on equity payable (Note 19.d)	258,526	237,048	258,526	237,048
Deferred revenue (Note 18)	15,335	13,167	21,488	17,317
Debentures (Note 14)	316,021	2,961	316,021	2,961
Other	39,610	5,548	89,387	24,222
Total current liabilities	894,091	864,920	1,058,157	998,406
Noncurrent liabilities				
Loans and financing (Note 12)	1,041,467	894,968	1,198,054	1,081,842
Accounts payable (Note 13)	45,522	43,185	45,686	43,369
Property acquisition obligations (Note 15)	27,748	121,364	136,787	121,364
Debentures (Note 14)	1,396,149	1,642,902	1,396,149	1,642,902
Provision for contingencies (Note 17.1)	4,743	5,165	13,755	13,457
Payables to related parties (Note 5)	106,395	-	108,095	-
Deferred income and social contribution taxes (Note 7)	263,162	261,828	283,000	277,446
Deferred revenue (Note 18)	45,226	36,397	59,584	57,793
Advances from customers (Note 15.a)	-	-	-	89,861
Phantom stock options (Note 20.b)	-	4,821	-	4,821
Total noncurrent liabilities	2,930,412	3,010,630	3,241,110	3,332,855
Equity (Note 19)				
Capital	2,988,062	2,988,062	2,988,062	2,988,062
Share issue costs	(43,548)	(43,548)	(43,548)	(43,548)
Capital reserves	1,042,469	1,028,113	1,042,469	1,028,113
Income reserves	2,658,231	2,499,901	2,658,231	2,499,901
Treasury shares	(194,835)	(152,807)	(194,835)	(152,807)
Effects on capital transaction	(89,996)	(89,996)	(89,996)	(89,996)
Total equity	6,360,383	6,229,725	6,360,383	6,229,725
Noncontrolling interests	-	-	2,810	3,298
Total equity	6,360,383	6,229,725	6,363,193	6,233,023
Total liabilities and equity	10,184,886	10,105,275	10,662,460	10,564,284

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of income

Years ended December 31, 2021 and 2020

(In thousands of reais, except basic and diluted earnings per share, in reais)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net operating revenue (Note 21)	918,600	821,258	1,288,393	1,081,576
Cost of services rendered and properties sold (Note 23)	(152,917)	(156,494)	(271,381)	(274,780)
Gross profit	765,683	664,764	1,017,012	806,796
Operating income (expenses):				
Administrative expenses – Headquarters (Note 23)	(154,393)	(138,370)	(157,142)	(139,401)
Administrative expenses – Properties (Note 23)	(61,265)	(54,361)	(92,888)	(82,232)
Expenses with projects for lease (Note 23)	(1,520)	(4,423)	(22,051)	(10,851)
Expenses with projects for sale (Note 23)	(1,814)	(1,185)	(21,027)	(5,224)
Share-based payment expenses (Note 20)	(32,705)	(6,604)	(32,705)	(6,604)
Equity pickup (Note 8)	142,382	610,935	(10,880)	(5,221)
Depreciation and amortization	(22,254)	(21,614)	(23,059)	(22,698)
Other operating revenue, net (Note 22)	(47,653)	52,029	(45,740)	611,885
Operating income before finance income (costs)	586,461	1,101,171	611,520	1,146,450
Finance costs	(185,116)	(117,402)	(202,234)	(147,207)
Finance income	56,735	40,008	88,079	71,087
Finance income (costs), net (Note 24)	(128,381)	(77,394)	(114,155)	(76,120)
Income before income and social contribution taxes	458,080	1,023,777	497,365	1,070,330
Income and social contribution taxes (Note 7)	(4,750)	(58,707)	(44,667)	(106,352)
Net income for the year	453,330	965,070	452,698	963,978
Income attributable to:				
Controlling interests	453,330	965,070	453,099	964,174
Noncontrolling interests		-	(401)	(196)
Basic earnings per share (Note 27)	0.7650	1.6169	0.7646	1.6154
Diluted earnings per share (Note 27)	0.7567	1.6027	0.7563	1.6012

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of comprehensive income
December 31, 2021 and 2020
(In thousands of reais - R\$)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Net income for the year	453,330	965,070	452,698	963,978
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	453,330	965,070	452,698	963,978
Total comprehensive income attributed to:				
Noncontrolling interests	-	-	(401)	(196)
Owners of the parent company	-	-	453,099	964,174

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity (Individual)
December 31, 2021 and 2020
(In thousands of reais – R\$)

				Capital reserves			Income reserves			Impacts on capital transactions	Retained earnings/ (accumulated losses)	Total
	Capital	Share issue costs	Stock options granted	Special goodwill reserve upon merger	Goodwill reserve upon issue of shares	Other capital reserves	Legal reserve	Expansion reserve	Treasury shares			
Balances at December 31, 2019	2,988,062	(43,548)	122,232	186,548	707,710	985	187,886	1,616,945	(89,155)	(89,996)	-	5,587,669
Exercise of stock options	-	-	(15,694)	-	2,065	-	-	-	42,322	-	-	28,693
Stock options granted (Note 20.a)	-	-	24,267	-	-	-	-	-	-	-	-	24,267
Repurchase of shares (Note 19.c)	-	-	-	-	-	-	-	-	(105,974)	-	-	(105,974)
Net income for the year	-	-	-	-	-	-	-	-	-	-	965,070	965,070
Allocation of net income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Interest on equity prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	-	(270,000)	(270,000)
Recognition of legal reserve	-	-	-	-	-	-	48,254	-	-	-	(48,254)	-
Recognition of expansion reserve	-	-	-	-	-	-	-	646,816	-	-	(646,816)	-
Balances at December 31, 2020	2,988,062	(43,548)	130,805	186,548	709,775	985	236,140	2,263,761	(152,807)	(89,996)	-	6,229,725
Exercise of stock options	-	-	(18,654)	-	784	-	-	-	13,757	-	-	(4,113)
Stock options granted (Note 20.c)	-	-	32,226	-	-	-	-	-	-	-	-	32,226
Repurchase of shares (Note 19.c)	-	-	-	-	-	-	-	-	(55,785)	-	-	(55,785)
Net income for the year	-	-	-	-	-	-	-	-	-	-	453,330	453,330
Allocation of net income for the year	-	-	-	-	-	-	-	-	-	-	-	-
Interest on equity prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	-	(295,000)	(295,000)
Recognition of legal reserve	-	-	-	-	-	-	22,667	-	-	-	(22,667)	-
Recognition of expansion reserve	-	-	-	-	-	-	-	135,663	-	-	(135,663)	-
Balances at December 31, 2021	2,988,062	(43,548)	144,377	186,548	710,559	985	258,807	2,399,424	(194,835)	(89,996)	-	6,360,383

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of changes in equity (Consolidated)
December 31, 2021 and 2020
(In thousands of reais – R\$)

	Capital reserves					Income reserves				Treasury shares	Retained earnings/ (accumulated losses)	Total	Noncontrolling interests	Total
	Capital	Share issue costs	Stock options granted	Special goodwill reserve upon merger	Other capital reserves	Goodwill reserve upon issue of shares	Legal reserve	Expansion reserve	Impacts on capital transactions					
Balances at December 31, 2019	2,988,062	(43,548)	122,232	186,548	985	707,710	187,886	1,616,945	(89,996)	(89,155)	-	5,587,669	3,332	5,591,001
Equity pickup – subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	-	896	896	-	896
Capital increase by noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	162	162
Exercise of stock options	-	-	(15,694)	-	-	2,065	-	-	-	42,322	-	28,693	-	28,693
Repurchase of shares (Note 19.c)	-	-	-	-	-	-	-	-	-	(105,974)	-	(105,974)	-	(105,974)
Stock options granted	-	-	24,267	-	-	-	-	-	-	-	-	24,267	-	24,267
Net income for the year	-	-	-	-	-	-	-	-	-	-	964,174	964,174	(196)	963,978
Allocation of net income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on equity prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	-	(270,000)	(270,000)	-	(270,000)
Recognition of legal reserve	-	-	-	-	-	-	48,254	-	-	-	(48,254)	-	-	-
Recognition of expansion reserve	-	-	-	-	-	-	-	646,816	-	-	(646,816)	-	-	-
Balances at December 31, 2020	2,988,062	(43,548)	130,805	186,548	985	709,775	236,140	2,263,761	(89,996)	(152,807)	-	6,229,725	3,298	6,233,023
Equity pickup – subsidiary (Note 2.3)	-	-	-	-	-	-	-	-	-	-	231	231	-	231
Capital increase by noncontrolling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(87)	(87)
Exercise of stock options	-	-	(18,654)	-	-	784	-	-	-	13,757	-	(4,113)	-	(4,113)
Repurchase of shares (Note 19.c)	-	-	-	-	-	-	-	-	-	(55,785)	-	(55,785)	-	(55,785)
Stock options granted (Note 20.c)	-	-	32,226	-	-	-	-	-	-	-	-	32,226	-	32,226
Net income for the year	-	-	-	-	-	-	-	-	-	-	453,099	453,099	(401)	452,698
Allocation of net income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on equity prepaid (Note 19.d)	-	-	-	-	-	-	-	-	-	-	(295,000)	(295,000)	-	(295,000)
Recognition of legal reserve	-	-	-	-	-	-	22,667	-	-	-	(22,667)	-	-	-
Recognition of expansion reserve	-	-	-	-	-	-	-	135,663	-	-	(135,663)	-	-	-
Balances at December 31, 2021	2,988,062	(43,548)	144,377	186,548	985	710,559	258,807	2,399,424	(89,996)	(194,835)	-	6,360,383	2,810	6,363,193

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of cash flows December 31, 2021 and 2020 (In thousands of reais - R\$)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Cash flows from operating activities				
Income before taxes	458,080	1,023,777	497,365	1,070,330
Adjustments in:				
Depreciation and amortization	121,829	134,328	201,050	221,785
Share of profit of a subsidiary, an associate and a joint venture	(142,382)	(610,935)	10,880	5,221
Stock option-based payments	32,705	6,604	32,705	6,604
Allocation of deferred revenues and costs	3,116	1,461	13,200	12,471
Restatement of debentures	94,999	50,035	94,999	50,035
Restatement of loans and financing	51,700	43,289	65,060	68,731
Swap	-	(7,444)	-	(7,444)
Restatement of property acquisition obligations	7,692	7,396	7,693	9,277
Restatement of related-party transactions	(7,621)	(1,123)	(8,271)	(1,332)
Allowance for doubtful accounts	25,577	41,617	44,537	57,465
Bargain purchase gain	-	(72,897)	-	(72,897)
Capital loss	10,509	-	10,509	-
Proceeds from sale of noncurrent assets held for sale	-	-	-	(574,336)
Unbilled accounts receivable	39,319	(174,382)	53,151	(213,254)
Other	19,662	16,135	21,520	27,353
	715,185	457,861	1,044,398	660,009
Changes in operating assets and liabilities				
Land and properties held for sale	1,131	1,782	(56,454)	(7,739)
Accounts receivable	(83,859)	(25,818)	(128,290)	(38,019)
Judicial deposits	(4,439)	(5,296)	(9,243)	(4,855)
Deferred costs	(18,903)	(4,668)	(49,956)	(7,434)
Other assets	(2,760)	1,995	(6,420)	5,766
Accounts payable	(24,749)	(58,108)	(9,095)	(61,954)
Property acquisition obligations	(7,803)	(2,708)	(7,803)	(4,091)
Taxes and contributions payable	(38,737)	1,354	(69,317)	18,551
Deferred revenue	28,325	15,566	27,859	22,913
Other obligations	2,598	1,162	37,544	(4,397)
Phantom stock options	1,174	(8,113)	1,174	(8,113)
Income and social contribution taxes paid	(44,736)	(23,347)	(72,660)	(61,756)
Net cash from operating activities	522,427	351,662	701,737	508,881
Cash flows from investing activities				
Transfer of interests - BH Shopping	(1,259)	-	-	-
Increase in investments	(427,297)	(709,326)	(18,626)	(25,136)
Amounts received for sale of noncurrent assets held for sale	-	-	-	810,000
Dividends received	570,378	575,011	30,946	-
Receipt (payment) in related-party transactions	1,178	(27,173)	(11,655)	(40,207)
Additions to property and equipment	(3,702)	(3,966)	(3,701)	(3,967)
Additions to investment property	(236,794)	(185,304)	(542,608)	(546,685)
Write-off of investment property	811	22,087	2,811	4,094
Write-off of property and equipment	86	-	86	-
Additions to intangible assets	(17,316)	(16,719)	(18,208)	(17,129)
Short-term investments	(224,670)	623,912	(224,670)	872,242
Acquisition of interest in subsidiary	(5,009)	(21,555)	(5,010)	(21,555)
Acquisition of subsidiary	-	-	-	217
Net cash used in investing activities	(343,594)	256,967	(790,635)	1,031,874
Cash flows from financing activities				
Repayment of loans and financing	(366,455)	(331,532)	(393,690)	(659,606)
Payment of debentures	(400,000)	(200,000)	(400,000)	(200,000)
Payment of interest on loans and financing	(57,425)	(47,880)	(74,242)	(83,957)
Cash from stock options exercised	-	32,400	-	32,400
Repurchase of shares to be held in treasury	(55,785)	(105,974)	(55,785)	(105,974)
Payment of charges on debentures	(82,054)	(51,599)	(82,054)	(51,599)
Debentures raised	447,111	397,190	447,111	397,190
Borrowings	215,072	469,454	215,072	465,955
Dividends and interest on equity	(237,048)	(148,375)	(237,048)	(148,375)
Capital increase by noncontrolling shareholders	-	-	(87)	162
Net cash from (used in) financing activities	(536,584)	13,684	(580,723)	(353,804)
Decrease in cash and cash equivalents	(357,751)	622,313	(669,621)	1,186,951
Cash and cash equivalents at beginning of year	644,875	22,562	1,223,414	36,463
Cash and cash equivalents at end of year	287,124	644,875	553,793	1,223,414
Decrease in cash and cash equivalents	(357,751)	622,313	(669,621)	1,186,951

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Statements of value added
December 31, 2021 and 2020
(In thousands of reais - R\$)

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Revenues:				
Revenue from sales and services	977,766	869,507	1,382,437	1,169,576
Other revenues	(7,749)	96,166	(4,406)	667,441
Allowance for doubtful accounts	(25,577)	(41,617)	(44,537)	(57,247)
	944,440	924,056	1,333,494	1,779,770
Materials acquired from third parties				
Cost of sales and services	(85,029)	(57,038)	(129,659)	(89,623)
Power, services from suppliers and other	(64,499)	(68,944)	(106,952)	(87,542)
	(149,528)	(125,982)	(236,611)	(177,165)
Gross value added	794,912	798,074	1,096,883	1,602,605
Retentions				
Depreciation and amortization	(121,798)	(134,328)	(201,087)	(223,799)
Net value added	673,114	663,746	895,796	1,378,806
Value added received in transfer				
Equity pickup	142,382	610,935	(10,880)	(5,221)
Finance income	56,735	44,883	88,078	76,561
	199,117	655,818	77,198	71,340
Total value added to be distributed	872,231	1,319,564	972,994	1,450,146
Value added distributed				
Personnel				
Salaries	(108,967)	(81,414)	(110,624)	(82,582)
Benefits	(9,081)	(8,680)	(9,238)	(8,813)
Unemployment Compensation Fund (FGTS)	(4,147)	(5,663)	(4,188)	(5,711)
	(122,195)	(95,757)	(124,050)	(97,106)
Taxes and contributions				
Federal taxes	(94,389)	(126,777)	(156,585)	(206,989)
State taxes	(17)	(34)	(56)	(84)
Local taxes	(12,699)	(7,077)	(31,232)	(24,639)
	(107,105)	(133,888)	(187,873)	(231,712)
Debt remuneration				
Interest, foreign exchange difference and monetary difference	(183,219)	(117,975)	(199,886)	(148,122)
Rental expenses	(6,382)	(6,874)	(8,487)	(9,228)
	(189,601)	(124,849)	(208,373)	(157,350)
Equity remuneration				
Noncontrolling interests on profits	-	-	401	196
Interest on equity	(295,000)	(270,000)	(295,000)	(270,000)
Profits withheld	(158,330)	(695,070)	(158,099)	(694,174)
	(453,330)	(965,070)	(452,698)	(963,978)
Value added distributed	(872,231)	(1,319,564)	(972,994)	(1,450,146)

See accompanying notes.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information

The Multiplan Empreendimentos Imobiliários S.A. (the “Company”, “Multiplan” or “Multiplan Group” when referred to jointly with its subsidiaries) was organized on December 30, 2005 and its registered office is located in the city and state of Rio de Janeiro, at Avenida das Américas 4.200, Bloco 2, sala 501, Barra da Tijuca, CEP 22.640-102, and is engaged in (a) the planning, construction, development and sale of real estate projects of any nature, either residential or commercial, including mainly urban shopping malls and areas developed based on these real estate projects; (b) the purchase and sale of real properties and the acquisition and disposal of real estate rights, and their operation, through any means, including through lease; (c) the provision of management and administrative services for its own shopping malls, or those of third parties; (d) the provision of technical advisory and support services concerning real estate matters; (e) civil construction, the execution of construction works and provision of engineering and similar services in the real estate market; (f) development, promotion, management, planning and intermediation of real estate projects; (g) import and export of goods and services related to its activities; and (h) generation of electric power for own consumption, being able, however, to sell the surplus of electric power generated; and (i) the acquisition of ownership interest and share control in other entities, as well as joint ventures with other entities, where it is authorized to enter into shareholders’ agreements in order to attain or supplement its business purpose.

The Company trades common shares on B3 (MULT3). In addition, the Company is part of the special listing segment of B3 named Level 2 of Corporate Governance. Multiplan makes up the portfolio of the Bovespa Index (IBOVESPA), among others.

The individual and consolidated financial statements of Multiplan for the year ended December 31, 2021 were authorized for issue by management on February 9, 2022.

Covid-19 pandemic

Since March 2020, due to Covid-19 pandemic, which had direct impacts on Company operations, including the halt in shopping mall operations for various periods, Multiplan has adopted several initiatives to support retail and the society and mitigate the pandemic impacts, with a view to preserving the financial and physical health of its customers, suppliers, employees and the entire community where the Company operates. These measures, which are described in detail in our management letter for the year ended December 31, 2021, include the contractual conditions offered to storeowners affected by the adverse impacts of the pandemic, as well as hygiene and social distancing protocols implemented in 100% of Company properties, in addition to donation of tests and provision of space and infrastructure for vaccination campaigns in Company shopping malls.

The financial impacts on the Company’s individual and consolidated financial statements for the period ended December 31, 2021 are detailed in the following notes.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

Significant information and events

On October 5, 2021, the Company launched a new residential venture, named Golden Lake. The first phase to be launched by means of subsidiary Multiplan Imobiliária Ltda. and will consist of 94 apartments divided into four towers, whose construction is planned for the first quarter of 2022 and delivery for December 2024. Multiplan is expected to recognize sales revenue and costs of properties relating to this project when all recognition conditions are fulfilled in accordance with CPC 47 – Revenue from Contracts with Customers, as from the first quarter of 2022.

The Company holds direct and indirect interest in several shopping malls as at December 31, 2021 and 2020, in the following projects:

Project	Location	Operations started up in	Interest (%)	
			12/31/2021	12/31/2020
Shopping Malls				
BH Shopping	Belo Horizonte	1979	100.0	100.0
RibeirãoShopping	Ribeirão Preto	1981	81.6	81.6
BarraShopping	Rio de Janeiro	1981	65.8	65.8
MorumbiShopping	São Paulo	1982	73.7	73.7
ParkShopping	Brasília	1983	73.4	73.4
Diamond Mall	Belo Horizonte	1996	90.0	90.0
New York City Center	Rio de Janeiro	1999	50.0	50.0
Shopping Anália Franco	São Paulo	1999	30.0	30.0
ParkShopping Barigui	Curitiba	2003	93.3	93.3
Pátio Savassi	Belo Horizonte	2004	96.5	96.5
Shopping Santa Úrsula	Ribeirão Preto	1999	100.0	100.0
Barra Shopping Sul	Porto Alegre	2008	100.0	100.0
Shopping Vila Olímpia	São Paulo	2009	60.0	60.0
ParkShopping São Caetano	São Caetano	2011	100.0	100.0
Jundiaí Shopping	Jundiaí	2012	100.0	100.0
ParkShopping Campo Grande	Rio de Janeiro	2012	90.0	90.0
Village Mall	Rio de Janeiro	2012	100.0	100.0
Parque Shopping Maceió	Maceió	2013	50.0	50.0
ParkShopping Canoas	Canoas	2017	82.3	82.3
ParkshoppingJacarepaguá	Rio de Janeiro	2021	91.0	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

On January 20, 2020, subsequently to the execution of the Private Instrument of Purchase and Sale Commitment and Other Covenants Subordinated to Suspensive Conditions, entered into with Clube Atlético on July 3, 2017, the Company executed the Public Deed of Purchase and Sale, through which it acquired 50.1% of Clube Atlético Mineiro's stake in DiamondMall shopping mall for R\$268,000, restated at R\$296,773 on the date the transaction was closed. Of that amount, R\$5,935 was paid in January 2020, and the remaining balance of R\$290,838 will be settled in 36 monthly and consecutive installments as follows: (i) one installment of R\$23,742; (ii) three monthly installments of R\$11,871; (iii) two monthly installments of R\$8,903; and (iv) thirty monthly installments of R\$7,123. All installments will be monetarily restated based on the Interbank Deposit Certificate (CDI). The Company has already paid off the installment of subitem (i) the three installments in subitem (ii), the two installments in subitem (iii), and 15 installments in subitem (iv), totaling R\$183,999, leaving a balance payable principal of R\$106,838 at December 31, 2021 (Note 15).

Additionally, Clube Atlético Mineiro will receive, for 48 successive months, 7.515% of Diamond Mall's monthly gross revenue, based on the same criteria used to calculate the lease contract in force. The sum of the 48 installments is estimated at R\$18,000. This amount will not be restated.

On February 20, 2020, the Company executed the public deed of purchase and sale commitment relating to the exercise of the preemptive right to acquire IRB Investimentos e Participações Imobiliárias S.A.'s stake in Parkshopping, corresponding to 20% of the ownership of some its units, for R\$225,000. Of this amount, R\$18,000 was paid through two deposits of R\$11,250 and R\$6,750 on November 19 and 25, 2019, respectively, R\$94,500 was paid upon execution of the public deed of purchase and sale commitment, and R\$112,500 on June 10, 2020, adjusted at 120% of the CDI. Subsequently to the execution of the public deed of purchase and sale commitment referred to above, the Company entered into the Public Deed of Purchase and Sale on June 10, 2020, discharging the balance on that date, totaling R\$113,883 after restatements. It thus now holds the entire stake of IRB Investimentos e Participações Imobiliárias S.A. in Parkshopping.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

On April 15, 2020, the Company entered into a bank credit note with Banco Itaú Unibanco S.A. to finance the acquisition of interest in ParkShopping, through its subsidiary Multiplan Parkshopping e Participações Ltda., of 20% of the registrations held by IRB Investimentos e Participações Imobiliárias S.A. Total financing amounted to R\$225,000, which was released in two tranches of R\$112,500 on April 17, 2020 and June 17, 2020. The charges on this financing vary according to the Central Bank benchmark rate (Selic), as shown in the table at the end of this note. The amount will be repaid in 180 monthly and consecutive installments from May 17, 2020. As collateral for the loan, the Company gave 67.56% on the 50% it held in the registrations involved in the transaction, and assigned the receivables from that same fraction in excess of ParkShopping's net operating income as security interest.

Range	Contract rate
Selic ≤ 3.75%	TR + 5.00%
Selic from > 3.75% to ≤ 4.25%	TR + 5.50%
Selic from > 4.25% to ≤ 5.00%	TR + 6.00%
Selic from > 5.00% to ≤ 6.0%	TR + 6.50%
Selic from > 6.0% to ≤ 7.25%	TR + 7.50%
Selic from >7.25% to ≤ 8.25%	TR + 8.20%
Selic > 8.25%	TR + 8.60%

On April 23, 2020, the Company concluded the transaction provided for in the Investment Agreement entered into on January 20, 2020 and amended on April 16, 2020, through which it increased its equity interest to 22.95% in Delivery Center Holding S.A. ("DC"), by subscribing 159,675 new common shares at the issue price of R\$117.42 (one hundred and seventeen reais and forty-two cents) each. This capital contribution, totaling R\$18.7 million, was paid up in nine equal and successive monthly installments, between April and December 2020.

On October 1, 2020, the Company subscribed 112,495 new common shares of DC at the issue price of R\$165.13 (one hundred and sixty-five reais and thirteen cents) each, totaling a capital contribution of R\$18,576, to be paid up in 3 equal installments of R\$6,192, the first to be paid by January 29, 2021; the second by February 26, 2021; and the third by April 2, 2021. With this contribution, the Company now holds 26.46% equity interest in DC. According to DC's annual and special general meeting held on December 11, 2020, and after the cancellation of treasury shares, the Company's equity interest changed to 26.89%.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

In DC's Special General Meeting held on November 19, 2021, the shareholders, representing more than 3/4 (three quarters) of the votes, approved the discontinuity of DC's operations, to be implemented as proposed in the action plan and timeline to be prepared by management.

Based on the discontinuity decision and in accordance with referred to action plan, the Company took out three intercompany loans amounting to R\$ 4,319, R\$ 5,929 and R\$ 20.927, which were released in October 2021, November 2021 and January 05, 2022 respectively, to fund the discontinuity expenses already incurred and to be incurred by DC. The first two loans are recorded under "accounts receivable from related parties" in the statement of financial position. Note 5.1.

Additionally, the Company recorded capital deficiency amounting to R\$ 31,176 at December 31, 2021, which includes all expected liabilities until the end date of DC's operating activities, recorded under "other current liabilities" in the statement of financial position.

At December 31, 2021 and 2020, the Company manages and is the legal representative of all the above-mentioned shopping malls, except for Parque Shopping Maceió.

Business combination

On February 7, 2020, the Company concluded the transaction through which it acquired the remaining 50.0% in equity interest of Manati Empreendimentos e Participações S.A. ("Manati") owned by Aliance Sonae Shopping Centers S.A., which corresponds to an indirect interest of 37.5% in Shopping Santa Úrsula, for R\$28,500 plus a price adjustment of R\$368 (paid in March 2020), which is restated by the accumulated positive change of the CDI from October 18, 2019 to the business day immediately prior to payment. Of that amount, R\$19,012 was paid on the transaction closing date and the balance will be paid in four fixed and semiannual equal installments, the first three of which were paid in August 2020, February 2021 and August 2021. After this acquisition, the Company now holds, directly and indirectly, 100% interest in Shopping Santa Úrsula.

The Company made a step acquisition (purchase of control over a joint venture), thus, as provided for in CPC 15, remeasured its previously held equity interest also at fair value against profit or loss for the period.

The fair value of Manati's assets acquired and liabilities assumed at acquisition date was calculated by the Company Management through analysis of each equity account, and the impact was basically on the fair value of the investment property (Shopping Santa Úrsula). It should be noted that the net assets acquired were accounted for in the quarterly information as of March 31, 2020 based on a preliminary assessment made through an internal study, which was corroborated by a report prepared by an independent appraiser. Although immaterial, the Company made the final adjustments as required by IFRS 3/ CPC 15.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

Business combination (Continued)

Additional equity interest acquired (%)	50.0%
Total consideration	28,868
Consideration transferred at the acquisition date	19,118
Accounts payable for the acquisition (Note 15)	9,750
Previously held equity interest at fair value	66,998
Previously held equity interest at book value	32,231
Gain on business combination due to remeasurement of previously held interest	<u>34,767</u>
Deferred income and social contribution taxes	<u>(11,821)</u>
Net gain on business combination achieved in stages	<u>22,946</u>
Assets	
Cash and cash equivalents	109
Short-term investments	367
Accounts receivable, net	1,830
Related-party receivables	69
Taxes recoverable	118
Deferred costs	2,523
Judicial deposits	24
Deferred income and social contribution taxes	2,787
Investment properties	58,604
Intangible assets	838
Liabilities	
Accounts payable	109
Taxes payable	53
Deferred revenue	19
Total identifiable assets, net	<u>66,998</u>
Total consideration	<u>28,868</u>
Gain on bargain purchase upon acquisition	<u>38,130</u>
Gain on business combination due to remeasurement of previously held interest	<u>34,767</u>
Total gain on bargain purchase (i)	<u>72,897</u>
(-) Effects of deferred taxes (34%)	<u>(24,785)</u>
Net gain	<u>48,112</u>
Contribution for the Group of revenues since the acquisition date	2,078
Contribution for the Group of income before taxes since the acquisition date	(18)
Revenues from acquiree since the beginning of the period	2,751
Income from acquiree before taxes since the beginning of the period	69

(i) This amount is recorded in the statement of profit or loss for the period under "other operating income (expenses), net".

Following is a summary of the activities of the main investees (see details about the Company's equity interest in these investees in Note 2.3):

a) Multiplan Administradora de Shopping Centers Ltda.

Engaged in the management of the parking lots of their own malls and in the provision of related services.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

b) MPH Empreendimento Imobiliário Ltda.

Engaged in the commercial operation of Shopping Center Vila Olímpia, located in São Paulo, State of São Paulo, in which it holds 60% interest. The Company holds 100% interest in MPH Empreendimento Imobiliário Ltda., 50% directly and 50% through its subsidiary Morumbi Business Center Empreendimento Imobiliário Ltda.

c) Manati Empreendimentos e Participações Ltda.

Engaged in the commercial operation of its own parking lot and of Shopping Center Santa Úrsula, located in the city of Ribeirão Preto, State of São Paulo.

d) Parque Shopping Maceió S.A.

Engaged in the commercial operation of Parque Shopping Maceió and real estate developments in its surroundings, all located in Maceió, State of Alagoas, as well as in the management of its own parking lots and garages. The control of Parque Shopping Maceió S.A. is shared between the Company and Aliansce Sonae.

e) Danville SP Empreendimento Imobiliário Ltda.

Engaged in the development of a real estate development located in the City of Ribeirão Preto, State of São Paulo.

f) Multiplan Greenfield I Empreendimento Imobiliário Ltda.

Engaged in the sale of "Diamond Tower", a commercial real estate venture located in the City of Porto Alegre, State of Rio Grande do Sul.

g) Barrasul Empreendimento Imobiliário Ltda.

Engaged in the sale of "Résidence du Lac", a residential real estate venture located in Porto Alegre, State of Rio Grande do Sul.

h) Ribeirão Residencial Empreendimento Imobiliário Ltda.

Engaged in the development and sale of residential real estate projects located in Ribeirão Preto, State of São Paulo.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

i) Morumbi Business Center Empreendimento Imobiliário Ltda.

Engaged in the development and sale of “Morumbi Business Center”, a commercial real estate project located in the City and State of São Paulo, it holds a 30% indirect interest in Shopping Vila Olímpia, through the 50% interest held in MPH Empreendimento Imobiliário Ltda., which, in its turn, holds 60% of the referred to mall. The Company holds 100.0% interest in Morumbi Business Center Empreendimento Imobiliário Ltda.

j) Multiplan Greenfield II Empreendimento Imobiliário Ltda.

Engaged in the commercial operation of Shopping Center Jundiaí, located in Jundiaí, State of São Paulo, in which it holds 100% interest. The Company holds 100.0% indirect interest in Morumbi Golden Tower.

k) Multiplan Greenfield IV Empreendimento Imobiliário Ltda.

Holds 100% interest in Plaza Gourmet of “Morumbi Diamond Tower”, located in São Paulo, State of São Paulo, and manages the administrative, financial, operating and commercial areas of certain shopping malls part of Multiplan portfolio.

l) Jundiaí Shopping Center Ltda.

