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Company Information / Capital Breakdown

Number of shares (Unit)	Last fiscal year 12/31/2021
Paid-in capital	
Common shares	686,224,353
Preferred shares	0
Total	686,224,353
Treasury shares	
Common shares	4,921,188
Preferred shares	0
Total	4,921,188

Individual Financial Statements / Statement of Financial Position - Assets**(In thousands of reais)**

Account Code	Account Description	Last year 12/31/2021	Year before last 12/31/2020	Second year before last 12/31/2019
1	Total assets	6,114,073	5,876,198	4,356,956
1.01	Current assets	668,998	928,198	523,096
1.01.01	Cash and cash equivalents	195,902	269,607	182,396
1.01.01.01	Cash and cash equivalents	195,902	269,607	182,396
1.01.02	Financial investments	440,554	550,505	224,433
	Short-term Investments Measured at Fair Value Through			
1.01.02.01	Profit or Loss	440,554	550,505	224,433
1.01.03	Accounts receivable	2,818	431	723
1.01.03.01	Trade accounts receivable	2,818	431	723
1.01.08	Other current assets	29,724	107,655	115,544
1.01.08.03	Other	29,724	107,655	115,544
1.01.08.03.01	Sundry receivables	16,960	46,577	59,906
1.01.08.03.02	Receivables from related parties	12,764	61,078	55,638
1.02	Noncurrent assets	5,445,075	4,948,000	3,833,860
1.02.01	Long-term receivables	269,094	324,351	210,264
1.02.01.04	Accounts receivable	0	0	62,027
1.02.01.09	Receivables from related parties	262,010	314,330	141,639
1.02.01.09.04	Receivables from related parties	262,010	314,330	141,639
1.02.01.10	Other noncurrent assets	7,084	10,021	6,598
1.02.01.10.03	Sundry receivables	7,084	10,021	6,598
1.02.02	Investments	5,167,261	4,614,866	3,612,772
1.02.02.01	Equity Interests	4,759,139	4,210,247	3,466,384
1.02.02.01.02	Interest Held in Subsidiaries	4,759,139	4,210,247	3,466,384
1.02.02.02	Investment properties	408,122	404,619	146,388
1.02.03	Property and equipment	4,637	4,363	5,513
1.02.03.01	Property and Equipment in Operation	4,637	4,363	5,513
1.02.04	intangible assets	4,083	4,420	5,311
1.02.04.01	Intangible assets	4,083	4,420	5,311

Individual Financial Statements / Statement of Financial Position - Liabilities and Equity

(In thousands of reais)

Account Code	Account Description	Last year 12/31/2021	Year before last 12/31/2020	Second year before last 12/31/2019
2	Total liabilities	6,114,073	5,876,198	4,356,956
2.01	Current liabilities	975,035	1,643,545	978,876
2.01.04	Loans and financing	222,754	342,496	99,489
2.01.04.01	Loans and financing	170,288	296,655	99,152
2.01.04.02	Debentures	52,466	45,841	337
2.01.04.02.01	Debentures	52,466	45,841	337
2.01.05	Other obligations	752,281	1,301,049	879,387
2.01.05.01	Payables to related parties	631,833	1,148,813	826,157
2.01.05.01.04	Payables to other related parties	631,833	1,148,813	826,157
2.01.05.02	Other	120,448	152,236	53,230
2.01.05.02.02	Mandatory minimum dividend payable	108,992	144,361	35,500
2.01.05.02.05	Sundry payables	10,295	2,013	17,105
2.01.05.02.06	Trade accounts payable and other	1,161	5,862	625
2.02	Noncurrent liabilities	674,474	483,907	363,951
2.02.01	Loans and financing	521,444	393,243	297,351
2.02.01.01	Loans and financing	139,338	61,786	177,631
2.02.01.02	Debentures	382,106	331,457	119,720
2.02.01.02.01	Debentures	382,106	331,457	119,720
2.02.02	Other obligations	116,890	8,199	66,600
2.02.02.02	Other	116,890	8,199	66,600
2.02.02.02.03	Payables to related parties	0	0	66,310
2.02.02.02.04	Sundry payables	21,842	8,199	290
2.02.02.02.05	Trade accounts payable and other	95,048	0	0
2.02.03	Deferred taxes	29,140	75,465	0
2.02.03.01	Deferred income and social contribution taxes	29,140	75,465	0
2.02.04	Provisions	7,000	7,000	0
	Provisions for tax, social security, labor and civil contingencies	7,000	7,000	0
2.02.04.01.05	Provisions for contingencies	7,000	7,000	0
2.03	Equity	4,464,564	3,748,746	3,014,129

Individual Financial Statements / Statement of Financial Position - Liabilities and Equity

(In thousands of reais)

Account Code	Account Description	Last year 12/31/2021	Year before last 12/31/2020	Second year before last 12/31/2019
2.03.01	Paid-in Capital	1,865,950	1,860,183	1,436,138
2.03.01.01	Paid-in Capital	1,865,950	1,860,183	1,436,138
2.03.04	Income reserves	2,598,614	1,888,563	1,577,991
2.03.04.10	Income reserves	2,685,486	1,935,432	1,599,399
2.03.04.11	Other reserves	-86,872	-46,869	-21,408

Individual Financial Statements / Statement of Profit or Loss**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
3.04	Operating Income/Expenses	972,888	744,591	341,659
3.04.01	Selling expenses	-25,427	-24,455	-11,295
3.04.02.01	Selling, general and administrative expenses	-25,427	-24,455	-11,295
3.04.05	Other operating expenses	-141,911	212,654	-9,404
3.04.05.01	Other operating income (expenses)	-5,662	-9,302	-9,404
3.04.05.02	Fair value of investment properties	-136,249	221,956	0
3.04.06	Equity pickup	1,140,226	556,392	362,358
3.05	Income (loss) before finance income (costs) and taxes	972,888	744,591	341,659
3.06	Finance income (costs)	-15,749	-25,417	-19,428
3.06.01	Finance income	26,068	24,808	18,029
3.06.02	Finance costs	-41,817	-50,225	-37,457
3.07	Income (loss) before income taxes	957,139	719,174	322,231
3.08	Income and social contribution taxes	46,325	-75,465	0
3.08.02	Deferred	46,325	-75,465	0
3.09	Net Income (Loss) from Continuing Operations	1,003,464	643,709	322,231
3.11	Income/loss for the period	1,003,464	643,709	322,231
3.99	Earnings per share (reais/share)			
3.99.01	Basic earnings per share			
3.99.01.01	Registered Common Shares	1.45735	0.97358	0.59309
3.99.02	Diluted earnings per share			
3.99.02.01	Registered Common Shares	1.44916	0.96326	0.57865

Individual Financial Statements / Statement of Comprehensive Income**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
4.01	Net income for the period	1,003,464	643,709	322,231
4.02	Other comprehensive income (loss)	-5,405	17,173	-14,623
4.02.01	Fair value adjustment of securities available for sale	-5,405	14,588	-12,038
4.02.02	Translation adjustment of foreign investees	0	2,585	-2,585
4.03	Comprehensive income for the period	998,059	660,882	307,608

Individual Financial Statements / Statement of Cash Flows (Indirect Method)**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
6.01	Net cash flows from operating activities	26,096	-74,866	-44,334
6.01.01	Cash flows from operating activities	24,596	-43,779	-8,869
6.01.01.01	Income before income and social contribution taxes and noncontrolling interests	957,139	719,174	322,231
6.01.01.02	Depreciation and amortization of property and equipment items and intangible assets	2,962	4,502	4,973
6.01.01.03	Equity pickup	-1,140,226	-556,392	-362,358
6.01.01.04	Interest and monetary variations on loans, financing and debentures	34,673	16,015	0
6.01.01.05	Amortization of borrowing costs, financing, debentures and obligations with joint operators	3,499	8,330	35,821
6.01.01.08	Interest and monetary variations on assets and liabilities	48,314	-12,299	-10,406
6.01.01.09	Changes in fair value of investment properties	136,249	-221,956	0
6.01.01.10	Other adjustments	-18,014	-1,153	870
6.01.02	Changes in Assets and liabilities	1,500	-31,087	-35,465
6.01.02.01	Accounts receivable	-2,387	7,480	-352
6.01.02.05	Other assets and liabilities	33,471	-16,915	14,687
6.01.02.06	Interest paid on loans, financing and debentures	-29,584	-21,652	-49,800
6.02	Net cash flows from investing activities	205,622	-412,651	102,194
6.02.01	Redemptions (investments)	129,194	-310,568	-173,950
6.02.02	Acquisition of property and equipment and investment properties	-42,529	-33,432	-122,887
6.02.03	Acquisition of intangible assets	0	-2,037	-674
6.02.04	Capital increase in subsidiaries	-34,743	-205,213	-141,798
6.02.05	Proceeds from divestiture and disposal of investment properties	2,400	0	104,342
6.02.06	Related parties, net	151,300	138,599	437,161
6.03	Net cash flows from financing activities	-305,423	574,728	92,059
6.03.01	New loans, financing and debentures taken out	339,380	609,489	324,232
6.03.02	Repayment of loans, financing and debentures (principal)	-344,583	-278,391	-688,218
6.03.03	Dividends paid out	-269,361	-115,524	-34,612
6.03.04	Payment of capital	5,767	424,045	519,675
6.03.06	Share issue costs	0	-26,379	-29,018
6.03.07	Acquisition of noncontrolling interest	0	-18,500	0
6.03.08	Acquisition of treasury shares	-36,626	-20,012	0

Individual Financial Statements / Statement of Cash Flows (Indirect Method)**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
6.05	Increase (decrease) in cash and cash equivalents	-73,705	87,211	149,919
6.05.01	Opening balance of cash and cash equivalents	269,607	182,396	32,477
6.05.02	Closing balance of cash and cash equivalents	195,902	269,607	182,396

Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2021 to 12/31/2021

(In thousands of reais)

Account Code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity
5.01	Opening balances	1,860,183	-34,924	1,935,432	0	-11,945	3,748,746
5.03	Adjusted opening balances	1,860,183	-34,924	1,935,432	0	-11,945	3,748,746
5.04	Capital transactions with shareholders	5,767	-34,598	-19,418	-233,992	0	-282,241
5.04.01	Capital increase	5,767	0	0	0	0	5,767
5.04.03	Recognized options granted	0	2,028	0	0	0	2,028
5.04.04	Treasury shares acquired	0	-36,626	0	0	0	-36,626
5.04.06	Dividends	0	0	0	-233,992	0	-233,992
5.04.08	Transactions with shareholders	0	0	-19,418	0	0	-19,418
5.05	Total comprehensive income	0	0	0	1,003,464	-5,405	998,059
5.05.01	Net income for the period	0	0	0	1,003,464	0	1,003,464
5.05.02	Other comprehensive income	0	0	0	0	-5,405	-5,405
5.05.02.06	Fair value adjustment of securities available for sale	0	0	0	0	-5,405	-5,405
5.06	Internal changes in equity	0	0	769,472	-769,472	0	0
5.06.01	Setting up of reserves	0	0	50,173	-50,173	0	0
5.06.02	Realization of revaluation reserve	0	0	17,321	-17,321	0	0
5.06.04	Retained profits for the year through income reserve	0	0	701,978	-701,978	0	0
5.07	Closing balances	1,865,950	-69,522	2,685,486	0	-17,350	4,464,564

Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2020 to 12/31/2020

(In thousands of reais)

Account Code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity
5.01	Opening balances	1,436,138	7,710	1,599,399	0	-29,118	3,014,129
5.03	Adjusted opening balances	1,436,138	7,710	1,599,399	0	-29,118	3,014,129
5.04	Capital transactions with shareholders	424,045	-42,634	-163,316	-144,361	0	73,734
5.04.01	Capital increase	424,045	0	0	0	0	424,045
5.04.02	Share issue costs	0	-26,379	0	0	0	-26,379
5.04.03	Recognized options granted	0	3,757	0	0	0	3,757
5.04.04	Treasury shares acquired	0	-20,012	0	0	0	-20,012
5.04.06	Dividends	0	0	-98,413	-144,361	0	-242,774
5.04.08	Transactions with shareholders	0	0	-64,903	0	0	-64,903
5.05	Total comprehensive income	0	0	0	643,709	17,174	660,883
5.05.01	Net income for the period	0	0	0	643,709	0	643,709
5.05.02	Other comprehensive income	0	0	0	0	17,174	17,174
5.05.02.04	Translation adjustments for the period	0	0	0	0	2,585	2,585
5.05.02.06	Fair value adjustment of securities available for sale	0	0	0	0	14,589	14,589
5.06	Internal changes in equity	0	0	499,348	-499,348	0	0
5.06.01	Setting up of reserves	0	0	32,185	-32,185	0	0
5.06.02	Realization of revaluation reserve	0	0	34,080	-34,080	0	0
5.06.04	Retained profits for the year through income reserve	0	0	433,083	-433,083	0	0
5.07	Closing balances	1,860,183	-34,924	1,935,431	0	-11,944	3,748,746

Individual Financial Statements / Statement of Changes in Equity / SCE - 01/01/2019 to 12/31/2019

(In thousands of reais)

Account Code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive income	Equity
5.01	Opening balances	916,463	34,116	1,291,754	0	-14,495	2,227,838
5.03	Adjusted opening balances	916,463	34,116	1,291,754	0	-14,495	2,227,838
5.04	Capital transactions with shareholders	519,675	-26,406	-12,999	-1,587	0	478,683
5.04.01	Capital increase	519,675	0	0	0	0	519,675
5.04.02	Share issue costs	0	-29,018	0	0	0	-29,018
5.04.03	Recognized options granted	0	2,229	0	0	0	2,229
5.04.05	Treasury shares sold	0	383	0	0	0	383
5.04.06	Dividends	0	0	0	-1,587	0	-1,587
5.04.08	Transactions with shareholders	0	0	-12,999	0	0	-12,999
5.05	Total comprehensive income	0	0	0	322,231	-14,623	307,608
5.05.01	Net income for the period	0	0	0	322,231	0	322,231
5.05.02	Other comprehensive income	0	0	0	0	-14,623	-14,623
5.05.02.04	Translation adjustments for the period	0	0	0	0	-2,585	-2,585
5.05.02.06	Fair value adjustment of securities available for sale	0	0	0	0	-12,038	-12,038
5.06	Internal changes in equity	0	0	320,644	-320,644	0	0
5.06.01	Setting up of reserves	0	0	16,112	-16,112	0	0
5.06.02	Realization of revaluation reserve	0	0	299,772	-299,772	0	0
5.06.04	Retained profits for the year through income reserve	0	0	4,760	-4,760	0	0
5.07	Closing balances	1,436,138	7,710	1,599,399	0	-29,118	3,014,129

Individual Financial Statements / Statement of Value Added**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
7.01	Revenues	-134,886	223,981	2,834
7.01.02	Other revenues	-136,146	222,721	2,834
7.01.02.01	Other revenues	103	765	2,834
7.01.02.02	Changes in fair value of investment properties	-136,249	221,956	0
7.01.04	Allowance for/Reversal of expected credit losses	1,260	1,260	0
7.02	Inputs acquired from third parties	-23,983	-78,982	-76,009
7.02.02	Materials, power, services from suppliers and other	-23,983	-78,982	-76,009
7.03	Gross value added	-158,869	144,999	-73,175
7.04	Retentions	-3,499	-4,502	-4,973
7.04.01	Depreciation, amortization and depletion	-3,499	-4,502	-4,973
7.05	Net value added produced	-162,368	140,497	-78,148
7.06	Value added received in transfer	1,166,294	617,722	412,662
7.06.01	Equity pickup	1,140,226	556,392	362,358
7.06.02	Finance income	26,068	61,330	50,304
7.07	Total value added to be distributed	1,003,926	758,219	334,514
7.08	Distribution of value added	1,003,926	758,219	334,514
7.08.01	Personnel	11,175	19,329	4,207
7.08.01.01	Direct compensation	8,469	17,550	1,888
7.08.01.02	Benefits	1,804	1,084	1,702
7.08.01.03	Unemployment Compensation Fund (FGTS)	902	695	617
7.08.02	Taxes, charges and contributions	-45,934	76,625	1,186
7.08.02.01	Federal taxes	-46,079	76,229	1,072
7.08.02.03	Local taxes	145	396	114
7.08.03	Debt remuneration	35,221	18,556	6,890
7.08.03.01	Interest	34,710	17,871	6,129
7.08.03.02	Rental	511	685	761
7.08.04	Equity remuneration	1,003,464	643,709	322,231
7.08.04.02	Dividends	233,992	144,361	0
7.08.04.03	Retained Profits / Loss for the Period	769,472	499,348	322,231

Consolidated Financial Statements / Statement of Financial Position - Assets**(In thousands of reais)**

Account Code	Account Description	Last year 12/31/2021	Year before last 12/31/2020	Second year before last 12/31/2019
1	Total assets	8,411,534	7,282,039	5,837,934
1.01	Current assets	2,041,760	1,859,590	930,319
1.01.01	Cash and cash equivalents	421,743	480,160	286,335
1.01.01.01	Cash and cash equivalents	421,743	480,160	286,335
1.01.02	Financial investments	455,751	561,109	250,769
	Short-term Investments Measured at Fair Value Through			
1.01.02.01	Profit or Loss	455,751	561,109	250,769
1.01.02.01.03	Marketable securities	455,751	561,109	250,769
1.01.03	Accounts receivable	694,841	418,490	170,936
1.01.04	Inventories	275,855	246,678	153,759
1.01.04.01	Properties for sale	275,855	246,678	153,759
1.01.08	Other current assets	193,570	153,153	68,520
1.01.08.03	Other	193,570	153,153	68,520
1.01.08.03.01	Sundry receivables	193,570	153,153	68,520
1.02	Noncurrent assets	6,369,774	5,422,449	4,907,615
1.02.01	Long-term receivables	1,342,475	923,352	685,762
	Short-term Investments Measured at Fair Value Through			
1.02.01.01	Profit or Loss	0	0	6,595
1.02.01.04	Accounts receivable	364,948	210,734	117,189
1.02.01.05	Inventories	928,943	675,520	466,082
1.02.01.05.01	Properties for sale	928,943	675,520	466,082
1.02.01.09	Receivables from related parties	25,606	17,309	79,573
1.02.01.09.04	Receivables from related parties	25,606	17,309	79,573
1.02.01.10	Other noncurrent assets	22,978	19,789	16,323
1.02.01.10.03	Sundry receivables	22,978	19,789	16,323
1.02.02	Investments	3,648,342	3,312,587	3,174,380
1.02.02.01	Equity Interests	10,810	7,108	6,264
1.02.02.01.01	Equity interests held in associates	10,810	7,108	6,264
1.02.02.02	Investment properties	3,637,532	3,305,479	3,168,116
1.02.03	Property, plant and equipment	1,264,763	1,077,871	948,227
1.02.03.01	Property and Equipment in Operation	1,264,763	1,077,871	948,227

Consolidated Financial Statements / Statement of Financial Position - Assets**(In thousands of reais)**

Account Code	Account Description	Last year 12/31/2021	Year before last 12/31/2020	Second year before last 12/31/2019
1.02.04	intangible assets	114,194	108,639	99,246
1.02.04.01	Intangible assets	114,194	108,639	99,246

Consolidated Financial Statements / Statement of Financial Position - Liabilities and Equity

(In thousands of reais)

Account Code	Account Description	Last year 12/31/2021	Year before last 12/31/2020	Second year before last 12/31/2019
2	Total liabilities	8,411,534	7,282,039	5,837,934
2.01	Current liabilities	843,724	1,078,153	429,941
2.01.04	Loans and financing	258,627	384,142	179,638
2.01.04.01	Loans and financing	204,696	338,301	165,815
2.01.04.02	Debentures	53,931	45,841	13,823
2.01.04.02.01	Debentures	53,931	45,841	13,823
2.01.05	Other obligations	585,097	694,011	250,303
2.01.05.01	Payables to related parties	7,242	3,024	1,124
2.01.05.01.04	Payables to other related parties	7,242	3,024	1,124
2.01.05.02	Other	577,855	690,987	249,179
2.01.05.02.02	Mandatory minimum dividend payable	108,992	144,361	35,500
2.01.05.02.05	Sundry payables	190,425	139,038	89,974
2.01.05.02.06	Trade accounts payable and other	101,574	232,294	91,552
2.01.05.02.08	Advances from customers	176,864	175,294	32,153
2.02	Noncurrent liabilities	3,021,350	2,377,211	2,351,205
2.02.01	Loans and financing	1,718,365	1,183,044	1,026,708
2.02.01.01	Loans and financing	392,638	238,657	304,745
2.02.01.02	Debentures	1,325,727	944,387	721,963
2.02.01.02.01	Debentures	1,325,727	944,387	721,963
2.02.02	Other obligations	578,169	449,870	672,089
2.02.02.01	Payables to related parties	1,533	3,444	67,211
2.02.02.01.04	Payables to other related parties	1,533	3,444	67,211
2.02.02.02	Other	576,636	446,426	604,878
2.02.02.02.04	Sundry payables	296,070	274,042	99,173
2.02.02.02.05	Advances from customers	31,463	31,463	31,463
2.02.02.02.06	Trade accounts payable and other	249,103	140,921	474,242
2.02.03	Deferred taxes	704,133	733,091	648,356
2.02.03.01	Deferred income and social contribution taxes	704,133	733,091	648,356
2.02.04	Provisions	20,683	11,206	4,052

Consolidated Financial Statements / Statement of Financial Position - Liabilities and Equity

(In thousands of reais)

Account Code	Account Description	Last year 12/31/2021	Year before last 12/31/2020	Second year before last 12/31/2019
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	20,683	11,206	4,052
2.02.04.01.05	Provisions for contingencies	20,683	11,206	4,052
2.03	Consolidated Equity	4,546,460	3,826,675	3,056,788
2.03.01	Paid-in Capital	1,865,950	1,860,183	1,436,138
2.03.04	Income reserves	2,598,614	1,888,563	1,577,991
2.03.04.10	Income reserves	2,685,486	1,935,432	1,599,399
2.03.04.11	Other reserves	-86,872	-46,869	-21,408
2.03.09	Noncontrolling interests	81,896	77,929	42,659

Consolidated Financial Statements / Statement of Profit or Loss**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
3.01	Revenue from Sales and/or Services	2,007,441	1,170,550	636,789
3.02	Cost of sales and/or services	-613,475	-360,121	-326,386
3.03	Gross profit	1,393,966	810,429	310,403
3.04	Operating Income/Expenses	-280,455	5,742	300,570
3.04.02	General and administrative expenses	-258,724	-168,255	-143,012
3.04.02.01	Selling, general and administrative expenses	-258,724	-168,255	-143,012
3.04.05	Other operating expenses	-25,091	172,955	443,942
3.04.05.01	Other operating income (expenses)	-51,335	-22,641	6,614
3.04.05.02	Fair value of investment properties	26,244	195,596	437,328
3.04.06	Equity pickup	3,360	1,042	-360
3.05	Income (loss) before finance income (costs) and taxes	1,113,511	816,171	610,973
3.06	Finance income (costs)	-117,749	-65,107	-138,384
3.06.01	Finance income	147,323	75,777	19,905
3.06.01.01	Finance income	147,323	75,777	19,905
3.06.02	Finance costs	-265,072	-140,884	-158,289
3.06.02.02	Finance costs	-265,072	-140,884	-158,289
3.07	Income (loss) before income taxes	995,762	751,064	472,589
3.08	Income and social contribution taxes	-14,543	-112,210	-145,911
3.08.01	Current	-47,818	-27,887	-10,281
3.08.02	Deferred	33,275	-84,323	-135,630
3.09	Net Income (Loss) from Continuing Operations	981,219	638,854	326,678
3.11	Consolidated Income/Loss for the Period	981,219	638,854	326,678
3.11.01	Attributable to controlling interests	1,003,464	643,709	322,231
3.11.02	Attributable to noncontrolling interests	-22,245	-4,855	4,447
3.99	Earnings per share (reais/share)			
3.99.01	Basic earnings per share			
3.99.01.01	Registered Common Shares	1.45735	0.97358	0.60128
3.99.02	Diluted earnings per share			
3.99.02.01	Registered Common Shares	1.44916	0.96326	0.58664

Consolidated Financial Statements/ Statement of Comprehensive Income**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
4.01	Consolidated Net Income for the Period	981,219	638,854	326,678
4.02	Other comprehensive income (loss)	-5,405	17,173	-14,623
4.02.01	Translation adjustments	0	2,585	-2,585
4.02.02	Fair value adjustment to securities available for sale	-5,405	14,588	-12,038
4.03	Consolidated Comprehensive Income for the Period	975,814	656,027	312,055
4.03.01	Attributable to controlling interests	998,059	660,882	307,608
4.03.02	Attributable to noncontrolling interests	-22,245	-4,855	4,447

Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)

(In thousands of reais)

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
6.01	Net cash flows from operating activities	391,016	173,330	97,797
6.01.01	Cash flows from operating activities	1,224,892	652,960	147,623
6.01.01.01	Income before income and social contribution taxes and noncontrolling interests	995,762	751,064	472,589
6.01.01.02	Depreciation and amortization of property and equipment items and intangible assets	62,231	25,523	24,759
6.01.01.03	Equity pickup	-3,360	-1,042	360
6.01.01.04	Interest and monetary variations on loans, financing and debentures	156,686	79,090	62,418
6.01.01.05	Amortization of borrowing costs, financing, debentures and obligations with joint operators	4,314	10,915	42,513
6.01.01.08	Interest and monetary variations on assets and liabilities	8,038	-5,782	-9,704
6.01.01.09	Changes in fair value of investment properties	-26,244	-195,596	-437,328
6.01.01.12	Other adjustments	27,465	-11,212	-7,984
6.01.02	Changes in Assets and liabilities	-833,876	-479,630	-49,826
6.01.02.01	Accounts receivable	-438,053	-399,293	-27,805
6.01.02.04	Advances from customers and contract cancellations payable	1,570	143,141	10,576
6.01.02.05	Properties for sale	0	0	57,500
6.01.02.06	Other assets and liabilities	29,705	-8,790	14,050
6.01.02.07	Income and social contribution taxes paid	-47,818	-28,897	-6,281
6.01.02.08	Interest paid on loans, financing and debentures	-53,527	-47,367	-97,042
6.01.02.09	Interest paid on leases	-4,307	0	-824
6.01.02.10	Acquisition of land for development	-321,446	-138,424	0
6.02	Net cash from investing activities	-303,423	-544,436	-357,140
6.02.01	Redemptions (investments)	130,860	-293,356	-68,732
6.02.02	Acquisition of property and equipment items and investment properties	-422,410	-307,507	-314,155
6.02.03	Acquisition of intangible assets	-9,358	-8,532	-4,573
6.02.04	Future capital contributions in subsidiaries	0	0	-6,086
6.02.05	Proceeds from divestiture and disposal of investment properties	2,400	0	128,488
6.02.06	Related parties, net	-4,915	64,959	-92,082
6.03	Net cash from financing activities	-146,010	564,931	503,127
6.03.01	New loans, financing and debentures taken out	693,053	673,883	1,017,639
6.03.02	Repayment of loans, financing and debentures (principal)	-398,733	-339,193	-1,053,608

Consolidated Financial Statements / Statement of Cash Flows (Indirect Method)

(In thousands of reais)

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
6.03.03	Dividends paid out	-269,361	-115,524	-34,612
6.03.04	Payment of capital	5,767	424,045	519,675
6.03.05	Amount received due to assignment of beneficial interest on assets	0	0	112,213
6.03.06	Payment due to assignment of beneficial interest on assets	0	-184	-953
6.03.07	Share issue costs	0	-26,379	-29,018
6.03.08	Payment to joint operators	-125,312	0	0
6.03.09	Payment of leases (principal)	-14,798	-13,205	-14,980
6.03.10	Acquisition of noncontrolling interest	0	-18,500	-13,229
6.03.11	Acquisition of treasury shares	-36,626	-20,012	0
6.05	Increase (decrease) in cash and cash equivalents	-58,417	193,825	243,784
6.05.01	Opening balance of cash and cash equivalents	480,160	286,335	42,551
6.05.02	Closing balance of cash and cash equivalents	421,743	480,160	286,335

Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2021 to 12/31/2021

(In thousands of reais)

Account code	Account Description	Paid-in Capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity	Noncontrolling interests	Consolidated Equity
5.01	Opening balances	1,860,183	-34,924	1,935,432	0	-11,945	3,748,746	77,929	3,826,675
5.03	Adjusted opening balances	1,860,183	-34,924	1,935,432	0	-11,945	3,748,746	77,929	3,826,675
5.04	Capital transactions with shareholders	5,767	-34,598	-19,418	-233,992	0	-282,241	26,212	-256,029
5.04.01	Capital increase	5,767	0	0	0	0	5,767	26,212	31,979
5.04.03	Recognized options granted	0	2,028	0	0	0	2,028	0	2,028
5.04.04	Treasury shares acquired	0	-36,626	0	0	0	-36,626	0	-36,626
5.04.06	Dividends	0	0	0	-233,992	0	-233,992	0	-233,992
5.04.08	Transactions with shareholders	0	0	-19,418	0	0	-19,418	0	-19,418
5.05	Total comprehensive income	0	0	0	1,003,464	-5,405	998,059	-22,245	975,814
5.05.01	Net income for the period	0	0	0	1,003,464	0	1,003,464	-22,245	981,219
5.05.02	Other comprehensive income (loss)	0	0	0	0	-5,405	-5,405	0	-5,405
5.05.02.06	Fair value adjustment of securities available for sale	0	0	0	0	-5,405	-5,405	0	-5,405
5.06	Internal changes in equity	0	0	769,472	-769,472	0	0	0	0
5.06.01	Setting up of reserves	0	0	50,173	-50,173	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	17,321	-17,321	0	0	0	0
5.06.04	Retained profits for the year through income reserve	0	0	701,978	-701,978	0	0	0	0
5.07	Closing balances	1,865,950	-69,522	2,685,486	0	-17,350	4,464,564	81,896	4,546,460

Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2020 to 12/31/2020**(In thousands of reais)**

Account code	Account Description	Paid-in Capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings (accumulated losses)	Other comprehensive income (loss)	Equity	Noncontrolling interests	Consolidated Equity
5.01	Opening balances	1,436,138	7,710	1,599,399	0	-29,118	3,014,129	42,659	3,056,788
5.03	Adjusted opening balances	1,436,138	7,710	1,599,399	0	-29,118	3,014,129	42,659	3,056,788
5.04	Capital transactions with shareholders	424,045	-42,634	-163,316	-144,361	0	73,734	40,778	114,512
5.04.01	Capital increase	424,045	0	0	0	0	424,045	2,872	426,917
5.04.02	Share issue costs	0	-26,379	0	0	0	-26,379	0	-26,379
5.04.03	Recognized options granted	0	3,757	0	0	0	3,757	0	3,757
5.04.04	Treasury shares acquired	0	-20,012	0	0	0	-20,012	0	-20,012
5.04.06	Dividends	0	0	-98,413	-144,361	0	-242,774	0	-242,774
5.04.08	Transactions with shareholders	0	0	-64,903	0	0	-64,903	37,906	-26,997
5.05	Total comprehensive income	0	0	0	643,709	17,174	660,883	-5,508	655,375
5.05.01	Net income for the period	0	0	0	643,709	0	643,709	-4,855	638,854
5.05.02	Other comprehensive income (loss)	0	0	0	0	17,174	17,174	-653	16,521
5.05.02.04	Translation adjustments for the period	0	0	0	0	2,585	2,585	0	2,585
5.05.02.06	Fair value adjustment of securities available for sale	0	0	0	0	14,589	14,589	-653	13,936
5.06	Internal changes in equity	0	0	499,348	-499,348	0	0	0	0
5.06.01	Setting up of reserves	0	0	32,185	-32,185	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	34,080	-34,080	0	0	0	0
5.06.04	Retained profits for the year through income reserve	0	0	433,083	-433,083	0	0	0	0
5.07	Closing balances	1,860,183	-34,924	1,935,431	0	-11,944	3,748,746	77,929	3,826,675

Consolidated Financial Statements / Statement of Changes in Equity - SCE - 01/01/2019 to 12/31/2019

(In thousands of reais)

Account code	Account Description	Paid-in capital	Capital reserves, options granted and treasury shares	Income reserves	Retained earnings/accumulated losses	Other comprehensive income (loss)	Equity	Noncontrolling interests	Consolidated Equity
5.01	Opening balances	916,463	34,116	1,291,754	0	-14,495	2,227,838	39,409	2,267,247
5.03	Adjusted opening balances	916,463	34,116	1,291,754	0	-14,495	2,227,838	39,409	2,267,247
5.04	Capital transactions with shareholders	519,675	-26,406	-12,999	-1,587	0	478,683	427	479,110
5.04.01	Capital increase	519,675	0	0	0	0	519,675	427	520,102
5.04.02	Share issue costs	0	-29,018	0	0	0	-29,018	0	-29,018
5.04.03	Recognized options granted	0	2,229	0	0	0	2,229	0	2,229
5.04.05	Treasury shares sold	0	383	0	0	0	383	0	383
5.04.06	Dividends	0	0	0	-1,587	0	-1,587	0	-1,587
5.04.08	Transactions with shareholders	0	0	-12,999	0	0	-12,999	0	-12,999
5.05	Total comprehensive income	0	0	0	322,231	-14,623	307,608	2,823	310,431
5.05.01	Net income for the period	0	0	0	322,231	0	322,231	4,447	326,678
5.05.02	Other comprehensive income (loss)	0	0	0	0	-14,623	-14,623	-1,624	-16,247
5.05.02.04	Translation adjustments for the period	0	0	0	0	-2,585	-2,585	0	-2,585
5.05.02.06	Fair value adjustment of securities available for sale	0	0	0	0	-12,038	-12,038	-1,624	-13,662
5.06	Internal changes in equity	0	0	320,644	-320,644	0	0	0	0
5.06.01	Setting up of reserves	0	0	16,112	-16,112	0	0	0	0
5.06.02	Realization of revaluation reserve	0	0	299,772	-299,772	0	0	0	0
5.06.04	Retained profits for the year through income reserve	0	0	4,760	-4,760	0	0	0	0
5.07	Closing balances	1,436,138	7,710	1,599,399	0	-29,118	3,014,129	42,659	3,056,788

Consolidated Financial Statements / Statement of Value Added**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
7.01	Revenues	2,196,565	1,447,492	1,142,836
7.01.01	Sales of goods, products and services	2,161,136	1,252,450	703,906
7.01.02	Other revenues	35,429	195,042	438,930
7.01.02.01	Other revenues	8,049	764	3,085
7.01.02.02	Changes in fair value of investment properties	26,244	195,596	437,328
	Estimated changes in allowance for expected credit losses	1,136	-1,318	-1,483
7.02	Inputs acquired from third parties	-768,688	-518,705	-422,096
7.02.01	Costs of goods, products and services sold	-529,420	-284,352	-251,587
7.02.02	Materials, energy, third-party services and other expenses	-239,268	-234,353	-170,509
7.03	Gross value added	1,427,877	928,787	720,740
7.04	Retentions	-57,175	-25,523	-24,759
7.04.01	Depreciation, amortization and depletion	-57,175	-25,523	-24,759
7.05	Net value added produced	1,370,702	903,264	695,981
7.06	Value added received in transfer	164,105	178,397	52,215
7.06.01	Equity pickup	3,360	1,042	-360
7.06.02	Finance income	160,745	177,355	52,575
7.07	Total value added to be distributed	1,534,807	1,081,661	748,196
7.08	Distribution of value added	1,534,807	1,081,661	748,196
7.08.01	Personnel	183,553	136,600	112,536
7.08.01.01	Direct compensation	155,903	120,283	97,099
7.08.01.02	Benefits	19,355	11,471	10,161
7.08.01.03	Unemployment Compensation Fund (FGTS)	8,295	4,846	5,276
7.08.02	Taxes, charges and contributions	149,756	195,401	213,923
7.08.02.01	Federal taxes	105,155	173,216	192,233
7.08.02.02	State taxes	30,901	16,157	13,134
7.08.02.03	Local taxes	13,700	6,028	8,556
7.08.03	Debt remuneration	220,279	110,806	95,059
7.08.03.01	Interest	192,220	92,301	81,030
7.08.03.02	Rental	28,059	18,505	14,029

Consolidated Financial Statements / Statement of Value Added**(In thousands of reais)**

Account Code	Account Description	Last year 01/01/2021 to 12/31/2021	Year before last 01/01/2020 to 12/31/2020	Second year before last 01/01/2019 to 12/31/2019
7.08.04	Equity remuneration	981,219	638,854	326,678
7.08.04.02	Dividends	233,992	144,361	1,587
7.08.04.03	Retained Profits / Loss for the Period	769,472	499,348	320,644
7.08.04.04	Noncontrolling interests in retained profits	-22,245	-4,855	4,447

Notes

JHSF Participações S.A.
Statements of financial position as at December 31, 2021 and 2020

Assets

(In thousands of reais, unless otherwise stated)

Assets	Note	Individual		Consolidated	
		12-2021	12-2020	12-2021	12-2020
Current assets					
Cash and cash equivalents and marketable securities	4	636,456	820,112	877,494	1,041,269
Accounts receivable	5	2,818	431	694,841	418,490
Properties for sale	6	-	-	275,855	246,678
Sundry receivables	11	16,960	46,577	193,570	153,153
Receivables from related parties	15	12,764	61,078	-	-
Total current assets		668,998	928,198	2,041,760	1,859,590
Noncurrent assets					
Accounts receivable	5	-	-	364,948	210,734
Properties for sale	6	-	-	928,943	675,520
Sundry receivables	11	7,084	10,021	22,978	19,789
Receivables from related parties	15	262,010	314,330	25,606	17,309
Investments	7	4,759,139	4,210,247	10,810	7,108
Property and equipment and intangible assets	8 and 10	8,720	8,783	1,378,957	1,186,510
Investment properties	9	408,122	404,619	3,637,532	3,305,479
Total noncurrent assets		5,445,075	4,948,000	6,369,774	5,422,449
Total assets		6,114,073	5,876,198	8,411,534	7,282,039

Notes

JHSF Participações S.A.
Statements of financial position as at December 31, 2021 and 2020
Liabilities and Equity
(In thousands of reais, unless otherwise stated)

Liabilities and equity	Note	Individual		Consolidated	
		12-2021	12-2020	12-2021	12-2020
Current liabilities					
Trade accounts payable and other		1,161	5,862	101,574	232,294
Loans, financing and debentures	12	222,754	342,496	258,627	384,142
Sundry payables	14	10,295	2,013	190,425	139,038
Advances from customers	14	-	-	176,864	175,294
Dividends payable	15	108,992	144,361	108,992	144,361
Payables to related parties	15	631,833	1,148,813	7,242	3,024
Total current liabilities		975,035	1,643,545	843,724	1,078,153
Noncurrent liabilities					
Loans, financing and debentures	12	521,444	393,243	1,718,365	1,183,044
Trade accounts payable and other	13	95,048	-	249,103	140,921
Deferred taxes and contributions	16.1	29,140	75,465	704,133	733,091
Payables to related parties	15	-	-	1,533	3,444
Provision for contingencies	17	7,000	7,000	20,683	11,206
Advances from customers	14	-	-	31,463	31,463
Sundry payables	14	21,842	8,199	296,070	274,042
Total noncurrent liabilities		674,474	483,907	3,021,350	2,377,211
Equity	18				
Capital		1,865,950	1,860,183	1,865,950	1,860,183
Income reserves		2,685,486	1,935,432	2,685,486	1,935,432
Other reserves		(86,872)	(46,869)	(86,872)	(46,869)
Equity of controlling interests		4,464,564	3,748,746	4,464,564	3,748,746
Equity of noncontrolling interests		-	-	81,896	77,929
Total equity		4,464,564	3,748,746	4,546,460	3,826,675
Total liabilities and equity		6,114,073	5,876,198	8,411,534	7,282,039

See accompanying notes.

Notes

JHSF Participações S.A.
Statement of profit or loss
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

	Note	Individual		Consolidated	
		12-2021	12-2020	12-2021	12-2020
Net operating revenue	19	-	-	2,007,441	1,170,550
Operating costs	20	-	-	(613,475)	(360,121)
Gross profit		-	-	1,393,966	810,429
Operating income (expenses)		972,888	744,591	(280,455)	5,742
Selling, general and administrative expenses	20	(25,427)	(24,455)	(258,724)	(168,255)
Other operating income (expenses)	21	(5,662)	(9,302)	(51,335)	(22,641)
Changes in fair value of investment properties	9	(136,249)	221,956	26,244	195,596
Equity pickup	7	1,140,226	556,392	3,360	1,042
Income before finance income (costs)		972,888	744,591	1,113,511	816,171
Finance income (costs), net	22	(15,749)	(25,417)	(117,749)	(65,107)
Income before income and social contribution taxes		957,139	719,174	995,762	751,064
Income and social contribution taxes	16.2	46,325	(75,465)	(14,543)	(112,210)
Net income for the year		1,003,464	643,709	981,219	638,854
Income attributable to controlling interests		1,003,464	643,709	1,003,464	643,709
Loss attributable to noncontrolling interests		-	-	(22,245)	(4,855)
Number of shares at end of year	24	686,224,353	687,610,641	686,224,353	687,610,641
Number of treasury shares at end of year	24	4,921,188	2,800,000	4,921,188	2,800,000
Basic earnings per share - in reais (R\$)	24	1.45735	0.97358	1.45735	0.97358
Diluted earnings per share - in reais (R\$)	24	1.44916	0.96326	1.44916	0.96326

See accompanying notes.

Notes

JHSF Participações S.A.
Statement of comprehensive income
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Net income for the year	1,003,464	643,709	981,219	638,854
Equity adjustments	(5,405)	17,173	(5,405)	17,173
Fair value adjustment of securities available for sale	(5,405)	14,588	(5,405)	14,588
Translation adjustment of foreign investees	-	2,585	-	2,585
Total comprehensive income	998,059	660,882	975,814	656,027
Comprehensive income attributable to controlling interests			998,059	660,882
Comprehensive income attributable to noncontrolling interests			(22,245)	(4,855)

See accompanying notes.

Notes

JHSF Participações S.A.
Statements of changes in equity - Consolidated
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

Note	Capital	(-) Share issue costs	Recognized options granted	treasury shares	Income reserves			Equity adjustments	Retained earnings	Equity of controlling interests	Equity of noncontrolling interests	Total equity
					Legal reserve	Retained profits	Unearned income					
Balances at December 31, 2019	<u>1,436,138</u>	<u>(29,018)</u>	<u>36,728</u>	<u>-</u>	<u>102,488</u>	<u>464,472</u>	<u>1,032,440</u>	<u>(29,118)</u>	<u>-</u>	<u>3,014,129</u>	<u>42,659</u>	<u>3,056,788</u>
Fair value adjustment of securities available for sale	-	-	-	-	-	-	-	14,588	-	14,588	(653)	13,935
Translation adjustment of foreign investees	-	-	-	-	-	-	-	2,585	-	2,585	-	2,585
Capital increase	424,045	-	-	-	-	-	-	-	-	424,045	2,872	426,917
(-) Share issue costs	-	(26,379)	-	-	-	-	-	-	-	(26,379)	-	(26,379)
Stock option plan	-	-	3,757	-	-	-	-	-	-	3,757	-	3,757
Treasury shares	-	-	-	(20,012)	-	-	-	-	-	(20,012)	-	(20,012)
Transactions with noncontrolling interests	-	-	-	-	-	(64,903)	-	-	-	(64,903)	37,906	(26,997)
Net income for the year	-	-	-	-	-	-	-	-	643,709	643,709	(4,855)	638,854
Legal reserve	-	-	-	-	32,185	-	-	-	(32,185)	-	-	-
Unearned income reserve	-	-	-	-	-	-	34,080	-	(34,080)	-	-	-
Mandatory minimum dividends	-	-	-	-	-	-	-	-	(144,361)	(144,361)	-	(144,361)
Retained profits for the year through income reserve	-	-	-	-	-	433,083	-	-	(433,083)	-	-	-
Additional dividends	-	-	-	-	-	(98,413)	-	-	-	(98,413)	-	(98,413)
Balances at December 31, 2020	<u>1,860,183</u>	<u>(55,397)</u>	<u>40,485</u>	<u>(20,012)</u>	<u>134,673</u>	<u>734,239</u>	<u>1,066,520</u>	<u>(11,945)</u>	<u>-</u>	<u>3,748,746</u>	<u>77,929</u>	<u>3,826,675</u>
Fair value adjustment of securities available for sale	4	-	-	-	-	-	-	(5,405)	-	(5,404)	-	(5,404)
Capital increase	18	5,767	-	-	-	-	-	-	-	5,767	26,212	31,979
Stock option plan	28	-	2,028	-	-	-	-	-	-	2,028	-	2,028
Treasury shares	18	-	-	(36,626)	-	-	-	-	-	(36,626)	-	(36,626)
Transactions with noncontrolling interests	7	-	-	-	-	(19,418)	-	-	-	(19,418)	-	(19,418)
Net income for the year	-	-	-	-	-	-	-	-	1,003,464	1,003,464	(22,245)	981,219
Legal reserve	18	-	-	-	50,173	-	-	-	(50,173)	-	-	-
Unearned income reserve	18	-	-	-	-	-	17,321	-	(17,321)	-	-	-
Mandatory minimum dividends	18	-	-	-	-	-	-	-	(233,992)	(233,992)	-	(233,992)
Retained profits for the year through income reserve	18	-	-	-	-	701,978	-	-	(701,978)	-	-	-
Balances at December 31, 2021	<u>1,865,950</u>	<u>(55,397)</u>	<u>42,513</u>	<u>(56,638)</u>	<u>184,846</u>	<u>1,416,799</u>	<u>1,083,841</u>	<u>(17,350)</u>	<u>-</u>	<u>4,464,565</u>	<u>81,896</u>	<u>4,546,461</u>

See accompanying notes.

Notes

JHSF Participações S.A.
Statement of cash flows - indirect method
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

	Note	Individual		Consolidated	
		12-2021	12-2020	12-2021	12-2020
Operating activities					
Income before income and social contribution taxes		957,139	719,174	995,762	751,064
Adjustments to reconcile pre-tax income to cash from operating activities					
Depreciation and amortization of property and equipment and intangible assets	20	2,962	4,502	62,231	25,523
Interest and monetary variations on loans, financing and debentures	22	34,673	16,015	156,686	79,090
Interest and monetary variations on assets and liabilities		48,314	(12,299)	8,038	(5,782)
Amortization of borrowing costs, debentures and obligations with joint operators		3,499	8,330	4,314	10,915
Equity pickup	7	(1,140,226)	(556,392)	(3,360)	(1,042)
Changes in fair value of investment properties	9	136,249	(221,956)	(26,244)	(195,596)
Other adjustments		(18,014)	(1,153)	27,465	(11,212)
		24,596	(43,779)	1,224,892	652,960
Changes in assets and liabilities					
Accounts receivable		(2,387)	7,480	(438,053)	(399,293)
Related parties, net		-	176,963	-	103,323
Advances from customers and contract cancellations payable		-	-	1,570	143,141
Other assets and liabilities		33,471	(16,915)	29,705	(8,791)
Cash flow from (used in) operating activities before payments of taxes, interest and acquisition of land					
		55,680	(53,214)	818,114	388,018
Income and social contribution taxes paid		-	-	(47,818)	(28,897)
Interest paid on loans, financing and debentures	12.1 and 12.2	(29,584)	(21,652)	(53,527)	(47,367)
Interest paid on leases		-	-	(4,307)	(1,010)
Acquisition of land for development		-	-	(321,446)	(138,424)
Net cash from (used in) operating activities		26,096	(74,866)	391,016	173,330
Investing activities					
Redemptions (investments)		129,194	(310,568)	130,860	(293,356)
Acquisition of property and equipment and investment properties	8 and 9	(42,529)	(33,432)	(422,410)	(307,507)
Acquisition of intangible assets	10	-	(2,037)	(9,358)	(8,532)
Related parties, net		151,300	138,599	(4,915)	64,959
Capital increase in subsidiaries	7	(34,743)	(205,213)	-	-
Proceeds from divestiture and disposal of investment properties	5	2,400	-	2,400	-
Net cash from (used in) investing activities		205,622	(412,651)	(303,423)	(544,436)
From Financing activities					
Payment of capital		5,767	424,045	5,767	424,045
Acquisition of treasury shares	18	(36,626)	(20,012)	(36,626)	(20,012)
New loans, financing and debentures taken out	12.1 and 12.2	339,380	609,489	693,053	673,883
Repayment of loans, financing and debentures - principal	12.1 and 12.2	(344,583)	(278,391)	(398,733)	(339,193)
Related parties, net		-	176,963	-	103,323
Dividends paid out		(269,361)	(115,524)	(269,361)	(115,524)
Payment to joint operators	13	-	-	(125,312)	-
Other changes in investing activities		-	(44,879)	(14,798)	(58,268)
Net cash from (used in) financing activities		(305,423)	574,728	(146,010)	564,931
Increase (decrease) in cash and cash equivalents					
		(73,705)	87,211	(58,417)	193,825
At beginning of year	4	269,607	182,396	480,160	286,335
At end of year	4	195,902	269,607	421,743	480,160
Increase (decrease) in cash and cash equivalents		(73,705)	87,211	(58,417)	193,825

See accompanying notes.

