

ALIANSC
SONAE



MANAGEMENT REPORT

4Q21

IR CONTACTS

Daniella Guanabara

IRO

Diego Canuto

IR Manager

Marina Campos

IR Coordinator

Phone.: +55 (21) 2176-7272
E-mail: ri@alianscesonae.com.br
ri.alianscesonae.com.br



Message from Management

Rio de Janeiro, March 29th, 2022 – Aliansce Sonae Shopping Centers S.A. (B3: ALSO3), one of the largest shopping mall owners and operators in Brazil, announces its results for the fourth quarter of 2021 (4Q21). At the end of 4Q21, the Company held ownership interests in 27 shopping malls, totaling 794,6 thousand sqm of owned GLA and 1,144.0 thousand sqm of total GLA. The Company also provides planning, management and leasing services to 11 shopping malls owned by third parties, with total GLA of 258,8 thousand sqm. The Company held 1,402,8 thousand sqm of GLA under its management at the end of 4Q21.

Description of business, services and operating markets on December 31st, 2021

The Company's main activities include owning interests in shopping malls and providing services in the shopping mall segment, which include: (i) management, (ii) leasing of stores and spaces, and (iii) planning and development of malls.

Aliansce Sonae is a full-service company with expertise in every phase of the mall installation process, from the planning (feasibility studies of the project), development, and launch of the mall to the management of its structural, financial, commercial, legal, and operational aspects.

Management and leasing of shopping centers and mall spaces

Mall management consists of administering the mall's strategy and daily activities, including the financial, legal, commercial, and operational management of the project. Note that the Company and its subsidiaries may conduct the management activities.

Leasing of shopping centers includes the lease of stores and mall spaces, as well as merchandising activities.

Planning and development of malls

The planning and development of shopping malls require a profound knowledge of the sector, as the first phase includes a preliminary analysis of the project to better understand consumer behavior in the mall's area of influence and the preparation of feasibility studies. Another important point is the definition of tenant mix, which is the mix of stores operating in different sectors and a survey of the areas available for leasing. To conclude, the development of a mall consists of the following stages (i) identification of opportunities (ii) feasibility study; (iii) approval of investments; (iv) launch; (v) construction; (vi) commercialization; and (vii) management.

Policy for the reinvestment of income and distribution of dividends

Shareholders are ensured by the Company's Bylaws a minimum dividend equal to 25% of net income from each fiscal year, adjusted in accordance with current legislation.

Upon approval by the shareholders' general meeting, management may allocate up to 71.25% (seventy-one point twenty-five percent) of the net profits to an Investment Reserve established in the Bylaws. Management may also, based on the capital budget, allocate the remainder of the net profit for the Period

not distributed as mandatory dividends, in its entirety or partially, to new investments, respecting, in either case, the overall limit established in Article 199 of Law 6.404/76.

Performance and Positioning

The consequences of the Covid-19 second wave have put malls' resilience to the test, once again, and set the beginning of 2021 results. Despite the difficulties faced in the period, our malls proved to be valuable destinations for consumers, both in-person and online. The months of May and June marked the long-awaited resumption of sales performance after further worsening of the Covid-19 crisis in April. We observed an improvement in our main operational indicators, with the advance of vaccination in the country, especially during the second half of the year.

We ended 2021 with a more positive outlook on the retail sector, especially on the mall industry. We focused on our phygital initiatives (combination of physical and digital solutions) to better serve and delight our customers through whichever channel they prefer. As a result of the operational recovery, we were able to accelerate rent revenues, withdrawing discounts, which led to net revenue growth of 17,6% in 2021 compared to 2020.

The increase in revenues combined with discipline in costs and expenses allowed us to reach R\$706.4 million in EBITDA in 2021, an increase of 25.7% versus 2020. In addition, considering the continued liability management strategy, FFO in 2021 was R\$467.2 million, 75% higher than the previous year. We ended the year with a robust cash position of R\$1.3 billion and low leverage of 1.0x net debt / EBITDA.