Engaged in the commercial operation of Shopping Center Jundiaí, located in Jundiaí, State of São Paulo, in which it holds 100% interest.

m) Pátio Savassi Administração de Shopping Center Ltda.

Engaged the management of the parking lot of Shopping Pátio Savassi, located Belo Horizonte, State of Minas Gerais.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

n) ParkShopping Corporate Empreendimento Imobiliário Ltda.

Engaged in the commercial operation of “ParkShopping Corporate”, located in Brasília, Federal District, in which it holds a 50.0% interest.

o) Multiplan ParkShopping e Participações Ltda.

Engaged in the commercial operation of real estate projects located in the Canoas, State of Rio Grande do Sul and in the City and State of Rio de Janeiro. The Company holds 100% interest in Multiplan ParkShopping e Participações Ltda.

p) Multiplan VI Empreendimento Imobiliário Ltda.

Engaged in the development and sale of real estate projects located in the City and State of São Paulo.

q) ParkJacarepaguá Empreendimento Imobiliário Ltda.

Engaged in the development and sale of Park Jacarepaguá, located in the City and State of Rio de Janeiro.

r) Multiplan Greenfield XI Empreendimento Imobiliário Ltda.

Engaged in the commercial operation of ParkShoppingBarigui located in Curitiba, Paraná, in which it holds 9.33% interest, which added to the other equity interest held by the Company in the venture total 93.33%. The Company holds 100% interest in Multiplan Greenfield XI Empreendimento Imobiliário Ltda.

s) Multiplan Barra 1 Empreendimento Imobiliário Ltda.

Engaged in the commercial operation of BarraShopping located in the City and State of Rio de Janeiro, in which it holds 14.8% interest, which added to the other equity interest held by the Company in the venture total 65.8%. The Company holds 100% interest in Multiplan Barra 1 Empreendimento Imobiliário Ltda.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

t) Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.

Engaged in the commercial operation of MorumbiShopping, located in the City and State of São Paulo, in which it holds an 8.04% interest, which added to the other equity interest held by the Company in the venture total 73.7%. The Company holds 100% interest in Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.

u) Multiplan Holding S.A.

The Company's wholly-owned subsidiary, whose purpose is to hold interests in other Multiplan group companies.

v) Teatro VillageMall Ltda.

Engaged in the management and operation of Teatro VillageMall, located in Shopping VillageMall, in the City and State of Rio de Janeiro.

w) Renasce - Rede Nacional de Shopping Centers Ltda.

Manages the administrative, financial, operating and commercial areas of certain shopping malls part of Multiplan portfolio.

x) Multiplan Imobiliária Ltda.

Holds interest in other companies of the Group, which develop and sell real estate projects.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

1. Company information (Continued)

y) Other investees

The investees Multiplan Greenfield III Empreendimento Imobiliário Ltda. Multishopping Shopping Center Ltda., Multiplan Greenfield XII Empreendimento Imobiliário Ltda., Multiplan XVI Empreendimento Imobiliário Ltda., Multiplan XVII Empreendimento Imobiliário Ltda., Multiplan XVIII Empreendimento Imobiliário Ltda., Multiplan XIX Empreendimento Imobiliário Ltda., Multiplan XX Empreendimento Imobiliário Ltda., Multiplan Golden II Empreendimento Imobiliário Ltda., Multiplan Golden V Empreendimento Imobiliário Ltda. Multiplan Golden VI Empreendimento Imobiliário Ltda., Multiplan Golden VII Empreendimento Imobiliário Ltda., Multiplan Golden VIII Empreendimento Imobiliário Ltda., Multiplan Golden IX Empreendimento Imobiliário Ltda., Multiplan Golden X Empreendimento Imobiliário Ltda., Multiplan Golden XI Empreendimento Imobiliário Ltda., Multiplan Golden XII Empreendimento Imobiliário Ltda., Multiplan Golden XIII Empreendimento Imobiliário Ltda., Multiplan Golden XIV Empreendimento Imobiliário Ltda., Multiplan Golden XV Empreendimento Imobiliário Ltda., Multiplan Golden XVI Empreendimento Imobiliário Ltda., Multiplan Golden XVII Empreendimento Imobiliário Ltda. and Multiplan Golden XVIII Empreendimento Imobiliário Ltda. are engaged in (i) planning, implementation, development and sale of real estate projects of any nature; (ii) purchase and sale of real estate and acquisition and sale of real estate rights and their use; (iii) provision of management and administration services for business centers; (iv) advisory and technical assistance concerning real estate matters; (v) civil construction, execution of works and provision of engineering and related services, in the real estate industry; and (vi) development, promotion, management and planning of real estate projects.

2. Presentation of the financial statements and accounting policies

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

The individual and consolidated financial statements have been prepared and are presented in accordance with the accounting practices adopted in Brazil, which comprise the rules issued by the Brazilian Securities and Exchange Commission ("CVM") and the pronouncements issued by Brazil's Financial Accounting Standards Board - FASB ("CPC"), and with International Financial Reporting Standards (IFRS), applicable to Brazilian Property Development Entities registered with the CVM.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

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

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

2.2. Basis of measurement

The individual and consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments measured at fair value, as disclosed in Note 25.

2.3. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2021 and 2020. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, it has: (a) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee); (b) exposure, or rights, to variable returns from its involvement with the investee; or (c) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including: (a) the contractual arrangement between the investor and the other vote holders; (b) rights arising from other contractual arrangements; and (c) the Group's (investor) voting rights and potential voting rights.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.3. Basis of consolidation (Continued)

The Company assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses such control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the Company's controlling shareholders and noncontrolling shareholders, even if this results in a loss to noncontrolling shareholders. The financial statements of subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-group assets, liabilities, profit or loss, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill) and liabilities at their carrying value on the date it loses control, and it derecognizes the carrying amount of any noncontrolling interest on the date it loses control (including any components of other comprehensive income attributed thereto). Any difference resulting as gain or loss is accounted for in profit or loss. Any investment retained is recognized at fair value on the date it loses control.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.3. Basis of consolidation (Continued)

The Group's consolidated financial statements include:

Company name	Interest (%)			
	December 31, 2021		December 31, 2020	
	Direct	Indirect	Direct	Indirect
RENASCE - Rede Nacional de Shopping Centers Ltda.	99.99	-	99.99	-
County Estates Limited	-	99.00	-	99.00
Embassy Row Inc.	-	99.00	-	99.00
Embraplan Empresa Brasileira de Planejamento Ltda.	99.99	-	99.99	-
Manati Empreend. e Participações S.A.	100.00	-	-	-
CAA Corretagem e Consultoria Publicitária Ltda.	99.00	-	99.00	-
Multiplan Administradora de Shopping Centers Ltda.	99.00	-	99.00	-
CAA Corretagem Imobiliária Ltda.	99.61	-	99.61	-
MPH Empreendimento Imobiliário Ltda.	50.00	50.00	50.00	50.00
Danville SP Empreendimento Imobiliário Ltda.	99.99	-	99.99	-
Multiplan Holding S.A.	100.00	-	100.00	-
Multiplan Greenfield I Empreendimento Imobiliário Ltda.	99.99	-	99.99	-
Barrasul Empreendimento Imobiliário Ltda.	99.99	-	99.99	-
Ribeirão Residencial Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Morumbi Business Center Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Pátio Savassi Administração de Shopping Center Ltda.	99.90	0.10	99.90	0.10
Jundiaí Shopping Center Ltda.	99.90	-	99.90	-
ParkShopping Campo Grande Ltda.	99.90	-	99.90	-
ParkShopping Corporate Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Arrecadadora Ltda.	99.90	-	99.90	-
ParkShopping Global Ltda.	99.90	0.10	87.00	-
Multiplan ParkShopping e Participações Ltda.	94.67	-	94.67	-
Multishopping Shopping Center Ltda.	99.90	-	99.90	-
ParkJacarepaguá Empreendimento Imobiliário Ltda.	99.90	-	99.90	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.3. Basis of consolidation (Continued)

Company name	Interest (%)			
	December 31, 2021		December 31, 2020	
	Direct	Indirect	Direct	Indirect
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden II Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden III Empreendimento Imobiliário Ltda.	-	-	99.90	-
Multiplan Golden IV Empreendimento Imobiliário Ltda.	-	-	99.90	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Teatro VillageMall Ltda.	99.90	-	99.90	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan XVI Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan XVII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan XVIII Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan XIX Empreendimento Imobiliário Ltda.	99.90	-	99.90	-
Multiplan XX Empreendimento Imobiliário Ltda.	99.90	-	99.90	-

The reconciliation between net income for the years ended December 31, 2021 and 2020 between Individual and Consolidated is as follows:

	Net income for the year	
	12/31/2021	12/31/2020
Individual	453,330	965,070
Equity pickup for the year - County (a)	(231)	(896)
Consolidated	453,099	964,174

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.4. Significant accounting policies adopted in the financial statements

Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any noncontrolling interests in the acquiree. For each business combination, the acquirer shall measure the noncontrolling interests in the acquiree at fair value or at its proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

If the consideration is lower than fair value of net assets acquired, the difference shall be recognized as a gain in the statement of profit or loss.

2.5. Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. These parties are called joint operators. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Company's investments in joint ventures are accounted for using the equity method.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.5. Investment in joint ventures (Continued)

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not amortized or tested for impairment separately.

The statement of profit or loss reflects the Company's share of the results of operations of the joint venture. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognized directly in the equity of the joint venture, the Company recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Company and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Company's share of profit or loss of a joint venture is shown in the statement of profit or loss and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the joint venture.

The financial statements of the joint venture are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its joint venture. At each reporting date, the Company determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss within "Share of profit of a joint venture" in the statement of profit or loss.

Upon loss of the joint control over the joint venture, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.6. Current versus noncurrent classification

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

Expected to be realized or intended to be sold or consumed in the normal operating cycle.

- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent (as defined by Accounting Pronouncement CPC 03 – Statement of Cash Flows) unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified in noncurrent assets and liabilities.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.7. Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing an asset or liability, assuming that market participants act in their best economic interest.

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are 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 fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.7. Fair value measurement (Continued)

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company determines policies and procedures for fair value measurement, such as investment properties and unquoted financial assets available for sale, and for non-recurring measurement, such as assets held for sale in discontinued operations.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be measured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above. Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarized in the respective notes.

2.8. Functional and presentation currency

The functional currency of the Company and its subsidiaries in Brazil and abroad is the Brazilian real, the same currency used in the preparation and presentation of the individual and consolidated financial statements. All financial information presented in Real was rounded to the nearest thousand, unless otherwise stated.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.9. Revenue recognition

Lease of stores and key money

The Company and its subsidiaries recognize lease income and key money using the straight-line method over the lease period, included in revenue in the statement of profit or loss due to their operational nature. These operations are classified as operating leases, since the Company does not transfer substantially all the risks and rewards of ownership of the asset.

The lease agreements in general establish that the lessees are required to pay the higher between a stipulated minimum contractual amount and a variable amount, calculated based on a percentage on the sales of each establishment. Minimum lease payments are adjusted by regular fixed increases over the term of the lease contracts, double lease payments in December, and by inflation. In accordance with CPC 06 (R1)/IAS 17 - Leases, revenue from minimum lease payments, considering any effects of grace periods, discounts, etc., and excluding inflationary effects, shall be recognized on a straight-line basis over the lease term, and any excess of the lease variable amount is recognized as incurred, regardless of the form of receipt.

Similarly, revenues from key money are also recognized on a straight-line basis over the lease terms, from the inception of the lease.

The operations of the Company, its subsidiaries and joint ventures are subject to seasonality. Historically, festive dates and holidays, such as Christmas, Mother's Day, among others, have a positive impact on shopping mall sales.

Sale of property

In installment sales of finished units, profit or loss is recorded when the sale is made, regardless of the term for receiving the contractual amount.

Fixed interest is recorded in profit or loss on an accrual basis regardless of its receipt.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.9. Revenue recognition (Continued)

Sale of property (Continued)

In relation to sales of unfinished units, the Company adopts as an accounting practice the recognition of revenues and the corresponding costs of real estate development operations based on OCPC 01 (R1), i.e. based on the percentage of completion of the construction works. According to the provisions of OCPC 04, a property construction contract can fall under CPC 17 - Construction Contracts or CPC 47 - Revenue from Contracts with Customers. If the contract falls under CPC 17, profit or loss will be recognized according to percentage of completion of the works. Assuming the contract falls under CPC 47, the discussion moves to the issue of transfer of control, significant risks and rewards on continuing basis or in a single event ("key delivery"). If the transfer is made on a continuing basis, profit or loss shall be recognized according to the percentage of completion of the works. Otherwise, profit or loss will be recognized only upon key delivery. The procedures performed by the Company are the following:

The costs incurred are accumulated under "Inventories" and fully posted to profit or loss when the units are sold. After the sale, the costs to be incurred for the completion of the unit under construction are allocated to profit or loss as incurred.

- (i) The percentage of the cost incurred for units sold is determined in relation to their total budgeted and estimated cost until completion of the construction work. This percentage determined is applied to the sales price of units sold, adjusted for selling expenses and other contractual conditions. The resulting amount is recorded as revenue matched against accounts receivable or any advances that have been received.

From that moment on and until the work is completed, the unit's sale price will be recognized as revenue in the statement of profit or loss in proportion to the evolution of costs that will be incurred for the completion of the unit under construction, in relation to the total budgeted cost.

Changes in the execution and conditions of the project, as well as in the estimated profitability - including changes arising from penalty clauses and contractual settlements that could result in revision of costs and revenues - are recognized in the period in which such revisions are made.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.9. Revenue recognition (Continued)

Sale of property (Continued)

- (ii) The sales revenue determined, including monetary restatement, net of installments already received, are accounted for as accounts receivable, or as advances from customers, as applicable.

Parking lot

Refers to the revenue from the operation of shopping mall parking lots, posted to profit or loss on an accrual basis.

Services

Refers to revenue from the provision of brokerage and advisory services of a promotional and advertising nature, for lease and/or sale of spaces for commercial use (“merchandising”), revenue from the provision of specialized brokerage and real estate business advisory services in general, revenue from construction management and revenue from shopping mall management. These revenues are posted to profit or loss when control over the services is transferred to the customer.

2.10. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade accounts receivable that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under CPC 47. Refer to the accounting policies in Note 2.9 – Revenue recognition.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income (OCI), it needs to give rise to cash flows that are “solely payments of principal and interest” (also referred to as the SPPI test) on the principal amount outstanding. This assessment is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement

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

i) Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both the following conditions are met: (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The Company's financial assets at amortized cost include trade accounts receivable and accounts receivable from related parties.

ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Company measures debt instruments at fair value through other comprehensive income if both the following conditions are met: (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement (Continued)

- ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) (Continued)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have instruments classified in this category as at December 31, 2021 and 2020.

- iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under CPC 39 - Financial Instruments: Presentation and are not held for trading. The classification is determined on an item-by-item basis.

Gains and losses on these financial assets are never recycled to profit or loss.

Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment testing.

The Company does not have instruments classified in this category as at December 31, 2021 and 2020.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement (Continued)

iv) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition as at fair value through profit or loss or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if acquired to be sold or repurchased in the short term. Derivatives, including separate embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments. Financial assets with cash flows are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria used to classify debt instruments at amortized cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if this eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognized as other income in the statement of profit or loss when the right of payment has been established.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement (Continued)

iv) Financial assets at fair value through profit or loss (Continued)

A derivative embedded in a hybrid contract with a financial liability is separated from the liability and accounted for as a separate derivative if: a) the economic characteristics and risks are not closely related to the host contract; b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and c) the hybrid contract is not measured at fair value through profit or loss with changes recognized in profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Company's financial assets at fair value through profit or loss include mainly financial investments.

Derecognition

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

- The rights to receive cash flows from the asset have expired.
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Derecognition (Continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of (i) the carrying amount of the asset and (ii) the maximum amount of consideration received that the entity could be required to repay (the guarantee amount).

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Significant accounting judgments, estimates and assumptions – Note 2.30.
- Accounts receivable - Note 4.
- Transactions with related parties – Note 5.

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade accounts receivable, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company applies the low credit risk simplification. At every reporting date, the Company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available. In making that evaluation, the Company reassesses the internal credit rating of the debt instrument. In addition, the Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Company considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and financings, accounts payable, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are measured initially at fair value and, in the case of a financial liability not at fair value through profit or loss, plus or less transaction costs directly attributable to the issue of the financial liability.

The Company's financial liabilities include trade and other accounts payable, and loans and financing.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial liabilities (Continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

i) Financial liabilities at fair value through profit or loss

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by CPC 48. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

i) Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in CPC 48 are satisfied.

The Company has not designated any financial liability as at fair value through profit or loss.

ii) Loans and receivables

This is the category most relevant to the Company. After their initial recognition, interest-bearing loans/borrowings and receivables are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing borrowings and financing. For more information, refer to Note 12.

Derecognition

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.10. Financial instruments (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.11. Present value adjustment of assets and liabilities

Noncurrent monetary assets and liabilities are monetarily restated, and therefore adjusted to present value. The present value adjustment of current monetary assets and liabilities is calculated and only recorded when their effect is considered significant in relation to the financial statements as a whole. For reporting and materiality determination purposes, the present value adjustment is calculated by using contractual cash flows and the explicit, sometimes implicit, interest rate of the corresponding assets and liabilities.

2.12. Treasury shares

Own equity instruments that are repurchased (treasury shares) are recognized at cost and deducted from equity. No gains or losses on the purchase, sale, issue, or cancelation of the Company's equity instruments are recognized in the statement of profit or loss.

2.13. Investment properties

Investment properties are recorded at acquisition, build-up, or construction cost, less the respective accumulated depreciation, calculated using the straight-line method at rates that take into account the estimated useful life of assets. Repair and maintenance costs are recorded only if the economic benefits associated with these items are probable and the amounts can be reliably measured, while other expenses are directly charged to profit or loss as incurred. The recovery of investment properties through future transactions, the useful lives and residual value thereof, are periodically monitored and adjusted prospectively, if necessary. The fair value of investment properties is determined on a quarterly basis, for disclosure purposes only.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.13. Investment properties (Continued)

Investment property is the property held to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the provision of services, or for administrative purposes. Buildings and improvements classified as investment property are measured at cost upon initial recognition and depreciated over their useful life of 30 to 50 years, which is reviewed on an annual basis.

In compliance with CPC 28, the Company and its subsidiaries account for shopping malls in operation and under development as investment properties, given that these commercial ventures are held for operating lease purposes.

Goodwill recorded in subsidiaries is accounted for as investment property and depreciated using the straight-line method. The cost includes expenses directly attributable to the acquisition of an investment property. In the case of a self-constructed investment property, the following are considered costs: the capitalized interest on loans, the material used, the direct labor or any other costs attributable to bringing the asset to use, according to its purpose.

Capitalized interest refers to borrowings made by the Company for projects in the pre-operating phase or in the process of revitalization/expansion, as well as for borrowings intended for projects under construction.

The costs related to the repurchase of points of sale are added to the values of the respective investment properties. Repurchases of points of sale are allocated based on the useful life of the shopping malls.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.14. Property and equipment

Property and equipment is recorded at acquisition, build-up, or construction cost, less the respective accumulated depreciation and impairment, calculated using the straight-line method at rates that take into account the estimated useful life of assets. Repair and maintenance costs are recorded only if the economic benefits associated with these items are probable and the amounts can be reliably measured, while other expenses are directly charged to profit or loss as incurred. The recovery of property and equipment through future transactions, as well as the useful lives and residual value thereof, are periodically monitored and reviewed prospectively, if necessary.

The estimated useful lives for both current and comparative years are as follows:

	<u>12/31/2021 and 12/31/2020</u>
Machinery and equipment, furniture and fixtures and facilities	10 years
Buildings and improvements	25 years
Other components	5 to 10 years

2.15. Leases

The Company evaluates whether a contract is or contains a lease at the beginning of such contract. In other words, if the contract grants the right to control the use of an identified asset over a period of time in exchange for consideration.

Company as lessee

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.15. Leases (Continued)

Company as lessee (Continued)

Right-of-use assets

The Company recognizes right-of-use assets at lease inception date (i.e. the date on which the underlying asset is available for use). These assets are measured at cost, less any accumulated depreciation and impairment, and adjusted for any new remeasurement of the lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made up to commencement date, less any lease incentives received. Right-of-use assets are subject to depreciation on a straight-line basis, for the lower of the lease period and the useful life of the assets, as follows:

- Office leases: 2 to 5 years
- Land leases: 10 to 34 years
- IT equipment leases: 5 years

In certain cases, if ownership over the leased asset is transferred to the Company at the end of the lease period or if cost represents the exercise of a purchase option, depreciation is calculated based on the useful life of the asset.

Right-of-use assets are also subject to impairment. Accounting policies for impairment of nonfinancial assets are presented in Note 2.10.

Lease liabilities

At lease inception date, the Company recognizes lease liabilities measured at the present value of the lease payments to be made over the lease term. Lease payments include fixed payments (substantially referring to fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or rate are recorded as expenses (save if incurred for inventory production) in the period in which the event or condition that generates these payments occurs.

2. Presentation of the financial statements and accounting policies (Continued)

2.15. Leases (Continued)

Company as lessee (Continued)

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

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Lease liabilities (Continued)

In calculating present value of lease payments, the Company uses its incremental loan rate at commencement date, since the interest rate implicit in the lease is not easily determinable. After commencement date, the lease liability amount is increased in order to reflect the addition of interest and decreased by the lease amounts paid. Additionally, the net book value of lease liabilities is remeasured if there is a change in lease period, a change in lease payments (for instance, changes in future payments due to a change in an index or rate used for calculating such lease payments) or a change in the valuation of the underlying asset's purchase option.

Short-term leases and leases of low-value assets

The Company applies the exemption for recognition of short-term leases to its short-term leases of machinery and equipment (i.e. leases whose term is equal to or lower than 12 months as from inception date and that do not contain a purchase option). Also, the Company applies the exemption granted to recognition of low-value assets to leases of office equipment considered of low value. Amounts paid relating to short-term leases and leases of low-value assets are recorded as expenses under the straight-line method over the lease term.

Company as lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss using the straight-line method during the lease period. Leases entered into by the Company where it acts as a lessor are recognized as mentioned in Note 4.

2.16. Borrowing costs

Interest and financial charges, referring to financing obtained for investment in construction in progress, are capitalized until the assets start operating and are depreciated considering the same criteria and useful life determined for the investment property item to which they were incorporated and capitalized. All other borrowing costs are expensed in the period in which they occur.

2. Presentation of the financial statements and accounting policies (Continued)

2.17. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and, subsequently, they are carried at cost less any accumulated amortization and accumulated impairment losses, where applicable.

Intangible assets with finite lives are amortized over the useful economic life and assessed

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

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for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with an indefinite useful lives are not amortized, but are tested for impairment annually.

Goodwill arising from the acquisition of subsidiaries and based on future profitability is recorded as Intangible assets in accordance with CPC 04 (R1) - Intangible assets, as approved by CVM Rule No. 644, of December 2, 2010.

2.18. Land and properties held for sale

These are assessed at acquisition or construction cost not exceeding their net realizable value. The Company records under current assets ventures that have already been launched and are, therefore, available for sale. The remaining ventures are classified under noncurrent assets.

2.19. Property acquisition obligations

Contractual obligations for land acquisition are recorded at the original amount plus, when applicable, the corresponding charges and monetary differences incurred.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.20. Impairment of nonfinancial assets

Management annually tests the net book value of the assets in order to determine whether there are any events or changes in economic, operating or technological circumstances that may indicate impairment. If such evidence is identified, and the net carrying amount exceeds the recoverable amount, a provision for impairment is established, adjusting the asset's carrying amount to its recoverable amount.

The recoverable amount of an asset or a cash-generating unit is defined as the higher of value in use and fair value less costs of disposal.

In assessing an asset's value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the weighted average cost of capital (WACC) for the industry in which the cash-generating unit operates. Fair value less costs of disposal is determined considering, whenever possible, binding sales transactions, conducted at arm's length, between knowledgeable, willing parties, adjusted by costs to sell the asset, or when there is no binding sales transactions, based on the observable market price in an active market, or on the price of the most recent transaction involving similar assets.

In the case of goodwill paid on the acquisition of investments, the recoverable amount is estimated annually. An impairment loss is recognized if the carrying amount of the goodwill allocated in "Cash-Generating Unit (CGU)" exceeds its recoverable amount. The recoverable amount of the goodwill is determined by comparing it with the fair value of the investment properties that gave rise to the goodwill. The assumptions used to determine the fair value of investment properties are detailed in Note 9.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.20. Impairment of nonfinancial assets (Continued)

Impairment losses are recognized in profit or loss. Recognized losses referring to “CGUs” are initially allocated to reduce any goodwill allocated to that “CGU” and, subsequently, to reduce other assets of that “CGU”.

An impairment loss relating to goodwill is not reversed. In relation to other assets, impairment loss is reversed only on condition that the carrying amount of the asset does not exceed the carrying amount that would otherwise be computed, net of depreciation or amortization, if the impairment loss had not been recognized. The Company identified no impairment losses to be recognized for any of the years presented.

2.21. Cash and cash equivalents

Cash and cash equivalents include cash, positive checking account balances and short-term investments that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Short-term investments included in cash and cash equivalents are classified as “financial assets at fair value through profit or loss”.

2.22. Provisions

Provisions are recognized for present obligations (legal or constructive) arising from past events, whose amounts can be reliably estimated and whose settlement is likely to take place. The amount recognized as a provision is the best estimate of the considerations required to settle the obligation at the end of each reporting period, considering the risks and uncertainties related to the obligation.

When the provision is measured based on the cash flows estimated for settling the obligation, the book value of this provision corresponds to the present value of these cash flows (in which the effect from the time value of money is material).

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.22. Provisions (Continued)

The Company is a party to various legal and administrative proceedings. Provisions are recognized for all legal and administrative proceedings for which an outflow of resources is likely to be required to settle that contingency/obligation at an amount that can be reasonably estimated. Assessment of the likelihood of loss includes the evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their significance in the legal system, as well as the opinion of outside legal advisors. Provisions are reviewed and adjusted to take into consideration any changes in circumstances, such as applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions.

The main contingencies whose risks have been assessed as possible are disclosed in Note 17.

2.23. Taxation

Sales and service revenues are subject to the taxes and social contributions below, at the following statutory rates:

Tax	Acronym	Rates	
		Company and subsidiaries Taxable profit based on accounting records (lucro real)	Taxable profit based on gross sales (lucro presumido)
Contribution Tax on Gross Revenue for Social Integration Program	PIS	1.65%	0.65%
Contribution Tax on Gross Revenue for Social Security Financing	COFINS	7.6%	3.0%
Service Tax	ISS	2% to 5%	2% to 5%

These charges are presented as sales deductions in the statement of profit or loss. Credits deriving from noncumulative PIS/COFINS are recorded under Taxes and contributions on sales and services in the statement of profit or loss.

Income taxes include both income and social contribution taxes. Income tax is calculated based on taxable profit at the rate of 25% and social contribution tax at the rate of 9%, recognized on an accrual basis.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.23. Taxation (Continued)

As allowed by tax legislation, certain companies of the Multiplan Group, whose annual revenue was less than R\$78,000 in the immediately prior year, opted for the taxable profit computed as a percentage of gross revenue regime (lucro presumido). In these cases, the income tax base was determined considering the application of notional taxation percentages on gross revenue of 8%, 32% and 100%, depending on the nature of the revenues, as provided for in the tax legislation. The social contribution tax base, in this scenario, was determined based on notional taxation percentages on gross revenue of 12%, 32% and 100%, also depending on the nature of the revenues.

Current income and social contribution taxes represent taxes payable. Deferred income and social contribution taxes are recognized on temporary differences and income and social contribution tax loss carryforwards. It should be noted that deferred tax credits are recognized to the extent that there are future positive tax bases.

Income and social contribution tax expenses are segregated into current and deferred.

Current taxes are stated in assets/ liabilities at their net values, when taxes payable and to be offset have the same nature.

Likewise, deferred income and social contribution taxes are also stated by their net effects on assets/liabilities, as required by CPC 32.

2.24. Employee benefits

Obligations arising from short-term employee benefits are measured on an undiscounted basis and are incurred as expenses as the related service is provided.

A liability is recognized at the amount expected to be paid under short-term cash bonus or profit sharing plans when the Company has a legal or constructive obligation to pay this amount for a past service rendered by the employee, and the obligation can be reliably estimated.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.25. Share-based payment

a) Stock option plan

The Company granted management members, employees and service providers of the Company or other companies under its control, elected as participants in the program, options to purchase equity-settled shares, which can only be exercised after specific grace periods. These options are measured at fair value, determined by the “Black-Scholes” valuation method on the dates when the option programs are granted, and are recognized in Operating income (expenses), under “Expenses from share-based compensation”, on a straight-line basis from the grace periods, as a matching entry to the “Stock options granted” account under Capital reserves in Equity. For further details, see Note 20.a.

b) Stock option plan (Phantom stock options)

The Company granted management members, employees and service providers of the Company or other companies under its control, elected as participants in the program, investment units based on the valuation of the Company’s shares and cash settled, which can only be redeemable after specific grace periods. These investment units are measured at fair value, determined by the “Black-Scholes” valuation method at the end of each accounting period, and are recognized in Operating income (expenses), on a straight-line basis from the grace periods, matched against liabilities. For further details, see Note 20.b.

c) Restricted Stock Option Plan

The Company granted management members, employees and service providers of the Company or other companies under its control, elected as participants in the program, common shares issued by the Company subject to certain restrictions, which will be fully vested to participants after specific grace periods. These restricted shares are measured at fair value, determined in accordance with the market price on the grant date discounted from expected future dividends, and are recognized in Operating income (expenses), on a straight-line basis from the grace periods, matched against liabilities. For further details, see Note 20.c.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.26. Earnings (loss) per share

Basic earnings (loss) per share are calculated through net income (loss) for the period attributable to Company shareholders and the monthly average of outstanding shares in the respective period. Diluted earnings per share are calculated using the aforementioned average of outstanding shares, adjusted by instruments potentially convertible into shares, with a dilutive effect, in the years presented, pursuant to CPC 41/IAS 33.

2.27. Segment information

An operating segment is a component of the Company that develops business activities from which it can earn revenues and incur expenses, including revenues and expenses related to transactions with other components of the Company. All operating income (expenses) of the operating segments are frequently reviewed by management for decision-making on the resources to be allocated to the segment, and on performance assessments, for which individual financial information is available.

Income (expenses) of segments that are reported to management include items directly attributable to the segment, as well as those that can be reasonably allocated. Unallocated items comprise mainly headquarter expenses and income and social contribution tax assets and liabilities.

2.28. Statement of Value Added (“SVA”)

This statement is intended to show the wealth created by the Company and its distribution during a certain period and is presented by the Company as part of its individual and consolidated financial statements, the presentation of which is required by the Brazilian Corporation Law for publicly-held companies and as supplementary information by the IFRS that do not require the presentation of the SVA.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.28. Statement of Value Added (“SVA”) (Continued)

The SVA has been prepared based on information obtained from the accounting records that serve as the basis of preparation of the financial statements and under the provisions contained in CPC 09 - Statement of Value Added. The first part of the statement presents the wealth created by the Company, represented by revenues (gross sales revenue, including taxes levied thereon, other revenues and the effects of the allowance for doubtful accounts), by materials acquired from third parties (cost of sales and acquisitions of materials, power and services from suppliers, including taxes levied at the time of acquisition, the effects of losses and recovery of asset amounts, and depreciation and amortization) and the value added received from third parties (share of profit of a subsidiary, an associate and a joint venture, finance income and other income). The second part of the SVA presents the distribution of wealth among personnel, taxes and contributions, debt remuneration and equity remuneration.

2.29. Statements of cash flows

The Company classifies in the statement of cash flows interest paid as financing activity and dividends received as investing activity, since it understands that interest represents costs to obtain its financial resources and dividends represent return on its investments.