Notes

JHSF Participações S.A.
Statement of value added
December 31, 2021 and 2020
(In thousands of reais, unless otherwise stated)

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
1. - Revenue	(134,886)	223,981	2,196,565	1,447,492
1.1 - Operating revenues	-	2,025	2,161,136	1,252,450
1.5 - Other revenues	103	765	8,049	764
1.2 - Changes in fair value of investment properties	(136,249)	221,956	26,244	195,596
1.7 - Estimated changes in allowance for expected credit losses	1,260	1,260	1,136	(1,318)
2. - Input	(23,983)	(78,982)	(768,688)	(518,705)
2.1 - Operating costs	-	-	(529,420)	(284,352)
2.1 - Cost with sale of properties	-	-	(332,699)	(181,860)
2.2 - Cost with shopping malls and commercial leases	-	-	(86,703)	(32,033)
2.3 - Cost with hotels and restaurants	-	-	(97,588)	(63,610)
2.4 - Cost with airport operations	-	-	(12,430)	(6,849)
2.2 - Materials, third-party services and other expenses	(23,983)	(78,982)	(239,268)	(234,353)
3. - Gross value added	(158,869)	144,999	1,427,877	928,787
4. - Retentions	(3,499)	(4,502)	(57,175)	(25,523)
4.1 Depreciation and amortization	(3,499)	(4,502)	(57,175)	(25,523)
5. - Net value added produced	(162,368)	140,497	1,370,702	903,264
6. - Value added received in transfer	1,166,294	617,722	164,105	178,397
6.1 - Finance income	26,068	61,330	160,745	177,355
6.2 - Gain (loss) on equity interests	1,140,226	556,392	3,360	1,042
7. - Value added to be distributed	1,003,926	758,219	1,534,807	1,081,661
8. - Value added distributed				
8.1 - Personnel and charges	11,175	19,329	183,553	136,600
8.1.1 - Direct compensation	8,468	17,550	155,903	120,283
8.1.2 - Benefits	1,804	1,084	19,355	11,471
8.1.3 - Unemployment Compensation Fund (FGTS)	902	695	8,295	4,846
8.2 - Taxes, charges and contributions	(45,934)	76,625	149,756	195,401
8.2.1 - Federal	(46,079)	76,229	105,155	173,216
8.2.2 - State	-	-	30,901	16,157
8.2.3 - Local	145	396	13,700	6,028
8.3 - Debt remuneration	35,221	18,556	220,279	110,806
8.3.1 - Interest	34,710	17,871	192,220	92,301
8.3.2 - Rentals	511	685	28,059	18,505
8.4 - Equity remuneration	1,003,464	643,709	981,219	638,854
8.4.1 - Mandatory minimum dividends	233,992	144,361	233,992	144,361
8.4.2 - Retained profits (losses to be absorbed)	769,472	499,348	769,472	499,348
8.4.3 - Noncontrolling interests	-	-	(22,245)	(4,855)
	1,003,926	758,219	1,534,807	1,081,661

See accompanying notes.

Notes**JHSF Participações S.A.**

Notes to individual and consolidated financial statements

December 31, 2021 and 2020

(Amounts expressed in thousands of reais)

1. Operations

JHSF Participações S.A. (the "Company") with headquarters at Avenida Magalhães de Castro, 4.800, Continental Tower - 27º andar, city and state of São Paulo, is a publicly-traded corporation registered with the Brazilian Securities and Exchange Commission ("CVM") under code 20605 with its shares traded on the São Paulo Stock Exchange under ticker symbol JHSF3. Organized on June 29, 2006, the Company is primarily engaged in operating as a holding company of other companies substantially dedicated to activities of construction and operation of shopping malls, real estate development, purchase and sale of residential and commercial properties, purchase and sale of goods, lease of owned commercial real estate, rendering of administration services, operation of hotel, gastronomy and tourism activities in general, and operation and management of airfield.

Significant ventures within the segments in which the Company operates are as follows:

Recurring Income (shopping malls)	Retail (stores)	Real estate developments	Hotels and restaurants	Airport
Shopping Cidade Jardim - SP	Sundek	Complexo Boa Vista - SP	Hotel Fasano - SP	São Paulo
Shopping Bela Vista - BA	Ines de La Fressange	Fasano Cidade Jardim - SP	Hotel Fasano Boa Vista - SP	Catarina
Shopping Ponta Negra - AM	Isabel Marant	Parque Catarina - SP	Hotel Fasano - RJ	Aeroporto
Catarina Fashion Outlet - SP	Celine		Restaurante Fasano	Executivo
Shops Jardins - SP	Brunello Cucinelli		Restaurante Gero Panini	Internacional
Faria Lima Shops - SP	Chloé		Restaurante Nonno Ruggero	
Boa Vista Market - SP	Balmain		Restaurante Parigi	
	Aquazzura		Restaurante Gero	
	Emilio Pucci			
	René Caovilla			

Other nonfinancial information on the Company's shopping malls' portfolio at December 31, 2021 is as follows:

Portfolio	Location	% JHSF	Total GLA (square meters)	GLA JHSF (square meters)
Shopping Cidade Jardim	São Paulo - SP	50.01%	38,851	19,429
Shopping Cidade Jardim (Expansion) (a)	São Paulo - SP	50.01%	14,847	7,425
Shopping Bela Vista	Salvador - BA	26%	51,351	13,351
Shopping Bela Vista (Expansion) (b)	Salvador - BA	26%	5,782	1,503
Catarina Fashion Outlet	São Roque - SP	50.01%	30,329	15,167
Catarina Fashion Outlet (Expansion) (c)	São Roque - SP	68%	41,644	28,318
Shops Jardins	São Paulo - SP	70%	5,066	3,546
Shopping Ponta Negra	Manaus - AM	40.01%	36,509	14,607
Faria Lima Shops (under development)	São Paulo - SP	100.00%	15,560	15,560
Boa Vista Market	Porto Feliz - SP	100.00%	903	903
			240,841	119,810

- Expansion started in the fourth quarter of 2019. The completion of the garage building took place in March 2021, and the completion of the expansion of stores is scheduled for December 2022.
- Expansion started in the first quarter of 2019, with opening scheduled for the second half of 2022.
- Expansion started in the third quarter of 2018, with opening scheduled for the second half of 2022.

Notes**JHSF Participações S.A.**

Notes to individual and consolidated financial statements
December 31, 2021 and 2020
(Amounts expressed in thousands of reais)

1.1. Assessment of the impacts of COVID-19 on the Company's business and financial statements

On March 10, 2020, the Brazilian Securities and Exchange Commission ("CVM") issued CVM/SNC/SEP Memorandum Circular No. 02/2020, highlighting the importance of Publicly-Held Companies carefully considering the impacts of COVID-19 on their business and reporting in the financial statements the main risks and uncertainties arising from such analysis, following the applicable accounting standards.

In this context, among the various risks and uncertainties to which the Company is exposed, special attention was given to those economic events that are related to going concern and/or to the accounting estimates made, such as: Fair value measurement, Impairment of assets, Revenue recognition, and Allowance for expected credit losses.

On March 17, 2020, the Company activated the Executive Management Committee, comprising the Company's Chief Officers and the Chairman of the Board of Directors, to analyze the development of the authorities' guidance and the needs for operational adjustments, focusing on actions to minimize the spread of the virus, seeking the safety of customers, employees and joint operators, and strengthening the day-to-day management of the business.

In general, the measures implemented focus on intensifying hygiene and cleaning protocols in the premises where the Company carry out its activities; maintenance of operational activities at the levels necessary to safely serve customers and employees; and adoption of the remote work regime (home office) for administrative employees.

In addition, the Company adopted Provisional Executive Orders No. 927 of March 22, 2020 and No. 936 of April 1, 2020, both of which have additional labor-related measures for combating COVID-19.

On the operational front, the business units were instructed to adapt operations to prioritize the health of the people involved as well as business commitments. Below are the updates on the Company's operations and business segments:

Shopping malls and stores

Details on the dates of activity suspension and return per project (1st and 2nd "wave" of COVID-19) are as follows:

Shopping malls	1st "wave"		2nd "wave"	
	Suspension date	Return date	Suspension date	Return date
Cidade Jardim	03/19/2020	06/11/2020	03/06/2021	04/18/2021
Bela Vista	03/21/2020	07/24/2020	02/27/2021	04/13/2021
Ponta Negra	03/21/2020	06/01/2020	01/01/2021	03/01/2021
Catarina Fashion Outlet	03/18/2020	06/03/2020	03/06/2021	04/18/2021
Cidade Jardim Shops (a)	-	-	03/06/2021	04/18/2021

(a) Opened in December 2020.

Notes**JHSF Participações S.A.**

Notes to individual and consolidated financial statements

December 31, 2021 and 2020

(Amounts expressed in thousands of reais)

Due to the temporary suspension of activities at the Company's shopping malls, it has suspended the collection of rentals from storeowners with whom it has a long-term relationship in April, May and June 2020, and March 2021. The Company has also implemented actions to reduce condominium fees and the promotion and advertising fund costs.

Hotels and restaurants

Hotels and restaurants were forced to suspend services in dining areas in the second half of March 2020 (1st wave of COVID-19) and in the second half of February 2021 (2nd wave of COVID-19), and this was the business segment that was most affected by COVID-19. To continue providing services to our customers, a delivery operation (Delivery Fasano) was implemented to serve the cities of São Paulo, Rio de Janeiro, Angra dos Reis and Fazenda Boa Vista. In April 2020, the Company also started receiving orders through the Ifood platform. Hospitality activities have resumed gradually from the second half of April 2021, with additional hygiene and safety measures.

Airport

At São Paulo Catarina International Executive Airport, operations continue 24 hours a day, 7 days a week, with the adoption of strict hygiene and safety protocols.

Real estate developments

Real estate development activities were kept. Sales remained strong, with high demand for the Company's products and increase in sales for the period.

Construction works at Fazenda Boa Vista and Boa Vista Village were interrupted during three weeks only in April 2020, they were resumed and the delivery schedule had not been impacted. In 2021, no construction work was interrupted. Default indicators remain stable.

Capital structure

In April 2020, the Company completed raising R\$300,000 (Note 12.2); R\$260,519 (Note 12.2) in March 2021; and R\$100,000 (Note 12.1) in the third quarter of 2021, which were used to prepay debts with a shorter term and higher cost than those of the fundraising. In the fourth quarter the Company assigned receivables in the amount of R\$250,494 (Note 5).

Following guidance provided by Brazil's National Association of State Boards of Accountancy (CFC) and the Brazilian Securities and Exchange Commission (CVM), the Company assessed the impacts and the Coronavirus monitoring measures in the financial statements for the year, and concluded that all significant aspects were observed and measured in the Company's assessments.

1.2. Bill No. 2337 of 2021: Impacts on determining the Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL)

On May 26, 2021, Bill No. 2337 of 2021 was submitted by the Executive Branch to the National Congress, which amends the legislation on Corporate Income Tax (IRPJ) and Social Contribution Tax on Net Profit (CSLL). The Company is monitoring and assessing all the impacts on its operations should Bill No. 2337 of 2021 be approved by the National Congress and sanctioned by the Executive Branch. However, at this time the Company will take no further action as regards this matter.

Notes**JHSF Participações S.A.**

Notes to individual and consolidated financial statements

December 31, 2021 and 2020

(Amounts expressed in thousands of reais)

1.3. Information on subsidiaries

The Company's equity interests held in its subsidiaries are as follows

Business activity/subsidiaries	(% Equity interest)			
	2021		2020	
	Direct	Indirect	Direct	Indirect
Recurring income				
JHSF Malls S.A.	16.85	83.14	16.85	83.14
Bela Vista Administradora de Condomínios e Shopping Centers S.A.	-	26.01	-	26.01
Cidade Jardim Comércio Digital Ltda.	-	100.00	-	100.00
Cidade Jardim Shops S.A.	70.00	-	70.00	-
Companhia Administradora de Empreendimentos e Serviços	-	100.00	-	100.00
JHSF Malls USA I, Inc.	-	100.00	-	100.00
JHSF Malls USA II, Inc	-	100.00	-	100.00
Companhia Urbanizadora Jardim Panorama	-	100.00	-	100.00
JHSF Incorporações Ltda.	99.99	0.01	99.99	0.01
JHSF Real Parque S.A.	99.99	0.01	99.99	0.01
Nova TH Empreendimentos e Incorporações Ltda.	99.99	0.01	99.99	0.01
Shopping Bela Vista S.A.(b)	0.01	99.99	0.01	99.99
Shopping Ponta Negra S.A. (b)	0.01	99.99	99.99	0.01
Sociedade Administradora de Estacionamento e Serviços S.A.	-	100.00	-	100.00
JHSF Malls Faria Lima Ltda. (a)	-	100.00	-	-
Sustenta Comercializadora de Energia S.A.	-	100.00	-	100.00
Sustenta Telecomunicações Ltda.	-	100.00	-	100.00
Real estate developments				
Polônia Incorporações Ltda.	99.99	0.01	99.99	0.01
Aveiro Incorporações Ltda.	99.99	0.01	99.99	0.01
Boa Vista de Desenvolvimento Imobiliário e Serviços de Concierge Ltda.	99.99	0.01	99.99	0.01
Canárias Administradora de Bens Ltda.	-	100.00	-	100.00
Capri Administradora de Bens Ltda.	-	100.00	-	100.00
Infinitum Incorporações Ltda.	99.99	0.01	99.99	0.01
JHSF Engenharia Ltda.	99.99	0.01	99.99	0.01
Milano Administradora de Bens Ltda.	-	100.00	-	100.00
Parque Catarina Incorporações Ltda.	-	100.00	-	100.00
Parque Ponta Negra Empreendimentos e Incorporações Ltda.	-	100.00	-	100.00
Santa Marina Desenvolvimento Imobiliário Ltda.	-	100.00	-	100.00
São Sebastião Desenvolvimento Imobiliário Ltda.	-	100.00	-	100.00
Shopping Vila Madalena Ltda.	-	100.00	-	100.00
JHSF Empreendimentos Village 01 Ltda.	-	100.00	-	100.00
JHSF Empreendimentos Village 02 Ltda.	-	100.00	-	100.00
JHSF Empreendimentos Village 03 Ltda.	-	100.00	-	100.00
JHSF Empreendimentos Village 04 Ltda.	-	100.00	-	100.00
JHSF Empreendimentos Village 06 Ltda.	-	100.00	-	100.00
Loteamento dos Plátanos Ltda.	-	100.00	-	100.00
Usina São Paulo S.A. (c)	13.40	53.60	-	-
FBV Desenvolvimento Imobiliário Ltda.	-	100.00	-	100.00
SPE Holding Fazenda Boa Vista Ltda. (a)	-	100.00	-	-
JHSF Empreendimentos Boa Vista Estates Ltda. (a)	-	100.00	-	-
Amenities FBV – V Campo Participações Ltda.	-	100.00	-	100.00
Amenities FBV – BV Participações Ltda.	-	100.00	-	100.00
Amenities FBV – São Sebastião Participações Ltda.	-	100.00	-	100.00
VFBV Empreendimentos. Imobiliários SPE Ltda. (a)	-	62.00	-	-
JHSF FBV Empreendimentos Ltda. (a)	47.75	52.25	-	-
RT 082 Empreendimentos e Participações Ltda. (a)	-	100.00	-	-

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Business activity/subsidiaries	(% Equity interest)			
	2021		2020	
	Direct	Indirect	Direct	Indirect
Hotels and restaurants				
Hotéis Fasano & Resorts S.A.	60.00	-	60.00	-
HMI BH Adm. Hoteleira Ltda.	-	86.00	-	86.00
HMI Holdco, LLC	-	99.90	-	99.90
Fasano Fifth Avenue, LLC	-	99.90	-	99.90
Fasano Restaurant New York	-	99.90	-	99.90
Hotel Marco Internacional S.A.	13.90	86.10	13.90	86.10
JHSF Fasano Administradora Hoteleira Ltda.	-	100.00	-	100.00
Maréa Restaurante Ltda. (d)	-	-	30.00	70.00
Restaurante Gero Ltda.	-	100.00	-	100.00
Restaurante Gero Rio S.A.	40.00	60.00	40.00	60.00
Restaurante Panini FL 3477 Ltda.	-	65.54	-	65.54
Restaurante Trattoria FL 3477 Ltda.	-	99.99	-	99.99
São Sebastião do Rio de Janeiro Administração de Restaurantes S.A.	30.00	70.00	30.00	70.00
São Sebastião do Rio de Janeiro Administradora Hoteleira S.A.	-	50.00	-	50.00
Airport				
JHSF Administradora do Catarina Aeroporto Executivo S.A.	99.99	0.01	99.99	0.01
JHSF Investimentos em Negócios Aeronáuticos Ltda.	95.67	-	95.67	-
JHSF Operadora do Catarina Aeroporto Executivo S.A.	99.99	0.01	99.99	0.01
SPCTA Taxi Aéreo Ltda.	-	99.99	-	99.99
JHSF Atividades Aeroportuárias Ltda. (a)	99.90	-	-	-
Boni Moris Administradora de Bens Ltda.	-	100.00	-	100.00
Catarina Serviços Aeronáuticos Ltda.	-	100.00	-	100.00
Rendering of services and other business				
CJ Mares Multimarcas e Participações Ltda.	-	70.00	-	70.00
Conceito Gestão e Com. Imobiliária Ltda.	-	99.99	-	100.00
Corbas Administradora de Bens Ltda.	99.99	0.01	99.99	0.01
JHSF Gestão de Investimentos Ltda.	99.99	0.01	99.99	0.01
JHSF Meios Eletrônicos Ltda.	99.99	0.01	99.99	0.01
Lyon Comércio, Importação. e Exportações Ltda.	99.99	0.01	99.99	0.01
Soberana Administradora de Condomínios Ltda.	-	100.00	-	100.00
Valentino Comércio de Artigos de Luxo Ltda.	-	17.43	-	17.43

(a) Companies incorporated in 2021.

(b) The Company carried out a capital reduction in the investees, reflecting the asset write-off transaction with FII XP Malls mentioned in Note 1.4.

(c) On July 5, 2021, the Company completed the acquisition of 67% of the shares of Usina São Paulo S.A., holder of the Service Concession Arrangement referring to the Right to Use the Area for Valuable Consideration of Usina São Paulo (Notes 8 and 10). The acquisition was evaluated in light of Accounting Pronouncement CPC 36 (R3) - Consolidated Financial Statements, and the Company concluded that Usina São Paulo S.A. is a subsidiary, integrating the consolidated information of the financial statements.

1.4. Disposal of assets and divestiture

In December 2020, the Company completed the transfer of the undivided interest of Shopping Malls Ponta Negra and Bela Vista, settling the liability assumed with FII XP Malls as stated in Notes 7 and 13. This transaction had no effect on the Company's cash, only the settlement between assets and liabilities. Due to this transfer, the Company revaluated the fair value of the shopping malls considering its current position. Gains and losses on this revaluation were recorded in the statement of profit or loss for the year under Changes in fair value of investment properties in the amount of R\$58,919.

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1.5. Asset available for sale**Sale of Villa XP land**

On December 14, 2020, the Company informed the market that it had entered into a Purchase and Sale Agreement with XP Investimentos S.A., the acquirer of an area of approximately 705 thousand square meters located in the Parque Catarina complex, for approximately R\$98,554, where the “Villa XP” project will be developed.

The area sold is located at KM 60 of Castelo Branco Highway, in the city of São Roque, in the same complex where the following projects are located: (i) Catarina Fashion Outlet and (ii) São Paulo Catarina Executive Airport. As part of the transaction, the Company assumed the commitment to carry out real estate developments in the area surrounding Villa XP, containing convention centers and hotel or residential units that will be built in stages, with delivery dates on December 31, 2022, 2023 and 2024. Non-delivery within the stipulated deadlines provides for compensatory fines.

In the second quarter of 2021, the Company concluded the transaction and recognized the sale after fulfilling certain resolutive conditions, such as project approvals issued by the São Roque city administration. The transaction generated operating revenue and gross margin of R\$98,600 and 95%, respectively. See Note 19.

2. Basis of preparation and presentation of the individual and consolidated financial statements**2.1. Basis of preparation**

The financial statements were prepared in accordance with the accounting practices adopted in Brazil (BR GAAP) and the International Financial Reporting Standards (IFRS), applicable to Brazilian real estate development entities registered with the Brazilian Securities and Exchange Commission (“CVM”). The determination of the accounting policy adopted by the Company, for revenue recognition in purchase and sale agreements of real estate unit under construction is in compliance with the understanding expressed in CVM/SNC/SEP Memorandum Circular No. 02/2018 on the application of NBC TG 47 (IFRS 15), regarding the aspects related to the transfer of control.

The Company considered the guidance provided for in Accounting Guidance OCPC 07 - Disclosure of Financial Reporting for General Purposes and, therefore, significant information of the financial statements themselves, and only such information, is being disclosed and is consistent with the information used to manage the Company's operations.

The financial statements are presented in thousands of reais (R\$) and were prepared based on various assessment bases used in accounting estimates, considering objective and subjective factors, based on management's judgment to determine the appropriate amounts to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the measurement of financial assets at fair value; fair value of investment properties; credit risk analysis to determine the allowance for expected credit losses; impairment test of property and equipment, intangible assets and deferred income and social contribution taxes; determination of the budget for real estate developments and Percentage of Completion (PoC); determination of useful lives of property and equipment and their recoverability; as well as other risk analysis to determine other provisions, including provision for contingencies.

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Settlement of transactions involving these estimates may result in amounts materially different from those recorded in the financial statements due to uncertainties inherent in the estimation process. The Company reviews its significant estimates and assumptions at least on a quarterly basis or whenever there is a change in those estimates that may significantly impact its financial statements.

2.2. Approval of individual and consolidated financial statements

The Board of Directors authorized the issue of these financial statements on February 24, 2022.

2.3. Basis of consolidation

The consolidated financial statements include JHSF Participações S.A. and its subsidiaries, as stated in Note 1.1. The subsidiaries are fully consolidated as from the control acquisition date and continue to be consolidated through the date on which this control ceases to exist. The subsidiaries' financial statements are prepared for the same reporting period of the Company, using consistent accounting policies. All intercompany balances, revenues and expenses and unrealized gains and losses arising from intercompany transactions are eliminated.

Joint operations - Operations in ventures: Shopping Cidade Jardim, Shopping Bela Vista, Shopping Ponta Negra and Catarina Fashion Outlet are classified as Joint Operations with companies and/or individuals that do not belong to the same economic group of the Company. The interest held by these companies and/or individuals is limited to the percentage they hold on the real estate and consequently to the portion of revenue and certain costs and expenses, according to agreements between the parties. Accordingly, the Company recognizes revenues, costs and expenses proportionally to their interest held in these shopping malls operations.

2.4. Functional and presentation currency

The Company operates with a sole economic environment, using the Brazilian real as its functional currency, which is also its presentation currency.

2.5. Standards issued but not yet effective

New and amended standards and interpretations issued but not yet in effect until the issue date of the Company's financial statements are described below. The Company intends to adopt these new and amended standards and interpretations when they come into effect.

Amendments to IAS 1: Classification of liabilities as current or noncurrent

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, correlated with CPC 26, to specify the requirements for classifying liabilities as current or noncurrent. The amendments are effective for annual periods beginning on or after January 1, 2023 and apply retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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3. Summary of significant accounting policies**3.1. Net revenue****3.1.1 Leases, services and finance income**

Revenue is recognized to the extent economic benefits are likely to flow to the Company and when it can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, net of sales discounts, rebates, and related taxes or charges. The Company measures revenue transactions in accordance with specific criteria described below, and concluded that it has been operating as a principal in all its revenue agreements.

Lease income

The Company records its store lease operations as operating leases. The minimum lease established, including periodic fixed increases set forth in agreements and excluding inflation adjustments, is recognized at the proportion of the Company's interest held in each shopping mall. Also, the effects on a straight-line basis over the term of the respective agreements are assessed, including the potential impacts of incentives to lessees.

Lessees of commercial units usually pay lease that corresponds to the higher of a monthly minimum amount yearly restated, most of them by reference to the General Market Price Index (IGP-M), and an amount obtained by applying a percentage over gross sales revenue of each lessee.

Other operating revenues

Revenue from assignment of rights of use - Deferred revenues - the amounts referring to assignment of rights of use, net of the amounts paid for repurchase of points of sale, are accounted for as deferred revenues, in liabilities, upon their execution, and appropriated to P&L on a straight-line basis, based on the lease agreement term (average of 60 months) of the respective stores to which they refer, from the lease inception. The difference between the effectiveness of lease agreements and payment periods is addressed as deferred revenue and recorded in liabilities.