Our balance sheet allows us to move forward with initiatives aligned with our long-term, consumer-focused strategy, innovating continuously to serve and delight our customers every day. Alsotech - our phygital transformation arm for retail, launched in August 2021 - has invested in two startups: Box Delivery and Hubsell. Box Delivery is a logtech focused on developing technologies for last-mile delivery. We have a relevant operational partnership with them to implement PEGs (Alsotech's logistics solution) in all the Company's malls. At the end of the year, we had 27 PEGs for consumers and 16 PEGs for retailers in place. Meanwhile, Hubsell promotes integration between retailers and online sales platforms, including our marketplaces. Both startups operate in areas essential to the customer's phygital journey, helping to improve the consumer's buying experience.

Managerial Projections

Considering a more positive perspective for 2022, for the first time, we will provide our managerial projections for some metrics of our results as follows:

1. Estimated EBITDA (Managerial view) in 2022 between R\$740 million and R\$760 million.
2. Estimated investments between R\$350 million and R\$400 million in expansion, renovation, maintenance, and others (Managerial view).
3. Estimated PSV of R\$1.8 billion for mixed-use projects signed up to March 2022, with an estimated cash generation of R\$260 million between 2021 and 2028 (Consider 100% of project's value).
4. Estimates of synergies from the merger that originated Aliansce Sonae of R\$80 million per year, from which R\$30 million has already been captured, and the remaining balance should be captured by the end of 2024 (Managerial view).

The projections disclosed will be included in Section 11 of the Company's "Formulário de Referência", within 7 business days from the date of its disclosure, pursuant to CVM Instruction No. 480/2009.

The projections disclosed in this document are mere forecasts that reflect our current expectations regarding the future of Aliansce Sonae, and in no way constitutes, guarantees or predicts results. However, such projections depend on volatile factors and market conditions and are not under Company's control and, therefore, may differ from the numbers and results to be effectively recorded by the Company. Due to market uncertainties, investors should not base their investment decisions solely on these projections, but should seek information about the sector and the risks involved in investing in the capital market.

Human Resources

On December 31st, 2021, Aliansce Sonae had 409 employees, while on December 31st, 2020, the number of employees was 345. The average employee turnover was 5.6% in 4Q21.

The Company and its subsidiaries hold agreements with outsourcing companies that provide a significant labor volume, including security services, food services for employees, cleaning, and building maintenance.

Our employee compensation system consists of income ranges on a vertical scale, combined with salary points on a horizontal scale, enabling job promotions and salary raises based on merit.

The Company offers its employees several benefits such as medical assistance, meal and transportation vouchers, and life insurance. Moreover, there are no unhealthy or hazardous areas and/or activities in accordance with the current legislation.

The Company's HR development and training policy include corporate initiatives to increase, develop and improve employees' skills for their professional growth, such as English language courses, undergraduate and graduate-level courses.

Social Responsibility

Aliansce Sonae's Sustainability Policy demonstrates its pact with business ethics, people management, gender equality, waste management, the efficient use of natural resources - such as water, energy, and gas - and investment in education in the communities where it operates.

Aliansce Sonae's social mission is to invest in education in all its forms, making its capillarity and diffusive power available to the well-being of the population, aiming to transform the reality of the communities where it operates, allowing them to be inserted with dignity in the Brazilian society. The Company's malls' social investments are basically directed to three thematic areas, considered fundamental for the development and enhancement of the impacted territories: culture and sport, education, and the environment, with entrepreneurship as a cross-cutting theme.

In sports, Aliansce Sonae is an official supporter of Time Brasil, representing a nation of over 200 million fans. It is also a sponsor of Instituto Reação, a non-profit organization created by judoka Flávio Canto, Brazilian Olympic medalist, which promotes human development and social inclusion through sports and education.

To positively impact the community, some malls have gardens that are open to the public and schools. Its premise is to cultivate new experiences and plant sustainable production without harming the environment. The vegetables grown at Boulevard Shopping Campos and Bangu Shopping are donated to charities in the municipalities.

Market Arbitration Chamber

The Company is bound to the Market's Chamber of Arbitration, in accordance with Article 38 of its Bylaws, as follows:

"Article 38 - The Company, its shareholders, managers and members of the Fiscal Council are required to solve, through arbitration, any and all disputes or controversies which may arise among them, connected to or arising from, especially, the application, validity, efficacy, interpretation, breach and its effects, of the provisions of the Brazilian Corporation Law, Company's Bylaws, the rules issued by the National Monetary Council, Central Bank of Brazil and CVM, as well as other rules applicable to the bond market operation generally, besides those provided for in the Novo Mercado Listing Regulation, Agreement of Participation in the Novo Mercado listing segment and the Arbitration Regulation of the Market's Arbitration Chamber."