2.30. Significant accounting judgments, estimates and assumptions

Judgments

The preparation of the Company’s consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Estimates and assumptions

These consolidated financial statements have been prepared under various measurement bases used in accounting estimates. The accounting estimates involved in the preparation of the financial statements were based on both objective and subjective factors, and in line with management’s judgment to determine the appropriate amount to be recorded in the financial statements.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

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

Estimates and assumptions (Continued)

The settlement of transactions involving these estimates may result in amounts significantly different from those recorded in the financial statements due to uncertainties inherent in the estimation process. The Company reviews its estimates at least once a year.

The Company's main estimates are described below:

Fair value measurement of investment properties

The Company discloses the fair value of its investment properties as required by IAS 40/CPC 28. For investment properties, a valuation technique based on a discounted cash flow model was used, considering the absence of comparable market data due to the nature of the properties. The Company prepares the referred to calculations internally. The main assumptions used to determine the fair value of properties for purposes of disclosure are provided in Note 9.

Impairment of nonfinancial assets

The carrying amount of an asset or cash-generating unit that exceeds its recoverable amount corresponds to impairment losses, which is the higher of fair value less costs of disposal and the value in use. Fair value less costs of disposal is calculated based on information available about similar assets sold or market prices less costs of disposal. The value in use calculation is based on a DCF model. Cash flows arise from the Company's budget and do not include reorganization activities to which the Company has not yet committed or significant future investments that will improve the asset base of the cash-generating unit under test. The recoverable amount is sensitive to the discount rate used for the DCF model as well as to expected future cash inflows and growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount of the various cash-generating units, including the sensitivity analysis, are detailed in Notes 9 and 11.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

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

Estimates and assumptions (Continued)

Allowance for expected credit losses on accounts receivable and contract assets

The Company uses a provision matrix to calculate the expected credit loss for lease receivables and key money. The provision rates applied are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company reviews the matrix prospectively to adjust it according to the historical credit loss experience. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 4.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

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

Estimates and assumptions (Continued)

Realization of deferred tax credits

Deferred tax assets are recognized for all unused tax losses to the extent that taxable profit will likely be available to allow the use of such losses. Management's significant judgment is required to determine the deferred tax asset amount to be recognized based on probable terms and future taxable income levels, in addition to future tax planning strategies. These losses refer to subsidiaries that have a history of losses, are not time barred and cannot be used to offset taxable profit elsewhere in the Company. The offset of tax loss carryforward is limited to 30% of the taxable profit generated in a given year. These subsidiaries do not have taxable temporary differences or tax plans that could partially justify the recognition of deferred tax assets. For further details on deferred taxes, see Note 7.

Provisions for tax, civil and labor contingencies

The Company recognizes a provision for tax, civil and labor contingencies. Assessment of the likelihood of loss includes the evaluation of available evidence, the hierarchy of laws, available case law, recent court decisions and their significance in the legal system, as well as the opinion of internal and external legal advisors. Provisions are reviewed and adjusted to take into consideration any changes in circumstances, such as applicable statutes of limitation, tax audit conclusions, or additional exposures identified based on new matters or court decisions. For further details on deferred taxes, see Note 17.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

2. Presentation of the financial statements and accounting policies (Continued)

2.31. New or revised pronouncements first-time adopted in 2021

The Company applied for the first time certain amendments to standards that are effective for annual periods beginning on or after January 1, 2021. The Group has decided not to early adopt any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to CPC 06 (R2), CPC 11, CPC 38, CPC 40 (R1) and CPC 48: Interest Rate Benchmark Reform

The amendments to CPC 38 and 48 provide temporary exceptions that address the effects of the financial statements when an interbank deposit certificate is replaced as an alternative for an almost risk-free rate. These amendments include the following practical expedients:

- A practical expedient that requires contract changes, or changes in the cash flows that are directly required by the reform, to be treated as changes in the floating interest rate, equivalent to the variation in a market rate.
- Allows changes required by the reform to be made in the hedge designations and documentations without discontinuing the hedging relationship.
- Provides temporary exception for entities to be in compliance with the separately identifiable requirement when an instrument subject to a risk-free rate is designated as hedge of a risk component.

These amendment had no impact on the individual and consolidated financial statements of the Company.

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Notes to individual and consolidated financial statements (Continued)

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2. Presentation of the financial statements and accounting policies (Continued)

2.31. New or revised pronouncements first-time adopted in 2020 (Continued)

Amendments to CPC 06 (R2): Covid-19 related rent concessions that extend beyond June 30, 2021

The amendments provide relief to lessees from applying CPC 06 (R2) guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under CPC 06 (R2), if the change were not a lease modification.

This amendment was intended to be applied until June 30, 2021, but since the impact of Covid-19 pandemic may remain, as at March 31, 2021, the CPC extended the application period of this practical expedient to June 30, 2022. The amendment is effective for annual periods beginning on or after January 1, 2021. However, the Company has not yet received Covid-19-benefits granted to lessees and plans to apply the practical expedient when available within this pronouncement's period of effectiveness.

3. Cash and cash equivalents and short-term investments

Cash and cash equivalents

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Cash and banks	16,445	35,620	21,168	31,351
Short-term investments - Bank Deposit Certificates (CDB)	270,679	518,173	623,707	1,192,063
Total cash and cash equivalents	287,124	553,793	644,875	1,223,414

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

The short-term investments classified as cash and cash equivalents can be redeemed at any time without penalty and without affecting earnings recognized or any risk of significant changes in value. These investments bear interest at an average effective rate of 100.74% of the Interbank deposit certificate (CDI) at December 31, 2021 (100.38% at December 31, 2020).

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Notes to individual and consolidated financial statements (Continued)

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3. Cash and cash equivalents (Continued)

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

Short-term investments with daily liquidity

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Investment fund DI - Fixed Income	224,670	224,670	-	-
Total short-term investments	224,670	224,670	-	-

The Fixed Income Investment Funds - DI are non-exclusive funds classified by the Brazilian Financial and Capital Markets Association (ANBIMA) as short-term, low-risk funds, and are remunerated at an effective average rate of 105.26% of the CDI as at December 31, 2021. This fund's portfolio is managed by Itaú Asset. The Company does not govern or influence management of the portfolios or the acquisition and sale of the portfolio papers. As such, these amounts do not qualify as cash equivalents.

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

4. Accounts receivable

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Leases	258,902	336,189	193,470	245,798
Straight-line effect (a)	146,450	193,316	193,827	246,467
Key money	24,698	33,762	25,165	40,931
Parking lots	14,851	26,699	10,003	17,207
Administration fees (b)	2,071	10,528	9,170	11,378
Sale of properties	8,180	51,511	13,247	64,171
Other	7,504	21,773	5,038	9,430
	462,656	673,778	449,920	635,382
Allowance for doubtful accounts (ADA)	(84,987)	(110,635)	(70,819)	(91,232)
	377,669	563,143	379,101	544,150
Noncurrent	(12,679)	(29,297)	(15,476)	(42,434)
Current	364,990	533,846	363,625	501,716

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

- (a) Since March 2020, due to the COVID-19 pandemic, which has had direct impacts on the Company's operations, management has changed its relationship with storeowners and reduced rent payable, as well as the condominium fee and promotion fund. These reductions were applicable from March 2020 to September 2020, and will not be offset in the remaining installments or through extension of the periods of the lease contracts. This condition was treated as a modification of the lease contract flow and, therefore, the Company reviewed its minimum rent on a straight-line basis and based on the remaining term of each contract, as provided for by CPC 06(R2)/IFRS 16.
- (b) Refer to the management fees receivable by the Company, charged from business or storeowners of the shopping malls that it administrates, corresponding to a percentage of the store rent, common charges of storeowners, financial management, and promotion fund.

The aging list of accounts receivable is as follows:

Individual	Balance falling due with no impairment loss		Balance overdue with no impairment loss					Total
	< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days		
Leases (*)	178,720	6,223	5,316	4,489	4,764	9,146	50,244	258,902
Straight-line effect	146,450	-	-	-	-	-	-	146,450
Key money (*)	22,629	245	215	186	179	436	808	24,698
Parking lots	14,851	-	-	-	-	-	-	14,851
Administration fees	1,625	34	-	-	-	-	412	2,071
Sale of properties	5,361	211	25	16	53	36	2,478	8,180
Other	3,420	31	159	66	72	441	3,315	7,504
Total at 12/31/2021	373,056	6,744	5,715	4,757	5,068	10,059	57,257	462,656
(-) ADA	(9,117)	(4,381)	(3,918)	(3,648)	(4,168)	(8,448)	(51,307)	(84,987)
Net balance at 12/31/2021	363,939	2,363	1,797	1,109	900	1,611	5,950	377,669

Individual	Balance falling due		Balance overdue					Total
	< 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days		
Leases (*)	129,514	7,628	5,055	3,713	3,500	4,225	39,835	193,470
Straight-line effect	193,827	-	-	-	-	-	-	193,827
Key money (*)	21,788	362	279	321	300	740	1,375	25,165
Parking lots	10,003	-	-	-	-	-	-	10,003
Administration fees	4,332	281	309	297	230	1,150	2,571	9,170
Sale of properties	11,074	259	38	32	42	46	1,756	13,247
Other	1,775	72	200	186	30	421	2,354	5,038
Total at 12/31/2020	372,313	8,602	5,881	4,549	4,102	6,582	47,891	449,920
(-) ADA	(7,783)	(5,357)	(4,225)	(3,362)	(3,307)	(4,320)	(42,465)	(70,819)
Net balance at 12/31/2020	364,530	3,245	1,656	1,187	795	2,262	5,426	379,101

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Consolidated	Balance falling due with no impairment loss		Balance overdue with no impairment loss					Total
	< 30 days	> 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Leases (*)	232,301	8,132	6,595	6,041	6,154	11,368	65,598	336,189
Straight-line effect	193,316	-	-	-	-	-	-	193,316
Key money (*)	28,859	1,005	310	258	260	617	2,453	33,762
Parking lots	25,535	204	26	-	20	406	508	26,699
Administration fees	8,464	476	487	324	265	87	425	10,528
Sale of properties	31,011	530	367	1,214	832	653	16,904	51,511
Other	14,104	68	204	144	117	1,392	5,744	21,773
Total at 12/31/2021	533,590	10,415	7,989	7,981	7,648	14,523	91,632	673,778
(-) ADA	(11,691)	(6,171)	(4,895)	(4,894)	(5,292)	(10,570)	(67,122)	(110,635)
Net balance at 12/31/2021	521,899	4,244	3,094	3,087	2,356	3,953	24,510	563,143

Consolidated	Balance falling due		Balance overdue					Total
	< 30 days	> 30 days	30 - 60 days	61 - 90 days	91 - 120 days	121-180 days	>180 days	
Leases (*)	163,536	9,796	6,572	4,930	4,535	5,371	51,058	245,798
Straight-line effect	246,467	-	-	-	-	-	-	246,467
Key money (*)	34,244	587	633	526	491	1,114	3,336	40,931
Parking lots	15,319	1,409	135	-	46	-	298	17,207
Administration fees	6,011	810	309	297	230	1,150	2,571	11,378
Sale of properties	51,023	504	280	654	562	451	10,697	64,171
Other	3,413	731	223	190	73	1,878	2,922	9,430
Total at 12/31/2020	520,013	13,837	8,152	6,597	5,937	9,964	70,882	635,382
(-) ADA	(9,622)	(6,800)	(5,480)	(4,494)	(4,256)	(5,541)	(55,039)	(91,232)
Net balance at 12/31/2020	510,391	7,037	2,672	2,103	1,681	4,423	15,843	544,150

(*) The accounts receivable from lease and key money is net of a provision for loss computed based on the tax legislation amounting to R\$63,697 at December 31, 2021 (R\$47,978 at December 31, 2020), recorded in the statement of profit or loss as "Shopping mall expenses".

Leases and key money

The Company applies the simplified approach to estimate the expected credit loss using an expected loss matrix based on the history of losses, adjusted by the management's expectations on the aspects that may influence storeowner's default in the future.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Leases and key money (Continued)

The information on exposure to the average credit risk of the Company's lease receivables and key money as at December 31, 2021 and December 31, 2020 is presented below, using a provision matrix:

<u>Risk</u>	<u>12/31/2021</u>	<u>12/31/2020</u>
Falling due	4.5%	2.9%
Overdue within 30 days	65.4%	64.1%
Overdue within 60 days	73.3%	75.7%
Overdue within 90 days	78.2%	81.6%
Overdue within 120 days	84.3%	87.5%
Overdue within 180 days	88.2%	89.4%
Overdue for more than 180 days	96.4%	100.0%

The balances of accounts receivable relating to rent, key money and acknowledgment of debt as at December 31, 2021 take into consideration a percentage of improvement in the expected recovery of default. At December 31, 2020, these amounts were impacted by Covid-19. This impact was considered in accounts receivable by reducing the expectation of recovery of default in all ranges of the provision matrix.

Sale of property

The allowance for doubtful accounts is recorded so as to recognize impairment of trade accounts receivable, based on an individual analysis of such receivables. As trade accounts receivable are guaranteed by the real estate units sold, when a customer becomes a defaulter, the total balance due on the unit is compared with the best estimate of the unit's market value, less costs to recover and sell. An allowance for doubtful accounts is set up when the total balance due is higher than the net amount given in guarantee. At December 31, 2021, even taking the impacts of COVID-19 into account, and at December 31, 2020, the Company did not identify the need for an allowance for doubtful accounts on receivables from the sale of properties.

Parking lot, administration fee, sale and advertising and others

The Company understands that the credit risk from accounts receivable relating to parking lots, administration fee, sale and advertising is very low and has no history of default. Therefore, at December 31, 2021, even taking the impacts of COVID-19 into account, and at December 31, 2020, the Company did not identify the need for an allowance for doubtful accounts on the respective balances.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

4. Accounts receivable (Continued)

Parking lot, administration fee, sale and advertising and others (Continued)

The balance of the accounts receivable relating to parking lot, administration fee, sale and advertising as at December 31, 2021 and December 31, 2020 was impacted by Covid-19. This impact was considered in accounts receivable with the decrease of revenue from parking lots, services and others in December 2020. This decrease is due to a reduction in the flow of cars, condominium costs and sale at the Company's properties.

For "Other", the Company identified the need for an allowance for doubtful accounts in the amount of R\$2,097 at December 31, 2020.

Changes in ADA are as follows:

	ADA	
	Individual	Consolidated
Balances at December 31, 2019	(39,435)	(50,329)
Acquisition – Manati	-	(1,146)
Additions	(46,718)	(63,632)
Write-offs	15,334	23,875
Balances at December 31, 2020	(70,819)	(91,232)
Additions	(67,264)	(88,634)
Write-offs	53,096	69,231
Balances at December 31, 2021	(84,987)	(110,635)

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

For the years ended December 31, 2021 and 2020, the Company earned R\$1,002,795 and R\$616,009, respectively, as minimum lease only in relation to contracts prevailing at the end of each year, which presented the following renewal schedule:

	Consolidated	
	12/31/2021	12/31/2020
In 2021	-	11.0%
In 2022	16.3%	17.6%
In 2023	12.4%	13.9%
In 2024	12.7%	13.1%
After 2024	43.2%	31.5%
Undetermined (*)	15.5%	12.9%
Total	100.0%	100.0%

(*) Contracts not renewed under which the parties may request termination through a prior legal notice (30 days).

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

5. Transactions with related parties

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

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Current assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	43,967	79,188	30,802	54,542
Shopping Mall Associations (b)	4,248	7,357	2,743	3,268
Park Jacarepaguá (j)	216	-	323	-
JundiaíShopping (j)	-	-	263	-
ParkShopping Canoas Ltda. (j)	-	-	-	-
Loans – other (d)	70	71	203	203
Shopping Mall Condominiums (c)	973	3,839	3,367	3,588
Delivery Center (l)	10,248	10,249	-	-
Subtotal	59,722	100,704	37,701	61,601
Provision for losses (a)	(33,340)	(61,855)	(23,193)	(41,917)
Total sundry loans and advances - current	26,382	38,849	14,508	19,684
Accounts receivable				
Multiplan Administradora de Shopping Centers Ltda. (e)	14,851	-	9,956	-
Total accounts receivable – current	14,851	-	9,956	-
Total current assets	41,233	38,849	24,464	19,684
Noncurrent assets:				
Sundry loans and advances				
Advances on shopping mall charges (a)	56	60	56	60
Shopping Mall Condominiums (c)	3,957	8,477	2,031	2,984
Shopping Mall Associations (b)	31,254	50,230	28,563	35,024
Total sundry loans and advances - noncurrent	35,267	58,767	30,650	30,068
Noncurrent liabilities:				
Payables to related parties (k)	106,395	108,095	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

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

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Statement of profit or loss:				
Service revenue				
Multiplan Administradora de Shopping Centers Ltda. (e)	92,430	62,057	-	-
Revenue from Hot Zone lease (f)	896	480	1,304	792
Shopping Mall expenses				
Multiplan Arrecadadora Ltda. (m)	1,020	1,020	-	-
Service agreement				
Peres - Advogados, Associados S/C (j)	7,159	1,139	7,159	1,139
Finance income (costs), net				
Interest on loans and sundry advances (l)	6,029	1,123	8,271	1,332

- (a) Prepayments of charges granted to condominiums of shopping malls owned by Multiplan Group, in light of the default of storeowners with the condominiums. At December 31, 2021, based on a study of expected credit losses for the balance, which identified a 22.8% (26.2% at December 31, 2020) historical percentage of return of all prepaid charges, the provision was adjusted to 77.2% (73.8% at December 31, 2020) of the prepaid balance, with an effect of R\$ 19,937 at December 31, 2021 (R\$5,143 at December 31, 2020) as provision, recorded against profit or loss, as "Shopping Mall Expenses".
- (b) Refer to advances granted to the Storeowners Association of the following Shopping Malls: BarraShoppingSul, ParkShopping Barigui, ParkShopping Canoas, ParkShopping Campo Grande, ParkShopping, Barra Shopping, Ribeirão Shopping, ParkShopping São Caetano, Shopping Santa Úrsula, BH Shopping, DiamondMall, Morumbi Shopping, Jundiá Shopping, New York City Center, VillageMall and Shopping Vila Olímpia. These advances bear interest based on the Brazilian Extended Consumer Price Index (IPCA) disclosed by IBGE, plus a spread of 5.00% per annum, and will be fully settled by 2032.
- (c) Refer to loans entered into with the condominiums of Village Mall, Barra Shopping, Morumbi Corporate Towers, Shopping Vila Olímpia, which bear interest based on the CDI fluctuation, and Shopping Pátio Savassi and Shopping Santa Úrsula, ParkShopping Canoas, ParkShopping São Caetano, Ribeirão Shopping e ParkShopping Campo Grande, which bear interest based on the Brazilian Extended Consumer Price Index (IPCA) disclosed by IBGE, plus spread of 5.00% per annum, and will be fully settled by 2031.
- (d) This refers to loans granted to employees, which are being repaid in annual installments.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

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

- (e) Refers to the portion of accounts receivable and income (loss) that the Company has with subsidiary Multiplan Administradora de Shopping Centers Ltda., which manages the shopping malls' parking lots and transfers 93% to 97.5% of net income to the Company. It should be noted that whenever total expenses exceed the income generated, the Company is required to reimburse such difference to Multiplan Administradora de Shopping Centers Ltda. plus 3% of monthly gross revenue. These amounts are billed and received on a monthly basis.
- (f) This refers to amounts billed as Hot Zone store leases entered into with Divertplan Comércio e Indústria Ltda. (lessee), in which Multiplan Planejamento Participações e Administração S/A, a Company shareholder, holds 99% of the capital.
- (g) This refers to the addendum to the legal service agreement entered into by the Company and Peres - Advogados, Associados S/C, owned by a close family member of the Company's controlling shareholder, dated May 1, 2011. The agreement has an indefinite term and establishes a monthly compensation of R\$50, restated by reference to the Consumer Price Index (IPC) on an annual basis. In addition, on March 8, 2021 the amount of R\$500 and on November 24, 2021 the amount of R\$ 6,000 were paid.
- (h) This refers to the net finance income arising from interest on the various loans granted to related parties.
- (i) This refers to lease collection services, common and specific charges, revenue from promotion funds and other revenue deriving from the operation and sale of office spaces of the Company and/or its subsidiaries.
- (j) These are amounts recoverable from subsidiary Jundiá Shopping Center Ltda., ParkShopping Jacarepaguá Ltda. and ParkShopping Canoas Ltda., referring to the sharing of payroll expenses.
- (k) These refer to amounts payable regarding multi-use condominium fees, as described in Note 17.2.c.
- (l) This refers to Delivery Center payments, as mentioned in Note 1.

5.2. Key management personnel compensation

Management personnel compensation

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

5. Transactions with related parties (Continued)

5.2. Key management personnel compensation (Continued)

Management personnel compensation (Continued)

	<u>12/31/2021</u>	<u>12/31/2020</u>
Short-term benefits	31,430	32,554
Compensation based on variation of the share value (restricted) (Note 20.c)	12,854	12,444
Compensation based on variation of the share value (phantom) (i)	(2,534)	(11,794)
	<u>41,750</u>	<u>33,204</u>

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

At December 31, 2021, key management personnel comprised seven members of the Board of Directors, six executive officers and three members of the supervisory board.

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

6. Land and properties for sale

	<u>December 31, 2021</u>		<u>December 31, 2020</u>	
	<u>Individual</u>	<u>Consolidated</u>	<u>Individual</u>	<u>Consolidated</u>
Land	19,826	470,114	19,681	431,127
Real properties under construction	-	55,171	-	-
Properties completed	3,818	11,266	5,094	16,332
	<u>23,644</u>	<u>536,551</u>	<u>24,775</u>	<u>447,459</u>
Current	3,818	66,437	5,094	16,332
Noncurrent	19,826	470,114	19,681	431,127
	<u>23,644</u>	<u>536,551</u>	<u>24,775</u>	<u>447,459</u>

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

6. Land and properties for sale (Continued)

The Company reclassifies part of its inventories from noncurrent to the line item “Real properties under construction” according to the project launch schedule, and to the line item “Properties completed” based on the work completion schedule. Worth mentioning, as at December 31, 2021, the Company recorded properties under construction referring to the four towers initially launched of the Golden Lake project. No impairment indications were identified for the land and properties to be sold as at December 31, 2021 and 2020. In October 2021, the Company began to sell the Golden Lake project, reason why management reclassified R\$44,510 from noncurrent assets to current assets. The construction works for this project are expected to begin in the first quarter of 2022 and to be delivered in December 2024. The Company revised its project launch projections at December 31, 2021 due to the impacts of COVID-19 and concluded that there was no impact on the classification and valuation of its inventory.

As mentioned in Note 15, on April 1, 2021, the Company entered into a new Public Deed for Amendment of the Public Deed of Novation, Acknowledgement of Debt with Promise to Pay and other Covenants, rescheduling part of its obligations arising from the acquisition of the land where the Golden Lake project will be developed. As a result of this rescheduling, the Company recorded an increase of R\$25,976 under account “Land”.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

7. Income and social contribution taxes

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

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Assets:				
Provision for legal and administrative proceedings	4,743	4,871	5,165	5,505
Allowance for doubtful accounts	58,760	80,786	67,646	82,721
Provision for losses on advances of charges	56,240	56,240	23,193	23,193
Accrued annual bonus (a)	30,235	30,235	33,001	33,001
Stock option plan	62,041	62,041	48,175	48,175
Other (b)	8,451	8,451	6,370	6,370
Income and social contribution tax loss	168,976	301,397	163,575	289,084
Deferred tax asset base	389,446	544,021	347,125	488,049
Deferred income tax assets (c)	84,728	123,364	74,817	110,040
Deferred social contribution tax assets (c)	35,815	49,727	31,241	43,924
Subtotal	120,543	173,091	106,058	153,964
Liabilities:				
Accounting vs. tax difference – Goodwill (d)	(316,845)	(316,845)	(316,845)	(316,845)
Straight-line income (e)	(135,467)	(145,734)	(175,285)	(191,246)
Income (loss) from real estate projects (f)	-	(6,870)	-	(16,072)
Depreciation (g)	(520,289)	(622,953)	(438,132)	(516,599)
Bargain purchase gain (i)	(72,897)	(72,897)	(72,897)	(72,897)
Interest capitalized (h)	(66,802)	(102,979)	(62,364)	(99,151)
Other	(16,243)	(16,243)	(16,494)	(16,494)
Deferred tax liabilities base	(1,128,543)	(1,284,521)	(1,082,017)	(1,229,304)
Deferred income tax liabilities (c)	(282,136)	(319,550)	(270,505)	(303,629)
Deferred social contribution tax liabilities (c)	(101,569)	(115,063)	(97,381)	(109,364)
Subtotal	(383,704)	(434,613)	(367,886)	(412,993)
Deferred income and social contribution taxes, net	(263,162)	(261,522)	(261,828)	(259,029)
Noncurrent assets	-	21,478	-	18,417
Noncurrent liabilities	(263,162)	(283,000)	(261,828)	(277,446)

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

7. Income and social contributions taxes (Continued)

- (a) For the calculation of deferred income tax, only the share of employee profit sharing was considered.
- (b) The Company recognized deferred income and social contribution taxes by fully derecognizing deferred assets.
- (c) In consolidated, the bases of deferred assets and liabilities also comprise entities subject to the calculation of Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL) under the taxable profit computed as percentage of gross revenue regime. For that reason, the effect of these tax rates includes the tax rates applied to such taxation regime, pursuant to the federal legislation, which may vary depending on the nature of the income.
- (d) Goodwill on acquisition of Multishopping Empreendimentos Imobiliários S.A., Bozano Simonsen Centros Comerciais S.A. and Realejo Participações S.A. based on expected future earnings. Such companies were then merged and the respective goodwill reclassified to intangible assets. Pursuant to the new accounting standards, beginning January 1, 2009 such goodwill is no longer amortized and deferred income and social contribution tax liabilities were recognized on the difference between the tax base and the carrying amount of the related goodwill. For tax purposes, the amortization of goodwill ended November 2014.
- (e) The Company records income and social contribution taxes on deferred taxation of straight-line income during the term of the contract, regardless of the receipt term.
- (f) According to the tax criterion, the income (loss) on the sale of real estate units is determined based on the financial realization of income (cash basis) while for accounting purposes such income (loss) is accounted for on an accrual basis.
- (g) The Company recognized deferred income and social contribution tax liabilities on the differences between the amounts calculated based on the accounting method and criteria provided for in Law No. 12973 of May 13, 2014.
- (h) The Company recognized deferred income and social contribution tax liabilities on the immediate tax deduction of interest on loans taken out for the construction of assets and recorded as the cost of its underlying asset. Deferred liabilities will be reversed as the underlying asset is realized through depreciation.
- (i) Recognition of deferred tax liabilities on bargain purchase gains, which was excluded from the calculations of income and social contribution taxes. Taxation will only take place when the investment is realized. Refer to business combination (Note 1).

The Company has been adopting measures that will allow it to utilize the balances of income and social contribution tax losses, with consequent realization of deferred tax assets on income and social contribution tax losses, such as: (i) corporate reorganizations; (ii) operational improvements; (iii) debt renegotiations with reduced interest rates, among others. In addition, part of the balance of deferred tax assets will be realized when the shopping malls that are currently under construction begin their activities.

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

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
2021	-	-	38,459	40,441
2022	61,594	70,414	31,370	33,352
2023	38,985	47,806	30,855	32,815
2024 to 2025	15,053	33,749	4,777	32,765
2026 to 2027	4,911	21,122	596	14,591
	120,543	173,091	106,057	153,964

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

7. Income and social contributions taxes (Continued)

The Company identified no indications of loss on realization of tax credits in the year ended December 31, 2021.

Reconciliation of income and social contribution tax expenses

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

Description	Individual			
	12/31/2021		12/31/2020	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	458,080	458,080	1,023,778	1,023,778
Rate	25%	9%	25%	9%
Nominal rate	(114,520)	(41,227)	(255,944)	(92,140)
Permanent additions and exclusions				
Equity pickup	35,595	12,814	152,734	54,984
Interest on equity approved	73,750	26,550	67,500	24,300
Other	39	2,249	(9,635)	(506)
Total additions and exclusions	109,384	41,613	210,599	78,778
Current income and social contribution taxes on profit or loss	(3,416)	-	24	10
Deferred income and social contribution taxes on profit or loss	(1,720)	386	(45,369)	(13,372)
Total	(5,136)	386	(45,345)	(13,362)
Description	Consolidated			
	12/31/2021		12/31/2020	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before income and social contribution taxes	497,365	497,365	1,070,330	1,070,330
Rate	25%	9%	25%	9%
Nominal rate	(124,341)	(44,763)	(267,583)	(96,330)
Permanent additions and exclusions				
Equity pickup	(2,720)	(979)	(1,305)	(469)
Interest on equity approved	73,750	26,550	67,500	24,300
Current losses without tax credit	(5,618)	(2,023)	(10,436)	(3,757)
Income and social contribution taxes on companies operating under the taxable profit computed as a percentage of gross revenue regime	20,934	7,536	141,389	50,900
Other	5,152	1,855	(7,765)	(2,796)
Total additions and exclusions	91,498	32,939	189,383	68,178
Current income and social contribution taxes on profit or loss	(31,010)	(11,164)	(24,953)	(8,983)
Deferred income and social contribution taxes on profit or loss	(1,833)	(660)	(53,247)	(19,169)
Total	(32,843)	(11,824)	(78,200)	(28,152)

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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8. Investments

Significant information on investees

Investees	12/31/2021			12/31/2020		12/31/2020	
	Number of units of interest/shares	% - interest	Capital	Net income (loss) for the year	Equity	Net income (loss) for the year	Equity
CAA - Corretagem e Consultoria Publicitária Ltda.	40,000	99.00	400	1,447	1,427	385	785
RENASCE - Rede Nacional de Shopping Centers Ltda.	861,500	99.99	8,615	37,377	29,441	67	6,835
CAA - Corretagem Imobiliária Ltda.	1,834,770	99.61	1,835	(4)	6	(1)	-
MPH Empreendimento Imobiliário Ltda. (*)	159,627,898	100.00 (*)	159,628	3,506	163,068	13,437	167,326
Multiplan Administr. Shopping Center Ltda.	20,000	99.00	20	8,400	16,420	5,836	16,488
Pátio Savassi Administração de Shopping Center Ltda.	10,750,000	100.00	112	(28)	142	(24)	153
Royal Green Península	-	98.00	51,582	-	2,478	(22)	2,478
Manati Empreendimentos e Participações Ltda.	79,863,233	100.00	79,863	(2,107)	66,545	(2,459)	64,427
Delivery Center Holding S.A.	1,082,034	26.89	2,017	(78,504)	(29,608)	(76,036)	17,675
Parque Shopping Maceió S.A.	182,505,268	50.00	230,505	66,885	274,429	26,244	242,769
Danville SP Empreendimento Imobiliário Ltda.	54,283,073	99.99	54,283	(358)	49,385	(342)	49,543
Multiplan Holding S.A.	1,000	100.00	3,393	135	4,237	587	4,103
Embraplan Empresa Brasileira de Planejamento Ltda.	5,110,438	99.99	5,110	8	267	4	260
Multiplan Greenfield I Emp. Imob. Ltda.	34,343,556	99.99	34,344	6,290	36,100	4,153	42,847
Barrasul Empreendimento Imobiliário Ltda.	18,520,443	99.99	18,520	1,673	17,193	5,576	33,097
Ribeirão Residencial Emp. Imob. Ltda.	24,092,056	99.90	24,092	(344)	20,244	(427)	19,183
Morumbi Business Center Empreendimento Imobiliário Ltda.	128,052,380	99.90	128,052	1,933	141,935	7,003	152,786
Multiplan Greenfield II Empr. Imob. Ltda.	117,224,966	99.90	117,225	22,350	161,609	26,088	152,767
Multiplan Greenfield IV Empr. Imob. Ltda.	28,433,168	99.90	28,433	19,503	36,736	539,078	304,409
Multiplan Greenfield III Empr. Imob. Ltda.	271,805,648	99.90	271,806	717	248,137	(3,354)	247,420
Jundiaí Shopping Center Ltda.	258,875,987	99.90	258,876	24,155	310,333	26,703	316,917
ParkShopping Corporate Empr. Imob. Ltda.	54,243,251	99.90	54,243	1,271	43,287	1,387	42,016
Multiplan Arrecadora Ltda.	1,000	99.90	1	631	332	691	5,865
ParkShopping Global Ltda.	35,583,088	99.90	35,583	(3,764)	20,332	(1,960)	24,096
Multiplan ParkShopping e Participações Ltda.	1,025,257,187	94.67	1,025,257	11,022	1,027,354	(5,282)	1,016,333
Multishopping Shopping Center Ltda.	36,979	99.90	37	-	24	(1)	4
ParkJacarepaguá Empreendimento Imobiliário Ltda.	754,645,731	99.90	754,646	(3,971)	738,458	(3,319)	434,629
Multiplan Greenfield XI Empr. Imob. Ltda.	450,733,309	99.90	450,733	15,534	461,268	3,647	93,751
Multiplan Greenfield XII Empr. Imob. Ltda.	8,607,881	99.90	8,608	61	632	(6,473)	571
Teatro VillageMall Ltda.	13,059,940	99.90	13,060	(3,805)	3,211	(5,792)	2,107
Multiplan Barra 1 Empr. Imob. Ltda.	408,635,848	99.90	408,636	20,047	420,683	11,802	474,938
Multiplan Morumbi 1 Empr. Imob. Ltda.	161,332,604	99.90	161,333	9,789	167,121	6,871	197,203
Multiplan Imobiliária Ltda.	44,288,316	99.90	44,288	(13,242)	29,654	(198)	20,433

Multiplan Empreendimentos Imobiliários S.A.