Revenue from parking lots - this refers to the operation of parking lots in the shopping malls.

Service revenues - these refer to administration, advisory and telephony services as well as sale of electric energy to shopping malls.

Interest income - for all financial instruments measured at amortized cost, finance income is accounted for using the effective interest rate.

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3.1.2 Revenue from sale of properties**Revenue from sale of units under construction**

According to CPC 47, the revenue from contracts with customers is recognized based on the transfer of control over the promised good or service, which may be at a specific point in time or over time, depending on the satisfaction or otherwise of the so-called “contractual performance obligations”. Revenue is measured at the amount that reflects the consideration that is expected to be entitled and is based on a five-step model detailed below: 1) identification of the contract; 2) identification of performance obligations; 3) determination of the transaction price; 4) allocation of the transaction price to the performance obligations; and 5) revenue recognition. The Company accounts for the effects of the contracts only when: (i) the parties approve the contract; (ii) the rights of each party and established payments terms may be identified; (iii) the contract has a commercial substance; and (iv) the receipt of the consideration to which the Company is entitled is probable. Revenue from real estate development is stated net of taxes, cancellations, rebates and discounts, and includes the monetary restatement of contracts based on the variation of the National Civil Construction Ratio (“INCC”).

In the sale of units under construction of projects that are no longer under the effects of the related resolutory conditions contained in its building compliance forms, the procedures of NBC TG 47/IFRS 15 - Revenue from Contracts with Customers were observed, as of January 1, 2018, also contemplating the guidance contained in CVM/SNC/SEP Memorandum Circular No. 02/2018 of December 12, 2018, which establishes accounting procedures for the recognition, measurement and disclosure of certain types of transactions arising from purchase and sale agreements of real estate units under construction in Brazilian privately-held real estate development entities, established by Accounting Pronouncement CPC 47.

The Memorandum Circular states that the application of NBC TG 47 (IFRS 15) to sale transactions of real estate units under construction, carried out by entities registered with the Brazilian SEC (CVM) of the real estate development industry, has central issues, such as: (a) the focus on the contract; (b) continuous monitoring of contracts; (c) an internal control structure with quality standard considered, at least, acceptable for the purposes for which it is intended; (d) realization of timely adjustments; and (e) the quality of information (predictive and confirmatory value of the financial statements). Revenue is only recognized if the Company identifies that there is no longer the risk of cash flow uncertainty after identifying the contract with the customer.

Based on these regulations, and taking into consideration the applicable accounting procedures provided for by Accounting Guidance OCPC 07, OCPC 01 (R1), the Company uses the percentage of completion (POC) method to account for its sales contracts of units in the real estate developments.

The use of this method requires that sales revenues and land and construction costs are recognized in P&L using the percentage of completion (PoC) method for each project. This percentage is measured on account of the cost incurred in relation to the total budgeted cost of the related projects under construction.

The cost incurred (including the cost of land and other expenditures directly related to the formation of inventory) corresponding to the units sold is entirely recognized in P&L. For units not yet sold, the cost incurred is recognized in inventory under “Properties for sale”.

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The amounts of sales revenue recognized that are higher than the amounts actually received from customers are recorded in current assets or long-term receivables, under "Accounts receivable". The amounts received in relation to the sale of units that are higher than the recognized revenue amounts are accounted for under "Advances from customers", presented in note Sundry payables.

Budgeted costs of projects under construction, composed of costs incurred and costs to be incurred upon completion of construction works, are reviewed on a regular basis, according to construction development. Such information is essential for revenue recognition.

If circumstances arise that could change the original estimates of revenues, costs or extension of the deadline for completion, the initial estimates are reviewed. These reviews may result in increases or decreases in estimated revenues or costs and are reflected in P&L for the year in which management became aware of the circumstances that led to the review.

Revenue from sale of completed units

In the sale of completed units, the sales revenue and related cost of completed units are recognized in P&L upon delivery of keys (when applicable) or transfer of ownership (lots), for these events, the Company understands that the most significant risks, ownership and rewards inherent in its propriety have been transferred. After the delivery of the keys or term, the monetary restatement of accounts receivable starts to be calculated based on the variation of the indexes defined in the contract, appropriated on a "pro rata temporis" basis.

3.1.3. Revenue from lodging and restaurants

This refers to revenue from daily rates in rooms and apartments at Fasano hotels, in addition to the consumption of food and beverages and other concierge services rendered by the hotels, which are recognized when rooms are occupied or services are rendered, being recorded daily until the check-out date. In restaurants, this revenue refers to the sales of food and beverages, which are recognized on an accrual basis.

3.1.4 Revenue from airport operations

This revenue refers to the rendering of services under the Catarina Jets Program, aircraft hangar, airport fees and aircraft supply, which are recognized on an accrual basis.

3.1.5 Revenue from retail

This refers to the sales of clothing items, which are recognized when control over the goods is transferred to the buyer customer in stores.

3.2. Investments (Individual)

Based on the equity method, investments in subsidiaries are accounted at cost of acquisition, plus changes in equity and P&L of subsidiaries, after the acquisition.

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3.3. Property and equipment

These are measured at historical acquisition or construction cost, less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to amortize the cost of property and equipment items, net of their estimated residual values, using the straight-line method based on the estimated useful lives of the items and recognized in P&L. Land is not depreciated. Depreciation methods, useful lives and residual values are reviewed at each statement of financial position date and adjusted, if necessary. See Note 8.

3.4. Investment properties

Investment properties are substantially represented by shopping malls (Note 1), maintained to earn lease income and/or capital valuation, and are initially measured at acquisition and/or construction cost, including transaction costs. See Note 9.

3.5. Properties for sale

These are carried at cost of construction or acquisition, or net realizable value. The cost of properties is formed by expenses with acquisition of plots of land, materials, applied labor and expenses with development, decorations and other.

3.6. Intangible assets and goodwill

Upon initial recognition, they are measured at acquisition cost and subsequently stated net of accumulated amortization and impairment losses, if any.

The useful life of an intangible asset is assessed as finite or indefinite. Finite-lived intangible assets are amortized over their economic and useful life, and its amortization is recognized in the statement of profit or loss in the expense category, consistent with the use of the intangible asset.

Indefinite-lived intangible assets are not amortized. Indefinite useful life assessment is reviewed annually to determine whether such assessment continues to be justified. Otherwise, the useful life is changed from indefinite to finite on a prospective basis.

3.7. Impairment test of nonfinancial assets

Management annually reviews the recoverable amount of the assets and whenever there is evidence that the net carrying amount exceeds the recoverable amount, a provision for impairment is recorded, adjusting the net carrying amount to the recoverable amount.

Significant nonfinancial assets subject to impairment are the airport (property and equipment), hotels and restaurants (property and equipment and intangible assets) and properties for sale.

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In assessing the value in use of assets, when applicable, 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 for the industry in which the cash-generating (CGU) unit operates. The net sale value is determined considering, whenever possible, outright sale agreement on an arm's length basis, between knowledgeable, willing parties, adjusted by costs to sell the asset, or when there is no outright sale agreement, based on the observable market price in an active market, or on the price of the most recent transaction involving similar assets.

The recoverable amount of an asset or a certain cash-generating unit is defined as the higher of value in use and fair value less costs to sell. Based on the assessment carried out by the Company, there was no indication of a provision arising from the net realizable value of its assets

Significant assumptions adopted in evaluating the main assets are as follows:

Accounting group	CGU	Evaluation base date	Methodology approach	Projection threshold	Discount rate - WACC	Appraiser
Property and equipment and intangible assets	Catarina Airport	09/30/2021	Cash flow discounted to present value	15 years + period of perpetuity (Gordon model) without real growth	8% in actual terms, without inflation, (pre-tax)	Independent
Property and equipment and intangible assets	Hotel Fasano São Paulo and Hotel Fasano Fazenda Boa Vista	09/30/2021	Cash flow discounted to present value	5 years + period of perpetuity (Gordon model) with actual growth of 3%	11.2% in nominal terms, without inflation, (pre-tax)	Independent
Property and equipment and intangible assets	Fasano Restaurants (Ocean Blue Ltda., Restaurante Fasano Ltda., Restaurante Gero Ltda., Restaurante Gero RJ Ltda., Restaurante Parigi Bistrot Ltda., Restaurante Trattoria Ltda., Gero Panini Lanchonete and Restaurante Ltda.) and its investees	09/30/2021	Cash flow discounted to present value	5 years + period of perpetuity (Gordon model) with actual growth of 3%	11.3% in nominal terms, without inflation, (pre-tax)	Independent
Properties for sale	Plots of land, real estate units completed and under construction	09/30/2021	i) Direct Market Data Method: a substantial part of assets was analyzed based on the calculation of sale price; accordingly, the analysis of markets comparable to the Company's was based on the collection of information and values of offers available. ii) the remaining assets were evaluated according to the involutive method, based on a model of technical-economic feasibility study, upon a hypothetical venture compatible with the characteristics of the asset and with the conditions of the market where it is inserted, considering viable scenarios for execution and sale of the product.			Independent, and internal evaluation of the Company

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3.8. Taxes**Indirect taxes (PIS, COFINS, ISS and ICMS)**

For companies whereby profit is computed as a percentage of their gross revenue, the Contribution Tax on Gross Revenue for Social Integration Program ("PIS") is calculated at the rate of 1.65% applied to total operating income, adjusted by deductions and exclusions provided for by the prevailing legislation. The Contribution Tax on Gross Revenue for Social Security Financing ("COFINS") is calculated at the rate of 7.60%, applicable to the same PIS base. Service Tax ("ISS") is calculated at rates between 2% and 5%, according to each municipality. The State Value Added Tax ("ICMS") is calculated at rates between 17% and 30%, according to each state.

Income and social contribution taxes - current and deferred

Income tax is calculated at 15%, plus a 10% surtax on annual taxable income exceeding R\$240 while social contribution tax is calculated at 9% on taxable income, and both take into consideration the offset of income and social contribution tax losses, limited to 30% of taxable income every year.

As allowed by the Brazilian tax legislation, certain subsidiaries of the Company have elected the regime whereby taxable profit is computed as a percentage of the Company's gross revenue. Under this regime, the taxable profit is equivalent to 8%, for income tax, of the real estate development amount, including the related monetary restatement, and equivalent to 32% of the amount of the rendering of services and lease. To calculate the social contribution tax, the taxable profit is equivalent to 12% of the real estate development amount and equivalent to 32% of the amount of the rendering of services and lease.

In addition, for the real estate development industry, as also permitted by tax legislation, certain subsidiaries made the irrevocable option for the Special Taxation Regime for Pool of Assets Available for Lien ("RET"), according to which income and social contribution taxes are calculated at the rate of 1.92% on gross revenues (4% also considering COFINS and PIS on revenues, based on Provisional Executive Order No. 601), based on the actual financial receipt (cash basis).

In the subsidiaries and development activities where the accounting practice differs from the tax practice, a deferred federal tax asset or liability is calculated to reflect any temporary differences.

Current income and social contribution tax expense is the amount payable or receivable estimated on taxable income or loss for the year and any adjustment to taxes and contributions payable in relation to prior years. The amount of current income and social contribution taxes payable or receivable is recognized in the statement of financial position as tax assets or liabilities by the best estimate of the expected amount of taxes and contributions payable or receivable. Such taxes and contributions are measured based on the rates in force at the statement of financial position date. Current tax assets and liabilities are only offset if certain criteria are met.

A deferred tax asset is recognized for all unused tax losses and deductible temporary differences, to the extent that it is probable that there will be future taxable profits available against which they will be used. Deferred tax assets are reviewed from time to time and are reduced to the extent that their realization is no longer probable.

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ICPC 22 - Uncertainty over Income Tax Treatments

This Interpretation (equivalent to IFRIC 23) addresses the accounting for income taxes in cases where tax treatments involve uncertainty that affects the application of IAS 12 (CPC 32 - Income Taxes) and neither applies to taxes beyond the scope of IAS 12 nor specifically includes the requirements regarding interest and fines associated with uncertain tax treatments.

The Company evaluated the uncertain tax treatments separately and the assumptions regarding the examination of tax treatments by the tax authorities on determining taxable profit (tax loss), tax bases, unused tax losses, previously unused tax credits and tax rates. Based on the Company's tax compliance study, it is likely that its tax treatments (including those applied to subsidiaries) will be accepted by the tax authorities. This Interpretation does not have any impact on the Company's financial statements.

3.9. Statement of Cash Flows (SCF) and of Statement of Value Added (SVA)

The SCF was prepared by the indirect method and is presented in accordance with CPC 03 (R2) - Statement of Cash Flows. The Company states interest paid on loans, financing, debentures and leases as part of its financing activities. The SVA was prepared in accordance with CPC 09 - Statement of Value Added and is presented as supplementary information for purposes of IFRS.

3.10. Earnings per share

These are calculated through profit or loss attributable to the Company's shareholders and the monthly average of shares outstanding in the respective period. Diluted earnings (loss) per share are calculated through the referred to average number of outstanding shares, adjusted by instruments potentially convertible into shares, with dilution effect, for the years presented, under the terms of CPC 41 - Earnings (loss) per share.

3.11. Employee benefits and share-based payment (stock options)

Benefits granted to the Company's employees and managing officers, which comprise variable compensation, such as profit sharing and bonus payments. The profit sharing program of the Company and its subsidiaries is based on consolidated and individual goals.

Under the stock option plan, the fair value on the date it is granted to employees is recognized as expenses (Note 21), with a corresponding increase in equity over the period in which employees become unconditionally entitled to the premiums.

These refer to non-vesting conditions premiums and the fair value at the grant date is measured to reflect these conditions.

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3.12. Financial instruments**3.12.1. Financial assets****3.12.1.1. Initial recognition and measurement**

These instruments are classified upon initial recognition, when the Company becomes part of the contractual provisions of the instruments, which are initially recognized at fair value plus, in the case of investments not designated at fair value through profit or loss, transaction costs directly attributable to the acquisition of the financial asset.

3.12.1.2 Subsequent measurement**Financial assets measured at fair value through profit or loss**

These include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss, and are classified as held for trading if they are acquired for the purpose of being sold in the short term. These are presented in the statement of financial position at fair value, and the corresponding gains or losses are recognized in the statement of profit or loss.

Cash and cash equivalents and marketable securities

These include amounts in kind, balances in bank checking accounts and short-term investments. Cash equivalents refer to short-term investments readily convertible into a known cash amount, subject to insignificant risk of change in value. If the short-term investments do not meet these criteria, they are classified as marketable securities.

Loans and receivables

These refer to financial assets with fixed or determinable payments, not quoted in an active market. After initial measurement, these financial assets are stated at amortized cost, using effective interest rate method, less impairment loss. They are recorded in Finance income (costs).

Accounts receivable

These substantially consist of amounts receivable from leases, assignment of right of use, sale of real estate, lodging and sale of food and beverages.

Allowance for expected credit losses

The Allowance for ECL is calculated based on the losses assessed as probable in the realization of the accounts receivable and the expenses related to its set up were registered in "Other operating expenses", in the statement of profit or loss. At December 31, 2021 and 2020, Company management considers the Allowance for ECL sufficient to cover probable losses on realization of accounts receivable.

At all reporting dates, historical loss rates disclosed by the market and observed in the calculation of the Allowance for ECL are restated, and changes in forward-looking estimates are analyzed. The amount of expected credit losses is sensitive to changes in circumstances and expected economic conditions.

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3.12.1.3. Derecognition (write-off)

A financial asset is derecognized whenever the rights to receive cash flows of the asset expire and/or when the Company transfer its rights to receive cash flows of the asset or assumes an obligation to fully pay the cash flows received, without significant delay to a third party under a pass-through agreement, and (a) the Company transferred substantially all risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all risks and rewards related to the asset, but has transferred control over the asset.

3.12.2 Financial liabilities - nonderivative - amortized cost

They comprise trade accounts payable, loans and financing, debentures, obligations with joint operators, assignment of beneficial interest and payables to related parties.

Financial liabilities are initially recognized at fair value and, in the case of loans, financing and debentures, they are deducted of transaction cost directly attributable thereto. Costs are appropriated to P&L for the year in accordance with the term of the contracted instrument.

After their initial recognition, loans, financing and debentures are measured at amortized cost, using the effective interest rate method. Interest expenses are recognized in P&L under finance costs, or when they are used in the acquisition or construction of property and equipment items and investment properties, they are allocated to the cost of referred to assets.

3.12.3. Fair value of financial instruments

The fair value of financial instruments is determined based on the purchase prices quoted on the market at the close of trading on the statement of financial position date, without any deduction of transaction costs. See Note 23.1.

3.12.4. Financial risk factors**3.12.4.1. Credit risk**

The Company is subject to credit risk related to accounts receivable referring to leases, from buyers of properties, and from transactions involving payments of services with debt/credit cards in hotels and restaurants.

The credit risk concentration of accounts receivable for the segments of recurring income and hotels and restaurants is minimized, since the Company does not have a customer or even a business conglomerate representing more than 2.5% of its consolidated revenue. Likewise, the Company does not have a customer or even a business conglomerate representing more than 10% of its consolidated revenue from the real estate business segment.

3.12.4.2. Price risk and market conditions

The Company's revenues directly depend on the capacity to lease the available spaces in the shopping malls in which it holds interest, the capacity to sell the real estate units, the capacity to occupy the rooms available in its hotels and the flow of people in its restaurants.

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Adverse conditions as well as periods of recession and/or negative perception of lessees/customers with respect to security, convenience and attractiveness of areas where the ventures are located, may reduce the level of commercial transactions of its businesses. Management constantly monitors these risks to minimize the impacts on its business.

3.12.5. Capital and liquidity risk management

The Company's objectives in managing its capital are to safeguard its ability to continue as a going concern and provide return for its shareholders and benefits for other stakeholders, in addition to maintain an optimal target capital structure to reduce the cost of capital.

The cash flow forecast is carried out individually by company and, in order to maintain or adjust its capital structure, the Company may review the policy of dividend payout, issue new shares or dispose of assets to reduce the indebtedness level.

Financial leverage ratio:

Description	Consolidated	
	12-2021	12-2020
Gross loans and financing (Note 12.1)	603,488	577,861
Gross debentures (Note 12.2)	1,405,836	1,015,216
Assignment of beneficial interest (Note 13)	165,001	148,974
Gross obligations with joint operators (Note 13)	-	125,312
Cash and cash equivalents (Note 4)	(421,743)	(480,160)
Marketable securities (Note 4)	(455,751)	(561,109)
Net debt (A)	1,296,833	826,094
Total equity (B)	4,546,460	3,826,675
Total capital (C) = (A) + (B)	5,843,292	4,652,769
Net debt-to-equity ratio - % (A/C)	22%	18%

The Company has assessed its ability to continue as a going concern while preparing these financial statements. At December 31, 2021, the Company recorded consolidated positive net working capital amounting to R\$1,198,036 (R\$781,436 in 2020). In the individual financial statements, current liabilities exceeded current assets by R\$306,037 (R\$715,347 in 2020). Such excesses in the individual financial statements are considered temporary, since receivables from related parties were substantially classified in noncurrent assets whereas payables to related parties were substantially classified in current liabilities. In addition, the Company evaluates the settlement of related-party balances in liabilities with JHSF Malls S.A. at R\$335,087 (R\$499,465 at December 31, 2020) through corporate restructuring and assets of the Shopping Malls segment given in accord and satisfaction in 2022 and 2023.

3.13. Provisions for tax, civil and labor contingencies

Provisions are recognized for all legal proceedings for which it is likely that a cash outflow will be required to settle the contingency/obligation and a reasonable estimate can be made. The assessment of the likelihood of loss includes analyses of available evidence, the hierarchy of laws, available case law, the most recent court decisions and their relevance in the legal system, as well as the opinion of external legal advisors. Provisions are reviewed and adjusted considering changes in circumstances, such as applicable statute of limitation, tax audit conclusions or additional exposures identified based on new matters or court decisions.

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3.14. Present value adjustment of assets and liabilities

Monetary assets and liabilities are adjusted to their present value upon initial recording of the transaction, taking into consideration the contractual cash flows, interest rates and market rates for similar transactions. Interest is subsequently reallocated to P&L through use of the effective interest rate method.

3.15. Right of use (leased properties)

The Company recognized as assets ("right-of-use asset") and lease liabilities classified in the group of various debts, its contracts referring to lease of administrative and operational properties (stores, restaurants, hotels and Usina SP).

Right-of-use assets

The Company recognizes right-of-use assets on the date the underlying assets is available for use. They are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any new remeasurement of lease liabilities. The cost of right-of-use assets includes the lease liability amount recognized, initial direct costs incurred and lease payments made until 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 term and the estimated useful life of the assets. They are also subject to impairment loss.

Lease liabilities

The Company recognizes lease liabilities measured at present value of the lease payments to be made. These payments include fixed payments less any lease incentives receivable, variable payments that depend on an index or a rate, and payments of residual value guarantee. Variable payments that do not depend on an index or a rate are recognized in the period in which the event or condition that triggers these payments occurs. When calculating the present value of lease payments, the Company uses its incremental borrowing rate at inception. After commencement date, the lease liability amount is increased to reflect the interest added and reduced for the payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low value assets

The Company applies the recognition exemption to short-term leases of machinery and equipment and low-value asset leases. Their payments are recognized as expense on a straight-line basis, over the lease term.

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4. Cash and cash equivalents and marketable securities

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Cash and banks	2,502	952	63,137	54,625
Short-term investments (a) (Note 23)	193,399	268,655	243,984	318,704
Foreign financial investments (c)	-	-	114,621	106,831
Cash and cash equivalents	195,902	269,607	421,743	480,160
JHSF Catarina Corporate - FII (b)	6,680	6,323	26,995	27,337
JHSF Catarina Corporate Berlim (b)	11,647	10,797	-	-
Investment fund - Profit 463 (b)	422,180	533,386	-	-
Investment fund shares (b)	46	-	131,727	240,909
Federal government securities (LFT/NTN)	-	-	284,087	280,046
Companies' shares in Brazil and abroad	-	-	12,941	12,817
Marketable securities (Note 23)	440,555	550,505	455,751	561,109
Total	636,456	820,112	877,494	1,041,269
Current	636,456	820,112	877,494	1,041,269
Noncurrent	-	-	-	-

- These refer to Bank Deposit Certificates (CDB), whose maturity is below 90 days, remunerated at the average rate of 99.6% (99.4% in 2020) of the CDI.
- JHSF Catarina Corporate and Corporate Berlin funds have 6.73% of the undivided interest of Catarina Airport and are remunerated based on the EBITDA from the airport operation. At December 31, 2021, the Company has 20,000 FII Corporate Berlim shares totaling 100% of the shares issued by the Fund and 23,341 shares of FII Corporate totaling 28.5% of the shares issued by the Fund (Note 15). Profit 463 Fund is a boutique fund administered by BTG Pactual that substantially invests in government securities known as *Tesouro Selic*, Financial Treasury Bills (LFT) and shares of publicly held companies.
In the consolidated financial statements, the balances are presented by breaking down the investment portfolio of the Funds themselves. For consolidation purposes, marketable securities relating to Catarina Corporate and Profit 463 are eliminated in the financial statements.
- These refer to Jumbo bank deposit certificates and are considered low-risk investments.

Changes in marketable securities are as follows:

Individual	JHSF Catarina Corporate - FII	JHSF Catarina Corporate Berlim	Profit 463 Investment Fund	Norte Investment Fund	Total
Balance at 12.31.2020	6,323	10,797	533,386	-	550,505
Acquisition of shares	1,000	1,000	70,000	54	72,054
Sale of shares	-	-	(201,247)	-	(201,247)
Share value variation	(642)	(150)	20,042	(8)	19,243
Balance at 12.31.2021	6,681	11,647	422,180	46	440,555

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Consolidated	JHSF Catarina Corporate - FII	Norte Investment Fund	Investment fund shares	Federal government securities (LFT/NTN)	Shares	Total
Balance at 12.31.2020	27,337	-	240,909	280,046	12,817	561,109
Acquisition of shares	1,000	54	129,759	1,267,743	-	1,398,555
Sale of shares	-	-	(248,608)	(1,280,807)	-	(1,529,415)
Share value variation	(1,342)	(8)	9,621	17,107	124	25,502
Balance at 12.31.2021	26,995	46	131,681	284,088	12,941	455,751

5. Accounts receivable

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Accounts receivable for real estate units (Note 23) (a)	-	-	937,071	549,202
Leases (Note 23)	-	-	58,583	53,614
Hotels and restaurants	-	-	34,521	36,927
Other (b)	2,818	431	76,100	28,480
Total accounts receivable (Note 23)	2,818	431	1,106,275	668,223
(-) Present value adjustment (d)	-	-	(22,820)	(4,781)
(-) Allowance for expected credit losses (c)	-	-	(23,666)	(34,217)
Total (Note 23)	2,818	431	1,059,789	629,225
Current	2,818	431	694,841	418,490
Noncurrent	-	-	364,948	210,734

- The increase in the balance corresponds substantially to the real estate development sales related to the Boa Vista Complex, especially the launch of Boa Vista Estates and Boa Vista Village, which generated gross revenue of R\$546,268 and R\$358,315, respectively, for 2021 (Note 19).