Relationship with External Auditors

In compliance with CVM instruction 381/03, we hereby inform that Ernst & Young Auditores Independentes S/S ("EY") provided in addition to the auditing services in the year ended December 31st, 2021, consultancy services to advise the Company and its outsourced provider, in the process of replacing its ERP. Such services were contracted on May 13th, 2020, and are expected to be concluded within 24 months. The fees for consultancy services amount R\$5,232 thousand, which corresponds to 401% of the Company auditing services' fees during the year ended December 31st, 2021.

In the service scope assessment process, before the hiring decision, the Company discussed details about the service provider's role, concluding that there are no conflicts of interest, loss of independence, or objectivity of its auditors since the services do not involve the role of management and / or in the decision-making process by management, preparation of accounting records, financial information or the Company's own financial statements, nor the design and / or implementation of internal controls or risk management procedures related to the preparation or controls of accounting or financial information, or the design and implementation of technology systems. Finally, under no circumstances will the scope of these services place the Company's auditor in a position of auditing its own work.

Also, according to article 3 of CVM Instruction 381/03, EY declared to the Company's management that the services described above were carried out in strict compliance with the accounting standards that deal with the independence of independent auditors in the execution of audit engagements and did not present a situation that could impact its independence and objectivity necessary for performing the audit services provided to the Company.

Reconciliation of the consolidated accounting and managerial financial statements

The managerial financial information is shown in a consolidated manner in thousands de Reais (R\$) and reflect the Company's interest in each mall.

The managerial financial statements as well as other non-accounting information, presented below, were not reviewed by independent auditors. For an analysis of the Company's audited accounting information, please refer to the consolidated financial statements and explanatory notes of December 31st, 2021, and December 31st, 2020.

Financial Highlights

CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

Consolidated Income Statement	4Q21	4Q20	4Q21/4Q20 Δ%	2021	2020	2021/2020 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>						
Gross revenue from rent and services	302,850	238,831	26.8%	991,920	842,741	17.7%
Taxes, contributions and other deductions	(18,027)	(14,040)	28.4%	(54,243)	(45,156)	20.1%
Net revenue	284,823	224,791	26.7%	937,677	797,585	17.6%
Cost	(79,163)	(72,845)	8.7%	(300,792)	(269,549)	11.6%
Cost of rent and services	(40,618)	(35,211)	15.4%	(147,482)	(118,695)	24.3%
Depreciation and Amortization cost	(38,545)	(37,633)	2.4%	(153,311)	(150,854)	1.6%
Gross income	205,660	151,946	35.4%	636,884	528,036	20.6%
Operating income/(expenses)	(14,836)	(126,205)	-88.2%	(146,826)	(207,802)	-29.3%
Sales, general and administrative expenses	(31,221)	(39,207)	-20.4%	(153,709)	(154,267)	-0.4%
Long-term incentive plan	(4,667)	(4,044)	15.4%	(16,727)	(13,841)	20.8%
Equity income	13,863	7,991	73.5%	44,849	27,260	64.5%
Depreciation and Amortization expenses	(6,951)	(7,028)	-1.1%	(24,741)	(19,187)	28.9%
Other net income (expenses)	14,140	(83,916)	n/a	3,502	(47,766)	n/a
Financial income/(expenses)	(71,836)	5,694	n/a	(150,168)	(53,972)	178.2%
Net income before taxes and social contributions	118,988	31,435	278.5%	339,891	266,263	27.7%
Current income and social contribution taxes	(21,673)	(10,976)	97.5%	(61,380)	(30,254)	102.9%
Deferred income and social contribution taxes	34,960	(7,869)	n/a	39,894	(33,536)	n/a
Net income in the period	132,275	12,590	950.6%	318,405	202,473	57.3%
Income (loss) attributable to:						
Controlling Shareholders	115,702	5,244	2106.5%	274,868	169,071	62.6%
Minority Shareholders	16,573	7,346	125.6%	43,537	33,402	30.3%
Net income in the period	132,275	12,590	950.6%	318,405	202,473	57.3%