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8. Investments (Continued)

Significant information on investees (Continued)

Investees	12/31/2021			12/31/2020		12/31/2020	
	Number of units of interest/shares	% - interest	Capital	Net income (loss) for the year	Equity	Net income (loss) for the year	Equity
Multiplan Golden II Empr. Imob. Ltda.	592,841	99.90	593	(3)	588	-	391
Multiplan Imobiliária III Ltda.(**)	-	99.90	-	-	-	-	7
Multiplan Golden IV Empr. Imob. Ltda.(**)	-	99.90	-	-	-	1	40
Multiplan Golden V Empr. Imob. Ltda.	13,105,314	99.90	13,105	(288)	12,371	(97)	8,813
Multiplan Golden VI Empr. Imob. Ltda.	14,270,586	99.90	14,271	(313)	13,472	(106)	9,596
Multiplan Golden VII Empr. Imob. Ltda.	14,271,686	99.90	14,272	(306)	13,480	(106)	9,598
Multiplan Golden VIII Empr. Imob. Ltda.	12,751,794	99.90	12,752	(274)	12,043	(95)	8,575
Multiplan Golden IX Empr. Imob. Ltda.	4,165,940	99.90	4,166	(89)	3,933	(30)	2,819
Multiplan Golden X Empr. Imob. Ltda.	8,424,925	99.90	8,425	(181)	7,951	(63)	5,664
Multiplan Golden XI Empr. Imob. Ltda.	8,694,705	99.90	8,695	(188)	8,206	(65)	5,843
Multiplan Golden XII Empr. Imob. Ltda.	5,890,235	99.90	5,890	(127)	5,556	(44)	3,957
Multiplan Golden XIII Empr. Imob. Ltda.	14,956,791	99.90	14,957	(321)	14,128	(111)	10,057
Multiplan Golden XIV Empr. Imob. Ltda.	13,104,580	99.90	13,105	(281)	12,377	(97)	8,812
Multiplan Golden XV Empr. Imob. Ltda.	12,742,898	99.90	12,743	(274)	12,035	(95)	8,568
Multiplan Golden XVI Empr. Imob. Ltda.	14,957,791	99.90	14,958	(321)	14,128	(111)	10,057
Multiplan Golden XVII Empr. Imob. Ltda.	17,015,792	99.90	17,016	(361)	16,088	(124)	11,482
Multiplan Golden XVIII Empr. Imob. Ltda.	16,717,308	99.90	16,717	(359)	15,793	(124)	11,255
MultiplanXVI Empr. Imob. Ltda.	5,000	99.90	5	-	2	(1)	2
MultiplanXVII Empr. Imob. Ltda.	6,000	99.90	6	-	1	(1)	2
MultiplanXVIII Empr. Imob. Ltda.	4,000	99.90	4	-	1	(1)	1
MultiplanXIX Empr. Imob. Ltda.	4,000	99.90	4	-	1	(1)	1
MultiplanXX Empr. Imob. Ltda.	5,000	99.90	5	-	1	(1)	2

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

(**) These investees became extinct at September 30, 2021.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

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8. Investments (Continued)

8.1. Changes in investments - individual

Investees	12/31/2020	Additions	Transfers	Dividends	Amortization	Write-offs	Reclassification	Capitalization of interest	Capital (Loss) (i)	Equity pickup	12/31/2021
<u>Investments</u>											
CAA Corretagem e Consultoria Publicitária Ltda.	777	-	-	(797)	-	-	-	-	-	1,433	1,413
CAA Corretagem Imobiliária Ltda.	(1)	-	10	-	-	-	-	-	-	(4)	5
RENASCE - Rede Nacional de Shopping Centers Ltda.	6,834	-	-	(14,998)	-	-	-	-	-	37,602	29,438
Delivery Center Holding S.A.	4,753	18,576	-	-	-	-	31,504	-	(10,509)	(44,324)	-
Royal Green Península	1,997	50	-	-	-	-	-	-	-	3	2,050
Multiplan Admin. Shopping Center Ltda.	16,324	-	-	(8,383)	-	-	-	-	-	8,316	16,257
MPH Empreendimento Imobiliário Ltda.	83,663	-	2,344	(6,226)	-	-	-	-	-	1,753	81,534
Manati Empreendimentos e Participações Ltda	131,674	-	4,225	-	(2,193)	-	-	-	-	(2,107)	131,599
Parque Shopping Maceió S.A.	134,719	-	-	(30,946)	-	-	-	-	-	33,442	137,215
Pátio Savassi Administração de Shopping Center Ltda.	153	-	17	-	-	-	-	-	-	(28)	142
Danville SP Empreendimento Imobiliário Ltda.	49,543	-	200	-	-	-	-	-	-	(358)	49,385
Multiplan Holding S.A.	4,103	-	-	-	-	-	-	-	-	135	4,238
Embraplan Empresa Brasileira de Planejamento Ltda.	261	-	-	-	-	-	-	-	-	8	269
Ribeirão Residencial Emp Im Ltda.	19,164	-	1,404	-	-	-	-	-	-	(344)	20,224
Morumbi Business Center Empreendimento Imobiliário Ltda.	152,633	-	2,198	(14,969)	-	-	-	-	-	1,931	141,793
Barrasul Empreendimento Imobiliário Ltda.	33,096	-	-	(17,576)	-	-	-	-	-	1,673	17,193
Multiplan Greenfield I Emp. Imobiliário Ltda.	42,848	-	-	(13,039)	-	-	-	-	-	6,291	36,100
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	152,613	-	2,198	(15,692)	-	-	-	-	-	22,328	161,447
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	247,173	-	-	-	-	-	-	-	-	717	247,890
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	304,102	-	-	(286,888)	-	-	-	-	-	19,483	36,697
Jundiaí Shopping Center Ltda.	316,599	-	-	(30,709)	-	-	-	-	-	24,131	310,021
ParkShopping Corporate Empreendimento Imobiliário Ltda.	41,975	-	-	-	-	-	-	-	-	1,270	43,245

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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8. Investments (Continued)

8.1. Changes in investments – individual (Continued)

Investees	12/31/2020	Additions	Transfers	Dividends	Amortization	Write-offs	Reclassification	Capitalization of interest	Capital (Loss) (i)	Equity pickup	12/31/2021
Multiplan Arrecadadora Ltda.	5,860	-	-	(6,159)	-	-	-	-	-	631	332
ParkShopping Global Ltda.	20,963	-	-	-	-	-	-	-	-	(3,274)	17,689
Multiplan ParkShopping e Participações Ltda.	1,015,316	-	-	-	-	-	-	-	-	11,011	1,026,327
Multishopping Shopping Center Ltda.	4	-	20	-	-	-	-	-	-	-	24
ParkJacarepaguá Empreendimento Imobiliário Ltda.	434,195	-	307,490	-	-	-	-	-	-	(3,967)	737,718
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	93,657	350,642	10,924	(9,937)	-	-	-	-	-	15,519	460,805
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	570	-	-	-	-	-	-	-	-	62	632
Teatro VillageMall Ltda.	2,106	-	4,904	-	-	-	-	-	-	(3,803)	3,207
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	474,459	-	-	(74,228)	-	-	-	-	-	20,027	420,258
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	197,006	-	-	(39,831)	-	-	-	-	-	9,779	166,954
Multiplan Imobiliária Ltda.	20,415	-	22,441	-	-	-	-	-	-	(13,229)	29,627
Multiplan Golden II Empreendimento Imobiliário Ltda.	391	50	150	-	-	-	-	-	-	(3)	588
Multiplan Imobiliária III Ltda.	6	-	-	-	-	(5)	-	-	-	(1)	-
Multiplan Golden IV Empreendimento Imobiliário Ltda.	40	-	-	-	-	(39)	-	-	-	(1)	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	8,804	-	3,842	-	-	-	-	-	-	(288)	12,358
Multiplan Golden VI Empreendimento Imobiliário Ltda.	9,586	-	4,184	-	-	-	-	-	-	(313)	13,457
Multiplan Golden VII Empreendimento Imobiliário Ltda.	9,587	-	4,184	-	-	-	-	-	-	(306)	13,465
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	8,567	-	3,738	-	-	-	-	-	-	(274)	12,031
Multiplan Golden IX Empreendimento Imobiliário Ltda.	2,815	-	1,201	-	-	-	-	-	-	(89)	3,927
Multiplan Golden X Empreendimento Imobiliário Ltda.	5,657	-	2,467	-	-	-	-	-	-	(181)	7,943
Multiplan Golden XI Empreendimento Imobiliário Ltda.	5,837	-	2,548	-	-	-	-	-	-	(187)	8,198
Multiplan Golden XII Empreendimento Imobiliário Ltda.	3,953	-	1,724	-	-	-	-	-	-	(129)	5,548
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	10,051	-	4,388	-	-	-	-	-	-	(321)	14,118
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	8,804	-	3,842	-	-	-	-	-	-	(283)	12,363
Multiplan Golden XV Empreendimento Imobiliário Ltda.	8,559	-	3,738	-	-	-	-	-	-	(274)	12,023

Multiplan Empreendimentos Imobiliários S.A.

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8. Investments (Continued)

8.1. Changes in investments – individual (Continued)

Investees	12/31/2020	Additions	Transfers	Dividends	Amortization	Write-offs	Reclassification	Capitalization of interest	Capital (Loss) (i)	Equity pickup	12/31/2021
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	10,047	-	4,388	-	-	-	-	-	-	(321)	14,114
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	11,469	-	4,962	-	-	-	-	-	-	(360)	16,071
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	11,244	-	4,893	-	-	-	-	-	-	(358)	15,779
Multiplan XVI Empreendimento Imobiliário Ltda.	-	-	3	-	-	-	-	-	-	-	3
Multiplan XVII Empreendimento Imobiliário Ltda.	2	-	-	-	-	-	-	-	-	-	2
Multiplan XVIII Empreendimento Imobiliário Ltda.	-	-	2	-	-	-	-	-	-	-	2
Multiplan XIX Empreendimento Imobiliário Ltda.	(1)	-	2	-	-	-	-	-	-	-	1
Multiplan XX Empreendimento Imobiliário Ltda.	-	-	3	-	-	-	-	-	-	-	3
Other	94	-	-	-	-	-	-	-	-	-	94
Subtotal – Investments	4,125,066	369,318	408,634	(570,378)	(2,193)	(44)	31,504	-	(10,509)	142,418	4,493,816
<u>Future capital contributions</u>											
CAA Corretagem Imobiliária Ltda	-	10	(10)	-	-	-	-	-	-	-	-
Pátio Savassi Administração de Shopping Center Ltda.	-	17	(17)	-	-	-	-	-	-	-	-
MPH Empreendimento Imobiliário Ltda.	-	2,344	(2,344)	-	-	-	-	-	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	200	(200)	-	-	-	-	-	-	-	-
Manati Empreendimentos e Participações S.A.	-	4,225	(4,225)	-	-	-	-	-	-	-	-
Ribeirão Residencial Empreendimento Imobiliário Ltda.	-	1,404	(1,404)	-	-	-	-	-	-	-	-
Morumbi Business Center Empreendimento Imobiliário Ltda.	-	2,198	(2,198)	-	-	-	-	-	-	-	-
Multiplan Greenfield II Empreendimento Imobiliário Ltda	-	2,198	(2,198)	-	-	-	-	-	-	-	-
Multishopping Shopping Center Ltda	-	20	(20)	-	-	-	-	-	-	-	-
ParkJacarepaguá Empreendimento Imobiliário Ltda.	-	307,490	(307,490)	-	-	-	-	-	-	-	-
Multiplan Greenfield XI Empreendimento Imobiliário Ltda	-	10,924	(10,924)	-	-	-	-	-	-	-	-
Multiplan Greenfield XIII Empreendimento Imobiliário Ltda.	-	4,904	(4,904)	-	-	-	-	-	-	-	-
Multiplan Golden I Empr. Imob. Ltda	-	22,441	(22,441)	-	-	-	-	-	-	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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8. Investments (Continued)

8.1. Changes in investments – individual (Continued)

Investees	12/31/2020	Additions	Transfers	Dividends	Amortization	Write-offs	Reclassification	Capitalization	Capital gain	Equity pickup	12/31/2021
							n	of interest	(loss) (i)		
bom	-	150	(150)	-	-	-	-	-	-	-	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	3,842	(3,842)	-	-	-	-	-	-	-	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	4,184	(4,184)	-	-	-	-	-	-	-	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	4,184	(4,184)	-	-	-	-	-	-	-	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	3,738	(3,738)	-	-	-	-	-	-	-	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	1,201	(1,201)	-	-	-	-	-	-	-	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	2,467	(2,467)	-	-	-	-	-	-	-	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	2,548	(2,548)	-	-	-	-	-	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	1,724	(1,724)	-	-	-	-	-	-	-	-
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	4,388	(4,388)	-	-	-	-	-	-	-	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	3,842	(3,842)	-	-	-	-	-	-	-	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	3,738	(3,738)	-	-	-	-	-	-	-	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	4,388	(4,388)	-	-	-	-	-	-	-	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	4,962	(4,962)	-	-	-	-	-	-	-	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	4,893	(4,893)	-	-	-	-	-	-	-	-
Multiplan XVI Empreendimento Imobiliário Ltda.	3	-	(3)	-	-	-	-	-	-	-	-
Multiplan XVIII Empreendimento Imobiliário Ltda.	2	-	(2)	-	-	-	-	-	-	-	-
Multiplan XIX Empreendimento Imobiliário Ltda.	2	-	(2)	-	-	-	-	-	-	-	-
Multiplan XX Empreendimento Imobiliário Ltda.	3	-	(3)	-	-	-	-	-	-	-	-
Subtotal – Future capital contributions	10	408,624	(408,634)	-	-	-	-	-	-	-	-
Subtotal – Investments	4,125,076	777,942	-	(570,378)	(2,193)	(44)	31,504	-	(10,509)	142,418	4,493,816
Capitalization of interest on investees											
Park Jacarepaguá Empreendimento Imobiliário Ltda.	21,501	-	-	-	-	-	-	11,173	-	(36)	32,638
Danville SP Empreendimento Imobiliário Ltda.	14,443	-	-	-	-	-	-	-	-	-	14,443
Ribeirão Residencial Empreendimento Imobiliário Ltda.	2,501	-	-	-	-	-	-	-	-	-	2,501
Total capitalization of interest on investees	38,445	-	-	-	-	-	-	11,173	-	(36)	49,582
Goodwill											
Indefinite useful life	8,501	-	-	-	-	(8,501)	-	-	-	-	-
Total goodwill	8,501	-	-	-	-	(8,501)	-	-	-	-	-
Total net investments	4,172,022	777,942	-	(570,378)	(2,193)	(8,545)	31,504	11,173	(10,509)	142,382	4,543,398

Multiplan Empreendimentos Imobiliários S.A.

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8. Investments (Continued)

8.1. Changes in investments – individual (Continued)

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Capitalization of interest	Capital loss (i)	Equity pickup	12/31/2020
<u>Investments</u>									
CAA Corretagem e Consultoria Publicitária Ltda.	1,059	-	-	(663)	-	-	-	381	777
CAA Corretagem Imobiliária Ltda.	-	-	-	-	-	-	-	(1)	(1)
RENASCE - Rede Nacional de Shopping Centers Ltda.	5,071	-	800	-	-	-	-	963	6,834
Delivery Center Holding S.A.	4,127	24,999	-	-	-	-	(5,960)	(18,413)	4,753
Royal Green Peninsula	2,003	137	-	-	-	-	-	(144)	1,996
Multiplan Admin. Shopping Center Ltda.	17,774	-	-	(7,227)	-	-	-	5,777	16,324
MPH Empreendimento Imobiliário Ltda.	86,213	-	-	(9,268)	-	-	-	6,718	83,663
Manati Empreendimentos e Participações S.A.	32,531	101,765	1,880	-	(2,015)	-	-	(2,487)	131,674
Parque Shopping Maceió S.A.	121,385	-	-	-	-	-	-	13,334	134,719
Pátio Savassi Administração de Shopping Center Ltda.	160	-	17	-	-	-	-	(24)	153
Danville SP Empreendimento Imobiliário Ltda.	48,885	-	1,000	-	-	-	-	(342)	49,543
Multiplan Holding S.A.	2,816	-	700	-	-	-	-	587	4,103
Embraplan Empresa Brasileira de Planejamento Ltda.	257	-	-	-	-	-	-	4	261
Ribeirão Residencial Emp Im Ltda.	18,592	-	999	-	-	-	-	(427)	19,164
Morumbi Business Center Empreendimento Imobiliário Ltda.	147,358	-	-	(1,722)	-	-	-	6,997	152,633
Barrasul Empreendimento Imobiliário Ltda.	29,757	-	-	(2,237)	-	-	-	5,576	33,096
Multiplan Greenfield I Emp. Imobiliário Ltda.	45,347	-	-	(6,652)	-	-	-	4,153	42,848
Multiplan Greenfield II Empreendimento Imobiliário Ltda.	141,026	-	2,997	(17,472)	-	-	-	26,062	152,613
Multiplan Greenfield III Empreendimento Imobiliário Ltda.	250,523	-	-	-	-	-	-	(3,350)	247,173
Multiplan Greenfield IV Empreendimento Imobiliário Ltda.	125,636	-	106,748	(466,820)	-	-	-	538,539	304,103
Jundiá Shopping Center Ltda.	326,029	-	-	(36,107)	-	-	-	26,677	316,599
ParkShopping Corporate Empreendimento Imobiliário Ltda.	40,588	-	-	-	-	-	-	1,387	41,975

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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8. Investments (Continued)

8.1. Changes in investments – individual (Continued)

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Capitalization of interest	Capital loss (i)	Equity pickup	12/31/2020
Multiplan Arrecadadora Ltda.	5,169	-	-	-	-	-	-	691	5,860
ParkShopping Global Ltda.	21,099	-	1,569	-	-	-	-	(1,705)	20,963
Multiplan ParkShopping e Participações Ltda.	590,894	-	429,696	-	-	-	1	(5,275)	1,015,316
Multishopping Shopping Center Ltda.	5	-	-	-	-	-	-	(1)	4
ParkJacarepaguá Empreendimento Imobiliário Ltda.	319,844	-	117,667	-	-	-	-	(3,316)	434,195
Multiplan Greenfield XI Empreendimento Imobiliário Ltda.	95,604	-	-	(5,591)	-	-	-	3,644	93,657
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	5,736	-	1,301	-	-	-	-	(6,467)	570
Teatro VillageMall Ltda.	1,111	-	6,781	-	-	-	-	(5,786)	2,106
Multiplan Barra 1 Empreendimento Imobiliário Ltda.	476,754	-	-	(14,082)	-	-	-	11,787	474,459
Multiplan Morumbi 1 Empreendimento Imobiliário Ltda.	197,312	-	-	(7,170)	-	-	-	6,864	197,006
Multiplan Golden I Empreendimento Imobiliário Ltda.	19,044	-	1,568	-	-	-	-	(197)	20,415
Multiplan Golden II Empreendimento Imobiliário Ltda.	19	-	372	-	-	-	-	-	391
Multiplan Imobiliária III Ltda.	6	-	-	-	-	-	-	-	6
Multiplan Golden IV Empreendimento Imobiliário Ltda.	39	-	-	-	-	-	-	1	40
Multiplan Golden V Empreendimento Imobiliário Ltda.	8,127	-	774	-	-	-	-	(97)	8,804
Multiplan Golden VI Empreendimento Imobiliário Ltda.	8,850	-	842	-	-	-	-	(106)	9,586
Multiplan Golden VII Empreendimento Imobiliário Ltda.	8,851	-	842	-	-	-	-	(106)	9,587
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	7,908	-	754	-	-	-	-	(95)	8,567
Multiplan Golden IX Empreendimento Imobiliário Ltda.	2,587	-	258	-	-	-	-	(30)	2,815
Multiplan Golden X Empreendimento Imobiliário Ltda.	5,212	-	508	-	-	-	-	(63)	5,657
Multiplan Golden XI Empreendimento Imobiliário Ltda.	5,388	-	514	-	-	-	-	(65)	5,837
Multiplan Golden XII Empreendimento Imobiliário Ltda.	3,645	-	352	-	-	-	-	(44)	3,953
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	9,276	-	886	-	-	-	-	(111)	10,051
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	8,128	-	773	-	-	-	-	(97)	8,804
Multiplan Golden XV Empreendimento Imobiliário Ltda.	7,898	-	756	-	-	-	-	(95)	8,559

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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8. Investments (Continued)

8.1. Changes in investments – individual (Continued)

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Capitalization of interest	Capital loss (i)	Equity pickup	12/31/2020
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	9,275	-	883	-	-	-	-	(111)	10,047
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	10,613	-	980	-	-	-	-	(124)	11,469
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	10,406	-	962	-	-	-	-	(124)	11,244
Multiplan XVI Empreendimento Imobiliário Ltda.	1	-	-	-	-	-	-	(1)	-
Multiplan XVII Empreendimento Imobiliário Ltda.	3	-	-	-	-	-	-	(1)	2
Multiplan XVIII Empreendimento Imobiliário Ltda.	1	-	-	-	-	-	-	(1)	-
Multiplan XIX Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	-	(1)	(1)
Multiplan XX Empreendimento Imobiliário Ltda.	-	-	-	-	-	-	-	-	-
Other	94	-	-	-	-	-	-	-	94
Subtotal – Investments	3,286,036	126,901	684,179	(575,011)	(2,015)	-	(5,959)	610,935	4,125,066
<u>Future capital contributions</u>									
Renasce - Rede Nacional de Shopping Centers Ltda.	-	800	(800)	-	-	-	-	-	-
Pátio Savassi Administração de Shopping Center Ltda.	-	17	(17)	-	-	-	-	-	-
Danville SP Empreendimento Imobiliário Ltda.	-	1,000	(1,000)	-	-	-	-	-	-
Manati Empreendimentos e Participações S.A.	-	1,880	(1,880)	-	-	-	-	-	-
Ribeirão Residencial Empreendimento Imobiliário Ltda.	-	999	(999)	-	-	-	-	-	-
Multiplan Greenfield II Empreendimento Imobiliário Ltda	-	2,997	(2,997)	-	-	-	-	-	-
Multiplan Greenfield IV Empreendimento Imobiliário Ltda	-	106,748	(106,748)	-	-	-	-	-	-
ParkShopping Global Ltda.	-	1,569	(1,569)	-	-	-	-	-	-
Multiplan ParkShopping e Participações Ltda.	-	429,696	(429,696)	-	-	-	-	-	-
ParkJacarepaguá Empreendimento Imobiliário Ltda.	-	117,667	(117,667)	-	-	-	-	-	-
Multiplan Greenfield XII Empreendimento Imobiliário Ltda.	-	1,301	(1,301)	-	-	-	-	-	-
Multiplan Holding SA	-	700	(700)	-	-	-	-	-	-

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.1. Changes in investments – individual (Continued)

Investees	12/31/2019	Additions	Transfers	Dividends	Amortization	Capitalization of interest	Capital loss (i)	Equity pickup	12/31/2020
Teatro VillageMall Ltda.	-	6,781	(6,781)	-	-	-	-	-	-
Multiplan Golden I Empreendimento Imobiliário Ltda.	-	1,568	(1,568)	-	-	-	(1,568)	-	-
Multiplan Golden II Empreendimento Imobiliário Ltda.	-	372	(372)	-	-	-	-	-	-
Multiplan Golden V Empreendimento Imobiliário Ltda.	-	774	(774)	-	-	-	-	-	-
Multiplan Golden VI Empreendimento Imobiliário Ltda.	-	842	(842)	-	-	-	-	-	-
Multiplan Golden VII Empreendimento Imobiliário Ltda.	-	842	(842)	-	-	-	-	-	-
Multiplan Golden VIII Empreendimento Imobiliário Ltda.	-	754	(754)	-	-	-	-	-	-
Multiplan Golden IX Empreendimento Imobiliário Ltda.	-	258	(258)	-	-	-	-	-	-
Multiplan Golden X Empreendimento Imobiliário Ltda.	-	508	(508)	-	-	-	-	-	-
Multiplan Golden XI Empreendimento Imobiliário Ltda.	-	514	(514)	-	-	-	-	-	-
Multiplan Golden XII Empreendimento Imobiliário Ltda.	-	352	(352)	-	-	-	-	-	-
Multiplan Golden XIII Empreendimento Imobiliário Ltda.	-	886	(886)	-	-	-	-	-	-
Multiplan Golden XIV Empreendimento Imobiliário Ltda.	-	773	(773)	-	-	-	-	-	-
Multiplan Golden XV Empreendimento Imobiliário Ltda.	-	756	(756)	-	-	-	-	-	-
Multiplan Golden XVI Empreendimento Imobiliário Ltda.	-	883	(883)	-	-	-	-	-	-
Multiplan Golden XVII Empreendimento Imobiliário Ltda.	-	980	(980)	-	-	-	-	-	-
Multiplan Golden XVIII Empreendimento Imobiliário Ltda.	-	962	(962)	-	-	-	-	-	-
Multiplan XVI Empreendimento Imobiliário Ltda.	-	3	-	-	-	-	-	-	3
Multiplan XVIII Empreendimento Imobiliário Ltda.	-	2	-	-	-	-	-	-	2
Multiplan XIX Empreendimento Imobiliário Ltda.	-	2	-	-	-	-	-	-	2
Multiplan XX Empreendimento Imobiliário Ltda.	-	3	-	-	-	-	-	-	3
Subtotal – Future capital contributions	-	684,189	(684,179)	-	-	-	-	-	10
Subtotal – Investments	3,286,036	811,090	-	(575,011)	(2,015)	-	(5,959)	610,935	4,125,076
Capitalization of interest on investees									
Park.Jacarepaguá Empreendimento Imobiliário Ltda.	3,440	-	-	-	-	18,061	-	-	21,501
Danville SP Empreendimento Imobiliário Ltda.	14,443	-	-	-	-	-	-	-	14,443
Ribeirão Residencial Empreendimento Imobiliário Ltda.	2,501	-	-	-	-	-	-	-	2,501
Total capitalization of interest on investees	20,384	-	-	-	-	18,061	-	-	38,445
Goodwill									
Finite useful life	144	-	-	-	(144)	-	-	-	-
Indefinite useful life	8,501	-	-	-	-	-	-	-	8,501
Total goodwill	8,645	-	-	-	(144)	-	-	-	8,501
Total net investments	3,315,065	811,090	-	(575,011)	(2,159)	18,061	(5,959)	610,935	4,172,022

(i) Capital loss basically refers to the changes in interest held in Delivery Center in the period.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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8. Investments (Continued)

8.2. Changes in investments – consolidated

Investees	12/31/2020	Additions	Dividends	Reclassification	Write-offs	Capital loss	Equity pickup	12/31/2021
SCP - Royal Green Península (*)	1,997	50	-	-	-	-	3	2,050
Parque Shopping Maceió S.A.	134,719	-	(30,946)	-	-	-	33,442	137,215
Delivery Center Holding S.A. (**)	4,753	18,576	-	31,504	-	(10,509)	(44,324)	-
Other	153	-	-	-	-	-	(1)	152
Subtotal – Investments	141,622	18,626	(30,946)	-	-	(10,509)	(10,880)	139,417
Goodwill - indefinite useful life	8,501	-	-	-	(8,501)	-	-	-
Subtotal – Goodwill	8,501	-	-	-	(8,501)	-	-	-
Total net investments	150,123	18,626	(30,946)	31,504	(8,501)	(10,509)	(10,880)	139,417

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.2. Changes in investments – consolidated (Continued)

Investees	12/31/2019	Additions	Amortization	Write-offs	Capital loss	Equity pickup	12/31/2020
SCP - Royal Green Península (*)	2,003	137	-	-	-	(143)	1,997
Manati Empreendimentos e Participações S.A. (***)	32,531	-	-	(32,503)	-	(28)	-
Parque Shopping Maceió S.A.	121,385	-	-	-	-	13,334	134,719
Multiplan Greenfield XII Empreendimento Imobiliário Ltda. (****)	180	-	-	(209)	-	29	-
Delivery Center Holding S.A. (**)	4,127	24,999	-	-	(5,960)	(18,413)	4,753
Other	153	-	-	-	-	-	153
Subtotal – Investments	160,379	25,136	-	(32,712)	(5,960)	(5,221)	141,622
Intangible assets – finite useful life	1,045	-	(385)	(660)	-	-	-
Goodwill - indefinite useful life	15,239	-	-	(6,738)	-	-	8,501
Subtotal – Goodwill	16,284	-	(385)	(7,398)	-	-	8,501
Total net investments	176,663	25,136	(385)	(40,110)	(5,960)	(5,221)	150,123

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

(**) On July 12, 2019, the Company completed the operation through which it now holds 18.41% of the capital of Delivery Center Holding S.A. ("DC"), corresponding to 203,341 registered common shares with no par value, which were subscribed and paid in through assignment of exclusive rights to the operation of delivery centers in the 18 shopping malls currently managed by the Company, in addition to contribution of R\$12.000. Of the total amount paid, R\$ 675 was allocated as finite-lived intangible asset and will be amortized within one year, and R\$ 8,501 was allocated as goodwill, which will not be amortized and will be subject to an annual impairment assessment. The interest percentage originally provided for in the investment agreement executed on April 1, 2019 (18.79%) has changed as a result of the capital increase of DC on May 24, 2019, resulting in interest of 18.41%. On January 20, 2020, the Company subscribed for 53,225 new common shares issued in connection with the capital increase of DC, for the total amount of R\$ R\$6,250, which was paid in local currency on January 24, 2020. As such, the Company held 18.76% in DC's capital. On April 23, 2020, the Company subscribed 159,675 new common shares with no par value issued in connection with the capital increase of DC, therefore holding 22.95% interest. On October 1, 2020, the Company subscribed 112,495 new common shares of DC, for total R\$ 18,576, paid in three installments in January, February and April de 2021, therefore holding 26.46% in the company's capital. According to DC's shareholders' general meeting held on December 11, 2020, and after cancellation of treasury shares, the Company's equity interest changed to 26.89% in DC's capital. DC's operations were discontinued (Note 1).