On December 29, 2021, the Company, through its subsidiaries, assigned real estate receivables, without any type of co-obligation or risk retention of real estate credits in the amount of R\$250,494. This transaction generated a finance cost amounting to R\$4,783.

- The increase in the consolidated balance is due to the recognition of the sale of Villa XP land, whose balance receivable amounts to R\$44,483, in equal and consecutive installments with final maturity in December 2022. See Note 1.5
- The decrease in the allowance for ECL in 2021 is substantially due to the transfer of the Company's equity interest held in the condominiums Ponta Negra (Shopping Ponta Negra) and Euluz (Shopping Bela Vista) to FII XP Malls. With the transfer of the undivided interests of the Shopping Malls to the Fund, the Company also transferred the balances receivable amounting to R\$11,074, and the outstanding notes amounting to R\$6,818.
- The rate used for present value adjustment is based on the average rate of financing, loans and debentures obtained by the Company and compared with the average NTN-B, and the higher rate is used. At December 31, 2021, the Company calculated at present value considering the discount rate of 5.57% p.a. (3.41% p.a. at December 31, 2020).

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The aging list of accounts receivable is as follows:

Aging list	Consolidated	
	12-2021	12-2020
Overdue above 365 days	32,336	39,386
Overdue from 91 to 365 days	17,980	5,452
Overdue from 61 to 90 days	1,857	618
Overdue from 31 to 60 days	2,046	1,478
Overdue within 30 days	10,905	1,831
Total overdue	65,124	48,765
Falling due within 365 days	640,009	405,627
Falling due above 365 days	401,142	213,831
Total falling due	1,041,151	619,458
Total	1,106,275	668,223

At December 31, 2021, the Company recorded the amount of R\$8,670 referring to notes overdue above 365 days, for which no Allowance for ECL was recorded. These notes were rescheduled and customers are no longer in default.

6. Properties for sale

	Consolidated	
	12-2021	12-2020
Properties to be developed	535,472	533,208
Properties under development (a)	459,951	178,332
Finished units		
Boa Vista Complex	208,934	210,173
Horto Bela Vista	441	485
Total	1,204,797	922,198
Current	275,855	246,678
Noncurrent	928,943	675,520

- The balances presented correspond to Fasano Residence, Fasano Club, Village and Boa Vista Estates (launched in June 2021) projects under construction.

The increase in the balance for the year derives substantially from the purchase of an area of 6,111,978 square meters, for approximately R\$140,000. The Property is located in an area surrounding Boa Vista Estates and will be used for the implementation of the fourth project of the Boa Vista Complex, which already includes Fazenda Boa Vista, Boa Vista Village and Boa Vista Estates.

In addition, the Company reclassified the balance of Boa Vista Estates of R\$138,737 from Properties to be developed to Properties under development after the project launching.

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7. Investments (Individual)

	Individual	
	12-2021	12-2020
Net amount of goodwill on acquisition of investments	2,782	2,782
Investments		
Interest held in subsidiaries and associates	4,756,357	4,207,465
Total equity interest	4,756,357	4,207,465
Total investments	4,759,139	4,210,247

Changes in the Company's direct investment balances are as follows:

Investee	Balances in 12-2020	Transactions with shareholders (SCE)	Effect of present value adjustments to marketable securities	Equity pickup	Capital increase	Distribution of income reserves (c)	Capital deficiency	Balances in 12-2021
Aveiro Incorporações Ltda.	139,239	-	(217)	83	9,681	-	-	148,787
Boa Vista de Desenvolvimento Imobiliário e Serviços de Concierge Ltda.	710,151	-	(359)	(33,008)	-	(480,182)	-	196,602
Cidade Jardim Shops S.A.	128,698	(2,453)	-	(45,705)	11,021	-	-	91,560
JHSF Administradora do Catarina Aeroporto Executivo S.A.	531,438	-	-	64,069	-	-	-	595,507
JHSF Incorporações Ltda.	1,420,644	(4,564)	(3,226)	19,366	-	(10,851)	-	1,421,369
Shopping Ponta Negra S.A. (a)	155,512	(11,210)	-	(13,999)	-	-	-	130,302
Polônia Incorporações Ltda.	768,832	-	(132)	1,018,765	-	(124,927)	-	1,662,538
JHSF Malls S.A.	262,300	(925)	(654)	(1,412)	-	-	-	259,309
Other investees	90,652	(265)	245	132,069	14,040	-	13,641	250,381
	4,207,465	(19,418)	(4,343)	1,140,226	34,743	(615,960)	13,641	4,756,357

(a) In March 2021, the Company transferred 49.9% interest in Ponta Negra condominium to Fundo XP Malls. The transaction resulted in a decrease in investments of R\$16,040 (transactions with shareholders) due to the difference in contributions among the condominium members. The sale did not result in loss of control, and its matching entry was recorded in equity under Transactions with shareholders.

(b) On August 27, 2021, the Company and its subsidiaries carried out the settlement of accounting balances among themselves through the Distribution Minutes for the allocation of retained earnings reserves from prior years. These transactions have no cash effect and did not change the Statement of Cash Flow for the year.

Investee	Balances in 2019	Sale of equity interest	Effect of present value adjustments to marketable securities	Equity pickup	Capital increase	Transactions with shareholders	Equity interest adjustments	Capital deficiency	Balances in 2020
Aveiro Incorporações Ltda.	129,486	-	753	9,000	-	-	-	-	139,239
Boa Vista de Des. Imobiliário e Serv. de Concierge Ltda	316,776	-	3,329	390,046	-	-	-	-	710,151
Cidade Jardim Shops S.A. (a)	72,523	(37,101)	-	(36,233)	129,509	-	-	-	128,698
JHSF Administradora do Catarina Aeroporto Executivo S.A	481,355	-	(7)	(22,219)	72,309	-	-	-	531,438
JHSF Incorporações Ltda.	1,354,398	-	1,866	64,380	-	-	-	-	1,420,644
Shopping Ponta Negra S.A.	168,514	-	-	(18,414)	3,295	-	2,116	-	155,512
Polônia Incorporações Ltda.	543,522	-	465	224,845	-	-	-	-	768,832
JHSF Malls S.A.	254,877	-	378	7,045	-	-	-	-	262,300
Other investees	142,150	-	3,398	(62,058)	100	(846)	-	7,908	90,652
	3,463,601	(37,101)	10,181	556,392	205,213	(846)	2,116	7,908	4,207,465

- In December 2020, the Company transferred 30% of the equity interest to FII XP Malls, as mentioned in Note 1.

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The Company's equity interest held in its subsidiaries is stated in Note 1.3.

Investee	(%) Equity interest		Assets		Liabilities		Equity (Capital deficiency)		Profit or loss	
	2021	2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020
	JHSF Malls S.A.	16.85	16.85	3,223,349	3,116,345	1,684,424	1,559,668	1,538,925	1,556,677	(8,382)
JHSF Incorporações Ltda.	99.99	99.99	1,542,941	1,487,223	121,429	66,437	1,421,513	1,420,786	19,368	64,386
Polônia Incorporações Ltda. (c)	99.99	99.99	2,200,134	1,010,144	536,513	241,235	1,663,621	768,909	1,019,771	224,868
JHSF Administradora do Catarina Aeroporto Executivo S.A. (a)	99.99	99.99	788,540	684,690	192,973	153,199	595,567	531,491	64,076	(22,222)
Boa Vista de Desenvolvimento Imobiliário e Serviços de Concierge Ltda. (b)	99.99	99.99	421,371	896,577	217,805	185,748	203,566	710,829	(26,115)	390,085
Shopping Ponta Negra S.A.	99.99	99.99	155,665	183,290	25,760	27,778	129,905	155,512	(13,999)	(18,414)
Aveiro Incorporações Ltda.	99.99	99.99	182,631	191,415	33,830	52,162	148,801	139,253	83	9,001
Cidade Jardim Shops S.A.	70.00	70.00	158,168	203,339	27,367	19,485	130,800	183,854	(65,294)	(36,247)
Other investees (c)	-	-	912,821	669,978	637,186	523,015	275,634	146,963	114,233	(111,858)
Total			9,585,620	8,443,000	3,477,288	2,828,727	6,108,332	5,614,273	1,103,740	541,408

- (a) Gain for the year corresponds substantially to the revenue recognized from the sale of Villa XP land (See information on this transaction in Note 1.5.).
- (b) Loss for the year corresponds substantially to the finance cost amounting to R\$33,661 relating to yield from Rio Bravo Fund, corresponding to the distribution of income obtained from the sale of real estate units of Fazenda Boa Vista (See information on this transaction in Notes 12 and 21).
- (c) Gain for the year substantially corresponds to sales of real estate development related to the Boa Vista Complex, as mentioned in Note 5.

Notes

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8. Property and equipment**Changes in 2021 - Consolidated**

Item	Historical			Balances in 2020	Additions	Write-offs	Transfers (c)	Capitalized			Balances in 2021	% - Average depreciation rate
	cost	Depreciation	Impairment					interest	Impairment	Depreciation		
Catarina Airport	695,580	(3,979)	-	691,601	36,001	(2,282)	(14,170)	3,320	-	(19,412)	695,058	1.43-2.5
Aircraft	52,856	(1,872)	(502)	50,482	4,359	-	-	-	2,717	(2,037)	55,521	3.6
Leasehold improvements (b)	50,514	(2,447)	-	48,067	19,462	(15)	737	-	-	(7,909)	60,342	10
Fasano Hotels	80,807	(4,800)	-	76,007	4,890	(1,328)	763	-	-	(4,693)	75,639	4.0
Construction in progress (b)	59,118	-	-	59,118	85,496	(6)	12,294	-	-	-	156,902	-
Machinery and equipment	25,420	(2,372)	-	23,048	14,365	(598)	(24,609)	-	-	(2,534)	9,672	10.0
Right of use (a)	101,487	(5,089)	-	96,398	98,946	(2,848)	-	-	-	(14,318)	178,178	9.8 to 12.5
Other	37,055	(3,905)	-	33,150	14,740	(5,414)	(1,566)	-	-	(7,459)	33,451	11.4
	1,102,837	(24,464)	(502)	1,077,871	278,259	(12,491)	(26,551)	3,320	2,717	(58,362)	1,264,763	

- This substantially refers to the contracts for hotels and restaurants and the lease agreement for Usina São Paulo executed in 2021 at the present value of R\$83,025 (Note 1.3, letter c).
- Additions to leasehold improvements and construction in progress substantially correspond to the investments made in the Fasano restaurants and hotels in the amount of R\$14,077 and the construction of the clubs of the Fasano Residence and Boa Vista Village ventures in the amount of R\$85,496.
- In December 2021, the Company transferred the historical costs of hangars (warehouses) amounting to R\$14,170 from Catarina Airport to Investment properties. These warehouses are leased to third parties for the purpose of earning lease income (Note 9). In addition, the Company reclassified the cost of common areas of the Village project in the amount of R\$24,609 to Properties for sale.

Changes in 2020 - Consolidated

Item	Historical			Balances in 2019	Additions (a)	Transfers	Capitalized interest (Note 22.1)	Impairment (Note 21)	Depreciation	Balances in 2020	% - Average depreciation rate
	cost	Depreciation	Impairment								
Catarina Airport	650,680	(82)	-	650,598	48,752	(6,366)	2,596	-	(3,979)	691,601	1.43-2.5
Aircraft	51,859	(1,901)	(2,216)	47,742	7,113	(2,000)	-	(502)	(1,872)	50,482	3.6
Leasehold improvements	26,557	(7,427)	-	19,131	31,207	176	-	-	(2,447)	48,067	10
Fasano Hotels	107,258	(33,655)	-	73,603	6,681	523	-	-	(4,800)	76,007	4.0
Construction in progress	54,598	-	-	54,598	4,609	(89)	-	-	-	59,118	-
Machinery and equipment	39,105	(26,680)	-	12,425	13,705	(711)	-	-	(2,372)	23,048	10.0
Right of use	75,390	(8,643)	-	66,747	34,968	(227)	-	-	(5,089)	96,398	9.8 to 12.5
Other	79,537	(56,154)	-	23,383	16,588	(2,915)	-	-	(3,905)	33,152	11.4
	1,084,984	(134,541)	(2,216)	948,227	163,624	(11,611)	2,596	(502)	(24,464)	1,077,871	

- The additions for the year substantially refer to the expansion of Catarina Airport, with the construction of new hangars amounting to R\$48,752, leasehold improvements amounting to R\$31,207 referring to the opening new stores, and R\$34,968 referring to the lease agreement of Fasano NY restaurant. This transaction had no effect on the statement of cash flow.

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9. Investment properties

Investment Properties are represented substantially by investments in shopping malls, houses and hangars for lease, maintained to earn lease income and/or for capital valuation, through occasional cash conversion with the sale of noncontrolling interests.

They are initially accounted for at acquisition and/or construction cost, including all expenses. After initial recognition, investment properties are revalued at fair value (Level 3 of the fair value hierarchy - Note 23.1), calculated individually for each property, using the Discounted Cash Flow method. The fair value of investment properties is restated annually through a report prepared by an independent specialized company and restated on a quarterly basis using the same methodology adopted by external specialists. Critical variables used to determine fair value, such as discount rates, the project's risk level, perpetuity of flows and expected actual growth, are determined independently by the external appraiser.

For land whose projects are not yet under development, the Company accounts for the fair value of the land itself, based on the direct comparison approach, through the valuation of the price of land in nearby areas, using real estate market quotations (level 3 in the fair value hierarchy). Land that already has projects approved by management is measured at fair value using the Discounted Cash Flow Method.

The difference between cost value and the calculated fair value is recorded under Changes in fair value of investment properties for the period in which it was calculated, with gain or loss on fair value of investment properties allocated to Unearned income reserve in equity, not including the calculation of dividends.

Investment properties are written off when disposed of or when they are no longer permanently used and no future economic benefit from the disposal thereof is expected (impairment). When an investment property or part thereof is sold, the difference between net sales revenue and its respective carrying amount is recognized in profit or loss for the same period in which it was derecognized. At that time, it is part of profit or loss realized and, therefore, of the dividend basis.

Since the Company's leases are long-term transactions, it was possible to consider 10 years for the discounted cash flow projections and subsequently for their perpetuity.

The potential value arising out of future expansions both of shopping malls in operation and shopping malls under development was considered in the estimated cash flows; however, increases from changes in the mix of occupancy of Shopping Malls were not considered. The fair value recorded may suffer changes in case of changes in the rates and deadlines reported in the table above, either upwards or downwards.

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The investment properties, the main indicators adopted for fair value measurement and the reconciliation of balances according to the Company's shares, i.e. the net balances corresponding to investment properties, are as follows:

Description	December 31, 2021									
	Inputs used for fair value measurement				Fair value of properties (100%)	Joint operation	Balance of investment properties	Noncontrolling interests	Assignment of beneficial interest (Note 13)	Interest held by the Company, net
	Cap rate	Discount rate (actual terms / pre-tax)	Discount rate in perpetuity							
Properties in operation (a)	6.75% - 8.75%	7.25% - 10.0%	0.42% - 2.5%	3,934,633	(c)	2,325,526	(d)	(e)	2,117,732	
Properties under construction (a)	6.75% - 9.75%	7.5% - 11.75%	2.5%	1,372,826	(1,847,243)	718,738	-	-	718,738	
Properties under development (a)	9.00%	11.00%	2.5%	408,122	(95,821)	408,122	-	-	408,122	
Properties to be developed (b)	-	-	-	185,146	-	185,146	-	-	185,146	
				5,900,727	(2,356,812)	3,637,532	(42,793)	(165,002)	3,429,738	

- The investment properties under construction and under development have a fair value ratio per GLA-sqm lower than the investment properties in operation, by virtue of the risk rate applied to calculate the discount rate used in measuring the discounted cash flow of such investment properties. The purpose of this risk rate is to capture the uncertainties of an investment property under construction or under development, such as changes in budget forecasts, design changes, possible modifications requested by regulatory agencies, and delay in the completion of the project, making the fair value lower than that of delivered and operating investment property. The fair value per GLA-sqm of an investment property under development is on average between 50% and 60% below the fair value per GLA-sqm of an investment property in operation. During the construction of an investment property under development, the risk rate falls and the investment property's value increases, bringing their fair value ratio per GLA-sqm closer.
- Investment properties to be developed are substantially measured at historical cost, due to uncertainties in measuring fair value.
- Balance corresponding to the undivided interest of joint operators in the investment properties. In this case, the undivided interest was sold and derecognized at the time of sale.
- Balance corresponding to noncontrolling interests in the subsidiaries that own the investment properties. In the statement of financial position disclosed in accordance with the accounting standards, they are presented as noncontrolling interests in Equity and in the Statement of Profit or Loss.
- As mentioned in Note 13, JHSF is the owner of the investment property; however, it granted its right to income to FII XP Malls with a purchase option. If such option is exercised, the fair value will be written down to profit or loss for the year and gain or loss on the sale will be recognized.

Notes

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(Amounts expressed in thousands of reais)

Description	December 31, 2020								
	Inputs used for fair value measurement			Fair value of properties (100%)	Joint operation	Balance of investment properties	Noncontrolling interests	Assignment of beneficial interest (Note 13)	Interest held by the Company, net
Cap rate	Discount rate (actual terms / pre-tax)	Growth rate – perpetuity							
Properties in operation	6.25% - 8%	7.5% - 9.25%	0.5% - 2.5%	3,935,944	(1,888,623)	2,047,321	(59,428)	(148,974)	1,838,920
Properties under construction	6.25% - 9.5%	7% - 11.5%	2.5%	1,071,978	(406,576)	665,402	-	-	665,402
Properties under development	8.50%	10.50%	2.5%	404,618	-	404,619	-	-	404,619
Properties to be developed	-	-	-	188,139	-	188,139	-	-	188,139
				5,600,679	(2,295,199)	3,305,479	(59,428)	(148,974)	3,097,080

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Changes for the year are as follows:

	Individual			Consolidated		
	Properties in operation	Properties under construction	Total	Properties in operation	Properties under construction	Total
Balances at December 31, 2019	23,766	122,622	146,388	2,124,213	1,043,904	3,168,116
Transfers (a)	(23,766)	23,766	-	173,305	(176,178)	(2,873)
Additions	-	36,275	36,275	4,407	180,593	185,000
Write-offs of fair value of properties (a)	-	-	-	(313,873)	-	(313,873)
Changes in fair value of properties (a)	-	221,956	221,956	59,269	209,841	269,110
Balances at December 31, 2020	-	404,619	404,619	2,047,321	1,258,161	3,305,479
Transfers (d)	-	-	-	-	(18,262)	(18,262)
Additions (c)	-	139,752	139,752	45,550	262,492	308,042
Changes in fair value of properties (b)	-	(136,249)	(136,249)	232,655	(190,382)	42,273
Balances at December 31, 2021	-	408,122	408,122	2,325,526	1,312,009	3,637,532

- Vide demonstrações financeiras do exercício de 2020.
- The variation in the fair value of the properties, less losses on restatement of assignment of beneficial interest amounting to R\$16,027 (R\$14,595 at December 31, 2021), total the fair value balance presented in the statement of profit or loss of R\$26,244 (R\$195,596 in 2020).
In addition, the Company recognized in the year gains from straight-line revenue (CPC 06 - R2/IFRS 16) in the amount of R\$1,231, fair value of Houses for lease at Fazenda Boa Vista in the amount of R\$194,642, fair value of Hangars (warehouses) in the amount of R\$39,404 and losses on fair value measurement of other assets in the amount of R\$191,574. These losses are substantially linked to the increase in the discount rates used in the measurement of the assets, which in turn are linked to the growth in Brazil's Central Bank benchmark rate (Selic).
- The additions for the period refer mainly to the expansions of Shopping Cidade Jardim and Catarina Fashion Outlet, development of Faria Lima Shops and in the construction of rental houses located in the Fazenda Boa Vista complex.
As mentioned in Note 13, the Company assumed the commitment to exchange land for the distribution of operating cash flows from Shops Faria Lima. This transaction generated a cost addition of R\$95,048, which did not involve a cash outflow and does not affect the statement of cash flow.
- In December 2021, the Company reclassified the balance of R\$32,432 referring to the São Roque land (property surrounding Catarina Fashion Outlet) to Properties for sale. The land will be used in a future venture of the Company that does not foresee the development of properties for investment. In addition, the historical costs of hangars (warehouses) at Catarina Airport in the amount of R\$14,170 were reclassified to Investment properties. These hangars are leased to third parties for the purpose of earning lease income.

The GLA (Gross Leasable Area) of the Company's ventures in operation is as follows:

	12-2021	12-2020
GLA - (sqm) (in equity interest)	84,084	67,967
GLA - parking space (sqm) (in equity interest)	7,540	4,596

Notes**JHSF Participações S.A.**

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A sensitivity analysis of asset amounts and the respective adjustments in profit or loss are stated below, if there were changes in the discount rates used to calculate fair value. The Company used variations of 0.5 percentage points upwards or downwards.

	Balance in 12-2021 Consolidated	Effects of variations in discount rate		
		- 0.5 p.p.	Effect on P&L	+ 0.5 p.p. Effect on P&L
Investment properties (a)	2,973,349	3,086,836	113,487	2,864,925 (108,424)

(a) The sensitivity analysis was carried out for the investment properties measured at fair value using the discounted cash flow method (Shopping malls and Expansions). The balance stated in Column "Balances in 12-2021 - Consolidated" does not comprise the investment properties held at cost or measured using the market value comparison approach.

10. Intangible assets (Consolidated)

Description	Changes in 2021 - Consolidated					Balances in 2021
	Balances in 2020	Additions	Write- offs	Transfers	Amortization	
Goodwill on acquisition of investments						
Hotel Marco Internacional S.A. (a)	13,268	-	-	-	-	13,268
Fasano Restaurants (b)	24,512	-	-	-	-	24,512
JHSF Gestão de Investimentos	358	-	-	-	-	358
Usina São Paulo	-	647	-	-	-	647
intangible assets						
Trademarks and patents	32,203	-	-	66	(50)	32,219
Points of sales	17,192	-	-	-	(551)	16,641
Software	18,089	6,736	(25)	-	(3,223)	21,577
Other	3,017	2,000	-	-	(45)	4,972
	108,639	9,383	(25)	66	(3,869)	114,194

(a) On January 21, 2008, 4,191,715 common registered shares of Hotel Marco Internacional S.A. were acquired, representing 13.9% of its capital.

(b) Goodwill for expected future profitability recorded upon acquisition of Fasano brand restaurants.

Description	Changes as at December 31, 2020 - Consolidated				Balances at 2020
	Balances at 2019	Additions	Transfers	Amortization	
Goodwill on acquisition of investments					
Hotel Marco Internacional S.A.	13,268	-	-	-	13,268
Fasano Restaurants	24,512	-	-	-	24,512
JHSF Gestão de Investimentos	358	-	-	-	358
intangible assets					
Trademarks and patents	27,984	3,279	1,004	(64)	32,203
Points of sales	18,635	-	-	(1,443)	17,192
Software	11,049	8,772	696	(2,428)	18,089
Other	3,440	1,277	(1,700)	-	3,017
	99,246	13,328	-	(3,935)	108,639

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11. Sundry receivables

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Balances corresponding to the inventory of the Company's stores, hotels and restaurants.	-	-	64,150	50,646
Taxes and contributions recoverable	3,874	1,860	20,517	17,882
Deferred taxes and contributions (Note 16)	-	-	1,290	627
Expenses with sales commissions to be allocated	609	652	20,795	19,136
Promotion fund of shopping malls	-	-	8,308	6,361
Advances to suppliers (b)	-	15	38,518	42,698
Judicial deposits	1,245	1,517	11,236	10,441
Apportionment of administrative expenses (c)	11,628	44,009	-	-
Swap transaction (b)	-	-	4,642	-
Other sundry receivables	6,687	8,545	47,092	25,151
Total	24,044	56,598	216,548	172,942
Current	16,960	46,577	193,570	153,153
Noncurrent	7,084	10,021	22,978	19,789

(a) The balance corresponds to expenses with projects under development and advances on imports for the inventory of stores.

(b) See details on the transaction in Note 12.2.d).

(c) The decrease in the balance is justified by the settlement of balances between the Company and its subsidiaries that took place on August 27, 2021, through the Distribution Minutes for the Allocation of the Income Reserves and Assumptions of Debts. These transactions have the common purpose of writing off and reducing current account balances between related parties (Notes 7 and 15).