Managerial Income Statement	4Q21	4Q20	4Q21/4Q20 Δ%	2021	2020	2021/2020 Δ%
<i>(Amounts in thousands of Reais, except percentages)</i>						
Gross revenue from rent and services	294,372	232,931	26.4%	966,328	812,876	18.9%
Taxes, contributions and other deductions	(16,728)	(13,000)	28.7%	(50,553)	(42,196)	19.8%
Net revenue	277,644	219,931	26.2%	915,776	770,680	18.8%
Cost	(74,165)	(80,770)	-8.2%	(329,478)	(308,642)	6.8%
Cost of rent and services	(35,175)	(41,859)	-16.0%	(173,846)	(152,660)	13.9%
Depreciation and Amortization cost	(38,989)	(38,911)	0.2%	(155,632)	(155,982)	-0.2%
Gross income	203,480	139,161	46.2%	586,297	462,038	26.9%
Operating income/(expenses)	(26,538)	(118,765)	-77.7%	(141,584)	(172,043)	-17.7%
Sales, general and administrative expenses	(28,254)	(24,678)	14.5%	(99,512)	(90,322)	10.2%
Long-term incentive plan	(4,667)	(4,044)	15.4%	(16,727)	(13,841)	20.8%
Depreciation and Amortization expenses	(7,053)	(7,129)	-1.1%	(25,149)	(19,592)	28.4%
Other net income (expenses)	13,436	(82,913)	n/a	(195)	(48,287)	-99.6%
Financial income/(expenses)	(72,543)	5,286	n/a	(152,566)	(55,622)	174.3%
Net income before taxes and social contributions	104,399	25,682	306.5%	292,148	234,373	24.7%
Current income and social contribution taxes	(24,137)	(11,422)	111.3%	(66,961)	(30,977)	116.2%
Deferred income and social contribution taxes	35,440	(9,016)	n/a	49,681	(34,325)	n/a
Net income in the period	115,702	5,244	2106.5%	274,868	169,071	62.6%