(***) Acquisition of control of Manati Empreendimentos e Participações S.A. on February 7, 2020, as described in Note 1 (Business combination).

(****) In 3Q20, the subsidiary Multiplan Greenfield XII Empreendimento Imobiliário Ltda. decreased the 26.46% interest it held in Fullab Participações S.A.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries

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

	12/31/2021				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda. (a)	1,578	-	151	-	1,934
RENASCE - Rede Nacional de Shopping Centers Ltda.	26,466	5,617	2,473	168	44,162
CAA Corretagem Imobiliária Ltda. (a)	7	-	1	-	-
MPH Empreendimento Imobiliário Ltda.	17,247	147,544	1,165	558	15,111
Multiplan Administr. Shopping Center Ltda.	55,064	77	38,673	48	233,423
Pátio Savassi Administração de Shopping Center Ltda.	3	156	17	-	-
Manati Empreend.e Participações	7,374	60,035	836	28	4,016
Danville SP Empreendimento Imobiliário Ltda. (c)	112	49,273	-	-	-
Multiplan Holding S.A.	829	3,417	9	-	-
Embraplan Empresa Brasileira de Planejamento Ltda. (b)	267	-	-	-	-
Multiplan Greenfield I Emp. Imob. Ltda.	29,321	12,188	505	4,906	3,519
Barrasul Empreendimento Imobiliário Ltda.	16,732	4,667	165	4,040	1,640
Ribeirão Residencial Emp. Imob. Ltda. (c)	408	19,837	1	-	-
Morumbi Business Center Empr. Imob. Ltda. (d)	666	141,307	39	-	268
Multiplan Greenfield II Empr. Imob. Ltda.	14,931	227,571	24,031	56,862	40,969
Multiplan Greenfield III Empr. Imob. Ltda. (c)	13,730	234,630	223	-	(103)
Multiplan Greenfield IV Empr. Imob. Ltda.	25,275	11,820	313	46	17,184
Jundiá Shopping Center Ltda	40,202	275,530	2,933	2,467	43,813
ParkShopping Corporate Empr. Imob. Ltda.	10,112	35,303	14	2,114	3,982
Multiplan Arrecadadora Ltda.	310,850	12,052	322,569	-	947
ParkShopping Global Ltda.	21,107	-	775	-	-
Multiplan ParkShopping e Participações Ltda.	97,377	1,064,272	15,710	118,585	75,957
Multishopping Shopping Center Ltda.	24	-	-	-	-
ParkJacarepaguá Empreendimento Imobiliário Ltda.(c)	22,685	751,483	28,712	6,998	8,677
Multiplan Greenfield XI Empr. Imob. Ltda.	32,952	431,322	1,947	1,058	27,531
Multiplan Greenfield XII Empr. Imob. Ltda.	632	-	-	-	(6)
Teatro VillageMall Ltda..	1,942	2,159	890	-	26
Multiplan Barra 1 Empr. Imob. Ltda.	31,796	394,255	3,309	2,059	42,841
Multiplan Morumbi 1 Empr. Imob. Ltda.	16,911	153,186	1,252	1,723	19,090
Multiplan Imobiliária Ltda.	70,954	19,432	45,814	14,917	(983)
Multiplan Golden II Empr. Imob. Ltda	9	598	19	-	-
Multiplan Golden V Empr. Imob. Ltda.	321	19,980	712	7,218	-
Multiplan Golden VI Empr. Imob. Ltda.	348	21,760	775	7,862	-
Multiplan Golden VII Empr. Imob. Ltda.	349	21,760	768	7,862	-
Multiplan Golden VIII Empr. Imob. Ltda.	314	19,437	686	7,022	-
Multiplan Golden IX Empr. Imob. Ltda.	97	6,314	221	2,257	-
Multiplan Golden X Empr. Imob. Ltda.	214	12,824	453	4,634	-
Multiplan Golden XI Empr. Imob. Ltda.	214	13,246	467	4,787	-
Multiplan Golden XII Empr. Imob. Ltda.	149	8,961	316	3,238	-
Multiplan Golden XIII Empr. Imob. Ltda.	365	22,811	805	8,243	-
Multiplan Golden XIV Empr. Imob. Ltda.	325	19,975	705	7,218	-
Multiplan Golden XV Empr. Imob. Ltda.	311	19,432	686	7,022	-
Multiplan Golden XVI Empr. Imob. Ltda.	365	22,811	805	8,243	-
Multiplan Golden XVII Empr. Imob. Ltda.	463	25,858	910	9,323	-
Multiplan Golden XVIII Empr. Imob. Ltda.	387	25,496	897	9,192	-
Multiplan XVI Empreendimento Imob. Ltda.	2	-	-	-	-
Multiplan XVII Empreendimento Imob. Ltda.	2	-	-	-	-
Multiplan XVIII Empreendimento Imob. Ltda.	1	-	-	-	-
Multiplan XIX Empreendimento Imob. Ltda.	1	-	-	-	-
Multiplan XX Empreendimento Imob. Ltda.	2	-	-	-	-
Balances at December 31, 2021	871,793	4,318,396	501,752	310,698	583,998

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.3. Financial information of subsidiaries (Continued)

	December 31, 2020				
	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	Net revenues
CAA Corretagem e Consultoria Publicitária Ltda.	845	-	60	-	385
RENASCE - Rede Nacional de Shopping Centers Ltda.	2,932	5,868	1,691	274	67
CAA Corretagem Imobiliária Ltda.	-	-	-	-	(1)
MPH Empreendimento Imobiliário Ltda.	25,937	143,495	1,233	874	13,437
Multiplan Administr. Shopping Center Ltda.	45,366	90	28,881	86	5,836
Pátio Savassi Administração de Shopping Center Ltda.	14	156	17	-	(24)
Manati Empreend. e Participações	7,440	57,754	754	13	(2,459)
Danville SP Empreendimento Imobiliário Ltda.	270	49,273	-	-	(342)
Multiplan Holding S.A.	498	3,605	-	-	587
Embraplan Empresa Brasileira de Planejamento Ltda.	261	-	1	-	4
Multiplan Greenfield I Emp. Imob. Ltda.	29,669	19,338	747	5,413	4,153
Barrasul Empreendimento Imobiliário Ltda.	26,354	9,792	277	2,772	5,576
Ribeirão Residencial Emp. Imob. Ltda.	20	19,214	50	-	(427)
Morumbi Business Center Empr. Imob. Ltda.	9,795	143,072	82	-	7,003
Multiplan Greenfield II Empr. Imob. Ltda.	22,182	235,599	26,142	78,872	26,088
Multiplan Greenfield III Empr. Imob. Ltda.	15,771	234,001	2,352	-	(3,354)
Multiplan Greenfield IV Empr. Imob. Ltda.	338,939	12,002	30,542	15,991	539,078
Jundiá Shopping Center Ltda	39,475	280,355	2,307	606	26,703
ParkShopping Corporate Empr. Imob. Ltda.	7,134	36,773	132	1,758	1,387
Multiplan Arrecadadora Ltda.	206,923	10,405	211,463	-	691
ParkShopping Global Ltda.	343	24,528	775	-	(1,960)
Multiplan ParkShopping e Participações Ltda.	72,780	1,087,032	18,762	124,718	(5,282)
MultiShopping Shopping Center Ltda.	4	-	-	-	(1)
ParkJacarepaguá Empreendimento Imobiliário Ltda.	9,863	452,376	14,903	12,707	(3,319)
Multiplan Greenfield XI Empr. Imob. Ltda.	7,312	87,142	450	253	3,647
Multiplan Greenfield XII Empr. Imob. Ltda.	571	-	-	-	(6,473)
Teatro VillageMall Ltda..	1,416	1,631	941	-	(5,792)
Multiplan Barra 1 Empr. Imob. Ltda.	73,962	405,835	2,517	2,342	11,802
Multiplan Morumbi 1 Empr. Imob. Ltda.	40,782	159,018	1,007	1,590	6,871
Multiplan Golden I Empr. Imob. Ltda.	422	33,287	982	12,293	(198)
Multiplan Golden II Empr. Imob. Ltda.	16	385	9	-	-
Multiplan Golden III Empr. Imob. Ltda.	7	-	-	-	-
Multiplan Golden IV Empr. Imob. Ltda.	40	-	-	-	1
Multiplan Golden V Empr. Imob. Ltda.	194	15,044	475	5,949	(97)
Multiplan Golden VI Empr. Imob. Ltda.	209	16,384	518	6,479	(106)
Multiplan Golden VII Empr. Imob. Ltda.	210	16,384	518	6,479	(106)
Multiplan Golden VIII Empr. Imob. Ltda.	190	14,635	462	5,787	(95)
Multiplan Golden IX Empr. Imob. Ltda.	126	4,702	149	1,860	(30)
Multiplan Golden X Empr. Imob. Ltda.	133	9,655	305	3,819	(63)
Multiplan Golden XI Empr. Imob. Ltda.	130	9,973	315	3,945	(65)
Multiplan Golden XII Empr. Imob. Ltda.	93	6,747	213	2,669	(44)
Multiplan Golden XIII Empr. Imob. Ltda.	219	17,174	543	6,794	(111)
Multiplan Golden XIV Empr. Imob. Ltda.	198	15,039	475	5,949	(97)
Multiplan Golden XV Empr. Imob. Ltda.	188	14,630	462	5,787	(95)
Multiplan Golden XVI Empr. Imob. Ltda.	220	17,174	543	6,794	(111)
Multiplan Golden XVII Empr. Imob. Ltda.	296	19,483	614	7,683	(124)
Multiplan Golden XVIII Empr. Imob. Ltda.	225	19,210	605	7,575	(124)
Multiplan XVI Empreendimento Imob. Ltda.	2	-	-	-	(1)
Multiplan XVII Empreendimento Imob. Ltda.	2	-	-	-	(1)
Multiplan XVIII Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XIX Empreendimento Imob. Ltda.	1	-	-	-	(1)
Multiplan XX Empreendimento Imob. Ltda.	2	-	-	-	(1)
Balances at December 31, 2020	989,982	3,708,260	353,274	338,131	622,411

(a) Dormant company since 2003.

(b) Companies with buildings under construction.

(c) Profit or loss for the year of subsidiary Morumbi Business Center Empr. Imob. Ltda. basically arises from equity pickup due to the 50% interest it holds in subsidiary MPH Empreendimentos Imobiliários Ltda.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint venture

In compliance with CPC 19 (R2), the information on joint venture Parque Shopping Maceió S.A., whose shareholders' agreements provide for shared control, was not consolidated.

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

	Parque Shopping Maceió S.A.	
	12/31/2021	12/31/2020
Assets		
Current assets		
Cash and cash equivalents	9,708	24,112
Accounts receivable	17,334	15,761
Related-party receivables	68	68
Taxes and contributions recoverable	-	1,015
Sundry advances	1,328	429
Other	1,064	1,044
	29,502	42,429
Noncurrent assets		
Judicial deposits	170	55
Other	16,081	9,120
Investment properties	235,620	242,044
Intangible assets	37	51
	251,908	251,270
Total assets	281,410	293,699
Liabilities and equity		
Current liabilities		
Accounts payable	52	97
Taxes and contributions payable	3,032	1,566
Other	423	196
	3,507	1,859
Noncurrent liabilities		
Deferred income and social contribution taxes	2,574	21,325
Deferred revenue and costs	900	1,078
	3,474	22,403
Equity:		
Capital	230,505	230,505
Legal reserve	16,941	13,597
Reserve for new investments	26,983	25,335
	274,429	269,437
Total liabilities and equity	281,410	293,699

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

8. Investments (Continued)

8.4. Information on joint venture (Continued)

	Parque Shopping Maceió S.A.	
	12/31/2021	12/31/2020
Statement of profit or loss		
Net revenue	43,841	35,191
Cost of services	(10,044)	(8,164)
Gross profit	33,797	27,027
Administrative expenses – headquarters	(132)	(110)
Administrative expenses – Properties	-	(1,068)
Parking lots	(1,544)	6,388
Other operating income	27,703	-
Income before finance income (costs)	59,824	32,237
Finance income (costs)	395	420
Income before income and social contribution taxes	60,219	32,657
Income and social contribution taxes		
Current	(12,084)	(2,560)
Deferred	18,750	(3,429)
Net income for the year	66,885	26,668

The financial information referring to the joint venture was based on the trial balance presented by the Company on the period closing date.

At December 31, 2021 and 2020, the Company has no commitments assumed with its joint venture. Additionally, this joint venture has no contingent liabilities, comprehensive income and other disclosures required by CPC 45 – Disclosure of Interests in Other Entities (IFRS 12) other than those presented above.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

9. Investment properties

Changes in investment properties are as follows:

	Weighted average depreciation rate (%)	Individual						
		12/31/2020	Additions	Write-offs (f)	Interest capitalized	Depreciation	Transfers	12/31/2021
Cost								
Land	-	809,959	670	(9,492)	995	-	-	802,132
Buildings and improvements	1.62	3,618,634	52,166	(323,454)	-	-	148,461	3,495,807
(-) Accumulated depreciation		(749,677)	-	14,966	-	(56,964)	-	(791,675)
Net value		2,868,957	52,166	(308,488)	-	(56,964)	148,461	2,704,132
Facilities	15.88	480,480	3,073	(23,910)	-	-	9,159	468,802
(-) Accumulated depreciation		(349,934)	-	4,765	-	(31,941)	-	(377,110)
Net value		130,546	3,073	(19,145)	-	(31,941)	9,159	91,692
Machinery, equipment, furniture and fixtures	10	50,483	3,228	(1,034)	-	-	10,296	62,973
(-) Accumulated depreciation		(36,697)	-	193	-	(4,571)	-	(41,075)
Net value		13,786	3,228	(841)	-	(4,571)	10,296	21,898
Leases	12.6	44,354	4,781	-	-	-	-	49,135
(-) Accumulated depreciation		(3,725)	-	-	-	(4,064)	-	(7,789)
Net value		40,629	4,781	-	-	(4,064)	-	41,346
Other	10	11,047	-	(488)	-	-	-	10,559
(-) Accumulated depreciation		(7,522)	-	195	-	(847)	-	(8,174)
Net value		3,525	-	(293)	-	(847)	-	2,385
Construction in progress	-	326,245	45,356	(2,367)	4,882	-	(167,916)	206,200
Repurchase of points of sale		47,565	6,913	(201)	-	(1,157)	-	53,120
		4,241,212	116,187	(340,827)	5,877	(99,544)	-	3,922,905

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

	Weighted average depreciation rate (%)	Individual							12/31/2020
		12/31/2019	Additions (a)	Write-offs (c)	Interest capitalized	Reclassification (e)	Depreciatio n	Transfers	
Cost									
Land		751,198	102,545	(2,461)	648	(41,971)	-	-	809,959
Buildings and improvements	1.62	3,350,845	224,474	(252)	-	41,971	-	1,596	3,618,634
(-) Accumulated depreciation		(686,740)	-	3	-	-	(62,940)	-	(749,677)
Net value		2,664,105	224,474	(249)	-	41,971	(62,940)	1,596	2,868,957
Facilities	15.88	475,296	5,184	-	-	-	-	-	480,480
(-) Accumulated depreciation		(313,422)	-	-	-	-	(36,512)	-	(349,934)
Net value		161,874	5,184	-	-	-	(36,512)	-	130,546
Machinery, equipment, furniture and fixtures	10	48,389	2,128	(34)	-	-	-	-	50,483
(-) Accumulated depreciation		(32,644)	-	-	-	-	(4,053)	-	(36,697)
Net value		15,745	2,128	(34)	-	-	(4,053)	-	13,786
Leases	12.6	48,576	44,354	(48,576)	-	-	-	-	44,354
(-) Accumulated depreciation		(6,136)	-	6,647	-	-	(4,236)	-	(3,725)
Net value		42,440	44,354	(41,929)	-	-	(4,236)	-	40,629
Other	10	10,358	689	-	-	-	-	-	11,047
(-) Accumulated depreciation		(5,722)	-	-	-	-	(1,800)	-	(7,522)
Net value		4,636	689	-	-	-	(1,800)	-	3,525
Construction in progress		289,473	54,045	(19,343)	3,666	-	-	(1,596)	326,245
Repurchase of points of sale		46,562	4,175	-	-	-	(3,172)	-	47,565
		3,976,033	437,594	(64,016)	4,314	-	(112,713)	-	4,241,212

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

	Weighted average depreciation rate (%)	Consolidated							
		12/31/2020	Additions	Write-offs (g)	Interest capitalized	Reclassification	Depreciation	Transfers (h)	12/31/2021
Cost									
Land		1,611,229	12,243	(18,968)	995	-	-	-	1,605,499
Buildings and improvements	1.62	5,705,986	123,660	(782)	-	28,417	-	520,523	6,377,804
(-) Accumulated depreciation		(970,795)	-	-	-	-	(90,954)	-	(1,061,749)
Net value		4,735,191	123,660	(782)	-	28,417	(90,954)	520,523	5,316,055
Facilities	15.04	869,901	21,477	(28)	-	-	-	122,170	1,013,520
(-) Accumulated depreciation		(588,632)	-	-	-	-	(75,183)	-	(663,815)
Net value		281,269	21,477	(28)	-	-	(75,183)	122,170	349,705
Machinery, equipment, furniture and fixtures	10	80,301	4,580	-	-	-	-	25,645	110,526
(-) Accumulated depreciation		(55,593)	-	-	-	-	(7,269)	-	(62,862)
Net value		24,708	4,580	-	-	-	(7,269)	25,645	47,664
Leases	12.6	44,354	4,814	-	-	1,413	-	-	50,581
(-) Accumulated depreciation		(4,932)	-	-	-	-	(4,084)	-	(9,016)
Net value		39,422	4,814	-	-	1,413	(4,084)	-	41,565
Other	10	22,805	13,004	-	-	-	-	-	35,809
(-) Accumulated depreciation		(14,962)	-	-	-	-	(1,341)	-	(16,303)
Net value		7,843	13,004	-	-	-	(1,341)	-	19,506
Construction in progress (d)		685,188	234,728	(5,554)	16,020	(29,830)	-	(668,338)	232,214
Repurchase of points of sale		54,730	7,530	-	-	-	(1,323)	-	60,937
		7,439,580	422,036	(25,332)	17,015	-	(180,154)	-	7,673,145

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

	Weighted average depreciation rate (%)	Consolidated									
		12/31/2019	Acquisition Manati (b)	Additions (a)	Write-offs (c)	Interest capitalized	Allocation	Depreciation	Reclassification (e)	Transfers	12/31/2020
Cost											
Land		1,536,158	12,707	183,571	(2,461)	648	-	-	(119,394)	-	1,611,229
Buildings and improvements	1.62	5,273,332	114,006	379,075	(252)	-	-	-	(79,771)	19,596	5,705,986
(-) Accumulated depreciation		(877,802)	(10,489)	-	3	-	-	(102,706)	20,199	-	(970,795)
Net value		4,395,530	103,517	379,075	(249)	-	-	(102,706)	(59,572)	19,596	4,735,191
Facilities	15.04	897,012	8,442	14,894	(7)	-	-	-	(50,440)	-	869,901
(-) Accumulated depreciation		(535,703)	(7,794)	-	-	-	-	(78,028)	32,893	-	(588,632)
Net value		361,309	648	14,894	(7)	-	-	(78,028)	(17,547)	-	281,269
Machinery, equipment, furniture and fixtures	10	78,333	3,315	3,575	(34)	-	-	-	(4,888)	-	80,301
(-) Accumulated depreciation		(46,962)	(3,259)	-	-	-	-	(6,618)	1,246	-	(55,593)
Net value		31,371	56	3,575	(34)	-	-	(6,618)	(3,642)	-	24,708
Leases	12.6	48,820	-	44,354	(48,820)	-	-	-	-	-	44,354
(-) Accumulated depreciation		(6,168)	-	-	6,903	-	-	(5,667)	-	-	(4,932)
Net value		42,652	-	44,354	(41,917)	-	-	(5,667)	-	-	39,422
Other	10	21,762	242	801	-	-	-	-	-	-	22,805
(-) Accumulated depreciation		(10,688)	(144)	-	-	-	-	(4,130)	-	-	(14,962)
Net value		11,074	98	801	-	-	-	(4,130)	-	-	7,843
Construction in progress		516,754	108	170,000	(1,343)	19,443	-	-	(178)	(19,596)	685,188
Repurchase of points of sale		53,524	167	4,991	-	-	-	(3,952)	-	-	54,730
		6,948,372	117,301	801,261	(46,011)	20,091	-	(201,101)	(200,333)	-	7,439,580

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

- (a) As described in Note 1, the Company increased its equity interest in certain shopping malls, which was distributed under additions as follows: Land: R\$ 60,619 Diamond Mall, R\$ 44,653 Parkshopping, R\$ 2,729 Parkshopping Canoas, Buildings and Improvements: R\$ 262,364 Diamond Mall, R\$ 185,984 Parkshopping, R\$ 13,611 Parkshopping Canoas.
- (b) Note 1.
- (c) Write-offs refer basically to the following factors: (i) advance of R\$18,000 made in November 2019 by the parent company and allocated as an advance in line item "Investment properties", when the deed for the acquisition of Parkshopping was executed (Note 1). This amount was reimbursed by subsidiary Multiplan Parkshopping e Participações Ltda. resulting in write-off of investment properties in the same amount in the individual financial statements; (ii) write-off of lease balance and recognition of another amount due to the postponement of the lease term with Diamond Mall from 2026 to 2030, with the Company paying 7.5% instead of 15.0% on the monthly gross revenue of the shopping mall as lease.
- (d) Of the total addition, the main addition refers to the construction in progress of Parkshopping Jacarepagua, in the amount of R\$189,828
- (e) In June 2020, the Company reclassified R\$ 200,333 from Investment Properties to Noncurrent assets held for sale, which was sold as mentioned in Note 22. Additionally, amounts were transferred from Land to Buildings and Improvements in accordance with the segregation report prepared by an independent company, as follows: R\$ 41,971 Diamond mal, R\$ 2,173 Parkshopping Corporate and R\$ 29,695 Parkshopping.
- (f) On April 12, 2021, the Company transferred R\$340,016 to subsidiary Multiplan Greenfield XI Empr. Imob. Ltda. referring to 20% interest in BH Shopping.
- (g) On September 10, 2021, the Company executed the rescission of Parkshopping Global project with BNI Empreendimentos e Participações S.A. and wrote off R\$ 24,521. Out of this amount, R\$ 10,661 were reclassified to inventories, R\$ 8,339 will be received until September 10, 2022 and R\$ 2,000 were received in cash. Losses amounting to R\$ 3,521 were recorded under Expenses with projects for lease.
- (h) In November 2021, the Company launched Parkshopping Jacarepaguá and transferred R\$ 485,120 from Construction in progress, as follows: R\$ 363,333 were reclassified to Buildings and Improvements, R\$ 106,438 to Facilities and R\$ 15,349 to Machinery and Equipment and to Furniture and Fixtures.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

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

Based on these assumptions, the Company used a nominal, unlevered weighted average discount rate of 13.14% as of December 31, 2021, resulting from a statutory discount rate of 12.85% calculated in accordance with the CAPM model and, based on internal analyses, a spread from 0 to 150 base points was added to this rate, resulting in an additional weighted average spread of 28 base points in the valuation of each shopping mall, commercial building and project.

Cost of equity	December 2021	December 2020
Risk Free Rate	3.28%	3.32%
Market risk premium	6.69%	6.47%
Beta	0.96	0.87
Country risk	194 b.p.	224 b.p.
Additional spread	28 b.p.	27 b.p.
Cost of equity – US\$	11.82%	11.21%

Inflation assumptions	December 2021	December 2020
Inflation (BR) - (i)	3.50%	3.32%
Inflation (USA)	2.30%	2.00%
Cost of equity – R\$	13.14%	12.65%

(i) Inflation (BR) of December 2021 refers to the weighted average of estimates for the period between January 2022 and December 2025. Inflation (BR) of December 2020 refers to the weighted average for the period between January 2021 and December 2024.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

9. Investment properties (Continued)

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

The methodology used to calculate the discount rate, which uses long-term averages, considers the effects of the coronavirus pandemic (Covid-19) until December 2021. Additionally, projected future cash flows consider a preliminary estimate made by the Company of possible impacts of the coronavirus pandemic.

The Company classified its investment properties in accordance with their statuses. The table below describes the amount identified for each category of property and presents the fair value of assets held by the Company:

	Individual	
	December 2021	December 2020
Valuation of investment properties		
Shopping malls and commercial buildings in operation	17,073,849	15,872,992
Projects in progress (advertised) (i)	52,025	14,124
Projects in progress (not advertised) (i)	181,430	147,197
	17,307,304	16,034,313
	Consolidated	
	December 2021	December 2020
Valuation of investment properties		
Shopping malls and commercial buildings in operation	22,652,707	20,459,284
Projects in progress (advertised) (i) (ii)	54,288	481,026
Projects in progress (not advertised) (i)	188,562	174,457
Total	22,895,557	21,114,767

(i) Projects in progress were valued at cost.

(ii) As at December 31, 2021, ParkJacarepaguá was reclassified from projects in progress (advertised) to shopping malls in operation.

As at December 31, 2021 and December 31, 2020, interest of 50.0% held in Parque Shopping Maceió project through a joint venture was not considered in the consolidated valuation.

The Company did not identify the need to recognize a provision for impairment of investment properties at December 31, 2021 and 2020.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

10. Property and equipment

	Annual depreciation rates (%)	Individual					
		12/31/2020	Additions	Write-offs	Transfers	Depreciation	12/31/2021
Cost							
Land	-	2,015	-	-	-	-	2,015
Buildings and improvements	4	5,145	-	-	-	-	5,145
(-) Accumulated depreciation		(2,376)	-	-	-	(207)	(2,583)
Net value		2,769	-	-	-	(207)	2,562
Facilities	10	6,362	162	(550)	-	-	5,974
(-) Accumulated depreciation		(3,473)	-	550	-	(265)	(3,188)
Net value		2,889	162	-	-	(265)	2,786
Machinery, equipment, furniture and fixtures	10	13,916	935	-	-	-	14,851
(-) Accumulated depreciation		(9,523)	-	-	-	(1,068)	(10,591)
Net value		4,393	935	-	-	(1,068)	4,260
Vehicles	10	59,950	-	-	-	-	59,950
(-) Accumulated depreciation		(6,098)	-	-	-	(2,031)	(8,129)
Net value		53,852	-	-	-	(2,031)	51,821
Leases	1.6 to 7.4	4,293	2,496	(180)	-	-	6,609
(-) Accumulated depreciation		(1,296)	-	94	-	(1,230)	(2,432)
Net value		2,997	2,496	(86)	-	(1,230)	4,177
Other	10	23,954	109	-	-	-	24,063
(-) Accumulated depreciation		(3,495)	-	-	-	(615)	(4,110)
Net value		20,459	109	-	-	(615)	19,953
		89,374	3,702	(86)	-	(5,416)	87,574

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

10. Property and equipment (Continued)

	Annual depreciation rates (%)	Individual					12/31/2020
		12/31/19	Additions	Write-offs	Transfers	Depreciation	
Cost							
Land	-	2,015	-	-	-	-	2,015
Buildings and improvements	4	5,145	-	-	-	-	5,145
(-) Accumulated depreciation		(2,168)	-	-	-	(208)	(2,376)
Net value		2,977	-	-	-	(208)	2,769
Facilities	10	3,922	44	-	2,396	-	6,362
(-) Accumulated depreciation		(3,133)	-	-	-	(340)	(3,473)
Net value		789	44	-	2,396	(340)	2,889
Machinery, equipment, furniture and fixtures	10	13,531	385	-	-	-	13,916
(-) Accumulated depreciation		(8,417)	-	-	-	(1,106)	(9,523)
Net value		5,114	385	-	-	(1,106)	4,393
Vehicles	10	59,950	-	-	-	-	59,950
(-) Accumulated depreciation		(4,066)	-	-	-	(2,032)	(6,098)
Net value		55,884	-	-	-	(2,032)	53,852
Leases	1.6 to 7.4	6,019	778	(2,504)	-	-	4,293
(-) Accumulated depreciation		(1,780)	-	2,226	-	(1,742)	(1,296)
Net value		4,239	778	(278)	-	(1,742)	2,997
Other	10	22,038	1,916	-	-	-	23,954
(-) Accumulated depreciation		(2,840)	-	-	-	(655)	(3,495)
Net value		19,198	1,916	-	-	(655)	20,459
Construction in progress		1,553	843	-	(2,396)	-	-
		91,769	3,966	(278)	-	(6,083)	89,374

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

10. Property and equipment (Continued)

	Annual depreciation rates (%)	Consolidated						
		12/31/2020	Additions	Write-offs	Transfers	Reclassification	Depreciation	12/31/2021
Cost								
Land	-	6,235	-	-	-	-	-	6,235
Buildings and improvements	4	23,649	-	-	-	-	-	23,649
(-) Accumulated depreciation		(6,923)	-	-	-	-	(729)	(7,652)
Net value		16,726	-	-	-	-	(729)	15,997
Facilities	10	7,593	162	(550)	-	-	-	7,205
(-) Accumulated depreciation		(4,674)	-	550	-	-	(265)	(4,389)
Net value		2,919	162	-	-	-	(265)	2,816
Machinery, equipment, furniture and fixtures	10	15,607	934	-	-	-	-	16,541
(-) Accumulated depreciation		(11,241)	-	-	-	-	(1,068)	(12,309)
Net value		4,366	934	-	-	-	(1,068)	4,232
Vehicles	10	59,950	-	-	-	-	-	59,950
(-) Accumulated depreciation		(6,100)	-	-	-	-	(2,031)	(8,131)
Net value		53,850	-	-	-	-	(2,031)	51,819
Leases	1.6 to 7.4	4,293	2,496	(180)	-	-	-	6,609
(-) Accumulated depreciation		(1,296)	-	94	-	-	(1,230)	(2,432)
Net value		2,997	2,496	(86)	-	-	(1,230)	4,177
Other	10	24,450	109	-	-	-	-	24,559
(-) Accumulated depreciation		(4,060)	-	-	-	-	(616)	(4,676)
Net value		20,390	109	-	-	-	(616)	19,883
		107,483	3,701	(86)	-	-	(5,939)	105,159

The Company did not identify the need to recognize a provision for impairment of property and equipment at December 31, 2021 and 2020.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

10. Property and equipment (Continued)

	Annual depreciation rates (%)	Consolidated						
		12/31/2019	Additions	Write-offs	Transfers	Reclassification	Depreciation	12/31/2020
Cost								
Land	-	6,193	-	-	-	42	-	6,235
Buildings and improvements	4	18,809	-	-	-	4,840	-	23,649
(-) Accumulated depreciation		(6,080)	-	-	-	-	(843)	(6,923)
Net value		12,729	-	-	-	4,840	(843)	16,726
Facilities	10	5,153	44	-	2,396	-	-	7,593
(-) Accumulated depreciation		(4,334)	-	-	-	-	(340)	(4,674)
Net value		819	44	-	2,396	-	(340)	2,919
Machinery, equipment, furniture and fixtures	10	15,222	385	-	-	-	-	15,607
(-) Accumulated depreciation		(10,135)	-	-	-	-	(1,106)	(11,241)
Net value		5,087	385	-	-	-	(1,106)	4,366
Vehicles	10	59,950	-	-	-	-	-	59,950
(-) Accumulated depreciation		(4,068)	-	-	-	-	(2,032)	(6,100)
Net value		55,882	-	-	-	-	(2,032)	53,850
Leases	1.6 to 7.4	6,019	778	(2,504)	-	-	-	4,293
(-) Accumulated depreciation		(1,780)	-	2,226	-	-	(1,742)	(1,296)
Net value		4,239	778	(278)	-	-	(1,742)	2,997
Other	10	22,533	1,917	-	-	-	-	24,450
(-) Accumulated depreciation		(3,384)	-	-	-	-	(676)	(4,060)
Net value		19,149	1,917	-	-	-	(676)	20,390
Construction in progress		1,553	843	-	(2,396)	-	-	-
		105,651	3,967	(278)	-	4,882	(6,739)	107,483

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

11. Intangible assets

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

	Annual amortization rates	Individual				
		12/31/2020	Additions	Write-offs	Amortization	12/31/2021
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems						
Software license (c)	10	136,322	17,219	-	-	153,541
Trademarks and patents		341	-	-	-	341
Accumulated amortization		(76,979)	-	-	(14,676)	(91,655)
		<u>59,684</u>	<u>17,219</u>	<u>-</u>	<u>(14,676)</u>	<u>62,227</u>
		<u>363,114</u>	<u>17,219</u>	<u>-</u>	<u>(14,676)</u>	<u>365,657</u>
	Annual amortization rates	Individual				
		12/31/19	Additions	Write-offs	Amortization	12/31/2020
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems						
Software license (c)	10	119,603	16,719	-	-	136,322
Trademarks and patents		341	-	-	-	341
Accumulated amortization		(63,606)	-	-	(13,373)	(76,979)
		<u>56,338</u>	<u>16,719</u>	<u>-</u>	<u>(13,373)</u>	<u>59,684</u>
		<u>359,768</u>	<u>16,719</u>	<u>-</u>	<u>(13,373)</u>	<u>363,114</u>

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

11. Intangible assets (Continued)

	Annual amortization rates	Consolidated				12/31/2021
		12/31/2020	Additions	Write-offs	Amortization	
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems						
Software license (c)	10	140,318	18,208	(21)	-	158,505
Trademarks and patents		442	-	-	-	442
Accumulated amortization		(78,504)	-	16	(14,957)	(93,445)
		<u>62,256</u>	<u>18,208</u>	<u>(5)</u>	<u>(14,957)</u>	<u>65,502</u>
		<u>365,686</u>	<u>18,208</u>	<u>(5)</u>	<u>(14,957)</u>	<u>368,932</u>

	Annual amortization rates	Consolidated				12/31/2020
		12/31/2019	Acquisition Manati (d)	Additions	Write-offs	
Goodwill of merged companies (a)						
Bozano		118,610	-	-	-	118,610
Realejo		51,966	-	-	-	51,966
Multishopping		84,095	-	-	-	84,095
		<u>254,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,671</u>
Goodwill on acquisition of new equity interests (b)						
Brazilian Realty LLC.		33,202	-	-	-	33,202
Indústrias Luna S.A.		4	-	-	-	4
JPL Empreendimentos Ltda.		12,583	-	-	-	12,583
Solução Imobiliária Ltda.		2,970	-	-	-	2,970
		<u>48,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,759</u>
Right of use of systems						
Software license (c)	10	120,822	2,367	17,129	-	140,318
Trademarks and patents		442	-	-	-	442
Accumulated amortization		(64,254)	(690)	-	(13,560)	(78,504)
		<u>57,010</u>	<u>1,677</u>	<u>17,129</u>	<u>-</u>	<u>62,256</u>
		<u>360,440</u>	<u>1,677</u>	<u>17,129</u>	<u>(13,560)</u>	<u>365,686</u>

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

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

(c) In order to continue strengthening its internal control system while maintaining a well-structured growth strategy, the Company has been engaging services for the assessment and implementation of new SAP functionalities in addition to systems to support decision making, so as to promote greater efficiency, transparency and autonomy for the Company's managing officers.