(d) The increase in the balance substantially refers to unearned insurance premiums of R\$2,206, receivables from portfolio securitization transactions of R\$2,270 and Fasano brand fees of R\$8,956.

12. Loans, financing and debentures**12.1. Loans and financing**

Type	Index	Interest rate p.a.	Individual		Consolidated	
			12-2021	12-2020	12-2021	12-2020
Working capital	CDI	2.18% - 2.70% (a)	207,907	358,500	337,111	437,604
1st issue of promissory note (b)	CDI	1.40%	102,196	-	102,196	-
BNDES - Airport -subloan A	IPCA	8.64%	-	-	93,958	79,463
BNDES - Airport -subloan B	IPCA	5.49%	-	-	69,443	60,794
BNDES - Airport -subloan C	IPCA	1.79%	-	-	780	-
Balance (Note 23)			310,103	358,500	603,488	577,861
Borrowing costs to be amortized			(477)	(59)	(6,154)	(903)
Net balance (Note 23.1)			309,626	358,441	597,334	576,958
Current			170,288	296,655	204,696	338,301
Principal and interest			170,465	296,714	204,969	338,497
(-) Costs			(177)	(59)	(273)	(196)
Noncurrent			139,338	61,786	392,638	238,657
Principal and interest			139,638	61,786	398,519	239,364
(-) Costs			(300)	-	(5,881)	(707)

• Average interest rates are 2.18% and 2.70% in the individual and consolidated financial statements, respectively.

• At September 30, 2021, the Company issued a promissory note in a single series at the unit par value of R\$100,000, maturing on September 30, 2022. This balance was settled on February 24, 2022.

The aging list of loans and financing is as follows:

Individual	Consolidated
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Year	12-2021	12-2020	12-2021	12-2020
2021	-	296,715	-	338,497
2022	170,464	41,264	204,969	76,399
2023	133,918	14,801	155,900	51,954
2024	5,721	5,721	52,697	23,625
From 2025 onwards	-	-	189,922	87,387
Gross total	310,103	358,500	603,488	577,861
Borrowing costs to be amortized	(477)	(59)	(6,154)	(903)
Net balance	309,626	358,441	597,334	576,958

Changes in the Individual and Consolidated loans and financing, are as follows:

Individual							
Type	12-2020	Releases	Interest	Payment of principal	Payment of interest	Amortization of costs	12-2021
Working capital	358,500	240,000	17,277	(295,990)	(9,684)	-	310,103
Costs to be amortized	(59)	(2,156)	-	-	-	1,738	(477)
	<u>358,441</u>	<u>237,844</u>	<u>17,277</u>	<u>(295,990)</u>	<u>(9,684)</u>	<u>1,738</u>	<u>309,626</u>
Consolidated							
Type	12-2020	Amount released (a)	Interest	Payment of principal	Payment of interest	Amortization of costs	12-2021
BNDES	140,257	725	27,777	(1,440)	(3,138)	-	164,181
Working capital	437,604	342,702	23,708	(348,700)	(16,007)	-	439,307
Costs to be amortized	(903)	(7,984)	-	-	-	2,732	(6,154)
	<u>576,958</u>	<u>335,443</u>	<u>51,485</u>	<u>(350,140)</u>	<u>(19,145)</u>	<u>2,732</u>	<u>597,334</u>

- The Company took out R\$342,702 and settled R\$348,700 in loans, these measures aim to extend the financial obligations maturing in 2022.

The maturities and guarantees of loans and financing are s follows:

Type	Maturity	Guarantees
BNDES - Airport	05/15/2031	Property first mortgage + right on receivables
Working capital	11/23/2021	Chattel mortgage of real estate units
Working capital	10/28/2024	Company controlling shareholders' collateral signatures
Promissory note	09/30/2022	Firm guarantee regime

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12.2. Debentures

Type	Index	Interest rate p.a.	Individual		Consolidated	
			12-2021	12-2020	12-2021	12-2020
1st issue of subsidiaries (1st series) (d)	CDI	2.15%	-	-	261,465	-
2nd issue of subsidiaries (1st series) (a)	CDI	1.90%	-	-	334,840	315,042
2nd issue of subsidiaries (2nd series) (a)	IPCA	6.00%	-	-	374,815	319,435
8th issue of unsecured debentures (b)	CDI	-	120,578	120,117	120,578	120,117
9th issue of unsecured debentures (c)	CDI	1.55%	213,975	260,622	213,975	260,622
10th issue of subsidiaries (e)	CDI	1.55%	100,348	-	100,348	-
Balance (Note 23)			434,881	380,738	1,405,836	1,015,216
(-) Debenture issue costs			(143)	(3,440)	(4,903)	(3,440)
(-) Debt modification adjustment (Note 23)			-	-	(21,275)	(21,548)
Net balance (Note 23.1)			434,572	377,298	1,379,658	990,228
Current			52,466	45,841	53,931	45,841
Principal and interest			52,609	49,281	54,078	49,281
(-) Costs			(143)	(3,440)	(147)	(3,440)
Noncurrent			382,106	331,457	1,325,727	944,387
Principal and interest			382,106	331,457	1,351,760	965,935
(-) Costs			-	-	(4,758)	-
(-) Debt modification adjustment			-	-	(21,275)	(21,548)

- On May 20, 2019, the Company issued unsecured nonconvertible debentures in three series. Their maturities are as follows:

Type	Issue amount	Beginning of amortization	Maturity
1st Series	R\$310,000	06/27/2022	03/25/2035
2nd Series	R\$310,000	06/25/2019	03/25/2035

The security interests of transactions are undivided interests in properties and lease receivables from storeowners of Shopping Cidade Jardim, Catarina Fashion Outlet, Shopping Bela Vista and Shopping Ponta Negra and Shops Jardins.

On August 7, 2020, JHSF Malls S.A. formalized amendments to financial and nonfinancial conditions with the debenture holders of the 2nd issue that resulted in:

- Reduction of spread by 0.25% per annum;
- Adoption of grace period for interest, monetary restatement and principal, resulting in reduction of cash disbursements by R\$130,000 within and estimated term of 30 months;
- Extension of the maturity period to 2035; and
- Suppression of mandatory rating and corporate restructuring, as previously provided.

This change in the spread and debt maturity extension generated a debt modification adjustment amounting to R\$21,275.

- On December 5, 2019, the Company completed the 8th issue of single-series unsecured nonconvertible debentures, with personal guarantee (Debentures) in the amount of R\$120,000, maturing on December 10, 2029 and bearing interest of 100% of the CDI.
- On April 17, 2020, the Company completed the 9th issue of unsecured nonconvertible debentures with security interest, for private placement, in the amount of R\$300,000, bearing annual interest equivalent to CDI+1.55% and with total term of up to six years.

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- On March 9, 2021, JHSF Real Parque S.A. concluded the 1st issue of unsecured nonconvertible debentures with security interest and personal guarantee, in two series, for private placement, in the amount of R\$260,000, with (i) R\$160,000 corresponding to the first series Debentures; and (ii) R\$100,000 corresponding to the second series Debentures.

The first series Debentures will bear conventional interest equivalent to 100% of the CDI plus a surcharge equivalent to 2.15%; and the second series Debentures will bear fixed conventional interest corresponding to 9.4639% p.a. For the 2nd series debentures, the Company entered into a Swap operation to readjust the remuneration to CDI + 2.15% p.a.

The security interests for the transaction is a chattel mortgage of the collateral property, statutory lien in shares issued by JHSF Real Parque S.A. and assignment of receivables of the issuer arising from the commercial use of the collateral property. The Company is the guarantor of JHSF Real Parque S.A.

The accounting practices applicable to the Swap transaction are shown below:

Derivative financial instruments designated in hedging transactions are initially recognized at fair value on the date the derivative contract is entered into. Derivatives are carried as financial assets when the fair value of the instrument is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives over the years are posted directly to the statement of profit or loss. For hedge accounting purposes, the Company has transactions classified as follows:

- On June 25, 2021, the Company completed the 10th issue of non-privileged, unsecured, nonconvertible debentures, in a single series, with personal guarantee in the total amount of R\$100,000, maturing on June 25, 2023, subject to interest of CDI + 1.55% p.a. The Debentures may be subject to a Scheduled Repricing a maximum of eighteen (18) times.

The payment of debentures is scheduled as follows:

Year	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
2021	-	49,281	-	49,281
2022	52,609	49,351	54,076	49,350
2023	150,133	50,133	185,792	105,536
2024	50,895	50,895	192,078	96,388
From 2025 onwards	181,078	181,078	973,890	714,661
Gross total	434,715	380,738	1,405,836	1,015,216
Debenture costs to be amortized	(143)	(3,440)	(4,903)	(3,440)
Debt modification adjustment	-	-	(21,275)	(21,548)
Total net	434,572	377,298	1,379,658	990,228

Changes in Individual and Consolidated debentures are as follows:

Individual								
Type	12-2020	Releases	Interest	Payment of principal	Payment of interest	Amortization of costs	Debt modification adjustment	12-2021
Debentures	380,738	100,000	22,470	(48,593)	(19,900)	-	-	434,715
Costs to be amortized	(3,440)	(2,355)	-	-	-	5,652	-	(143)
	377,298	97,645	22,470	(48,593)	(19,900)	5,652	-	434,572
Consolidated								
Type	12-2020	Releases	Interest	Payment of principal	Payment of interest	Amortization of costs	Debt modification adjustment	12-2021
Debentures	1,015,216	360,000	113,595	(48,593)	(34,382)	-	-	1,405,836
Costs to be amortized	(24,988)	(7,111)	-	-	-	6,194	(273)	(26,178)
	990,228	352,889	113,595	(48,593)	(34,382)	6,194	(273)	1,379,967

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On August 7, 2020, at the General Meeting of holders of debentures of the 2nd issue, 1st and 2nd series, the debenture holders preemptively waived all rights granted to the Issuer due to non-compliance with any of the ratios provided for in the Indenture of Issue.

The 1st issue of subsidiary JHSF Real Parque S.A. has financial covenants effective from September 30, 2021. The automatic early maturity will occur in case the financial ratio resulting from the Net Debt/EBITDA ratio ("Financial Ratio"), calculated based on the Company's consolidated financial statements, is higher than or equal to 3.

The 10th issue has financial covenants that compels the Issuer to maintain a Net Debt/Equity ratio of less than or equal to 0.6, monitored by the Trustee every six months, based on the Company's consolidated financial statements that are regularly disclosed by the Issuer, effective from December 31, 2021.

Contractual ratios are as follows:

	12-2021
Income before income and social contribution taxes	995,762
Finance income (costs), net	117,749
Depreciation and amortization of property and equipment and intangible assets	62,231
Changes in fair value of investment properties	(26,244)
Loss attributable to noncontrolling interests	22,245
EBITDA (defined in contract) (a)	1,171,743
Cash and cash equivalents and marketable securities	877,494
Loans, financing and debentures	1,976,992
Net debt	(1,099,498)
Net Debt / EBITDA ratio (defined in contract)	0.938344
Equity	4,464,564
Net debt-to-equity ratio	0.2462722

- The EBITDA calculation methodology follows the assumptions and criteria established in contract.

The Company periodically monitors compliance with financial and nonfinancial covenants as per contractual rules. For the year ended December 31, 2021, no evidence of non-compliance with such covenants was detected.

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13. Trade accounts payable and assignment of beneficial interest

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Trade accounts payable (Note 23)	1,161	5,862	90,628	99,584
Obligations payable for exchange of land (Note 23) (a)	95,048	-	95,048	-
XP Malls Fundo de Investimento Imobiliário - Assignment of beneficial interest (Note 23) (b)	-	-	165,001	148,974
JHSF Rio Bravo Fazenda Boa Vista (Note 23) (c)	-	-	-	125,312
Costs to be amortized	-	-	-	(655)
Total	96,209	5,862	350,677	373,215
Current	1,161	5,862	101,574	232,294
Noncurrent	95,048	-	249,103	140,921

(a) In 2021, the Company assumed the commitment to exchange land of 2,445 sqm which will integrate Shops Faria Lima (venture under development). The negotiation provides for the exchange of land for distribution of operating cash flows from shopping malls in the percentage of 25.38% and from the Commercial Tower of 14.46%.

(b) On June 24, 2019, the Company and XP Malls entered into an assignment of beneficial interest of the undivided interest of 17.99% of Catarina Fashion Outlet and, as such, XP Malls will benefit of 17.99% from the NOI (Net Operating Income) of Catarina Fashion Outlet for thirty years, in addition to a purchase option agreement of the respective undivided interest. The transaction is guaranteed by the undivided interest itself and amounts to R\$112,213.

XP Malls will be entitled to exercise the purchase option from the beginning of the fifteenth year, from the date the agreement was entered into (June 24, 2019) until the end of the twenty-ninth year, for the amount of R\$1,200, which will be restated by reference to the Interbank Deposit Certificate (CDI) rate.

Changes in the beneficial interest transaction are as follows:

	Financial liabilities
Total at December 31, 2019	134,563
(-) Distribution of P&L for the period	(184)
(+) Restatement of assignment of beneficial interest	14,595
Total at December 31, 2020	148,974
Restatement of assignment of beneficial interest	16,028
Total at December 31, 2021	165,001
Current	10,946
Noncurrent	154,055

The preliminary schedule for amortization of the balances is as follows:

Year	Consolidated	
	12-2021	12-2020
2021	-	133,366
2022	10,946	9,178
2023	11,391	9,633
From 2024 onwards	142,664	122,109
	165,002	274,286
Cost to be amortized	-	(655)
Total	165,002	273,631

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(c) In the third quarter of 2013, through the subsidiaries that sell Fazenda Boa Vista's units, the Company received a contribution of R\$125,312 from JHSF Rio Bravo Fazenda Boa Vista Capital Protegido Fundo de Investimento Imobiliário - FII, which generated a co-obligation of 14.44% equity interest on the net sales of the real estate units involved in the transaction or payment of guaranteed minimum monthly earnings of IPCA + 1% p.a., whichever is higher, with final maturity on July 22, 2021. On July 19, 2021, the Company redeemed the FBV FII in full, with contribution of R\$125,312, fully refunded to the Fund's shareholders.

14. Sundry payables

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Social, labor and tax obligations (d)	2,999	2,013	160,704	107,514
Deferred taxes and contributions (Note 16)	-	-	24,990	19,311
Leases (Note 23) (b)	-	-	237,035	115,624
Accounts payable for acquisition of land (a) (Note 23)	-	-	-	157,962
Provision for capital deficiency in subsidiary (f)	21,842	8,199	-	-
Provision for cost to be incurred with construction work (e)	-	-	18,644	-
Other accounts payable	7,296	-	45,120	12,669
Total sundry payables	32,137	10,212	486,493	413,080
Current	10,295	2,013	190,425	139,038
Noncurrent	21,842	8,199	296,070	274,042
Advances from customers (c)	-	-	208,327	206,757
Total	-	-	208,327	306,342
Current	-	-	176,864	274,879
Noncurrent	-	-	31,463	31,463

(a) This refers to the land acquired in July 2020 and settled in August 2021 for the amount of R\$154,000 (Note 6).

(c) The increase refers to the Usina SP contract (Note 8) and operational and administrative property lease agreements (stores, restaurants and hotels).

(c) The balance corresponds substantially to advances from real estate development customers.

(d) The increase in the balance corresponds to the growth in the Company's operations and the consequent increase in the number of employees.

(e) This refers to costs to be incurred with construction work of properties sold of the BV Estates venture.

(f) This refers substantially to investees Restaurante Gero Rio S.A. and Lyon Comércio, Importação e Exportação Ltda.

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15. Transactions with related parties

	Individual		Consolidated	
	2021	2020	2021	2020
Receivables from subsidiaries	262,010	362,643	-	-
Payables to subsidiaries	(631,833)	(1,148,813)	-	-
Receivables from and payables to subsidiaries, net	(369,823)	(786,170)	-	-
Dividends receivable from subsidiaries	12,764	12,765	-	-
Receivables from other related parties and associates	-	-	25,606	17,309
Payables to other related parties and associates	-	-	(8,775)	(6,468)
Receivables from and payables to other related parties, net	-	-	16,831	10,841
Total receivables from and payables to related parties, net	(357,058)	(773,405)	16,831	10,841
Total receivables from related parties (Note 23)	274,775	375,409	25,606	17,309
Current	12,764	61,078	-	-
Noncurrent	262,010	314,330	25,606	17,309
Total payables to related parties (Note 23)	631,833	1,148,813	8,775	6,468
Current	631,833	1,148,813	7,242	3,024
Noncurrent	-	-	1,533	3,444

(a) Balances with subsidiaries to fund operating activities, with no income or maturity, thus the receivables balance was classified in noncurrent assets and the payables balance in current.

Receivables from and payable to related parties are as follows:

Assets	Individual	
	12-2021	12-2020
Receivables from related parties		
Lyon Comércio, Importação e Exportação Ltda.	76,797	62,167
JHSF Incorporações Ltda.	38,301	-
SPCTA Taxi Aéreo Ltda.	38,505	23,928
JHSF Engenharia S.A.	32,217	-
Polônia Incorporações Ltda.	-	196,319
JHSF Malls S.A. (a)	-	48,314
Other (b)	76,190	31,915
Total	262,010	362,643
Liabilities		
JHSF Malls S.A. (a)	335,087	499,465
Canárias Administradora de Bens Ltda.	127,960	323,214
Polônia Incorporações Ltda.	97,513	-
São Sebastião Desenvolvimento Imobiliário Ltda.	20,710	129,522
Cia. Boa Vista de Desenvolvimento Imobiliário Ltda.	15,620	102,931
JHSF Engenharia Ltda.	-	31,529
Other (b)	34,943	62,152
Total	631,833	1,148,813

(a) Balance corresponding to the checking account between the Parent Company and JHSF Malls S.A. The funds transferred correspond substantially to the debenture releases mentioned in Note 12.2 and transfer of shared services, which were transferred using the apportionment method.

(b) Balance corresponding to transactions between the other subsidiaries of the Company.

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Sales transactions

At December 31, 2021, the Company records receivables from shareholders, board of directors' members and managing officers amounting to R\$75,248 (R\$39,921 in 2020) arising from the sale of real estate units and services, as follows:

Transaction date	Company	Counterparty	Relationship between the counterparty and JHSF	Nature of transaction	Transaction amount (R\$)	Outstanding balance at 12.31.2021 (R\$)	Transaction Details
11/18/2019	JHSF Incorporações Ltda.	Robert Bruce Harley	Managing officer of a Company subsidiary	Sale of real estate unit	12,000	13,398	Sale of real estate unit of the Venture located in the city of São Paulo (under construction). The outstanding balance is restated at a fixed interest rate of 7.18% p.a., with the last installment maturing in January 2027.
12/22/2020	JHSF Incorporações Ltda.	Thiago Alonso de Oliveira	Managing officer of the Company	Sale of real estate unit	10,744	6,558	Sale of real estate unit of the Venture located in the city of São Paulo (under construction). The outstanding balance is restated using the INCC + 4% until delivery of the unit; after delivery, it is restated using the IPCA + 4%, with the last installment maturing in June 2027.
12/27/2019	JHSF Incorporações Ltda.	Robert Bruce Harley	Managing officer of a Company subsidiary	Sale of real estate unit	4,368	4,963	Sale of real estate unit located in the city of São Paulo (under construction). The outstanding balance is restated at a fixed interest rate of 7.18% p.a., with the last installment maturing in June 2027.
12/30/2019	Canárias Administradora de bens Ltda.	Wilmar Silva Rodríguez	Managing officer of the Company	Sale of real estate unit	2,315	2,197	Sale of real estate unit located in the municipality of Porto Feliz. The outstanding balance is restated using the INCC + 4% until delivery of the unit; after delivery, it is restated using the IPCA + 4%, with the last installment maturing in December 2024.
12/14/2018	Milano Administradora de bens Ltda.	Robert Bruce Harley	Managing officer of a Company subsidiary	Sale of real estate unit	5,600.00	-	Sale of real estate unit located in the city of São Paulo. The balance is fixed and non-adjustable, with the last installment maturing in June 2021.
04/29/2019	Milano Administradora de bens Ltda.	Robert Bruce Harley	Managing officer of a Company subsidiary	Sale of real estate unit	3,800	3,492	Sale of real estate unit of the Venture located in the city of São Paulo. The balance is restated using the IPCA + 6.5%, with the last installment maturing in February 2024.
04/06/2016	Canárias Administradora de bens Ltda.	Robert Bruce Harley	Managing officer of a Company subsidiary	Sale of real estate unit	1,799	3,147	Sale of real estate unit. The balance is restated using the INCC + 4% until delivery of the unit; after delivery, it is restated using the IGP-M, with the last installment maturing in May 2021.
11/18/2019	Catarina Serviços Aeronáuticos Ltda.	Robert Harley Bruce	Managing officer of a Company subsidiary	Membership fee of Catarina Jets	2,548	2,548	Membership fee of the aeronautical service program of Catarina Airport.
03/31/2021	Canárias Administradora de bens Ltda.	Rogério Lacerda	Managing officer of a Company subsidiary	Sale of real estate unit	4,350	2,429	Sale of real estate unit of Project Village, located in the municipality of Porto Feliz.
06/15/2021	Catarina Serviços Aeronáuticos Ltda.	JHSf Part. Ltda.	Company owned by the controlling shareholder	Hangar	1,332	1,332	Agreement on the use of hangar at the São Paulo Catarina Executive Airport entered into with JHSF Par Ltda., subject to annual adjustment, for a 36-month term.
05/12/2021	Canárias Administradora de bens Ltda.	José Castro de Araujo Rudge	Member of the Board of Directors	Sale of real estate unit	5,000	1,342	Sale of real estate unit of Project Village, located in the municipality of Porto Feliz.
01/10/2021	JHSF Incorporações Ltda.	José Castro de Araujo Rudge	Member of the Board of Directors	Sale of real estate unit	11,074	2,296	Sale of real estate unit of the Venture located in the city of São Paulo (under construction). The outstanding balance is restated using the INCC until delivery of the unit; after delivery, it is restated using the IGP-M, with the last installment maturing in January 2024.
06/30/2021	Polônia Incorporações Ltda.	Ana Fava Auriemo de Souza Meirelles	Managing officer of a Company subsidiary	Sale of real estate unit	17,520	-	Sale of real estate unit of Boa Vista Estates Venture, located in the municipality of Porto Feliz.
09/20/2021	Polônia Incorporações Ltda.	TERRA ALTA EMPREENDIMENTOS S.A	Company owned by the controlling shareholder and relatives	Sale of real estate unit	15,713	14,574	Sale of real estate unit of Boa Vista Estates Venture, located in the municipality of Porto Feliz.
09/20/2021	Polônia Incorporações Ltda.	José Auriemo Neto	Controlling shareholder	Sale of real estate unit	17,817	16,035	Sale of real estate unit of Boa Vista Estates Venture, located in the municipality of Porto Feliz.
06/04/2021	JHSF Empreendimentos Village 08 Ltda.	José Auriemo Neto	Controlling shareholder	Lease of real estate unit	729	-	Lease agreement of the house in Fazenda Boa Vista Venture, located in the municipality of Porto Feliz. Lease monthly payment that will be annually restated by reference to the IGP-M, effective for 30 months.
Total					116,709	74,311	

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In addition, at December 31, 2021, the Company has R\$23,825 (R\$16,464 as at December 31, 2020) in receivables referring to the sale of real estate units to the relatives of shareholders, of the members of the board of directors, and/or of managing officers.

The above-mentioned sales to shareholders, members of the board of directors, managing officers and their relatives total R\$93,485 in revenue for the year (recognized in profit or loss using the POC method, where applicable), which represent 5% of total net revenue, and R\$12,186 in costs for the year, representing 1% of total costs.

Dividends payable

	Dividends
At December 31, 2019	35,500
Additional dividends (SCE)	98,413
Dividends paid out in the year (cash) - SCF	(115,524)
Offset against debt balance of the controlling shareholder	(17,889)
Mandatory minimum dividend	144,361
At December 31, 2020	144,361
Mandatory minimum dividends for 2020 paid out (cash) - SCF	(144,361)
Payment of interim dividends for 2021	(125,000)
Mandatory minimum dividends	233,992
At December 31, 2021	108,992

At the Special and Annual General Meeting held on April 9, 2020, the payment of additional dividends was approved in the amount of R\$52,413. At the Board of Directors' Meeting held on August 13, 2020, the payment of dividends to Shareholders was approved in the amount of R\$36,111 in cash, as well as the offset of R\$17,889 with the controlling shareholder. On October 2, 2020, shareholders approved the distribution of additional dividends amounting to R\$46,000.