(d) Note 1.

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(In thousands of reais, unless otherwise stated)

11. Intangible assets (Continued)

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

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

The impairment test for goodwill validation was conducted as at December 31, 2021 due to the impacts of COVID-19, considering the projected cash flow of shopping malls that presented goodwill upon their establishment (cash generating unit). The assumptions used to prepare this cash flow are described in Note 9. In case of changes in the main assumptions used to determine the recoverable amount of cash-generating units, goodwill with indefinite useful life allocated to the cash-generating units plus the carrying amounts of investment properties (cash-generating units) would be substantially lower than the fair values of investment properties, i.e., there has been no indication of impairment losses in the cash-generating units since December 31, 2021 and 2020.

12. Loans and financing

				Average annual interest rate	12/31/2021		12/31/2020	
Index				12/31/2021	Individual	Consolidated	Individual	Consolidated
Current								
Santander	Multiplan Greenfield II	(a)	CDI +	0.85%	-	22,829	-	22,585
Banco Itaú	VillageMall	(b)	TR +	8.60%	27,215	27,215	27,014	27,014
	CCB 250	(c)	CDI +	1.95%	5,127	5,127	3,022	3,022
	CCB 225	(d)	TR +	8.60%	15,776	15,776	15,495	15,495
Banco do Brasil	CCB 175	(e)	% of CDI	110.00%	-	-	44,622	44,622
	CCB 50	(f)	% of CDI	110.00%	-	-	20,035	20,035
	CCB 150	(g)	% of CDI	110.00%	-	-	60,104	60,104
	CCB 200	(h)	CDI +	1.75%	8,095	8,095	-	-
Banco Bradesco	CCB 300	(i)	CDI +	1.00%	-	-	200,830	200,830
	Canoas	(j)	TR +	7.50%	-	9,156	-	8,496
	MTE JPA	(k)	% of CDI	105.85%	28,758	28,758	-	-
Other	Cia. Real de Distribuição	(l)			53	53	53	53
	Borrowing costs				(2,213)	(3,521)	(7,354)	(8,662)
	Subtotal current				82,811	113,488	363,821	393,594

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

				Average annual interest rate	12/31/2021		12/31/2020		
				Index	31/12/2021	Individual	Consolidated	Individual	Consolidated
Noncurrent									
	Multiplan Greenfield II	(a)	CDI +	0.85%	-	58,029	-	-	80,491
Banco Itaú	VillageMall	(b)	TR +	8.60%	78,087	78,087	104,859	104,859	104,859
	CCB 250	(c)	CDI +	1.95%	250,000	250,000	250,000	250,000	250,000
	CCB 225	(d)	TR +	8.60%	186,039	186,039	201,124	201,124	201,124
Banco do Brasil	CCB 200	(h)	CDI +	1.75%	200,000	200,000	-	-	-
Banco Bradesco	Canoas	(j)	TR +	7.50%	-	106,793	-	-	115,925
	MTE JPA	(k)	% of CDI	105.85%	342,826	342,826	353,039	353,039	353,039
Other	Cia. Real de Distribuição	(l)	-	-	150	150	203	203	203
	Borrowing costs		-	-	(15,635)	(23,870)	(14,257)	(23,799)	(23,799)
	Subtotal noncurrent				1,041,467	1,198,054	894,968	1,081,842	1,081,842
	Grand total				1,124,278	1,311,542	1,258,789	1,475,436	1,475,436

- (a) On August 7, 2013, subsidiaries Multiplan Greenfield II Empreendimento Imobiliário Ltda. and Multiplan Greenfield IV Empreendimento Imobiliário Ltda. entered into a financing agreement with Banco Santander S.A. for construction of the Morumbi Corporate project located in São Paulo. The amount raised totaled R\$400,000, and each company became individually responsible for its stake in the project, i.e., 49.3104% for Multiplan Greenfield II and 50.6896% for Multiplan Greenfield IV. The financing was subject to charges of 8.70% per annum plus Reference Rate (TR), with repayment in 141 monthly installments beginning November 15, 2013. The total financing amount had been released as at December 31, 2015. The loan is guaranteed by security interest in 0.4604509 of the property being financed, represented by a certain number of autonomous units, and by assignment of receivables from the lease of the property being financed, to which the Company is entitled, which should correspond, at least, to 120% of one monthly installment until full settlement of the debt.

In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiaries. On October 16, 2019, the 1st amendment to the financing agreement was signed, amending the transaction rate from TR + 8.70% p.a. to CDI + 0.85% p.a. On July 17, 2020, an early amortization of 50% of the financing outstanding balance was made, in the amount of R\$112,313. There are no financial covenants in this contract.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

- (b) On November 30, 2010, the Company entered into a Bank Credit Note for the construction of Shopping Village Mall, totaling R\$270,000, with Banco Itaú BBA S.A. This financing was subject to TR plus 9.75% per annum, with repayment in 114 monthly consecutive installments, beginning March 15, 2013. The total financing amount had been released at December 31, 2015, including the additional amount of R\$50,000, raised under an addendum dated July 4, 2012. As guarantee for the loan, the Company pledged the land and all accessions, constructions, facilities and improvements existing therein or that may be added thereto, valued at that time at R\$370,000. Additionally, the receivables from the lease and the right to use the stores of the project being financed were given as security interest, which should correspond, at least, to 100% of one monthly installment, from January 2015 to the full settlement of the debt. On July 4, 2012, the Company signed an addendum to the bank credit note for the construction of Shopping VillageMall, which amended the following: (i) the total amount from R\$270,000 to R\$320,000, (ii) the net debt/EBITDA covenant from 3.0x to 3.25x, and (iii) the starting date for checking the restricted account from January 30, 2015 to January 30, 2017. On September 30, 2013, the 2nd amendment to the financing agreement was executed, amending: (i) the agreement's rate from TR + 9.75% p.a. to TR + 9.35% p.a., (ii) the final repayment deadline from November 15, 2022 to November 15, 2025, and (iii) the net debt/EBITDA covenant from 3.25x to 4.0x. On August 29, 2019, the 3rd amendment to the financing agreement was signed reducing the contract rate to pre-determined levels that vary according to the Selic rate, as shown in the table below:

Range	Contract rate
Selic ≤ 6.5%	TR + 7.40%
Selic from >6.5% to <7.25%	TR + 7.90%
Selic from ≥7.25% to ≤8.25%	TR + 8.60%
Selic > 8.25%	TR + 9.00%

On September 28, 2020, the 4th amendment to the financing agreement was signed reducing the contract rate to pre-determined levels that vary according to the Selic rate, as shown in the table below:

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Notes to individual and consolidated financial statements (Continued)

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12. Loans and financing (Continued)

Range	Contract rate
Selic ≤ 2.5%	TR + 4.50%
Selic from > 2.5% to ≤ 3.75%	TR + 5.00%
Selic from > 3.75% to ≤ 4.25%	TR + 5.50%
Selic from > 4.25% to ≤ 5.00%	TR + 6.00%
Selic from > 5.00% to ≤ 6.00%	TR + 6.50%
Selic from > 6.00% to ≤ 7.25%	TR + 7.50%
Selic from > 7.25% to ≤ 8.25%	TR + 8.20%
Selic > 8.25%	TR + 8.60%

All other clauses from the original agreement remained unchanged.

Financial covenants of the agreement:

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

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

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

At December 31, 2021, the Company was compliant with all covenants set forth in the financing agreement.

- (c) On March 18, 2020, the Company entered into Bank Credit Notes (CCB) with Banco Itaú BBA, in order to consolidate its cash position. No guarantee was given for such instruments. Interest will be paid every six months and the principal in a single installment on March 8, 2022.

Start date	Final date	Amount	Interest rate
03/18/2020	03/08/2022	250,000	CDI + 1.95% p.a.

On April 14, 2021, the Company entered into an amendment to the Bank Credit Bill (“CCB”) with Banco Itaú BBA, extending its payment term and rescheduling the obligations listed below: (i) the CCB payment term is now of 5 years, as of the rescheduling date, with amortization of R\$125,000 on April 14, 2025 and R\$125,000 on April 14, 2026. Interest will remain payable semiannually from the amendment date; (ii) the interest rate will follow CDI + 1.95% until April 14, 2022 and CDI + 1.80% between April 15, 2022 and April 14, 2026; and (iii) Financial covenants of Net Debt/EBITDA lower than or equal to 4.5x and EBITDA/Net Financial Expense greater than or equal to 2x were established.

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

Start date	Final date	Amount	Interest rate	Status
04/14/2021	04/14/2025	125,000	CDI + 1.80% p.a.	Falling due
04/14/2021	04/14/2026	125,000	CDI + 1.80% p.a.	Falling due

At December 31, 2021, the Company was compliant with all covenants set forth in the bank credit note.

- (d) On April 15, 2020, the Company entered into a bank credit note with Banco Itaú Unibanco S.A. to finance the acquisition of interest in ParkShopping, through its subsidiary Multiplan Parkshopping e Participações Ltda., of 20% of the registrations held by IRB Investimentos e Participações Imobiliárias S.A. Total financing amounted to R\$225,000, which was released in two tranches of R\$112,500 on April 17, 2020 and June 17, 2020. The charges on this financing vary according to the Central Bank benchmark rate (Selic), as shown in the table at the end of this note.

The amount will be repaid in 180 monthly and consecutive installments from May 17, 2020. As collateral for the loan, the Company gave 67.56% on the 50% it held in the registrations involved in the transaction, and assigned the receivables from that same fraction in excess of ParkShopping's net operating income as security interest.

There are no financial covenants for this contract.

Range	Contract rate
Selic ≤ 3.75%	TR + 5.00%
Selic from > 3.75% to ≤ 4.25%	TR + 5.50%
Selic from > 4.25% to ≤ 5.00%	TR + 6.00%
Selic from > 5.00 % to ≤ 6.0%	TR + 6.50%
Selic from > 6.0% to ≤ 7.25%	TR + 7.50%
Selic from >7.25% to ≤ 8.25%	TR + 8.20%
Selic > 8.25%	TR + 8.60%

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

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Financial covenants of the agreement:

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

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

On June 28, 2021, the debt balance relating to the bank credit note amounting to R\$44,672 was settled.

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

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

Financial covenants of the agreement:

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

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

On June 28, 2021, the debt balance relating to the bank credit note amounting to R\$20,057 was settled.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

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

Financial covenants of the agreement:

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

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

On June 28, 2021, the debt balance relating to the bank credit note amounting to R\$60,171 was settled.

- (h) On June 25, 2021, the Company entered into a bank credit note (CCB) with Banco do Brasil S/A, in total amount of R\$200,000, in order to consolidate its cash position. No guarantee was given for this instrument. Interest will be paid semi-annually and the principal as follows:

Start date	Final date	Amount	Interest rate	Status
06/25/2021	07/20/2025	50,000	CDI + 1.75% p.a.	Falling due
06/25/2021	07/20/2026	50,000	CDI + 1.75% p.a.	Falling due
06/25/2021	07/20/2027	100,000	CDI + 1.75% p.a.	Falling due

Financial covenants of the agreement:

Net debt/EBITDA lower than or equal to 4.5x.

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

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

At December 31, 2021, the Company was compliant with all covenants set forth in the bank credit note.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

- (i) On December 11, 2012, the Company entered into a bank credit note (CCB) with Banco Bradesco S/A in the total amount of R\$300,000, in order to consolidate its cash position. No guarantee was given for this instrument. On July 31, 2017, an amendment to the agreement was entered into, extending the terms of payment of the principal as per the table below. Interest remains payable on a half-yearly basis.

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

There are no financial covenants for this contract.

On November 09, 2021, the debt balance relating to the Bank Credit Note amounting to R\$205,891 was settled.

- (j) On May 25, 2015, the subsidiary ParkShopping Canoas Ltda. entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkShopping Canoas project in the city of Canoas, state of Rio Grande do Sul. The total amount taken out was R\$280,000 and this financing bears interest of 9.25% p.a., plus the Reference Rate (TR), payable in 144 monthly installments beginning April 25, 2019. As guarantee for the loan, the subsidiary provided a mortgage on 80% of the property for which the financing was obtained, and assigned 80% of the receivables from lease of this property as security interest, which should correspond to at least 120% of the amount of one monthly installment until full settlement of the debt. In addition to these guarantees, the parent company Multiplan Empreendimentos Imobiliários stood as guarantor for its subsidiary. On July 24, 2016, the Company entered into an amendment to the credit facility agreement collateralized by a mortgage for construction of the ParkShopping Canoas project in the city of Canoas, which sets forth the following: (i) maturity of the first installment on August 25, 2019, (ii) reduction of the term of return to 140 months, (iii) debt maturity on March 25, 2031, and (iv) final term for the construction work on August 25, 2017. On December 27, 2019, an amendment to the financing agreement was signed, amending: (i) the transaction rate from TR + 9.25% p.a. to TR + 7.50% p.a.

On August 25, 2020, the financing outstanding balance was partially repaid in advance, in the amount of R\$100,000. On September 30, 2020, the financing outstanding balance was partially repaid in advance, in the amount of R\$75,000.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

- (k) On September 19, 2019, the Company entered into a credit facility agreement with Banco Bradesco S.A., collateralized by a mortgage, for construction of the ParkJacarepaguá project in the city of Rio de Janeiro. The total financing amount was R\$350,000 and the corresponding charges included TR+5.15% per annum in the first 15 months and, after this period, 105.85% of the CDI until the financing term expires. For the first 15 months, a financial instrument (swap) was entered into, changing the TR+5.15% per annum provided for in the agreement to 105.85% of the CDI. There was a grace period for principal and interest in the first 15 months. After this period, in the next twelve months, there will still be a grace period for principal with normal payment of interest. The debt repayment period will begin on January 10, 2022, through 166 monthly repayment installments plus interest. As collateral for the loan, subsidiary ParkJacarepaguá Empreendimento Imobiliário Ltda. provided a mortgage on 91% of the property for which the financing was obtained, and assigned 91% of the receivables from lease of this property as security interest, which should correspond to at least 100% of the amount of one monthly installment until full settlement of the debt. The first credit installment, of R\$ 332,500, was released on October 21, 2019. The second credit installment, of R\$ 17,500, was released on December 07, 2021.
- (l) The balance payable to Companhia Real de Distribuição arises from the intercompany loan with the merged subsidiary Multishopping to finance the construction of BarraShopping Sul, to be settled in 516 monthly installments of R\$4, as from the hypermarket inauguration date in November 1998, not subject to interest or monetary restatement.

Aging list of loans and financing is as follows:

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Loans and financing				
2022	-	-	317,431	349,026
2023	68,623	100,903	67,431	99,710
2024	68,623	101,639	67,431	100,446
2025 onwards	919,855	1,019,382	456,932	556,459
Subtotal – Loans and financing	1,057,101	1,221,924	909,225	1,105,641
Borrowing costs				
2022	-	-	(1,976)	(3,285)
2023	(2,213)	(3,521)	(1,414)	(2,722)
2024	(2,213)	(3,521)	(1,414)	(2,722)
2025 onwards	(11,208)	(16,828)	(9,453)	(15,070)
Subtotal – Borrowing costs	(15,634)	(23,870)	(14,257)	(23,799)
Total – Loans and financing	1,041,467	1,198,054	894,968	1,081,842

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

Reconciliation of changes in equity to cash flows from financing activities

Individual

	Loans and financing	Debentures	Interest on equity	Capital	Total
Balances at December 31, 2020	1,258,789	1,645,863	237,048	6,229,725	9,371,425
Changes in cash flows from financing					
Borrowings	217,500	-	-	-	217,500
Repayment of borrowings	(366,455)	-	-	-	(366,455)
Payment of interest on loans and financing	(57,425)	-	-	-	(57,425)
Borrowings costs	(2,428)	-	-	-	(2,428)
Payment of charges on debentures	-	(82,054)	-	-	(82,054)
Repurchase of shares to be held in treasury	-	-	-	(55,785)	(55,785)
Debentures raised	-	450,000	-	-	450,000
Debenture funding costs	-	(2,890)	-	-	(2,890)
Exercise of stock options	-	-	-	(4,113)	(4,113)
Payment of debentures	-	(400,000)	-	-	(400,000)
Payment of interest on equity	-	-	(237,034)	-	(237,034)
Total changes in cash flows from financing	(208,808)	(34,944)	(237,034)	(59,898)	(560,684)
Other changes					
Allocation of interest on loans and financing	51,700	-	-	-	51,700
Allocation of interest on loans posted to investments	11,173	-	-	-	11,173
Capitalization of interest	5,877	-	-	-	5,877
Allocated borrowing costs	5,547	-	-	-	5,547
Debenture funding costs	-	6,251	-	-	6,251
Allocation of debenture charges	-	94,999	-	-	94,999
Investment reserve	-	-	-	135,663	135,663
Income reserve	-	-	-	22,667	22,667
Profit or loss for the year	-	-	258,512	-	258,512
Stock options granted	-	-	-	32,226	32,226
Total other changes	74,297	101,250	258,512	190,556	624,615
Balances at December 31, 2021	1,124,278	1,712,169	258,526	6,360,383	9,455,356

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Individual (Continued)

	Loans and financing	Debentures	Interest on equity	Capital	Total
Balances at December 31, 2019	1,102,476	1,445,802	148,375	5,587,669	8,284,322
Changes in cash flows from financing					
Borrowings	475,000	-	-	-	475,000
Repayment of borrowings	(331,532)	-	-	-	(331,532)
Payment of interest on loans and financing	(47,880)	-	-	-	(47,880)
Borrowings costs	(5,546)	-	-	-	(5,546)
Payment of charges on debentures	-	(51,599)	-	-	(51,599)
Repurchase of shares to be held in treasury	-	-	-	(105,974)	(105,974)
Debentures raised	-	400,000	-	-	400,000
Debenture funding costs	-	(2,810)	-	-	(2,810)
Exercise of stock options	-	-	-	28,693	28,693
Payment of debentures	-	(200,000)	-	-	(200,000)
Payment of interest on equity	-	-	(148,375)	-	(148,375)
Total changes in cash flows from financing	90,042	145,591	(148,375)	(77,281)	9,977
Other changes					
Allocation of interest on loans and financing	43,289	-	-	-	43,289
Allocation of interest on loans posted to investments	18,061	-	-	-	18,061
Capitalization of interest	4,314	-	-	-	4,314
Allocated borrowing costs	8,051	-	-	-	8,051
Swap	(7,444)	-	-	-	(7,444)
Debenture funding costs	-	4,435	-	-	4,435
Allocation of debenture charges	-	50,035	-	-	50,035
Investment reserve	-	-	-	646,816	646,816
Income reserve	-	-	-	48,254	48,254
Stock options granted	-	-	-	24,267	24,267
Provision for interest on equity	-	-	237,048	-	237,048
Total other changes	66,271	54,470	237,048	719,337	1,077,126
Balances at December 31, 2020	1,258,789	1,645,863	237,048	6,229,725	9,371,425

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Consolidated

	Loans and financing	Debentures	Interest on equity	Capital	Noncontrolling interests	Total
Balances at December 31, 2020	1,475,436	1,645,863	237,048	6,229,725	3,298	9,591,370
Changes in cash flows from financing						
Borrowings	217,500	-	-	-	-	217,500
Repayment of borrowings	(393,690)	-	-	-	-	(393,690)
Payment of interest on loans and financing	(74,242)	-	-	-	-	(74,242)
Borrowings costs	(2,428)	-	-	-	-	(2,428)
Payment of charges on debentures	-	(82,054)	-	-	-	(82,054)
Repurchase of shares to be held in treasury	-	-	-	(55,785)	-	(55,785)
Debentures raised	-	450,000	-	-	-	450,000
Debenture funding costs	-	(2,890)	-	-	-	(2,890)
Payment of debentures	-	(400,000)	-	-	-	(400,000)
Exercise of stock options	-	-	-	(4,113)	-	(4,113)
Noncontrolling interests	-	-	-	-	(87)	(87)
Payment of interest on equity	-	-	(237,034)	-	-	(237,034)
Total changes in cash flows from financing	(252,860)	(34,944)	(237,034)	(59,898)	(87)	(584,823)
Other changes						
Allocation of interest on loans and financing	65,060	-	-	-	-	65,060
Allocation of interest on loans posted to investments	11,173	-	-	-	-	11,173
Capitalization of interest	5,877	-	-	-	-	5,877
Allocated borrowing costs	6,856	-	-	-	-	6,856
Debenture funding costs	-	6,251	-	-	-	6,251
Allocation of debenture charges	-	94,999	-	-	-	94,999
Investment reserve	-	-	-	135,663	-	135,663
Income reserve	-	-	-	22,667	-	22,667
Stock options granted	-	-	-	32,226	-	32,226
Profit or loss for the year	-	-	258,512	-	(401)	258,111
	88,966	101,250	258,112	190,556	(401)	638,883
Balances at December 31, 2021	1,311,542	1,712,169	258,526	6,360,383	2,810	9,645,430

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

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

Consolidated (Continued)

	Loans and financing	Debentures	Interest on equity	Capital	Noncontrolling interests	Total
Balances at December 31, 2019	1,657,635	1,445,802	148,375	5,587,669	3,332	8,842,813
Changes in cash flows from financing						
Borrowings	475,000	-	-	-	-	475,000
Repayment of borrowings	(659,606)	-	-	-	-	(659,606)
Payment of interest on loans and financing	(83,957)	-	-	-	-	(83,957)
Borrowings costs	(9,045)	-	-	-	-	(9,045)
Payment of charges on debentures	-	(51,599)	-	-	-	(51,599)
Repurchase of shares to be held in treasury	-	-	-	(105,974)	-	(105,974)
Debentures raised	-	400,000	-	-	-	400,000
Debenture funding costs	-	(2,810)	-	-	-	(2,810)
Payment of debentures	-	(200,000)	-	-	-	(200,000)
Exercise of stock options	-	-	-	28,693	-	28,693
Noncontrolling interests	-	-	-	-	162	162
Payment of interest on equity	-	-	(148,375)	-	-	(148,375)
Total changes in cash flows from financing	(277,608)	145,591	(148,375)	(77,281)	162	(357,511)
Other changes						
Allocation of interest on loans and financing	68,731	-	-	-	-	68,731
Allocation of interest on loans posted to investments	18,061	-	-	-	-	18,061
Capitalization of interest	4,314	-	-	-	-	4,314
Allocated borrowing costs	11,747	-	-	-	-	11,747
Swap	(7,444)	-	-	-	-	(7,444)
Debenture funding costs	-	4,435	-	-	-	4,435
Allocation of debenture charges	-	50,035	-	-	-	50,035
Investment reserve	-	-	-	646,816	-	646,816
Income reserve	-	-	-	48,254	-	48,254
Stock options granted	-	-	-	24,267	-	24,267
Provision for interest on equity	-	-	237,048	-	-	237,048
Profit or loss for the period	-	-	-	-	(196)	(196)
	95,409	54,470	237,048	719,337	(196)	1,106,068
Balances at December 31, 2020	1,475,436	1,645,863	237,048	6,229,725	3,298	9,591,370

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

12. Loans and financing (Continued)

“EBITDA” and “EBIT” are part of the Company’s main indexes, as they are important performance metrics and certain covenants (loans, financing and debentures) for users of the financial statements.

In order to comply with the terms of paragraph 2 of article 2 of CVM Ruling No. 527/12, we state below the reconciliation of EBITDA and EBIT amounts for the years ended December 31, 2021 and 2020.

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Net income for the year	453,330	453,099	965,070	964,174
Noncontrolling interests	-	(401)	-	(196)
Income and social contribution taxes	4,750	44,667	58,707	106,352
Finance income (costs), net	128,381	114,154	77,394	76,120
EBIT	586,461	611,519	1,101,171	1,146,450
Depreciation and amortization	121,798	201,087	134,328	223,799
EBITDA	708,259	812,606	1,235,499	1,370,249

13. Accounts payable

	12/31/2021		12/31/2020	
	Individual	Consolidated	Individual	Consolidated
Trade accounts payable	14,837	49,041	23,247	52,794
Leases	45,535	45,743	43,628	43,832
Contractual retentions	3,049	17,775	3,153	10,989
Indemnification payable	3,598	8,744	2,818	3,797
Labor obligations	61,655	61,817	70,760	70,852
	128,674	183,120	143,606	182,264
Current	83,152	137,434	100,421	138,895
Noncurrent	45,522	45,686	43,185	43,369

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

14. Debentures

The debentures are broken down as follows:

	Individual and consolidated	
	12/31/2021	12/31/2020
Current liabilities		
4 th Issue - Debentures	301,389	277
5 th Issue - Debentures	1,489	298
6 th Issue - Debentures	3,693	866
7 th Issue - Debentures	5,406	1,277
8 th Issue - Debentures	-	38
9 th Issue - Debentures	-	4,328
10 th Issue - Debentures	8,051	-
Subtotal	320,028	7,084
Funding cost – 4 th issue	(2,052)	(2,052)
Funding cost – 5 th issue	(1,133)	(1,133)
Funding cost – 6 th issue	(249)	(249)
Funding cost – 7 th issue	(166)	(166)
Funding cost – 8 th issue	-	(163)
Funding cost – 9 th issue	-	(360)
Funding cost – 10 th issue	(407)	-
Total – Funding cost	(4,007)	(4,123)
Total - Current liabilities	316,021	2,961
Noncurrent liabilities		
4 th Issue - Debentures	-	300,000
5 th Issue - Debentures	300,000	300,000
6 th Issue - Debentures	300,000	300,000
7 th Issue - Debentures	350,000	350,000
8 th Issue - Debentures	-	200,000
9 th Issue - Debentures	-	200,000
10 th Issue - Debentures	450,000	-
Subtotal	1,400,000	1,650,000
Funding cost – 4 th issue	-	(2,052)
Funding cost – 5 th issue	(566)	(1,699)
Funding cost – 6 th issue	(353)	(602)
Funding cost – 7 th issue	(553)	(719)
Funding cost – 8 th issue	-	(737)
Funding cost – 9 th issue	-	(1,289)
Funding cost – 10 th issue	(2,379)	-
Total – Funding cost	(3,851)	(7,098)
Total - Noncurrent liabilities	1,396,149	1,642,902

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

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

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

The Company's net proceeds from this debenture issue will be fully used directly or through its subsidiaries, through the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping malls and/or real estate developments, as described in the Debentures Indenture and in the amendments thereto: ParkJacarepaguá, BarraShopping, VillageMall, Village Corporate, RibeirãoShopping, Pátio Savassi and Residencial Porto Alegre.

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

Interest was paid as follows: (i) R\$15,182 on June 13, 2017; (ii) R\$12,070 on December 13, 2017; (iii) R\$9,031 on June 13, 2018; (iv) R\$9,035 on December 13, 2018; (v) R\$8,827 on June 13, 2019; and (vi) R\$8,166 on December 13, 2019; (vii) R\$5,257 on June 12, 2020; (viii) R\$2,891 on December 11, 2020; (vix) R\$3,323 on June 11, 2021; and (x) R\$7,948 on December 13, 2021.

At December 31, 2021, the Company had met all the covenants determined in the indenture.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

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

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

The Company's net proceeds from this debenture issue will be fully used directly or through its subsidiaries, through the maturity date of the Debentures, for acquisition, and/or construction, and/or expansion, and/or revitalization, and/or development of the following shopping malls and/or real estate developments, as described in the Debentures Indenture and in the amendments thereto: ParkJacarepaguá, BarraShopping, VillageMall, Village Corporate, ParkShoppingBarigui, ParkShoppingCanoas, DiamondMall and MorumbiShopping.

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

Interest was paid as follows: (i) R\$12,105 on December 12, 2017; (ii) R\$9,036 on June 12, 2018; (iii) R\$9,035 on December 12, 2018; (iv) R\$8,827 on June 12, 2019; (v) R\$8,188 on December 12, 2019; (vi) R\$5,257 on June 10, 2020; (vii) R\$2,869 on December 10, 2020; (viii) R\$3,307 on June 10, 2021; and (vix) R\$7,885 on December 10, 2021.

At December 31, 2021, the Company had met all the covenants determined in the indenture.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Sixth issue of debentures for primary public distribution

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

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

Interest was paid as follows: (i) R\$8,830 on November 12, 2018; (ii) R\$9,820 on May 10, 2019; (iii) R\$9,753 on November 11, 2019; (iv) R\$6,494 on May 11, 2020; (v) R\$3,519 on November 10, 2020; (vi) R\$3,320 on May 10, 2021; and (vii) R\$7,832 on November 10, 2021.