At the Annual and Special General Meeting held on March 29, 2021, payment of dividends totaling R\$144,361 was approved, which were paid OUT on April 12, 2021. On October 8, 2021, the Company approved the payment of interim dividends in the amount of R\$125,000. The declared amount will be attributed to the mandatory minimum dividend for the fiscal year ended December 31, 2021.

Key management personnel compensation

	Statutory Board and managing officers	Board of Directors	Supervisory Board	Audit Committee	Total
12-2021					
Number of members	5	8	3	3	19
Salary/management fees/compensation	5,194	4,714	459	408	10,775
Bonus	9,410	-	-	-	9,410
Direct and fringe benefits	203	86	-	-	289
Total compensation	14,807	4,800	459	408	20,475

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12-2020	Statutory Board and managing officers	Board of Directors	Supervisory Board	Audit Committee	Total
Number of members	3	7	3	3	16
Salary/management fees/compensation	3,973	2,016	326	420	6,735
Bonus	6,467	8,057	-	-	14,524
Direct and fringe benefits	197	91	-	-	288
Total compensation	10,637	10,164	326	420	21,547

16. Current and deferred taxes and contributions**16.1. Deferred taxes and contributions**

Deferred income and social contribution taxes are recorded to reflect the future tax effects attributable to the temporary differences between the tax base of assets and liabilities and their respective carrying amounts. Given their nature, deferred tax assets/(liabilities) are stated as follows:

Consolidated Tax bases	12-2021			12-2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Tax depreciation	-	(83,282)	(83,282)	-	(73,918)	(73,918)
Tax loss	-	32,156	32,156	-	32,156	32,156
Fair value - investment properties	-	(650,163)	(650,163)	-	(684,318)	(684,318)
Other taxes	956	(27,835)	(26,878)	627	(23,120)	(22,493)
Total	956	(729,123)	(728,167)	627	(749,201)	(748,574)
Current	-	(24,990)	(24,990)	-	(16,110)	(16,110)
Noncurrent	956	(704,133)	(703,177)	627	(733,091)	(732,464)

At December 31, 2021, the tax loss for the Company was R\$742,997 (R\$708,332 in 2020) and for the consolidated was R\$1,227,009 (R\$1,209,459 in 2020). Deferred income and social contribution tax assets were set up for certain subsidiaries, based on the expected generation of taxable income. The use of tax credits recognized should follow the schedule below:

	2021	2020
2021	-	5,281
2022	463	2,252
2023	5,914	1,219
2024	2,580	1,424
2025	1,618	1,520
2026	1,731	1,594
From 2027 onwards	19,851	18,866
	32,156	32,156

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16.2. Reconciliation of income and social contribution tax expense

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Income before income and social contribution taxes	957,139	719,174	995,762	751,064
Income and social contribution taxes at statutory rates (34%)	(325,427)	(244,519)	(338,559)	(255,362)
Adjustments to determine effective rate				
Income and social contribution taxes at the rate of 34%, with no deferred tax credits recorded (a)	(15,925)	(20,119)	322,874	142,798
Exclusion of equity pickup (34%)	387,677	189,173	1,142	354
Reversal of deferred income and social contribution taxes	-	-	-	-
Income (loss) from income and social contribution taxes	46,325	(75,465)	(14,543)	(112,210)
Current income and social contribution taxes	-	-	(47,818)	(27,887)
Deferred income and social contribution taxes	46,325	(75,465)	33,275	(84,323)
Income (loss) from income and social contribution taxes	46,325	(75,465)	(14,543)	(112,210)

(a) The consolidated balance corresponds substantially to the difference in the rate of real estate development projects that are subject to the taxable profit based on a percentage of gross sales regime or to the Special Taxation Regime ("RET").

17. Provision for contingencies

Provisions for contingencies were set up as described in Note 3.16., the settlement of which is expected for a period over one year and are classified in noncurrent liabilities.

Probable	Individual		Consolidated			
	contingencie s	Total	contingencie s	Tax	Civil	Total
Balances at December 31, 2019	-	-	2,138	75	1,839	4,052
Provision (reversal) in 2020 (Note 21)	7,000	7,000	7,079	-	75	7,154
Balances at December 31, 2020	7,000	7,000	9,217	75	1,914	11,206
Provision (reversal) in 2021 (Note 21)	-	-	7,615	2	1,860	9,477
Balances at December 31, 2021	7,000	7,000	16,832	77	3,774	20,683

Possible	Consolidated			
	Labor	Tax	Civil	Total
Balances at December 31, 2020	19,628	22,848	166,149	208,623
Balances at December 31, 2021	24,457	23,752	194,407	242,614

18. EquityCapital

At December 31, 2021, the Company's capital amounted to R\$1,865,950 (R\$1,860,183 at December 31, 2020), comprising 686,224,353 common registered shares (684,810,641 shares at December 31, 2020).

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Share issues for 2021 and 2020 are as follows?

BDM date (*)	Capital increase	Number of common shares issued	Purpose
01/04/2021	R\$5,767	1,413,712	Comply with the exercise of options under the Stock option plan
11/05/2020	R\$10,133	2,080,000	Comply with the exercise of options under the Stock option plan
08/13/2020	R\$7,148	3,288,812	Comply with the exercise of options under the Stock option plan
07/15/2020	R\$399,750	41,000,000	Primary public offering of shares (a)
02/13/2020	R\$7,013	3,181,848	Comply with the exercise of options under the Stock option plan

(*) Board of Directors' Meeting

(a) According to CVM Ruling No. 476 ("Restricted Offer"). Share issue costs totaled R\$26,379.

Authorized capital

At December 31, 2021, the Company is authorized to increase its capital, without the need to amend its Articles of Incorporation, through issue of new shares, as long as the capital does not exceed 752,000,000 common shares.

Treasury shares

Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of the Company's equity instruments.

At December 31, 2021, the Company has a total of 4,921,188 (Note 24) treasury shares acquired in the 3rd quarter of 2021 for the average unit price of R\$6.48 (six reais and forty-eight cents), which totaled R\$36,626.

On August 17, 2021, the Board of Directors approved: (i) the cancellation of the balance of treasury shares; and (ii) a new Company's share buyback program.

As a result, the total amount of 2,800,000 common shares was canceled, without a reduction in capital. Due to the cancellation of shares, the Company's capital is now represented by 686,224,353 common shares.

The new buyback program is limited to 28,000,000 common shares, which represent, for the purposes of cancellation or holding in treasury, for subsequent disposal or even for the exercise of options, effective until February 17, 2023.

Recognized options granted

Stock Options: the shares corresponding to options now granted may be acquired after expiration of the vesting periods, according to the rules defined in the Company's stock option plan.

Equity adjustment

This refers to the difference between the price that would be received for the sale of marketable securities or that would be paid for the transfer in a transaction between market participants at the measurement date.

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18.1. Allocation of income

Legal reserve - this is set up at the rate of 5% of the net income for each fiscal year, capped at 20% of the capital or set up in the year when the balance of that reserve, plus the amount of capital reserves, exceeds 30% of the capital.

Unearned income reserve - this corresponds to the portion of unearned income referring to the variation of fair value of investment properties, net of taxes. As provided for in the Company's Articles of Incorporation, in the year when the amount of the mandatory minimum dividend is greater than the earned portion of net income for the year, the excess portion must be recorded in unearned income reserve.

The unearned income reserve is calculated as follows:

	<u>2021</u>	<u>2020</u>
Unearned income reserve at beginning of year	1,066,520	1,032,440
Change in fair value	26,244	195,596
Deferred IRPJ/CSLL on changes in fair value	(8,923)	(66,503)
(=) Portion of unearned income for the year	<u>17,321</u>	<u>129,093</u>
(-) Fair value realization	-	(95,013)
Unearned income reserve	<u><u>1,083,841</u></u>	<u><u>1,066,520</u></u>

Retained profit reserve - this refers to the remaining profit after allocation to legal reserve and proposal of dividend payout. This reserve aims specially to meet the investment plans provided for in the capital budget for development of new business.

Dividend payout policy - shareholders are entitled to the right to receive in each year mandatory minimum dividends of 25% on net income, with the following adjustments:

Decrease in the amounts intended for, in the year, setting up the legal reserve, reserves for contingencies and portion of unearned income as well as increase of amounts resulting from the reversal, in the year, of reserves for contingencies, previously set up.

Dividends are calculated as follows:

	<u>2021</u>	<u>2020</u>
Income for the year	1,003,464	643,709
Set up of legal reserve	(50,173)	(32,185)
(=) Income for the year after setting up of legal reserve	<u>953,291</u>	<u>611,524</u>
Portion of unearned income for the year	(17,321)	(129,093)
Realization of net fair value o the sale of assets	-	95,013
Changes in unearned income reserve	<u>(17,321)</u>	<u>(34,080)</u>
Income for the year after setting up of legal reserves	<u>935,970</u>	<u>577,443</u>
Mandatory minimum dividends	<u>233,992</u>	<u>144,361</u>
Net income for the year available to the Annual Meeting	<u><u>701,978</u></u>	<u><u>433,082</u></u>

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Capital Budget Proposal - Retained Earnings - Article 196 of Law No. 6404/76

For 2022, the Company's business plan considers investments and capital investments in the amount of R\$796,175 to meet the business growth project, as follows:

Allocation of funds	2022
Recurring income	524,173
Real estate developments	79,919
Airport	65,406
Fasano	33,524
Holding	4,943
Total	707,964

As sources of funds and capital investments, fixed or working capital, to meet this investment project, the following is presented:

Source of funds	2022
Retained earnings for 2021	701,978
Own and third-party funds	5,986
Total	707,964

Therefore, it is proposed to retention of a portion of the net income for 2021 in the amount of R\$701,978.

19. Net operating revenue

	Consolidated	
	12-2021	12-2020
Revenue from sale of properties (a)	1,559,931	910,860
Revenue from shopping malls and commercial leases	303,419	183,898
Revenue from hotels and restaurants	259,711	135,415
Revenue from airport operations	43,148	22,277
Gross operating revenue	2,166,209	1,252,450
(-) Taxes on revenue	(154,136)	(79,724)
(-) Cancellations and card fees	(4,632)	(2,176)
Net operating revenue	2,007,441	1,170,550

- (a) The increase in revenue from sale of properties derives from the sales of the Boa Vista Complex, especially the launch of Boa Vista Estates, which generated revenue of R\$546,268, and Boa Vista Village, which generated revenue of R\$358,315. Additionally, the Company recognized the sale of Villa XP plot of land in the amount of R\$98,544 (see further information on this transaction in Note 1.5).

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20. Costs and expenses by nature and function

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Expenses by function				
Costs	-	-	(613,475)	(360,121)
Selling, general and administrative expenses	(25,427)	(24,454)	(258,724)	(168,255)
	(25,427)	(24,454)	(872,200)	(528,376)
Expenses by nature				
Personnel (b)	(35,539)	(36,192)	(186,382)	(134,172)
Third-party services	(6,184)	(3,249)	(41,454)	(29,763)
Depreciation and amortization (Notes 8 and 10)	(3,855)	(4,502)	(23,235)	(19,784)
Depreciation of right of use (Note 8)	-	-	(14,433)	(2,214)
Advisory services	(3,361)	(2,215)	(26,067)	(19,590)
Occupancy	(1,540)	(1,868)	(42,320)	(29,720)
Promotions and events	(2,820)	(1,406)	(27,929)	(13,474)
Cost of units sold (c)	-	-	(325,370)	(177,738)
Cost of sales	-	-	(120,229)	(44,576)
Cost of services rendered	-	-	(12,804)	(23,022)
Cost of lodging	-	-	(12,635)	(9,042)
Airport operation costs	-	-	(12,224)	(6,831)
Other costs and expenses	(1,105)	(1,174)	(27,120)	(18,450)
	(54,403)	(50,606)	(876,140)	(528,376)
Shared services (a)	28,976	26,152	-	-
	(25,427)	(24,454)	(876,140)	(528,376)

(a) The Company incurred expenses with the Executive Board and personnel compensation, legal services, travel expenses and other services allocated to JHSF Participações S.A. and apportioned through Cost Sharing, which are billed through debt notes to the Company and its subsidiaries.

(b) The increase in personnel expenses and costs are related to the expansion of the Company's business, for example: Catarina Airport, Shops Cidade Jardim and launch of new real estate development.

(c) The increase in costs of units sold are related to new product launches and sales growth. (See Note 18).

21. Other operating income (expenses), net

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Reversal (recognition) of allowance for expected credit losses and sundry receivables	1,260	1,260	(3,863)	(1,318)
Stock option plan (Note 28)	(2,028)	(3,757)	(2,028)	(3,757)
Reversal of (provision for) contingencies (Note 17)	-	(7,000)	(9,490)	(7,154)
Write-off of property and equipment (a)	-	-	(12,491)	-
Aircraft impairment (Note 8)	-	-	2,717	(502)
Depreciation and amortization (Notes 8 and 10)	-	-	(24,222)	(3,856)
	(4,894)	195	(1,958)	(6,054)
	(5,662)	(9,302)	(51,335)	(22,641)

(a) Write-offs for the period correspond to the closing of Fasano Group operations (restaurants Maréa and Gero Barra in Rio de Janeiro, Rio de Janeiro State, and restaurant Gero Brasília, Federal District, in the year ended December 31, 2021 (Note 8).

Individual		Consolidated	
12-2021	12-2020	12-2021	12-2020

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Finance income				
Monetary restatement	4,003	6,582	2,683	4,047
Foreign exchange gains, net	22,065	6,862	18,617	2,091
Interest on customer portfolio (c)	-	-	68,429	31,957
Debt modification adjustment	-	-	1,196	21,548
Other finance income	-	2,827	2,071	2,827
Changes in investment portfolio	-	-	54,327	13,307
Changes in real estate investment fund shares	-	8,537	-	-
	26,068	24,808	147,323	75,777
Finance costs				
Restatement of loans, financing and debentures	(34,674)	(16,015)	(161,760)	(79,091)
Amortization of borrowing, financing and debenture costs	(2,329)	(8,330)	(3,909)	(10,189)
Investment fund yield (loss) (a)	-	-	(44,977)	(11,359)
Discounts granted	(9)	(6,215)	(1,923)	(9,720)
Finance charges on lease (b)	-	-	(22,069)	(6,215)
Other finance costs	(4,805)	(19,665)	(30,434)	(24,310)
	(41,817)	(50,225)	(265,072)	(140,884)
Finance income (costs), net	(15,749)	(25,417)	(117,749)	(65,107)

(a) The Company paid R\$45,102 as income from JHSF Fundo Rio Bravo Fazenda Boa Vista Capital Protegido (Notes 12 and 29) and Fundo Catarina Berlin.

(b) The increase in finance charges on lease corresponds substantially to the property lease agreement of Fasano NY restaurant and Usina SP.

(c) The increase in interest on customer portfolio is explained by the increase in sales and accounts receivable (see Notes 5 and 19), in addition to the increase in contractual ratios related to the receivables portfolio.

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23. Financial instruments and risk management

The Company is a party to transactions involving financial instruments intended to meet its operational needs and reduce exposure to credit, interest rate and currency risks. The category of significant financial instruments is as follows:

	Individual			Individual		
	December 31, 2021			December 31, 2020		
	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss	Amortized cost	Total
Assets						
Short-term investments (Note 4)	193,399	-	193,399	268,655	-	268,655
Marketable securities (Note 4)	440,555	-	440,555	550,505	-	550,505
Accounts receivable (Note 5)	-	2,818	2,818	-	431	431
Receivables from related parties (Note 15)	-	274,775	274,775	-	362,644	362,644
Total financial assets	633,954	277,592	911,547	819,160	363,075	1,182,235
Liabilities						
Trade accounts payable (Note 14)	-	1,161	1,161	-	5,862	5,862
Loans and financing (Note 12.1)	-	309,626	309,626	-	358,500	358,500
Debentures (Note 12.2)	-	434,881	434,881	-	380,738	380,738
Payables to related parties (Note 15)	-	631,833	631,833	-	1,148,813	1,148,813
Obligations payable for exchange of land (Note 13)	-	95,048	95,048	-	-	-
Total financial liabilities	-	1,472,549	1,472,549	-	1,893,914	1,893,914
	Consolidated			Consolidated		
	December 31, 2021			December 31, 2020		
	Fair value through profit or loss	Amortized cost	Total	Fair value through profit or loss	Amortized cost	Total
Assets						
Short-term investments (Note 4)	358,606	-	358,606	425,535	-	425,535
Marketable securities (Note 4)	455,751	-	455,751	561,109	-	561,109
Accounts receivable (Note 5)	-	1,059,789	1,059,789	-	668,223	668,223
Receivables from related parties (Note 15)	-	25,606	25,606	-	17,309	17,309
Total financial assets	814,358	1,085,395	1,899,751	986,644	685,532	1,672,176
Liabilities						
Trade accounts payable (Note 14)	-	90,628	90,628	-	99,585	99,585
Loans and financing (Note 12.1)	-	597,334	597,334	-	577,861	577,861
Debentures (Note 12.2)	-	1,379,967	1,379,967	-	1,015,216	1,015,216
Obligations with joint operators (Note 13)	-	-	-	-	125,312	125,312
Assignment of beneficial interest (Note 13)	-	165,002	165,002	-	148,974	148,974
Leases (Note 14)	-	237,035	237,035	-	118,823	118,823
Payables to related parties (Note 15)	-	12,740	12,740	-	6,468	6,468
Accounts payable for acquisition of land (Note 14)	-	-	-	-	157,962	157,962
Obligations payable for exchange of land (Note 13)	-	95,048	95,048	-	-	-
Total financial liabilities	-	2,577,754	2,577,754	-	2,250,201	2,250,201

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23.1. Risk managementMethodology for financial instrument fair value calculation

The measurement is based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices for identical instruments in active markets;

Level 2 - Prices quoted in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are not active, and valuation models for which inputs are observable; and

Level 3 - Instruments whose significant inputs are not observable.

The amounts of significant financial assets and liabilities at fair value approximate their carrying amounts, as follows:

	Book balance	Fair value	Fair value hierarchy level
Assets			
Investment properties (Note 9)	3,637,532	3,637,532	3
Short-term investments (Note 4)	358,606	358,606	2
Marketable securities (Note 4)	442,809	442,809	2
Marketable securities - shares (Note 4)	12,941	12,941	1
Assets at amortized cost whose fair value is disclosed			
Accounts receivable, net of allowance for ECL and PVA (Note 5)	1,059,789	1,001,221	3
Receivables from related parties (Note 15)	25,606	25,620	3
Liabilities			
Loans and financing, net of costs (Note 12.1)	597,334	561,261	2
Debentures, net of costs (Note 12.2)	1,379,658	1,122,991	2
Assignment of beneficial interest (Note 13)	165,001	150,998	3
Leases (Note 14)	237,035	201,889	3
Trade accounts payable (Note 14)	90,628	90,051	3
Obligations payable for exchange of land (Note 13)	95,048	91,548	3
Payables to related parties (Note 15)	12,740	10,914	3

Interest rate risk

The Company has loans, financing and debentures indexed to the CDI, TJLP and IPCA, exposing these liabilities to fluctuations in interest rates, which are monitored by the Company.

Sensitivity analysis of significant financial assets and liabilities

With a view to analyzing the sensitivity of the indexes to which the Company was exposed, five different scenarios were defined, based on projections disclosed by financial institutions. Projections for these indexes and for dollar, for the next 12 months, i.e., December 31, 2022, were obtained, which was defined as the probable scenario, with variations of +25%, +50%, -25% and -50% calculated thereon.

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The possible impacts on significant assets and liabilities subject to volatile income are as follows:

Asset/liability exposure	Exposure		Dec 2021 US\$	Dec 2021 R\$	Probable balance	Probable P&L	Scenarios of increase			Scenarios of decrease				
	Probable Scenario	Index					25%	Profit or loss	50%	Profit or loss	-25%	Profit or loss	-50%	Profit or loss
Short-term investments in R\$ (Note 4)	8.63%	98.5% of CDI	-	256,057	278,151	22,094	10.79%	27,203	12.94%	33,091	6.47%	16,322	4.31%	10,881
Short-term investments in US\$ (Note 4)	5.57	Dollar	18,411	102,549	102,549	-	6.96	25,637	8.35	51,274	4.18	(25,637)	2.78	(51,274)
Marketable securities in US\$	5.57	Dollar	2,952	16,442	16,442	-	6.96	4,111	8.35	8,221	4.18	(4,111)	2.78	(8,221)
Accounts receivable in R\$ (Note 5)	15.24%	INCC	-	821,973	947,270	125,297	19.05%	156,621	22.87%	187,946	11.43%	93,973	7.62%	62,649
Accounts receivable - Rental in R\$	17.78%	IGP-M	-	284,302	334,859	50,558	22.23%	63,197	26.67%	75,837	13.34%	37,918	8.89%	25,279
Loans and financing (Note 12.1)	8.76%	CDI	-	(337,111)	(366,642)	(29,531)	10.95%	(36,914)	13.14%	(44,296)	6.57%	(22,148)	4.38%	(14,765)
Loans and financing (Note 12.1)	10.06%	IPCA	-	(102,196)	(112,478)	(10,282)	12.58%	(12,852)	15.09%	(15,423)	7.55%	(7,711)	5.03%	(5,141)
Loans and financing (Note 12.1)	5.32%	TJLP	-	(164,181)	(172,915)	(8,734)	6.65%	(10,918)	7.98%	(13,102)	3.99%	(6,551)	2.66%	(4,367)
Debentures (Note 12.2)	8.76%	CDI	-	(910,443)	(990,198)	(79,755)	10.95%	(99,694)	13.14%	(119,632)	6.57%	(59,816)	4.38%	(39,877)
Debentures (Note 12.2)	10.06%	IPCA	-	(495,393)	(545,234)	(49,841)	12.58%	(62,302)	15.09%	(74,762)	7.55%	(37,381)	5.03%	(24,921)
Obligations with joint operators (Note 13)	10.06%	IPCA	-	(165,002)	(181,603)	(16,601)	12.58%	(20,751)	15.09%	(24,901)	7.55%	(12,451)	5.03%	(8,300)
						<u>3,205</u>		<u>33,338</u>		<u>64,253</u>		<u>(27,593)</u>		<u>(58,059)</u>

Liquidity risk

The Company's policy is to maintain adequate levels of liquidity to ensure that it will be able to meet current and future obligations and take business opportunities as they arise. Management understands that the Company is not exposed to a significant liquidity risk, considering its ability to generate operational cash.

	Book balance	Undiscounted cash flow					Total
		2022	2023	2024	2025	2026 onwards	
Gross loans and financing (Note 12.1)	603,488	(206,403)	(155,900)	(52,697)	(96,559)	(91,929)	(603,488)
Gross debentures (Note 12.2)	1,405,836	(54,075)	(185,792)	(192,078)	(227,172)	(746,719)	(1,405,836)
Assignment of beneficial interest (Note 13)	165,002	(10,946)	(11,391)	(11,758)	(12,038)	(118,867)	(165,002)
Trade accounts payable	90,628	(90,628)	-	-	-	-	(90,628)
Leases (Note 13)	237,035	(237,035)	-	-	-	-	(237,035)
Obligations payable for exchange of land (Note 13)	95,048	-	-	(14,239)	(14,239)	(66,570)	(95,048)
Net cash flow	<u>2,597,037</u>	<u>(599,087)</u>	<u>(353,083)</u>	<u>(270,772)</u>	<u>(350,008)</u>	<u>(1,024,085)</u>	<u>(2,597,037)</u>

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24. Basic and diluted earnings per share

	Shares issued	Treasury shares	Total shares with shareholders	
			12-2021	12-2020
Balance at December 31, 2020	684,810,641	(2,800,000)	687,610,641	
Issue / cancellation (Note 18)	1,413,712	2,800,000	(1,386,288)	
Share buyback (Note 18)	-	(4,921,188)	(4,921,188)	
Balance at September 31, 2021	686,224,353	(4,921,188)	681,303,165	

	Individual		Consolidated	
	12-2021	12-2020	12-2021	12-2020
Income for the year	1,003,464	643,709	1,003,464	638,854
Weighted average number of shares (a)	688,555,819	661,174,719	688,555,819	661,174,719
Potential effects of subscription of stock options on profit or loss	3,890,992	7,086,769	3,890,992	7,086,769
Weighted average number of diluted shares	692,446,811	668,261,488	692,446,811	668,261,488
Basic earnings (loss) per share	1.4573	0.9736	1.4573	0.9662
Diluted earnings (loss) per share	1.4492	0.9633	1.4492	0.9560

(a) The weighted average number of shares considers the effect of the weighted average of changes in treasury shares during the year.