At December 31, 2021, the Company had met all the covenants determined in the indenture.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Seventh issue of debentures for primary public distribution

On April 25, 2019, the Company completed the seventh issue of debentures for primary public distribution, in the amount of R\$350,000, whereby 35,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$10. The transaction will be repaid in two equal installments at the end of the sixth and seventh years, bearing semi-annual interest. The final issue price was set on May 8, 2019 through the bookbuilding procedure, with yield set at 106.00% of the accumulated fluctuation of average daily DI rates. Total funding cost was R\$1,162. The Company's net proceeds from this debenture issue will be fully used to: (i) invest in new developments and expand existing developments, (ii) acquire noncontrolling interests, and (iii) pay general expenses and settle short- and long-term debts and/or consolidate the working capital of the Company and/or its subsidiaries.

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

Interest was paid as follows: (i) R\$10,322 on October 25, 2019; (ii) R\$7,843 on April 27, 2020; (iii) R\$4,236 on October 26, 2020; (iv) R\$3,698 on April 26, 2021; and (v) R\$8,286 on October 25, 2021.

At December 31, 2021, the Company had met all the covenants determined in the indenture.

Eighth issue of debentures for primary public distribution

On June 30, 2020, the Company completed the eighth issue of debentures for primary public distribution, in the amount of R\$200,000, whereby 200,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$1,000. The transaction will be repaid in four equal installments at the end of the third, fourth, fifth and sixth years, bearing semi-annual interest. The final issue price was set on the indenture, with yield set at 100% of the accumulated fluctuation of average daily DI rates increased on a compound basis by a spread or surcharge of 3.00% p.a. The total estimated funding cost was R\$885. The net proceeds obtained by the Company with this debenture issue will be fully used to pay general expenses and settle short- and long-term debts and/or consolidate the working capital of the Company and/or its subsidiaries.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Eighth issue of debentures for primary public distribution (Continued)

The financial covenants of these debentures are as follows: (i) From January 1, 2022 (including) to December 31, 2022 (including): Net debt/EBITDA \leq 4,5x; (i) From January 1, 2023 (including) to the Maturity Date: Net debt/EBITDA \leq 4.0x; and (iii) EBITDA/net finance cost \geq 2.0x.

Interest was paid as follows: (i) R\$4,784 on December 30, 2020; (ii) R\$5,520 on June 30, 2021; and (iii) R\$9,196 on December 30, 2021.

At December 30, 2021, the Company used its option to early redeem 100% of these debentures, which were subsequently cancelled, under the terms of Clause 6.16 of the Indenture.

Ninth issue of debentures for primary public distribution

On July 16, 2020, the Company completed the ninth issue of debentures for primary public distribution, in the amount of R\$200,000, whereby 200,000 simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with a par value of R\$1,000. The transaction will be repaid in three equal installments at the end of the third, fourth and fifth years, bearing annual interest. The final issue price was set on the indenture, with yield set at 100% of the accumulated fluctuation of average daily DI rates increased on a compound basis by a spread or surcharge of 3.00% p.a. The net proceeds obtained by the Company with this debenture issue will be fully used to pay general expenses and settle short- and long-term debts and/or consolidate the working capital of the Company and/or its subsidiaries.

The financial covenants of these debentures are as follows: (i) From January 1, 2022 (including) to the Maturity Date: Net debt/EBITDA \leq 4.5x; and (iii) EBITDA/net finance cost \geq 2.0x.

This transaction was settled on July 23, 2020.

Interest was paid as follows: (i) R\$10,630 on July 15, 2021; and (ii) R\$5,359 on November 10, 2021.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

14. Debentures (Continued)

Ninth issue of debentures for primary public distribution (Continued)

At December 10, 2021, the Company used its option to early redeem 100% of these debentures, which were subsequently cancelled, under the terms of Clause 6.16 of the Indenture.

Tenth issue of debentures for primary public distribution

On September 22, 2021, the Company completed the tenth issue of debenture for primary public distribution, in the amount of R\$450,000. On October 15, 2021, considered the Date of Issue of these debentures, 450 thousand simple, non-convertible, book-entry, registered and unsecured debentures were issued in a single series for public distribution with restricted efforts, on a firm guarantee basis, with par value of R\$1. The transaction will be repaid in three equal installments at the end of the fifth, sixth and seventh years, bearing semi-annual interest. The final issue price was set on October 15, 2021 through the bookbuilding procedure, with yield set at 100% of the accumulated fluctuation of average daily DI rates increased on a compound basis by a spread or surcharge of 1.30% p.a. On referred to date, the first amendment to the indenture was executed in order to determine the issue price of each debenture. The total net funds obtained by the Company through the financial settlement occurring on October 20, 2021 will be used for: (i) payment of general expenses and short and long term debts; and (ii) investments in and/or management of cash flow of the Issuer and/or its Subsidiaries.

The financial covenants of these debentures are as follows: (i) net debt/EBITDA lower than or equal to 4.5; (ii) EBITDA/net finance cost higher than or equal to 2.0.

15. Property acquisition obligations

	31/12/2021		31/12/2020	
	Individual	Consolidated	Individual	Consolidated
Current				
Jockey (a)	-	7,845	-	5,046
Usiminas (b)	-	-	32,818	32,818
Atlético Mineiro (c)	95,993	95,993	92,141	92,141
Manati (d)	2,643	2,643	5,152	5,152
Other	-	-	269	269
	98,636	106,481	130,380	135,426
Noncurrent				
Jockey (a)	-	109,039	-	-
Atlético Mineiro (c)	27,748	27,748	118,926	118,926
Manati (d)	-	-	2,438	2,438
	27,748	136,787	121,364	121,364
Total	126,384	243,268	251,744	256,790

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

15. Property acquisition obligations (Continued)

- (a) Through the Deed of Purchase and Sale and the Deed of Novation, Acknowledgement of Debt with Promise to Pay and other Covenants, executed on November 9, 2016, and subsequent amendments, the Company, through its subsidiaries Multiplan Golden I Empreendimento Imobiliário Ltda. Multiplan Golden V Empreendimento Imobiliário Ltda. Multiplan Golden VI Empreendimento Imobiliário Ltda. Multiplan Golden VII Empreendimento Imobiliário Ltda. Multiplan Golden VIII Empreendimento Imobiliário Ltda. Multiplan Golden IX Empreendimento Imobiliário Ltda. Multiplan Golden X Empreendimento Imobiliário Ltda. Multiplan Golden XI Empreendimento Imobiliário Ltda. Multiplan Golden XII Empreendimento Imobiliário Ltda. Multiplan Golden XIII Empreendimento Imobiliário Ltda. Multiplan Golden XIV Empreendimento Imobiliário Ltda. Multiplan Golden XV Empreendimento Imobiliário Ltda. Multiplan Golden XVI Empreendimento Imobiliário Ltda. Multiplan Golden XVII Empreendimento Imobiliário Ltda. and Multiplan Golden XVIII Empreendimento Imobiliário Ltda. acquired the Jockey Club in Rio Grande do Sul State (“Jockey”), a piece of land with 166,979.355 square meters located in Porto Alegre, Rio Grande do Sul State, for R\$164,644, by submitting five (5) promissory notes for payment in full in the amounts of R\$89,861, R\$19,966, R\$28,245, R\$3,000 and R\$23,572.

The referred to promissory notes were replaced with the following obligations: (i) R\$89,861 through payment of the entire commercial venture to be built with an approximate area of 13,723.93 sqm in the referred to land; (ii) R\$19,966 through the obligation to build new stalls in the Vila Hipica, in the property owned by Jockey; (iii) R\$27,852 already paid in cash; (iv) R\$3,000 also already paid in cash; and (v) R\$23,572, in the monthly amount of R\$393. This amount will be adjusted annually, based on May 2016, by the General Market Price Index (IGP-M) disclosed by Getulio Vargas Foundation (FGV).

On April 1, 2021, the Company entered into a new Public Deed for Amendment of the Public Deed of Novation, Acknowledgement of Debt with Promise to Pay and other Covenants, rescheduling part of its obligations arising from the acquisition of the land.

Regarding the settlement of the promissory note in the amount of R\$89,861, which would not be settled in local currency but through the obligation of delivery in accord and satisfaction of 100% of the autonomous units of the commercial project to be built, with an approximate area of 13,723.93 square meters in a plot of land to be assigned to the issuer, the Company renegotiated it and promised to settle in local currency the amount of R\$108,000, as follows: (i) R\$10,000 were paid upon execution of the Deed for Amendment; (ii) R\$86,000 maturing in the 24th month as from the renegotiation; and (iii) R\$12,000 maturing in the 48th month after the renegotiation. All amounts mentioned above will be subject to monetary restatement calculated according to the variation of the Extended Consumer Price Index (IPCA), based on the index of December 2020.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

15. Property acquisition obligations (Continued)

Regarding the settlement of the promissory note in the amount of R\$23,572, which was being carried out in monthly installments of R\$393 restated by reference to the General Market Price Index (IGP-M), based on the index of May 2016, to be completed until the effective delivery of the 1st stage of the project mentioned in the previous paragraph, the Company renegotiated the new balance of this promissory note, now amounting to R\$11,348, payable as follows: (i) R\$1,331 in 3 monthly and successive installments of R\$444 each, from April 2021 to June 2021; and (ii) R\$10,017 in 21 monthly and successive installments of R\$477 each, from July 2021 to March 2023. The debt balance will be subject to monetary restatement annually calculated according to the variation of the IGP-M, based on the index of May 2020.

- (b) Through the public deed of purchase and sale executed on April 11, 2019, the Company acquired the fraction of 20.00% of BH Shopping held by Previdência Usiminas, for the agreed price of R\$360,000. The payment will be as follows: (i) down payment of R\$330,000 on April 11, 2019; and (ii) a single installment of R\$30,000 payable until April 11, 2020. The remaining outstanding balance will be adjusted by the positive variation of the Extended Consumer Price Index (IPCA) disclosed by the Brazilian Institute of Geography and Statistics (IBGE), up to the date of its settlement.

On April 8, 2020, the Company and Previdência Usiminas entered into the first amendment to the public deed of purchase and sale through the Deed for Amendment of the Public Deed of Purchase and Sale, changing the date for payment of the installment of R\$30,000 to April 11, 2021, and from April 14, 2020 the remaining outstanding balance is now adjusted by the positive variation of the Extended Consumer Price Index (IPCA) disclosed by IBGE, plus a spread of 4.90% per annum until the date of its settlement.

On April 14, 2021, the outstanding balance of R\$R\$34,496 was settled.

- (c) Based on the Private Instrument of Purchase and Sale and Other Covenants entered into on July 3, 2017, the Company made the commitment to purchase the indivisible portion of 50.1% of Diamond Mall owned by the seller, Clube Atlético Mineiro, by submitting two (2) promissory notes for payment in full in the amounts of R\$ 250,000 and R\$ 18,000 to the seller, which were issued at the time the Definitive Deed of Purchase and Sale was executed. The promissory note of R\$250,000 was subject to monetary restatement based on the positive variation of the Extended Consumer Price Index (IPCA) disclosed by IBGE, plus interest of 3% per annum up to the date definitive deed was executed.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

15. Property acquisition obligations (Continued)

On January 20, 2020, the Company completed the acquisition of the indivisible portion of 50.1% of Diamond Mall by executing the Public Deed of Purchase and Sale, and delivering two (2) promissory notes for payment in full in the amounts of R\$250,000 and R\$18,000 to the seller, Clube Atlético Mineiro.

On January 20, 2020, the Company and Clube Atlético Mineiro entered into the Public Deed of Novation, Acknowledgement of Debt and other Covenants, replacing the referred to promissory notes as follows: (i) the promissory note in the amount of R\$250,000 (which, after monetary restatement, amounts to R\$296,773) was replaced by payment of R\$5,935 made on January 27, 2020; the remaining balance of R\$290,838 will be divided into one (1) installment of R\$23,742, three (3) installments of R\$11,871, two (2) installments of R\$8,903, and thirty (30) installments of R\$7,123 as from April 19, 2020, and the other installments on the same day in the following months. Each installment will be adjusted at 100% of the CDI up to the date of their respective payments; and (ii) the promissory note of R\$18,000 was replaced with the right of Clube Atlético Mineiro to receive an amount equivalent to 7.515% of Diamond Mall's monthly gross revenue in the next forty-eight (48) months.

- (d) Through a Contract for the Purchase and Sale of Shares and Other Covenants entered into on February 7, 2020, the Company acquired 50% of the capital of Manati Empreendimentos e Participações S.A., corresponding to 21,442,694 common shares held by the seller, Aliance Sonae Shopping Center S.A., for R\$28,500. Payment was agreed as follows: (i) R\$18,750 paid on January 7, 2020; and (ii) R\$9,750 in four (4) semi-annual equal and consecutive installments of R\$2,438 each, the first maturing on August 7, 2020. All installments shall be adjusted based on the accumulated variation of 100% of the CDI since October 18, 2019, as provided for in the contract.

Noncurrent property acquisition obligations mature by 2025.

	12/31/2021		12/31/2020
	Individual	Consolidated	Individual and consolidated
2022	-	-	94,579
2023	27,373	124,412	26,410
2024 onwards	375	12,375	375
	27,748	136,787	121,364

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

16. Taxes and contributions, net

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Taxes recoverable				
Income tax, withholding income tax and social contribution tax to be offset	72,605	34,872	82,984	49,636
PIS and COFINS to be offset	4,309	781	8,010	5,478
Other taxes recoverable	1,463	2,957	1,721	3,217
Total	78,377	38,610	92,715	58,331
Taxes and contributions payable				
PIS/COFINS	1,066	12,355	3,478	44,183
ISS	-	-	2,654	1,252
Income and social contribution taxes payable	40,473	33,007	56,589	46,768
Other	-	-	2,032	1,493
Total	41,539	45,362	64,753	93,696
Current assets	36,838	4,822	43,296	13,578
Current liabilities	-	11,574	15,332	48,943

17. Provision for contingencies and judicial deposits

17.1. Provision for contingencies

Provision for contingencies	Individual				December 31, 2021
	December 31, 2020	Additions	Write-offs	Restatement	
Civil (a)	1,500	671	(577)	142	1,736
Labor	3,424	600	(1,131)	114	3,007
Tax	241	-	(241)	-	-
	5,165	1,271	(1,949)	256	4,743

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Provision for contingencies	Individual				December 31, 2020
	December 31, 2019	Additions	Write-offs	Restatement	
Civil (a)	1,667	39	(84)	(122)	1,500
Labor	3,413	889	(546)	(332)	3,424
Tax	241	-	-	-	241
	<u>5,321</u>	<u>928</u>	<u>(630)</u>	<u>(454)</u>	<u>5,165</u>

Provision for contingencies	Consolidated				December 31, 2021
	December 31, 2020	Additions	Write-offs	Restatement	
Civil (a)	9,372	1,834	(814)	194	10,586
Labor	3,780	687	(1,353)	55	3,169
Tax	305	-	(305)	-	-
	<u>13,457</u>	<u>2,521</u>	<u>(2,472)</u>	<u>249</u>	<u>13,755</u>

Provision for contingencies	Consolidated				December 31, 2020
	December 31, 2019	Additions	Write-offs	Restatement	
Civil (a)	7,807	106	(125)	1,584	9,372
Labor	3,700	1,211	(798)	(333)	3,780
Tax	304	1	-	-	305
	<u>11,811</u>	<u>1,318</u>	<u>(923)</u>	<u>1,251</u>	<u>13,457</u>

(a) The legal advisors rated the likelihood of loss on certain legal proceedings related to real estate contract terminations as probable, totaling R\$8,734 at December 31, 2021 (R\$7,690 at December 31, 2020). The remaining balance of provisions for civil contingencies consists of various claims in insignificant amounts filed against the shopping malls in which the Company holds equity interest.

The provisions for contingencies were set up to cover probable losses on administrative and legal proceedings related to civil, tax and labor matters, at an amount deemed sufficient by management, based on the opinion of its attorneys and legal advisors.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Contingencies with likelihood of loss rated as possible

The Company is a defendant in various tax, administrative, labor and civil proceedings, whose likelihood of loss is assessed by its legal advisors as possible, estimated at R\$145,857 at December 31, 2021 (R\$133,531 at December 31, 2020), as follows:

	Consolidated	
	December 31, 2021	December 31, 2020
Tax	89,685	98,602
Civil and administrative	47,190	28,080
Labor	8,982	6,849
Total	<u>145,857</u>	<u>133,531</u>

Tax

ITBI (Property Transfer Tax) collection arising from full merger of companies that own properties. The disputes regarding the collection of this tax are concentrated in the municipalities of São Paulo (R\$6,332), Belo Horizonte (R\$24,609), and Brasília (R\$2,205). In all cases, the Company contested such collection in the administrative and legal spheres, and claimed acknowledgment of non-levy of ITBI based on the provisions of article 37, paragraph 4, of the Brazilian Tax Code.

Concerning ITBI in the Federal District, in December 2020, the Company decided to join the local Tax Installment Payment Program (REFIS) for discharge of specific local debts, and gave up its right to an appeal. The Company requested an assessment of judicial deposits related to the lawsuits, amounting to R\$ 5,352. The lower court extinguished the main Tax Enforcement process and released the withdrawal of deposits in August 2021.

In the city of São Paulo, in October, 2021, the Company joined the Tax-Incentive Installment Program (PPI) and settled all debts in a single installment, including applicable discounts. A petition for discontinuing proceedings was filed in the stays of execution for tax enforcement. The Company awaits decision thereon.

In Belo Horizonte, out of the four discussions, two proceedings were in the administrative sphere and the other two in the legal sphere.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Contingencies with likelihood of loss rated as possible (Continued)

Tax (Continued)

In December 2021, the Company joined Reativa BH (a local program for settlement of tax debts in the city of Belo Horizonte) and settled three proceedings (two legal proceedings and one administrative proceedings) in a single installment, including applicable discounts. This payment entailed discontinuance of the respective legal proceedings and administrative appeals. Currently, only one discussion in the administrative sphere amounting to R\$9,436 remains. This proceeding awaits decision within the jurisdiction of the tax auditor and collection is suspended.

The Company also has a discussion at the administrative level referring to social security contributions, totaling R\$7,413. The tax authority issued a tax delinquency notice requesting social security contributions on amounts referring to the Company's stock option plan. The decision at the lower administrative level was unfavorable and the Company filed a voluntary appeal. The appeal was denied in June 2019 with publication of the Decision. The Company filed motions for clarification. In March 2020, the appeal to the High Court of Justice was partially accepted. An interlocutory appeal was filed against the party receiving the unfavorable decision, which was denied. The Company is currently awaiting the decision of the Superior Board of Tax Appeals.

A tax notice was issued in January 2018 for income and social contribution taxes, PIS and COFINS levied on the land purchase and sale transaction for the construction of a Company's project amounting to R\$ 3,876. An appeal was filed and is awaiting decision at the lower level.

In April 2019, a tax assessment notice was served by the Rio de Janeiro City Government (R\$58,631) referring to collection of Service Tax (ISS) on certain revenues/reimbursement of expenses and other matters. The Company challenged the tax assessment and such challenge was denied at the lower level. A voluntary appeal was filed as well as a petition presenting a proposal for settlement, pursuant to the Rio de Janeiro City tax settlement program Concilia-Rio. The Company is currently awaiting judgment of the voluntary appeal.

Civil, administrative and labor

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

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Contingencies with likelihood of loss rated as possible (Continued)

Other

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

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

As soon as it became aware of the inquiries above, the Company started an internal analysis for which renowned professionals were engaged to analyze the issue in an in-depth and comprehensive manner.

This analysis was conducted by a specialized Law Firm, supported by an international firm specialized in forensic audit. The internal analysis concluded that there was no proof that the Company or its management members participated in any irregular acts related to this tax notice.

On 12 February 2020, CARF rejected the annulment of the Decision, and cancelled the tax assessment notices. Against this trial, the Office of the Attorney General of the National Treasury filed an Administrative Appeal on April 3, 2020. The Company submitted an appellate brief in due course and awaits decision thereon.

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17. Provision for contingencies and judicial deposits (Continued)

17.1. Provision for contingencies (Continued)

Contingencies with likelihood of loss rated as possible (Continued)

Other (Continued)

In November 2021, the Company was notified of a request for arbitration filed by 51 Participações - EIRELI (company owned by Andreas Blazoudakis), Cristiane Cantergiani Ribeiro Mendes and Gilberto Halpern, addressing matters derived from the shareholder condition of Delivery Center Holding S.A.. The proceeding was estimated by the plaintiffs at a minimum R\$ 14 million. The Company timely filed its reply to the arbitration proceeding, lodged a cross action estimated at R\$ 30 million and will manifest its view to the arbitration tribunal within the applicable terms.

17.2. Judicial deposits

Judicial deposits	Individual			December 31, 2021
	December 31, 2020	Additions	Write-offs	
PIS and COFINS (a)	101	6,951	(396)	6,656
ITBI (b)	4,695	657	(5,352)	-
Civil	26,585	7,425	(30,805)	3,205
Labor	5,320	45	-	5,365
IPTU (c)	-	199,686	(69,072)	130,614
Other	456	1,694	-	2,150
	37,157	216,458	(105,625)	147,990

Judicial deposits	Individual			December 31, 2020
	December 31, 2019	Additions	Write-offs	
PIS and COFINS (a)	101	-	-	101
ITBI (b)	4,695	-	-	4,695
Civil	21,353	7,612	(2,380)	26,585
Labor	5,249	77	(6)	5,320
Other	463	1	(8)	456
	31,861	7,690	(2,394)	37,157

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.2. Judicial deposits (Continued)

Judicial deposits	Consolidated			December 31, 2021
	December 31, 2020	Additions	Write-offs	
PIS and COFINS (a)	821	6,951	(396)	7,376
ITBI (b)	4,695	657	(5,352)	-
Civil	26,614	7,466	(30,945)	3,135
Labor	5,793	45	(8)	5,830
IPTU (c)	-	201,389	(69,070)	132,319
Other	1,827	7,526	(924)	8,429
	39,750	224,034	(106,696)	157,088

Judicial deposits	Consolidated				December 31, 2020
	December 31, 2019	Acquisition - Manati	Additions	Write-offs	
PIS and COFINS (a)	821	-	-	-	821
ITBI (b)	4,695	-	-	-	4,695
Civil	22,614	-	7,991	(3,991)	26,614
Labor	5,723	-	77	(7)	5,793
Other	995	48	1,067	(283)	1,827
	34,848	48	9,135	(4,281)	39,750

- (a) Refers essentially to a deposit made to suspend the payment of PIS and COFINS debts and to obtain the Debt Clearance Certificate. The matter currently awaits distribution and trial at the High Court of Justice (STJ). In the second half of 2021, the Company filed a petition for writ of mandamus aimed at exclusion of PIS and COFINS from the calculation base and made a judicial deposit referring to the respective amounts.
- (b) In October 2017, a full deposit of the ITBI tax credit under discussion was made in Brasilia. In December 2020, the Company joined the local REFIS and desisted from litigation. In August 2021, the judicial deposits previously made were released, as mentioned in Note 17.1.
- (c) These refer to judicial deposits arising from ordinary lawsuits filed by the Company challenging the full IPTU payment regarding the malls owned by the Company, considering the operation and capacity restrictions imposed in certain days and hours in 2020 and 2021, due to the pandemic. Out of this amount, R\$ 106,395 – individual and R\$ 108,095 – consolidated are accrued under payables to related parties (Nota 5.1), since the deposits were made by means of the Condomínios Edifícios and R\$ 23,324 refer to fine and interest that were fully paid by the Company. In 4Q 2021, the Company entered into agreements with the Rio de Janeiro city government, which had a significant impact on Company P&L and are summarized below.

Concerning Property Tax (IPTU) on the parking lots of Village Mall, New York City Center and Park Shopping Campo Grande from 2017 to 2021, the Company and the city government entered into an agreement, whereby the Company: (i) obtained a review of the assessed value of these parking lots; (ii) settled the debts referring to these years using a portion of the amounts already deposited in court, taking into consideration the new assessed value; (iii) computed the amounts in the judicial account linked to the claim that discussed this matter; and (iv) desisted from the claim filed, referring to these years.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

17. Provision for contingencies and judicial deposits (Continued)

17.2. Judicial deposits (Continued)

For IPTU charged on Barra Shopping, Village Mall, New York City Center and Park Shopping Campo re 2020 and 2021, in the period when the restrictive measures relating to COVID-19 pandemic remain in effect, the Company and the city government entered into an agreement, whereby the Company: (i) obtained a reduction in the late-payment amounts; (ii) settled the debts referring to these years using a portion of the amounts already deposited in court, taking into consideration the new assessed value; (iii) computed the amounts in the judicial account linked to the claim that discussed this matter; and (iv) desisted from the claim filed, referring to these years.

The Company and the city government entered into an agreement referring to Walmart's IPTU re 2020 and 2021, whereby the Company: (i) obtained the segregation of Walmart registration into two, one for the building and one for the parking lot; (ii) settled the debts re such years using credits from the tax recalculation, in light of the registration segregation, and a portion of the amounts deposited in court; and (iii) computed the amounts in the judicial accounts linked to the claim that discussed this matter.

18. Deferred revenue and costs

	December 31, 2021		December 31, 2020	
	Individual	Consolidated	Individual	Consolidated
Revenue from key money	59,502	80,014	48,453	73,998
Unallocated cost of sales (a)	(85,867)	(144,769)	(86,518)	(129,907)
Other revenues	1,059	1,059	1,111	1,111
	(25,306)	(63,696)	(36,954)	(54,798)
Current assets	27,230	45,681	26,056	41,921
Noncurrent assets	58,637	99,087	60,462	87,987
Current liabilities	15,335	21,488	13,167	17,317
Noncurrent liabilities	45,226	59,584	36,397	57,793

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

19. Equity

a) Capital

At December 31, 2021 and 2020, the Company's capital comprised 600,760,875 common and preferred registered book-entry shares with no par value.

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

a) Capital (Continued)

Shareholder	Number of shares					
	December 31, 2021			December 31, 2020		
	Common shares	Preferred shares	Total	Common shares	Preferred shares	Total
Multiplan Participações S.A.	126,371,349	-	126,371,349	126,371,349	-	126,371,349
1700480 Ontário Inc.	128,841,603	35,575,041	164,416,644	128,841,603	35,575,041	164,416,644
José Isaac Peres	21,397,441	-	21,397,441	21,008,048	-	21,008,048
Maria Helena Kaminitz Peres	7,379,268	-	7,379,268	7,379,268	-	7,379,268
Outstanding shares	271,442,928	-	271,442,928	274,181,645	-	274,181,645
Board of Directors and Executive Board	293,144	-	293,144	81,076	-	81,076
Total outstanding shares	555,725,733	35,575,041	591,300,774	557,862,989	35,575,041	593,438,030
Treasury shares	9,460,101	-	9,460,101	7,322,845	-	7,322,845
Total shares issued	565,185,834	35,575,041	600,760,875	565,185,834	35,575,041	600,760,875

b) Effect on capital transactions

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

c) Treasury shares

Until December 31, 2021, the Company acquired 34,064,200 shares (31,264,000 until December 31, 2020). Until December 31, 2021, 24,604,099 shares were used to settle the exercise of stock options. As at December 31, 2021, the balance of treasury shares is 9,460,101 shares (7,322,845 shares at December 31, 2020). In the quarter ended December 31, 2021, 1,450,000 shares issued by the Company were repurchased (Note 20).

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

c) Treasury shares (Continued)

As at December 31, 2021, the percentage of outstanding shares (shares issued except treasury shares, shares held by management and board, controlling shareholders and related persons is 45.18% (46.15% at December 31, 2020). Treasury shares were acquired at a weighted average cost of R\$20.61 (in reais), at a minimum cost of R\$3.27 (in reais), and at a maximum cost of R\$24.65 (in reais). The closing price of the shares calculated based on the last quotation prior to the end of the year was R\$18.72 (in reais).

d) Dividends and interest on equity

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

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

Interest on equity approved in 2021

On December 22, 2021, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on equity in the gross amount of R\$295,000 assigned to the Company's shareholders registered as such on December 28, 2021, corresponding to R\$0.49890007416 (in reais) per share, before 15% withholding income tax, except for shareholders who are tax-exempt or tax-immune, as set forth in the applicable laws. This amount will be paid to the Company's shareholders by December 30, 2022.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

19. Equity (Continued)

d) Dividends and interest on equity (Continued)

Interest on equity approved in 2020

On December 21, 2020, the Board of Directors approved, with a favorable report from the Supervisory Board, the payment of interest on equity in the gross amount of R\$270,000 assigned to the Company's shareholders registered as such on December 28, 2020, corresponding to R\$0.45497589698 per share, before 15% withholding income tax, except for shareholders who are tax-exempt or tax-immune, as set forth in the applicable laws. This amount was paid on October 05, 2021.

	2021	%	2020	%
Net income for the year	453,330	-	965,070	
Allocation to legal reserve	(22,667)	-	(48,254)	
Net income after deduction of the legal reserve	430,663	100%	916,816	
Interest on equity approved, net of taxes	258,512	60,03%	237,000	25,85%

20. Share-based payment

a) Stock option plan (equity settled)

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

On January 9, 2020, Chief Executive Officer, Mr. José Isaac Peres, exercised 1,500,000 stock options, amounting to R\$32,400, which was recorded in equity.

As at December 31, 2021, 23,412,597 stock options were exercised. All options exercised were settled through common shares of the Company. As at December 31, 2021, there was no balance of stock options granted and not exercised.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program

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

Phantom 2: on September 21, 2016, the Board of Directors approved the granting, for 2016, of 7,502,250 investment units (equivalent to 2,500,750 investment units prior to the split) to elected participants. Of this total, 714,003 investment units (equivalent to 238,001 investment units prior to the split) were granted to employees that left the Company before the vesting period.

In 2017, 2018, 2019, 2020 and 2021, no investment units were granted.

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

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

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

	<u>Consolidated</u>
Balances at December 31, 2020	4,821
Restatement	(3,456)
Charges	(1,365)
Balances at December 31, 2021	<u><u>-</u></u>

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

i) *Fair value measurement*

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

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

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

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

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

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

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

Fair value at December 31, 2021								
	Reference value (R\$)	Share price (R\$)	Adjustment rate	Number	Volatility MULT3	Risk-free rate	Average maturity	Average fair value
Phantom 1	15.57	27.03	IPCA	7,170,733	Mark-to-market	Mark-to-market	0 year	R\$6.65
Phantom 2	20.46	19.78	IPCA	7,083,000	Mark-to-market	Mark-to-market	0 year	R\$2.03

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

i) *Fair value measurement* (Continued)

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

	Number	Price (1) (R\$)
Grant		
Total balance of investment units granted at December 31, 2017	14,957,199	19.46
Total balance of investment units granted at December 31, 2018	14,253,734	20.25
Total balance of investment units granted at December 31, 2019	14,098,639	20.90
Total balance of investment units granted at December 31, 2020		
Total balance of investment units granted at December 31, 2021	13,907,282	24.25
Exercise		
Total balance of investment units exercised at December 31, 2017	2,580,828	17.44
Total balance of investment units exercised at December 31, 2018	2,789,919	17.51
Total balance of investment units exercised at December 31, 2019	9,617,559	19.26
Total balance of investment units exercised at December 31, 2020	10,520,392	19.56
Total balance of investment units exercised at December 31, 2021	10,723,739	19.66
Investment units exercised in 2017	2,444,379	17.46
Investment units exercised in 2018	209,091	18.33
Investment units exercised in 2019	6,827,640	19.98
Investment units exercised in 2020	902,833	22.72
Investment units exercised in the first nine months of 2021	203,347	24.79
Expired		
Total balance of investment units expired at December 31, 2017	2,671,704	17.45
Total balance of investment units expired at December 31, 2018	7,286,940	19.27
Total balance of investment units expired at December 31, 2019	11,791,698	19.91
Total balance of investment units expired at December 31, 2020	13,907,282	20.60
Total balance of investment units expired at December 31, 2021	13,907,282	21.22
Investment units expired in 2017	2,444,379	17.46
Investment units expired in 2018	4,615,237	20.31
Investment units expired in 2019	4,504,758	20.96
Investment units expired in 2020	2,167,580	23.85
Investment units expired in the first nine months of 2021	-	-
	Number	Price (1) (R\$)
Not redeemed		
Total balance of investment units not redeemed at December 31, 2017	12,376,371	19.83
Total balance of investment units not redeemed at December 31, 2018	11,463,815	20.69
Total balance of investment units not redeemed at December 31, 2019	4,481,080	22.78
Total balance of investment units not redeemed at December 31, 2020	3,386,891	23.85
Total balance of investment units not redeemed at December 31, 2021	3,183,544	26.47

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

b) Phantom Stock Option Program (Continued)

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

At December 31, 2021, the amount of R\$4,208 (R\$26,879 at December 31, 2020) was recognized in profit or loss, of which R\$157 (-11,794 at December 31, 2020) refers to management's portion.

c) Restricted Stock Option Plan (Restricted Stock Unit)

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

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

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

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

Plan 1: on August 15, 2018, the Board of Directors approved the granting, for 2018, of 2,197,500 restricted stock units to elected participants. Of this total, 76,875 units were granted to employees that left the Company before the vesting period. The rights of participants in relation to restricted stock units will only be fully vested if they remain continuously related to the Company or the entity under its control, in the period between the date of grant and vesting period that will be up to five years, with releases of 25.0% on the second anniversary, 25.0% on the third anniversary, 25.0% on the fourth anniversary and 25.0% on the fifth anniversary. In August 2020, 618,750 restricted stock units were released, of which 84,375 had their grace period reduced for releases on the second anniversary.

Plan 2: on November 20, 2019, the Board of Directors approved the granting, for 2019, of 1,538,250 restricted stock units to elected participants. Of this total, 66,500 units were granted to employees that left the Company before the vesting period. The rights of participants in relation to restricted stock units will only be fully vested if they remain continuously related to the Company or the entity under its control, in the period between the date of grant and vesting period that will be up to five years, with releases of 25.0% on the second anniversary, 25.0% on the third anniversary, 25.0% on the fourth anniversary and 25.0% on the fifth anniversary. In August 2020, 73,500 restricted stock units were released, of which 73,500 had their grace period reduced for releases in August 2020.

Plan 3: on October 15, 2020, the Board of Directors approved the granting, for 2020, of 2,329,000 restricted stock units to elected participants. Of this total, 59,000 units were granted to employees that left the Company before the vesting period. The rights of participants in relation to restricted stock units will only be fully vested if they remain continuously related to the Company or the entity under its control, in the period between the date of grant and vesting period that will be up to five years, with releases of 25.0% on the second anniversary, 25.0% on the third anniversary, 25.0% on the fourth anniversary and 25.0% on the fifth anniversary.

Plan 4: on December 02, 2021, the Board of Directors approved the granting, for 2021, of 2,188,000 restricted stock units to elected participants. The rights of participants in relation to restricted stock units will only be fully vested if they remain continuously related to the Company or the entity under its control, in the period between the date of grant and vesting period that will be up to five years, with releases of 25.0% on the second anniversary, 25.0% on the third anniversary, 25.0% on the fourth anniversary and 25.0% on the fifth anniversary.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

i) *Fair value measurement*

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

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

	Fair value on the grant date					Average
	Grant date	Reference value (R\$) (1)	Number of units granted	Discount rate (2)	Expectation of future dividends (3)	
Plan 1	08/15/2018	R\$18.92	2,197,500	7.25% to 7.70%	(R\$1.49)	R\$17.43
Plan 2	11/20/2019	R\$28.71	1,538,250	4.50% to 6.50%	(R\$1.60)	R\$27.11
Plan 3	10/15/2020	R\$21.20	2,329,000	2.00% to 6.00%	(R\$1.81)	R\$19.39
Plan 4	12/02/2021	R\$20.04	2,188,000	7.00% to 11.25%	(R\$1.80)	R\$18.24

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

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

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

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

ii) *Vesting conditions*

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

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

	Vesting conditions on grant date			Number of units granted considered after cancellations
	Grant date	Number of units granted	Cancellation rate (1)	
Plan 1	08/15/2018	2,197,500	-5.79%	2,070,245
Plan 2	11/20/2019	1,538,250	-5.79%	1,449,172
Plan 3	10/15/2020	2,329,000	-5.79%	2,194,130
Plan 4	12/02/2021	2,188,000	-5.79%	2,061,295

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

20. Share-based payment (Continued)

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

ii) *Vesting conditions* (Continued)

(1) The cancellation rate was calculated in accordance with the losses and cancellations of the eight stock option plans (equity settled) granted between December 20, 2007 and April 16, 2014.

iii) *Recognition in equity and profit or loss*

As at December 31, 2021, the effect related to the recognition of restricted stock units in equity was R\$32,226, with R\$31,074 and R\$1,152 in profit or loss, in expenses capitalized on investment property (R\$24,267 at December 31, 2020, with R\$23,527 and R\$739 in profit or loss, in expenses capitalized on investment property). As at December 31, 2021, the effect related to the recognition of charges on restricted stock units in liabilities was R\$6,069, with R\$5,839 and R\$230 in profit or loss referring to expenses capitalized on investment property (R\$10,263 at December 31, 2020, with R\$9,956 and R\$307 in profit or loss referring to expenses capitalized on investment property).

It should be noted that of the total effect of R\$32,226 of the restricted stock units, R\$9,609 (R\$12,444 at December 31, 2020) refers to the management portion.

21. Net operating revenue

	December 31, 2021		December 31, 2020	
	Individual	Consolidated	Individual	Consolidated
Gross operating revenue from sales and services:				
Stores leased	851,405	1,118,078	727,192	978,100
Parking lots	92,430	163,362	62,057	114,543
Services	24,003	87,321	64,928	67,342
Key money	3,954	(5,190)	3,648	(6,340)
Sale of property	1,305	7,257	5,259	6,649
Other	4,669	11,609	6,423	9,282
	977,766	1,382,437	869,507	1,169,576
Taxes and contributions on sales and services	(59,166)	(94,044)	(48,249)	(88,000)
Net operating revenue	918,600	1,288,393	821,258	1,081,576

The gross operating revenue from sales and services as at December 31, 2021 was impacted by Covid-19. This impact was due to a reduction in the flow of cars, condominium costs and sale at the Company's properties. Additionally, revenue from lease of stores has been impacted by a condition offered to customers for them to remain compliant with their obligations.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

22. Other operating revenue, net

On May 14, 2020, the Company accepted the Proposal sent by BTG Pactual Gestora De Recursos Ltda. for the full acquisition of Diamond Tower, a building that is part of Morumbi Corporate Towers, by Fundo de Investimento Imobiliário - FII BTG Pactual Corporate Office Fund, one of the funds managed by BTG Pactual Gestora de Recursos Ltda. The sale price was R\$810,000, paid in full on the date of the definitive deed of purchase and sale, July 24, 2020. As a result, the Company reclassified the amount of R\$200,333 from Investment Properties to Noncurrent Assets Held for Sale in June 2020, and recognized this amount as cost upon sale. Additionally, together with the deed of purchase and sale of the building, a commitment of guaranteed minimum monthly income in the amount of R\$4,893 was entered into for the 24 months subsequent to the date of acquisition, limited to the fixed amount of R\$22,000. The proceeds from the sale totaled R\$574,336, recorded under "Other operating income (expenses),net" as follows:

Revenue from sale of properties	810,000
Cost of properties sold	(200,333)
Provision for guaranteed minimum income	(22,000)
Cost of lease contracts	(10,970)
Borrowing costs	(2,361)
Profit or loss from the sale	<u>574,336</u>

Furthermore, as a result of the sale of Diamond Tower, the Company recorded R\$54,507 corresponding to IRPJ, CSLL, PIS and COFINS, using the taxable profit computed as percentage of gross revenue regime (lucro presumido). The Company's understanding was supported by the opinion of external lawyers and the current tax rules.

In order to confirm this tax procedure, the Company made a formal inquiry to the Brazilian Internal Revenue Service whereby it requested the agency to express its understanding about the appropriate tax treatment for the sale of Diamond Tower. On March 17, 2021, the Company obtained a Private Letter Ruling, whereby the Brazilian IRS expressed its understanding on taxation. This response was favorable and in line with the procedure adopted by the Company. Accordingly, no additional provision was recorded.

In 2020, the bargain purchase gain from the acquisition of the remaining 50.0% interest in Manati Empreendimentos e Participações S.A., amounting to R\$73,169, was also accounted for in "Other operating income, net", as detailed in Note 1.

In "Other operating income, net" in 2021, a capital loss and the write-off of goodwill based on future profitability from Delivery Center are recorded in the amounts of R\$10,509 and R\$8,501 respectively, as detailed in Note 8.

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

23. Breakdown of costs and expenses by nature

In the quarters ended December 31, 2021 and 2020, the Company incurred in the following costs and expenses:

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

	Cost of services rendered and properties sold			
	December 31, 2021		December 31, 2020	
	Individual	Consolidated	Individual	Consolidated
Services	(6,077)	(7,132)	(3,613)	(3,807)
Parking lots	-	(3,754)	(586)	(4,267)
Properties (charges, IPTU, rental, condominium fees)	(36,569)	(61,290)	(29,563)	(46,330)
Occupancy cost	(1)	(1)	(1)	(1)
Other costs	(9,405)	(16,028)	(8,592)	(15,118)
Cost of properties sold	(1,321)	(5,184)	(1,426)	(4,156)
Depreciation and amortization	(99,544)	(177,992)	(112,713)	(201,101)
Total	(152,917)	(271,381)	(156,494)	(274,780)
Costs:				
Services rendered	(151,596)	(266,197)	(155,068)	(270,624)
Properties sold	(1,321)	(5,184)	(1,426)	(4,156)
Total	(152,917)	(271,381)	(156,494)	(274,780)

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

- Headquarters: expenses with personnel (administrative, operational and development) of Multiplan Group's headquarters and branches, in addition to expenditures on corporate marketing, outsourcing and travel.
- Properties: expenses on civil condominium of properties in operation, including ADA.
- Projects for lease: pre-operating expenses relating to real estate projects and shopping mall expansion.
- Projects for sale: pre-operating expenses arising from real estate projects for sale.

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

23. Breakdown of costs and expenses by nature

	Administrative and project-related expenses			
	December 31, 2021		December 31, 2020	
	Individual	Consolidated	Individual	Consolidated
Personnel	(84,206)	(85,129)	(86,032)	(86,426)
Services	(22,610)	(29,325)	(20,749)	(26,066)
Marketing	(9,626)	(35,777)	(10,980)	(13,179)
Travel expenses	(2,296)	(2,330)	(1,943)	(1,977)
Properties	(59,962)	(93,595)	(47,435)	(76,295)
Occupancy cost	(3,678)	(4,361)	(3,274)	(4,178)
Social security contribution	(16,578)	(16,681)	(14,994)	(15,024)
Other	(20,036)	(25,910)	(12,932)	(14,563)
Total	(218,992)	(293,108)	(198,339)	(237,708)
Expenses:				
Administrative expenses – headquarters	(154,393)	(157,142)	(138,370)	(139,401)
Administrative expenses – Properties	(61,265)	(92,888)	(54,361)	(82,232)
Expenses with projects for lease	(1,520)	(22,051)	(4,423)	(10,851)
Expenses with projects for sale	(1,814)	(21,027)	(1,185)	(5,224)
Total	(218,992)	(293,108)	(198,339)	(237,708)

24. Finance income (costs), net

	December 31, 2021		December 31, 2020	
	Individual	Consolidated	Individual	Consolidated
Short-term investment yield	28,667	42,767	20,434	31,198
Interest and monetary difference on loans, financing and debentures	(155,903)	(169,935)	(101,548)	(127,530)
Gains from derivatives	-	-	7,444	7,444
Interest on real estate projects	758	3,329	(303)	3,525
Bank fees and other charges	(6,979)	(9,257)	(7,555)	(9,551)
Monetary gains	1,887	9,024	1,339	11,900
Fine and interest on lease and key money - shopping mall	13,097	16,891	5,963	7,263
Fine and interest on tax assessment notices	(359)	(425)	(600)	(849)
Interest on transaction with related parties	6,029	8,271	1,123	1,332
Interest and monetary difference on obligations for asset acquisitions	(7,693)	(7,693)	(7,396)	(9,277)
Other	(7,885)	(7,127)	3,705	8,425
Total	(128,381)	(114,155)	(77,394)	(76,120)
Finance income	(185,116)	(202,234)	(117,402)	(147,207)
Finance costs	56,735	88,079	40,008	71,087

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

25. Segment information

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

a) Properties for lease

This refers to the Company's share in the civil condominium of shopping malls and their respective parking lots, as well as real estates for lease. This is the Company's major revenue-generating segment, accounting for 92.69% of its gross revenue in the period ended December 31, 2021. The determining factor for the amount of revenue and expenses in this segment is the Company's share in each venture. Its revenues and expenses are described below:

Lease revenue

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

Parking lot revenues

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

Expenses

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

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Notes to individual and consolidated financial statements (Continued)

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25. Segment information (Continued)

b) Real estate for sale

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

Other

Includes depreciation expenses.

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

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

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

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

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

25. Segment information (Continued)

c) Projects

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

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

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

d) Management and other

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

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

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Notes to individual and consolidated financial statements (Continued)

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25. Segment information (Continued)

d) Management and other (Continued)

	2021 (Consolidated)				Total
	Properties for lease	Real estate	Projects	Management and other	
Gross revenue	1,281,440	7,257	(5,190)	98,930	1,382,437
Costs	(266,161)	(5,184)	-	-	(271,345)
Expenses	(92,888)	(21,027)	(22,051)	(189,847)	(325,813)
Other	(81,948)	5,596	1,009	(212,571)	(287,914)
Income before income and social contribution taxes	840,443	(13,358)	(26,232)	(303,488)	497,365
Operating assets	8,576,384	723,258	347,618	1,008,690	10,655,950

	2020 (Consolidated)				Total
	Properties for lease	Real estate	Projects	Management and other	
Gross revenue	1,092,643	6,649	(6,340)	76,624	1,169,576
Costs	(270,624)	(4,156)	-	-	(274,780)
Expenses	(82,232)	(5,923)	(10,152)	(146,005)	(244,312)
Other	534,742	(25)	563	(115,434)	419,846
Income before income and social contribution taxes	1,274,529	(3,455)	(15,929)	(184,815)	1,070,330
Operating assets	8,165,447	642,608	737,003	1,019,226	10,564,284

26. Financial instruments and risk management

The main financial liabilities of the Company refer to loans and financing, trade accounts payable and other accounts payable. The main purpose of these financial liabilities is to finance the Company's operations. The Company's main financial assets include accounts receivable, cash and cash equivalents and short-term investments resulting directly from its operations.

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

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Notes to individual and consolidated financial statements (Continued)
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26. Financial instruments and risk management (Continued)

26.1. Capital risk management

The Company and its subsidiaries manage their capital in order to continue as a going concern, while maximizing the return of their operations to all stakeholders, through the optimization of the use of debt and equity instruments.

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

Debt-to-equity ratio is as follows:

	Individual		Consolidated	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Debt (a)	2,962,832	3,156,396	3,266,980	3,378,089
Cash and cash equivalents and short-term investments	(511,794)	(644,875)	(778,463)	(1,223,414)
Net debt	2,451,038	2,511,521	2,488,517	2,154,675
Equity (b)	6,360,383	6,229,725	6,363,193	6,233,023
Net debt-to-equity ratio	38.54%	40.32%	39.11%	34.57%

(a) Debt is defined as loans and financing, debentures and property acquisition obligations, current and noncurrent, as detailed in Notes 12, 14 and 15.

Of the total debt defined in item (a) above, R\$497,162 refers to the amount classified in the individual financial statements and maturing in the short-term at December 31, 2021 (R\$475,673 at December 31, 2020) and R\$2,465,369 classified as noncurrent at December 31, 2021 (R\$2,659,234 at December 31, 2020). In the consolidated financial statements, at December 31, 2021, R\$535,989 is classified as current (R\$531,981 at December 31, 2020) and R\$2,730,990 as noncurrent at December 31, 2021 (R\$2,846,108 at December 31, 2020).

Equity includes paid-in capital and reserves.

26.2. Market risk management

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

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

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26. Financial instruments and risk management (Continued)

26.2. Market risk management (Continued)

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

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

26.2.1. Interest rate risk management

Interest rate risk refers to:

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

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Notes to individual and consolidated financial statements (Continued)

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26. Financial instruments and risk management (Continued)

26.2. Market risk management (Continued)

26.2.2. Credit risk related to service rendering

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

26.2.3. Financial credit risk

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

26.2.4. Sensitivity analysis

In order to analyze the sensitivity of financial asset and liability indexes to which the Company is exposed as at December 31, 2021, five different scenarios were defined and a sensitivity analysis to fluctuations in the indexes of such instruments was prepared. At December 24, 2021, the IGP-M and IPCA index projection was extracted from the FOCUS Report, the IGP-DI index was extracted from the FGV official website, the CDI index was extracted from the CETIP official website, and the reference rate (TR) was extracted from BM&F BOVESPA official website for 2021. Such indexes and rates were considered to be probable scenario and 25% and 50% decreases and increases were calculated.

Indexes of financial assets and liabilities

Index	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
CDI	4.58%	6.86%	9.15%	11.44%	13.73%
IGP-DI	8.87%	13.31%	17.74%	22.18%	26.61%
IGP - M	8.74%	13.10%	17.47%	21.84%	26.21%
IPCA	5.01%	7.52%	10.02%	12.53%	15.03%

Financial assets

Gross revenue was calculated for each scenario at December 31, 2021, based on one-year projection and not taking into consideration any tax levied on income. The sensitivity of the indexes for each scenario was analyzed.

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Notes to individual and consolidated financial statements (Continued)

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26. Financial instruments and risk management (Continued)

26.2. Market risk management (Continued)

26.2.4. Sensitivity analysis (Continued)

Financial assets (Continued)

Sensitivity of income - 2021

		Individual					
		Balance at 12/31/2021	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	287,124	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	224,670	10,279	15,418	20,557	25,697	30,836
		511,794	10,279	15,418	20,557	25,697	30,836
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	178,803	15,860	23,790	31,720	39,650	47,579
Trade accounts receivable - straight-line	IGP-DI	146,450	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - key money	IGP-DI	21,907	1,943	2,915	3,886	4,858	5,829
Trade accounts receivable - sale of completed units	IGP-M+12%	8,227	1,706	2,065	2,424	2,784	3,143
Other trade accounts receivable	N/A	22,282	N/A	N/A	N/A	N/A	N/A
		377,669	19,509	28,770	38,030	47,292	56,551
Transactions with related parties							
Shopping Mall Association	N/A	35,501	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums	N/A	4,931	N/A	N/A	N/A	N/A	N/A
Charges	N/A	10,683	N/A	N/A	N/A	N/A	N/A
Delivery Center	N/A	10,248	N/A	N/A	N/A	N/A	N/A
Sundry loans and advances	N/A	286	N/A	N/A	N/A	N/A	N/A
		61,649	N/A	N/A	N/A	N/A	N/A
Total		951,112	29,788	44,188	58,587	72,989	87,387
		Consolidated					
		Balance at 12/31/2021	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Cash and cash equivalents and short-term investments							
Cash and cash equivalents	N/A	553,793	N/A	N/A	N/A	N/A	N/A
Short-term investments	100% CDI	224,670	10,279	15,418	20,557	25,697	30,836
		778,463	10,279	15,418	20,557	25,697	30,836
Accounts receivable							
Trade accounts receivable - store lease	IGP-DI	233,127	20,678	31,018	41,357	51,696	62,035
Straight-line effect	IGP-DI	193,316	N/A	N/A	N/A	N/A	N/A
Trade accounts receivable - key money	IGP-DI	28,287	2,509	3,764	5,018	6,273	7,527
Trade accounts receivable - sale of completed units	IGP-M+11%	43,331	8,551	10,444	12,336	14,229	16,121
Trade accounts receivable - sale of completed units	IGP-M+12%	8,227	1,706	2,065	2,424	2,784	3,143
Other trade accounts receivable	N/A	56,855	N/A	N/A	N/A	N/A	N/A
		563,143	33,444	47,291	61,135	74,982	88,826
Transactions with related parties							
Shopping Mall Associations	N/A	57,587	N/A	N/A	N/A	N/A	N/A
Shopping Mall Condominiums	N/A	12,316	N/A	N/A	N/A	N/A	N/A
Charges	N/A	17,394	N/A	N/A	N/A	N/A	N/A
Delivery Center	N/A	10,248	N/A	N/A	N/A	N/A	N/A
Loans - other	N/A	71	N/A	N/A	N/A	N/A	N/A
		97,616	N/A	N/A	N/A	N/A	N/A
Total		1,439,222	43,723	62,709	81,692	100,679	119,662

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Notes to individual and consolidated financial statements (Continued)

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(In thousands of reais, unless otherwise stated)

26. Financial instruments and risk management (Continued)

26.2. Market risk management (Continued)

26.2.4. Sensitivity analysis (Continued)

Financial liabilities

Finance cost projection – 2021

Individual

The Company calculated gross finance costs for each scenario, not taking into account the taxes levied and the aging list of contracts for 2021. The reporting date used was December 31, 2021, projecting indexes for one year and checking their sensitivity in each scenario.

	Remuneration rate	Balance at 12/31/2021	50% decrease	25% decrease	Probable scenario	25% increase	50% increase
Loans and financing							
Banco Itaú VLG	TR + 7.5%	105,302	7,898	7,898	7,898	7,898	7,898
CCB - BB 200M	CDI + 1.75%	208,095	13,162	17,922	22,682	27,443	32,203
CCB ITAU 250	CDI + 1.95%	255,127	16,647	22,483	28,319	34,155	39,991
CCB ITAU 225	TR + 7.5%	201,815	15,136	15,136	15,136	15,136	15,136
	105.85% of						
Bradesco MTE JPA	CDI	371,584	17,994	26,992	35,989	44,986	53,983
Borrowing costs	N/A	203	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	(17,848)	N/A	N/A	N/A	N/A	N/A
		1,124,278	70,837	90,431	110,024	129,618	149,211
Property acquisition obligations							
Atlético Mineiro	CDI + 3%	123,742	9,912	13,011	16,111	19,211	22,311
Manati	100% of CDI	2,643	121	181	242	302	363
		126,385	10,033	13,192	16,353	19,513	22,674
Debentures							
	107.25% of						
3 rd issue of debentures	CDI	303,693	14,901	22,352	29,803	37,253	44,704
7 th issue of debentures	106% of CDI	355,406	17,235	25,853	34,471	43,089	51,706
10 th issue of debentures	100% of CDI	458,051	20,956	31,434	41,912	52,390	62,868
4 th and 5 th issue of debentures (CRI)	95% of CDI	602,878	26,203	39,304	52,405	65,507	78,608
Borrowing costs	N/A	(7,859)	N/A	N/A	N/A	N/A	N/A
		1,712,169	79,295	118,943	158,591	198,239	237,886
Total		2,962,832	160,165	222,566	284,968	347,370	409,771

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

26. Financial instruments and risk management (Continued)

26.2. Market risk management (Continued)

26.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

Finance cost projection – 2021 (Continued)

Consolidated

	Remunerati on rate	Balance at 12/31/2021	50% decrease	25% decrease	Probable scenario	25% increase	25% increase
Loans and financing							
Banco Itaú VLG	TR + 7.5%	105,302	7,898	7,898	7,898	7,898	7,898
CCB - BB 200M	CDI + 1.75%	208,095	13,162	17,922	22,682	27,443	32,203
CCB ITAU 250	CDI + 1.95%	255,127	16,647	22,483	28,319	34,155	39,991
CCB ITAU 225	TR +7.5%	201,815	15,136	15,136	15,136	15,136	15,136
	105.85% of						
Bradesco MTE JPA	CDI	371,584	17,994	26,992	35,989	44,986	33,983
Morumbi Corporate - GTIY	CDI + 0.85%	80,857	4,387	6,236	8,086	9,935	11,785
Bradesco - Canoas	TR + 7.5%	115,950	8,696	8,696	8,696	8,696	8,696
Borrowing costs	N/A	(27,391)	N/A	N/A	N/A	N/A	N/A
Cia. Real de Distribuição	N/A	203	N/A	N/A	N/A	N/A	N/A
		1,311,542	83,920	105,363	126,806	148,249	149,692
Property acquisition obligations							
Atlético Mineiro	CDI + 3%	123,742	9,912	13,011	16,111	19,211	22,311
Manati	100% of CDI	2,643	121	181	242	302	363
Jockey	IGPM	116,883	6,267	9,400	12,534	15,667	18,801
		243,268	16,300	22,592	28,887	35,180	41,475
Debentures							
	107.25% of						
3 rd issue of debentures	CDI	303,693	14,901	22,352	29,803	37,253	44,704
7 th issue of debentures	106% of CDI	355,406	17,235	25,853	34,471	43,089	51,706
10 th issue of debentures	100% of CDI	458,051	20,956	31,434	41,912	52,390	62,868
4 th and 5 th issue of debentures (CRI)	95% of CDI	602,878	26,203	39,304	52,405	65,507	78,608
Borrowing costs	N/A	(7,859)	N/A	N/A	N/A	N/A	N/A
		1,712,169	79,295	118,943	158,591	198,239	237,886
Total		3,266,979	179,515	246,898	314,284	381,668	429,053

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
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26. Financial instruments and risk management (Continued)

26.2. Market risk management (Continued)

26.2.4. Sensitivity analysis (Continued)

Financial liabilities (Continued)

Finance cost projection – 2021 (Continued)

Consolidated (Continued)

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

In the period ended December 31, 2021, the Company's financial assets and liabilities generated net finance income (costs) amounting to R\$114,154 (R\$ 76,120 at December 31, 2020).

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

26.2.5. Liquidity risk management

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

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

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

26. Financial instruments and risk management (Continued)

26.2. Market risk management (Continued)

26.2.5. Liquidity risk management (Continued)

December 31, 2021	Individual			Total
	Within one year	From one to three years	Above three years	
Loans and financing	139,146	360,135	1,284,832	1,784,113
Property acquisition obligations	77,554	57,402	-	134,956
Debentures	87,198	1,214,591	1,035,589	2,337,378
Total	303,898	1,632,128	2,320,421	4,256,447

December 31, 2020	Individual			Total
	Within one year	From one to three years	Above three years	
Loans and financing	412,605	476,030	755,403	1,644,038
Property acquisition obligations	131,888	128,215	375	260,478
Debentures	51,249	908,941	1,053,836	2,014,026
Total	595,742	1,513,186	1,809,614	3,918,542

December 31, 2021	Consolidated			Total
	Within one year	From one to three years	Above three years	
Loans and financing	174,435	448,084	1,416,583	2,039,102
Property acquisition obligations	83,560	162,113	15,009	260,682
Debentures	87,198	1,214,591	1,035,589	2,337,378
Total	345,193	1,824,788	2,467,181	4,637,162

December 31, 2020	Consolidated			Total
	Within one year	From one to three years	Above three years	
Loans and financing	455,356	563,607	918,418	1,937,381
Property acquisition obligations	137,550	128,215	375	266,140
Debentures	51,249	908,941	1,053,836	2,014,026
Total	644,155	1,600,763	1,972,629	4,217,547

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

26. Financial instruments and risk management (Continued)

26.3. Category of the main financial instruments

The main financial instruments classified by category are as follows:

	Individual		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial assets at fair value through profit or loss				
Cash and cash equivalents	287,124	644,875	553,793	1,223,414
Short-term investments	224,670	-	224,670	-
Financial assets at amortized cost				
Accounts receivable	377,669	379,101	563,143	544,150
Related-party receivables	61,649	45,158	97,616	57,752
Financial liabilities at amortized cost				
Loans and financing	1,124,678	1,258,789	1,311,542	1,475,436
Property acquisition obligations	126,385	251,744	243,268	256,790
Debentures	1,712,169	1,645,863	1,712,169	1,645,863

The fair values and carrying amounts of financial liabilities stated in the statement of financial position are as follows:

Instruments	Individual			
	December 31, 2021		December 31, 2020	
	Book value	Fair value	Book value	Fair value
Loans and financing	1,142,126	1,121,598	1,280,399	1,235,520
Debentures	1,720,029	1,716,318	1,657,084	1,627,194
Total funds raised	2,862,155	2,837,916	2,937,483	2,862,714
Total borrowing costs	(25,707)		(32,831)	
Total funds raised, net	2,836,448		2,904,652	
Instruments	Consolidated			
	December 31, 2021		December 31, 2020	
	Book value	Fair value	Book value	Fair value
Loans and financing	1,338,933	1,299,745	1,507,897	1,459,056
Debentures	1,720,029	1,716,318	1,657,084	1,627,194
Total funds raised	3,058,962	3,016,063	3,164,981	3,086,250
Total borrowing costs	(35,250)		(43,682)	
Total funds raised, net	3,023,712		3,121,299	

Multiplan Empreendimentos Imobiliários S.A.

Notes to individual and consolidated financial statements (Continued)
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

26. Financial instruments and risk management (Continued)

26.3. Category of the main financial instruments (Continued)

Valuation techniques and assumptions applied for purposes of fair value calculation

The estimated fair values of financial assets and liabilities of the Company and its subsidiaries have been determined using available market information and appropriate valuation methodologies in conformity with the financial statements for the year ended December 31, 2021.

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

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

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

27. Earnings per share

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

	December 31, 2021		December 31, 2020	
	Individual	Consolidated	Individual	Consolidated
A	Weighted average of shares issued	600,760,875	600,760,875	600,760,875
B	Weighted average of treasury shares	8,171,117	3,881,712	3,881,712
C= A - B	Average shares	592,589,758	596,879,163	596,879,163
D	Dilutive	6,507,938	5,281,625	5,281,625
E	Net income for the year attributed to Company's shareholders	453,330	965,070	964,174
E/C	Earnings per share - basic	0.7650	1.6169	1.6154
E/(C+D)	Adjusted earnings per share – diluted	0.7567	1.6027	1.6012

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Notes to individual and consolidated financial statements (Continued)

December 31, 2021 and 2020

(In thousands of reais, unless otherwise stated)

28. Transações que não envolvem caixa ou equivalente de caixa nas atividades de investimento e financiamento

- Capital increase in Multiplan Greenfield XI Empr. Imob. Ltda. by the parent company amounting to R\$350,645, with no cash disbursement. This increase occurred through transfer of assets referring to 20% interests in BH Shopping amounting to R\$340,016 as investment property, R\$10,237 as accounts receivable and R\$392 as other assets (Note 9).
- The Company executed the rescission of Parkshopping Global project with BNI Empreendimentos e Participações S.A. and wrote off investment property amounting to R\$ 24,521. Out of this amount, R\$ 10,661, R\$ 8,339 and R\$3,521 had no cash impact and were reclassified to inventories, accounts receivable and expenses with lease projects. Only the amount of R\$ 2.,000 was received in cash (Note 9).
The Company recorded judicial deposits made by related parties, which had no impact on Company cash, amounting to R\$106,395 – individual and R\$108,095 – consolidated (Note 17).

29. Events after the reporting period

In January 2022, subsidiary Multiplan Administradora de Shopping Centers Ltda. (“MTA”), which operates the shopping malls’ parking lots, received a tax deficiency notice referring to collection of PIS and COFINS (R\$18,972) credited by MTA due to payment of expenses with rental of areas for performance of its activities. Management disagrees with this tax procedure and the Company’s external legal advisors will file contestation.

From January 01, 2022 and February 09, 2022, 1,723,000 shares issued by the Company were repurchased, in accordance with the repurchase program in effect dated from December 01, 2020 to June 01, 2022.