25. Commitments - operating leases

The Company rents spaces in shopping malls, trade centers and buildings under operating lease agreements, which last, on average, 5 years, with renewal option after that period. Minimum lease payments and receipts are annually restated based on market indexes. In addition, certain leases provide for additional rental payments, which are based on changes in the local price index. Unbilled future minimum leases on non-cancelable operating lease agreements, considering the stores in operation (assets) and the lease agreements payable (liabilities) are as follows:

Year	Consolidated			
	Assets		Liabilities	
	12-2021	12-2020	12-2021	12-2020
2021	-	48,002	-	19,017
2022	51,143	44,062	28,611	18,533
2023	50,751	41,293	23,006	13,236
2024	49,073	38,144	22,999	13,772
2025	49,991	30,879	21,991	13,665
From 2026 onwards	28,001	9,321	201,889	49,737
	228,959	211,701	298,496	127,960

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26. Segment reporting

The Company has five business segments: recurring income; real estate business and airport, hotels and restaurants and holding. Significant financial information of each segment is as follows:

Assets and liabilities

	Developments		Airport		Recurring income		Hotels and restaurants		Holding		Total	Total
	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020
Current assets	916,667	663,059	63,412	26,427	462,844	356,454	100,640	78,068	498,197	735,582	2,041,760	1,859,590
Noncurrent assets	1,998,629	1,143,425	792,563	722,149	2,893,150	2,865,118	234,832	234,856	355,552	461,090	6,274,726	5,426,638
Segment assets	2,915,296	1,806,484	855,975	748,575	3,355,994	3,221,572	335,472	312,924	853,749	1,196,672	8,316,486	7,286,227
Current liabilities	282,619	324,378	57,011	64,250	236,177	226,412	77,883	96,633	181,352	366,480	835,042	1,078,153
Noncurrent liabilities	484,289	192,947	147,408	122,704	1,509,976	1,424,151	226,557	161,700	558,072	475,709	2,928,302	2,377,211
Segment liabilities	766,908	517,325	204,419	186,954	1,746,153	1,650,563	304,440	258,333	739,424	842,189	3,761,344	3,455,364

Profit or Loss

	Developments		Airport		Recurring income		Hotels and restaurants		Holding		Consolidated	
	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020
Gross operating revenue	1,559,931	911,624	43,148	22,277	303,419	183,898	259,711	135,415	-	-	2,166,209	1,253,214
Gross revenue deductions	(66,837)	(34,765)	(3,713)	(2,204)	(56,656)	(29,372)	(31,562)	(16,323)	-	-	(158,768)	(82,664)
Net operating revenue	1,493,094	876,859	39,435	20,073	246,763	154,526	228,149	119,092	-	-	2,007,441	1,170,550
Operating costs	(332,412)	(173,333)	(30,626)	(15,227)	(90,364)	(50,306)	(160,073)	(121,255)	-	-	(613,475)	(360,121)
Gross profit (loss)	1,160,682	703,526	8,809	4,846	156,399	104,220	68,076	(2,163)	-	-	1,393,966	810,429
Operating income (expenses)	135,549	(46,954)	13,486	(12,793)	(318,559)	163,227	(50,899)	(25,700)	(60,032)	(72,038)	(280,455)	5,742
General and administrative expenses	(30,925)	(21,936)	(8,466)	(4,299)	(87,253)	(51,981)	(40,009)	(23,479)	(41,800)	(40,697)	(208,453)	(142,392)
Selling expenses	(31,597)	(13,380)	(294)	(1,126)	(14,282)	(9,946)	5	(25)	(4,103)	(1,386)	(50,271)	(25,863)
Other operating income (expenses)	2,814	(12,821)	(17,158)	(7,368)	(10,891)	(6,078)	(11,971)	(2,383)	(14,129)	6,009	(51,335)	(22,641)
Changes in fair value of investment properties	195,257.00	1,183	39,404.00	-	(208,417)	230,377	-	-	-	(35,964)	26,244	195,596
Equity pickup	-	-	-	-	2,284	855	1,076	187	-	-	3,360	1,042
Operating income (loss)	1,296,231	656,572	22,295	(7,947)	(162,160)	267,447	17,177	(27,863)	(60,032)	(72,038)	1,113,511	816,171
Finance income (costs), net	(4,588)	5,717	(31,267)	(16,500)	(61,644)	(47,761)	(21,216)	(10,747)	966	4,184	(117,749)	(65,107)
Income (loss) before income and social contribution taxes	1,291,643	662,289	(8,972)	(24,447)	(223,804)	219,686	(4,039)	(38,610)	(59,066)	(67,854)	995,762	751,064
Income and social contribution taxes	(63,013)	(25,552)	(5,714)	(1,169)	55,143	(85,231)	(958)	(258)	(1)	-	(14,543)	(112,210)
Gross profit (loss), net	1,228,630	636,737	(14,686)	(25,616)	(168,661)	134,455	(4,997)	(38,868)	(59,067)	(67,854)	981,219	638,854

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	Holding		Airport		Recurring income		Hotels and restaurants		Developments		Consolidated	
	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020	12-2021	12-2020
Net cash from (used in) operating activities	266,836	(230,519)	46,812	212,357	62,686	100,147	(10,331)	36,773	21,341	212,357	387,344	173,330
Net cash from (used in) investing activities	(20,018)	(235,675)	(44,798)	(148,652)	(32,334)	(50,959)	(19,246)	-	(183,355)	(148,652)	(299,751)	(544,436)
Net cash flows from financing activities	(326,689)	573,638	-	(39,636)	-	(6,939)	55,113	33,130	131,582	(39,636)	-	564,931
Increase in cash and cash equivalents	(79,872)	107,445	(4,001)	24,069	30,353	42,249	25,536	16,549	(30,432)	24,069	(58,417)	193,825
At beginning of year	282,243	174,798	4428	29,763	121,672	79,423	17,985	1,436	53,832	29,763	480,160	286,335
At end of year	202,371	282,243	427	53,832	152,025	121,672	43,521	17,985	23,400	53,832	421,743	480,160
Increase in cash and cash equivalents	(79,872)	107,445	(4,001)	24,069	30,353	42,249	25,536	16,549	(30,432)	24,069	(58,417)	193,825

27. Insurance coverage

The Company and its subsidiaries have insurance coverage of liability for personal injury to third parties and property damage to tangible assets as well as for risks of fire, lightning, electric damages, natural phenomena and gas explosions. The coverage taken out is deemed sufficient by management to cover possible risks to the Company assets and/or liabilities.

<u>Summary of insurance by type</u>	<u>Consolidated</u>
Engineering risks	675,859
General civil liability	149,500
Named perils	2,175,124
Guarantee	52,587
D&O	101,500
Aviation	1,765,932
Total in R\$ (thousands)	4,920,502
Aviation	162,898
Total in US\$ (thousands)	162,898

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28. Stock Option Plan

According to the terms of article 6, paragraph 3 of the Articles of Incorporation, within the limit of the authorized capital and according to the plan approved at the Annual General Meeting, the Board of Directors may approve the granting of a stock option plan to its managing officers and employees as well as to those of direct and indirect subsidiaries, without preemptive rights to shareholders. By December 31, 2021, nineteen (19) stock option grants were approved.

The volumes granted may be exercised by the beneficiaries at the rate of 25% at each 12-month grace period up to the limited term of 6 years from the granting date. The strike price will be restated by reference to the IPCA variation measured between the month of grant and the month of effective exercise of the option.

The Company has estimated the fair value of the options on the grant dates and recognized as expense for each period, through the Black & Sholes model, the portion proportional to the vesting period. The details of each grant and the amounts determined and recognized in the financial statements are as follows:

Program	Stock option plan									Total
	11 th Grant	12 th Grant	13 th Grant	14 th Grant	15 th Grant	16 th Grant	17 th Grant	18 th Grant	19 th Grant	
Grant date	08/13/2013	05/12/2014	08/16/2016	12/07/2017	11/09/2018	10/04/2019	12/23/2019	08/13/2020	09/24/2021	
Option fair value (in reais)	2.52	1.25	0.94	0.61	0.16	1.30	2.67	0.92	0.55	
Deadline for exercise	08/13/2019	11/12/2020	05/12/2020	12/07/2025	11/09/2026	10/04/2027	12/23/2027	08/13/2028	01/02/2027	
Options granted	1,200,000	2,080,000	9,148,285	2,700,000	2,200,248	2,093,860	1,315,000	860,988	1,085,728	22,684,109
(-) Options canceled	(1,200,000)	-	(919,983)	-	-	-	-	-	-	(2,119,983)
(-) Options exercised	-	(2,080,000)	(8,228,302)	(2,025,000)	(1,650,186)	(1,046,930)	(657,500)	(215,247)	-	(15,903,165)
Stock option plan balance	-	-	-	675,000	550,062	1,046,930	657,500	645,741	1,085,728	4,660,961
Free to be exercised	-	-	-	-	-	-	-	-	-	-
Strike price restated at 12.31.2021	-	-	-	2.43	1.63	4.58	6.68	10.28	6.57	
Share price at 12.31.2021	6.34	6.34	6.34	6.34	6.34	6.34	6.34	6.34	6.34	
Allocation of expense (Note 21)	-	-	-	76	38	385	726	214	589	2,028
Options with dilution effect at the reporting date	-	-	-	675,000	550,062	1,046,930	-	-	-	2,271,992

Changes in the stock option plan are as follows:

	12-2021	Changes	12-2020
Options granted	22,684,109	1,085,728	21,598,381
(-) Options canceled	(2,119,983)	-	(2,119,983)
(-) Options exercised	(15,903,165)	(2,292,524)	(13,610,641)
Stock option plan balance	4,660,961	(1,206,796)	5,867,757

At the Board of Directors' Meeting held on September 8, 2021, the Company approved the new stock option plan, considering all shares already issued based on the Company's Stock Option Plan that had been approved at the Special General Meeting held on September 2, 2015 and the respective exhaustion.

Notes**JHSF Participações S.A.**

Notes to individual and consolidated financial statements

December 31, 2021 and 2020

(In thousands of reais)

Changes in issue of shares to comply with the exercise of stock options are shown below (see Note 18):

Approval date - BDM	Number of common shares	Total
01/04/2021	1,413,712	5,767
11/05/2020	2,080,000	10,133
08/13/2020	3,288,812	7,148
02/13/2020	3,181,848	7,013
	<u>9,964,372</u>	<u>30,061</u>

29. Revenue from sale of real estate to be allocated and budgeted costs of real estate sold to be allocated

Revenues and expenses from real estate transactions are allocated based on the cost incurred. Therefore, the balance of accounts receivable referring to units sold and under construction is partially reflected in the Company's financial statements, as their accounting record reflects the revenue recognized net of portions already received. Unrecognized revenues arising from real estate units sold in projects under construction (uncompleted) and the related costs to be incurred with respect to real estate units sold, are not reflected in the financial statements.

	<u>12-2021</u>	<u>12-2020</u>
Revenue from real estate sold to be allocated (a)	362,241	440,270
Budgeted costs of real estate sold to be allocated (b)	(207,700)	(305,745)
Contracted revenue from real estate sold	981,168	642,637
Allocated revenue from real estate sold	618,926	202,367
Revenue from real estate sold to be allocated (c)	362,241	440,270
Costs incurred from units sold	316,500	105,218
Budgeted costs of units sold to be allocated	207,700	305,745
Total incurred and budgeted costs of units sold	524,200	410,964
Cost incurred - units in inventory	109,609	178,551
Budgeted costs of units in inventory to be incurred	443,979	316,192
Total incurred and budgeted cost of units in inventory	553,588	494,743

- (a) Revenue from real estate sold to be allocated is measured at the nominal value of the agreements, plus contractual restatement and deducted from terminations, net of the portion of revenue allocated, and does not include present value adjustment or applicable taxes.
- (b) The budgeted costs of real estate sold to be allocated do not include finance charges, which are allocated to the units to be sold and to profit or loss (cost of real estate sold).
- (c) Accumulated contracted sales revenue since the beginning of projects under construction, less accumulated sales revenue earned, totals unearned sales revenue (residual portion of revenue calculated using the continuous transfer method), related to real estate ventures under construction at December 31, 2021.

Notes

JHSF Participações S.A.

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

30. Events after the reporting period

On February 15, 2022, the Company completed the fundraising of the 11th Issue of Unsecured Debentures, in a single series, in public distribution aimed at professional investors (CVM Ruling No. 476), in the amount of R\$250,000, with annual remuneration equivalent to CDI+2.75 %, for a total period of 5 years.

The proceeds from the Debentures will be used to extend the Company's financial liabilities, which, together with the measures taken throughout 4Q21, complete the fundraising process related to the extension of financial obligations overdue in 2022.

Opinions and Representations / Independent Auditor's Report - Unqualified

To the Shareholders, Board of Directors and Officers of
JHSF Participações S.A.
São Paulo - SP

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

We have audited the individual and consolidated financial statements of JHSF Participações S.A. (the "Company"), identified as individual and consolidated, respectively, which comprise the statement of financial position as at December 31, 2021, and the statements of profit or loss, of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

We conducted our audit in accordance with the Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of the Company and its subsidiaries in accordance with the relevant ethical principles set forth in the Code of Professional Ethics for Accountants 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 audit opinion.

Emphasis of matter

Revenue recognition

As described in Note 3.1.2, the individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), applicable to Brazilian real estate development entities registered with the CVM. Accordingly, the determination of the accounting policy adopted by the Company, for revenue recognition in purchase and sale contracts of real estate unit under construction, regarding the aspects related to the transfer of control, is in compliance with the understanding expressed in CVM/SNC/SEP Memorandum Circular No. 02/2018 on the application of NBC TG 47 (IFRS 15). Our opinion is not qualified in respect of this matter.

Key audit matters

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

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

Recognition of revenue from real estate development

As mentioned in Note 19, throughout the year ended December 31, 2021, the Company and its subsidiaries recognized the amount of R\$1,559,931 thousand, referring to the net revenue from properties sold. As mentioned in Note 3.1.2, the Company recognizes this revenue during the construction of the properties, based on the percentage of costs incurred, including those related to plots of land, projects and construction, in relation to the total budgeted costs of the project (PoC), which are periodically reviewed.

The monitoring of this matter was considered significant for our audit due to the materiality of the amounts involved, in addition to the uncertainties inherent in determining the estimate on the expected profitability values of properties sold, in view of the controls for monitoring the forecast of costs to be incurred until the end of the construction work, of the evaluation of recognition or not of the revenue, considering the transfer of control and fulfillment of the performance obligations and the events of changes in and updating of the construction work budgets. A change in the construction work budget and margins, respectively, not identified on a timely basis, may have a significant impact on the Company’s individual and consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among other, understanding the main internal control established by management to recognize revenue from properties sold under construction; crosschecking budgets between years and obtaining clarifications for unusual variations; involvement of our specialist engineers to assist us in evaluating the methodology, indexes and assumptions used in preparing the estimates and in calculating the update of individual construction cost budgets by properties and, also, in visits to a sample of construction sites to assist us in checking the reasonableness between physical progress and the percentage of costs incurred in relation to the total budgeted; verification, on a sample basis, of supporting documents for costs incurred in the year, verification, on a sample basis, of sales contracts, evidence of financial settlement, and recalculation of the balance receivable according to the current contractual index as well as recalculation test on revenue recognized in the year based on the percentages of completion determined, crosschecking with those determined by management. In addition, we evaluated the adequacy of the Company’s disclosures on this matter, included in Note 19 to the financial statements as at December 31, 2021.

As a result of these procedures, we identified audit adjustments, which were not recorded by management in view of their immateriality on the individual and consolidated financial statements taken as a whole.

Based on the result of our audit procedures conducted on the recognition of revenues from properties sold, 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 explanatory information are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Fair value measurement of investment properties

At December 31, 2021, the balance of investment properties, measured at fair value, totaled R\$3,637,532 thousand, representing 43% of total assets in the Consolidated financial statements on that date. The methodologies and models used to determine the fair value involved significant judgment and were based on subjective assumptions adopted by the external appraisers engaged, who supported the Company, which include the current and historical performance of agreements with lessees, future lease income projections, market conditions, occupancy rates and discount rates, among others.

This matter was considered significant for our audit due to the materiality of the amounts involved in relation to total assets, equity and the effects of adjustments to fair value on P&L for the year, in addition to uncertainties inherent in the fair value estimate, given the high degree of judgment involved and the determination of significant assumptions described in Note 9. A change in any of these assumptions may have a material impact on the Company's individual and consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among other, the involvement of valuation experts to assist us in the review of the methodology and models used to measure the fair value of investment properties, including the analysis of the reasonableness of assumptions used and the integrity of data on the property provided by Company management and by the external appraisers. We analyzed information that could contradict the most significant assumptions and methodologies selected as well as the data from comparable companies. We also analyzed the sensitivity of such assumptions to evaluate the behavior of the fair value recorded, considering other scenarios and assumptions, based on market data. In addition, we evaluated the adequacy of the Company's disclosures on this matter, included in Note 9 to the financial statements as at December 31, 2021.

As a result of these procedures, we identified an audit adjustment, which was not recorded by management in view of its immateriality on the individual and consolidated financial statements taken as a whole.

Based on the results of the audit procedures performed on the fair value measurement of investment properties, which is consistent with management's assessment, we consider that the criteria and assumptions adopted by management to determine the fair value of these investment properties, as well as the respective disclosures in Note 9, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Impairment test of property and equipment related to Catarina Airport

As mentioned in Note 8, as at December 31, 2021, the balance of property and equipment for São Paulo Catarina Aeroporto Executivo ("Catarina Airport") was R\$695,058 thousand, which represented 8% of the total consolidated assets of the Company. The Company carries out the annual impairment test of this asset based on the analysis of the value in use, considering an income approach under the discounted cash flow method. This assessment takes into consideration the business plans and annual budget adopted by management, supported by significant judgments based on various economic and business assumptions as well as evaluation of growth and discount rates. The Company, supported by external appraiser engaged, evaluated the assumptions that supported these profitability estimates, as well as discount, revenue growth, costs and cash generation rates, among others.

This matter was considered significant for our audit due to the materiality of the amounts involved in relation to total consolidated assets in addition to uncertainties inherent in estimates for determining the recoverable amount of this property and equipment item, given the judgment exercised in determining the assumptions used in the profitability and cash generation projections, which are described in Note 8. Misstatements in determining the recoverable amount of this asset could result in a material impact on the consolidated financial statements.

How our audit addressed this matter

Our audit procedures included, among other, the involvement of valuation experts to assist us in the analysis and review of the methodologies and models used by management and external appraisers engaged, and in evaluating the assumptions that supported the projections that determined the business plan, budget, technical studies and impairment test of this Company's asset. Our procedures also included evaluating the reasonableness and consistency of data and assumptions used in preparing these documents, including growth rates, discount rates, country risk and cash flow projections, among others, as provided by Company management and external appraisers, as well as the analysis of the accuracy of arithmetic and mathematical calculations. We compared the assertiveness of projections made in prior periods in relation to the performance achieved by the Company and analyzed information that could contradict the most significant assumptions and methodologies selected.

In addition, we compared the recoverable amount calculated by Company management, based on the discounted cash flow, with the carrying amount of Catarina Airport as at December 2021 and evaluated the adequacy of the disclosures in Note 8 to the financial statements.

Based on the results of the audit procedures performed on the impairment test of property and equipment referring to Catarina Airport, which is consistent with management's assessment, we consider that the criteria and assumptions applied for this property and equipment item by management, as well as the respective disclosures in Note 8, are acceptable in the context of the individual and consolidated financial statements taken as a whole.

Other matters*Statements of value added*

The individual and consolidated statements of value added (SVA) for year ended December 31, 2021, prepared under the responsibility of Company management, and presented as supplementary information for purposes of IFRS, were submitted to audit procedures conducted together with the audit of the Company's individual and consolidated financial statements. To form our opinion, we evaluate if these statements are reconciled with the individual and consolidated financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined under Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, these statements of value added were prepared fairly, in all material respects, in accordance with the criteria defined in referred to Accounting Pronouncement, and are consistent in relation to the individual and consolidated financial statements taken as a whole.

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

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 the audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether the report is significantly inconsistent with the individual and consolidated financial statements or with our knowledge obtained in the audit, or otherwise seems to contain material misstatements. 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 the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards (IFRS), applicable to Brazilian real estate development entities registered with the CVM, and for such internal control as management determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identified and assessed risks of material misstatements of the individual and consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained sufficient appropriate audit evidence 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 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 future conditions may cause the Company 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 these financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

São Paulo, February 24, 2022.

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

Fernando Próspero Neto
Accountant CRC-1SP189791/O

Opinions and Representations / Opinion by the Supervisory Board or Equivalent Body

The Supervisory Board of JHSF Participações S.A., pursuant to legal and statutory provisions, examined the management report, the financial statements and related explanatory information for the year ended December 31, 2021. Based on the examinations carried out, also considering the independent auditor's report issued by Ernst & Young Auditores Independentes S/S dated February 24, 2022, as well as information and clarifications received throughout the year, the Supervisory Board understands that these documents are in a position to be considered at the Annual General Meeting.

In addition, the Supervisory Board, pursuant to legal and statutory provisions, examined the management proposal regarding the allocation of income for the year ended December 31, 2021 as well as the proposal for the distribution of dividends in the following amounts: (i) R\$50,173 thousand, representing 5% (five percent) of the net income for the year, allocated to the legal reserve; (ii) R\$17,321 thousand of balance allocated to unearned income; (iii) R\$233,992 thousand, representing 25% (twenty-five percent) of net income, allocated as a mandatory minimum dividend, discounting the amount allocated to the legal reserve and the balance of unearned income reserve, of which R\$125,000 were declared and prepaid; and (iv) R\$701,977 thousand allocated to the capital budget proposed by the Company. Based on the examinations carried out as well as information and clarifications received throughout the year, the Supervisory Board understands that these documents are in a position to be considered at the Annual General Meeting.

São Paulo, February 24, 2022.

Ademir José Scarpin
Ariovaldo dos Santos
Héctor José Alfonso

Opinions and Representations / Summary of the Audit Committee Report (statutory, provided for in CVM Specific Regulation)

The Statutory Audit Committee of JHSF PARTICIPAÇÕES S.A. in the exercise of its legal and statutory attributions and responsibilities, as provided for in the Internal Regulation of this Committee and in compliance with the provisions of item IX of article 25 of CVM Ruling No. 480/09, examined the individual and consolidated financial statements for the year ended December 31, 2021, accompanied by the Annual Management Report and the Independent Auditor's Report containing an unmodified opinion issued by Ernst & Young Auditores Independentes S.S. Based on the documents examined and information provided by Company management and by the Independent Auditors, the members of the Statutory Audit Committee understand that referred documents fairly reflect, in all material respects, the financial position of JHSF Participações S.A. and its subsidiaries and recommend the approval of the Financial Statements by the Company's Board of Directors and their referral to the Annual General Meeting, under the terms of the Brazilian Corporation Law.

São Paulo, February 24, 2022.

Oswaldo Roberto Nieto
Coordinator

Francisco Montagner Neto
Member

Norton dos Santos Freire
Member

Opinions and Representations / Executive Board's Representation on the Financial Statements

Pursuant to article 25 of CVM Ruling No. 480 of December 7, 2009, the Officers of JHSF Participações S.A. represent that they have:

- (i) reviewed, discussed and agreed with the Company's financial statements for the year ended December 31, 2021; and
- (ii) reviewed, discussed and agreed, without any reservations, with the opinions expressed in the opinion issued on February 24, 2022 by Ernst & Young Auditores Independentes S.S., independent auditors of the Company, with respect to the financial statements for the year ended December 31, 2021.

São Paulo, February 24, 2022.

José Auriemo Neto – Chairman of the Board of Directors
Thiago Alonso Oliveira - Chief Executive Officer and Chief Financial Officer
Wilmar Silva Rodriguez - Vice Chairman
João Alves Meira Neto - Chief Legal Officer
Karine Monteiro de Oliveira - Chief People and Management Officer
Mara Boaventura Dias - Chief Investor Relations Officer

Opinions and Representations / Executive Board's Representation on the Independent Auditor's Report

Pursuant to article 25 of CVM Ruling No. 480 of December 7, 2009, the Officers of JHSF Participações S.A. represent that they have:

- (i) reviewed, discussed and agreed with the Company's financial statements for the year ended December 31, 2021; and
- (ii) reviewed, discussed and agreed, without any reservations, with the opinions expressed in the opinion issued on February 24, 2022 by Ernst & Young Auditores Independentes S.S., independent auditors of the Company, with respect to the financial statements for the year ended December 31, 2021.

São Paulo, February 24, 2022.

José Auriemo Neto – Chairman of the Board of Directors
Thiago Alonso Oliveira - Chief Executive Officer and Chief Financial Officer
Wilmar Silva Rodriguez - Vice Chairman
João Alves Meira Neto - Chief Legal Officer
Karine Monteiro de Oliveira - Chief People and Management Officer
Mara Boaventura Dias - Chief Investor Relations Officer