BALANCE SHEET

Managerial Balance Sheet	AlianSCe Sonae Financial Statements		Adjustments		AlianSCe Sonae Managerial Consolidated	
	31/12/21	31/12/20	31/12/21	31/12/20	31/12/21	31/12/20
ASSETS <i>(amounts in thousands of reais)</i>						
Current						
Cash and cash equivalents	14,862	13,113	3,726	435	18,587	13,548
Short-term investments	1,231,459	1,371,587	(6,488)	5,551	1,224,971	1,377,138
Accounts receivable	400,545	327,525	(15,903)	(9,804)	384,642	317,721
Dividend receivable	-	14	-	(14)	-	-
Taxes recoverable	52,969	56,120	(2,192)	(961)	50,777	55,160
Anticipated expenses	1,109	2,529	5	5	1,113	2,534
Other receivables	35,865	41,473	(1,478)	(828)	34,387	40,645
Total	1,736,808	1,812,361	(22,331)	(5,615)	1,714,478	1,806,746
Non-Current Assets held for sale	38,565	38,565	-	-	38,565	38,565
Total Current Assets and non-current assets held for sale	1,775,373	1,850,926	(22,331)	(5,615)	1,753,043	1,845,311
Non-Current						
Taxes recoverable	1,927	10,835	35	611	1,962	11,446
Deferred income and social contribution tax	54,723	66,177	(7,211)	(15,564)	47,512	50,613
Legal deposits	33,567	31,925	64	76	33,631	32,001
Borrowings and other accounts receivable	7,889	8,047	(7,889)	(0)	-	8,047
Derivative financial instruments	4,736	10,543	0	0	4,736	10,543
Anticipated expenses	3,544	6,888	(0)	(0)	3,544	6,888
Long-term investments	95,447	-	3	-	95,450	-
Other receivables	25,863	25,561	16,760	5,738	42,623	31,299
Investments	420,541	463,195	(420,541)	(463,195)	-	-
Properties for investment	8,321,206	8,063,390	(643,115)	(650,935)	7,678,091	7,412,455
Property, plant and equipment	24,495	26,541	862	236	25,357	26,777
Intangible assets	345,401	323,548	55,990	96,082	401,391	419,630
Total Non-current Assets	9,339,338	9,036,649	(1,005,041)	(1,026,950)	8,334,297	8,009,699
Total Assets	11,114,712	10,887,575	(1,027,372)	(1,032,565)	10,087,340	9,855,010
LIABILITIES <i>(amounts in thousands of reais)</i>						
Current						
Suppliers	34,176	30,300	(2,516)	(3,377)	31,660	26,923
Loans and financing, real estate credit notes and debentures	463,503	240,620	123	0	463,625	240,621
Taxes and contributions payable	56,069	36,247	(750)	(381)	55,320	35,866
Deferred income	5,413	1,672	28	35	5,440	1,707
Dividend payable	70,162	44,475	(4,880)	(4,299)	65,282	40,176
Obligations for purchase of assets	110	107	(0)	(0)	110	107
Leasing	9,440	8,995	1,359	1,254	10,799	10,249
Other liabilities	88,609	61,310	1,700	(230)	90,309	61,080
Total Current Liabilities and liabilities related to non-current assets held for sale	727,481	423,726	(4,937)	(6,998)	722,544	416,728
Non-Current						
Loans and financing, real estate credit notes and debentures	1,560,089	1,766,314	-	1	1,560,089	1,766,315
Taxes and contributions to collect	7,663	5,987	0	(0)	7,663	5,987
Deferred income	9,183	14,743	414	590	9,597	15,333
Deferred income and social contribution tax	932,437	984,257	12,766	13,111	945,203	997,368
Leasing	33,547	40,931	26,975	28,365	60,522	69,296
Other liabilities	21,940	21,017	1,209	5,871	23,149	26,888
Provision for contingencies	12,388	13,518	(744)	(1,273)	11,644	12,246
Total Non-Current Liabilities	2,577,246	2,846,768	40,621	46,664	2,617,867	2,893,432
Shareholders' Equity						
Share capital	4,156,722	4,156,476	-	-	4,156,722	4,156,476
Expenditure on issuance of shares	(72,332)	(72,332)	-	-	(72,332)	(72,332)
Capital reserves	882,328	875,808	-	-	882,328	875,808
Legal reserve	22,197	8,454	-	-	22,197	8,454
Shares held in treasury	(19,123)	(24,696)	-	-	(19,123)	(24,696)
Income reserves	296,459	120,463	-	-	296,459	120,463
Carrying value adjustments	1,480,677	1,480,677	-	-	1,480,677	1,480,677
Minority Interest	1,063,057	1,072,232	(1,063,057)	(1,072,232)	-	-
Total Shareholders' Equity	7,809,985	7,617,081	(1,063,057)	(1,072,232)	6,746,928	6,544,850
Total liabilities and shareholders' equity	11,114,712	10,887,575	(1,027,372)	(1,032,565)	10,087,340	9,855,010

CASH FLOW

Cash Flow Statement	Aliansce Sonae Financial Statements	Adjustments	Aliansce Sonae Managerial Consolidated
	31/12/21	31/12/21	31/12/21
<i>(amounts in thousands of reais)</i>			
Operating Activities			
Net Profit for the period	318,405	(43,536)	274,869
<i>Adjustments to net profit due to:</i>			
Straight-line rent adjustment	(39,720)	816	(38,904)
Depreciation and Amortization	191,140	(10,358)	180,782
Equity Income Gain	(44,849)	44,849	-
Constitution (Reversal) of provision for doubtful accounts	52,121	5,776	57,897
(Reversal) Constitution of provisions for contingencies	(201)	4,901	4,700
Monetary restatement over provisions for contingencies	159	(1)	158
Stock Option plan	12,542	-	12,542
Monetary variation over financial debts	186,732	2,272	189,004
Gain on the sale of investments	(14,223)	14,223	-
Fair value of financial derivatives instruments	5,807	-	5,807
Deferred income and social contribution tax	(39,894)	(9,787)	(49,681)
	628,019	9,155	637,174
Decrease (increase) in assets	(70,553)	4,838	(65,715)
Accounts receivable	(92,641)	5,517	(87,124)
Loans to common-area	(1,418)	-	(1,418)
Other	10,820	(1,515)	9,305
Legal deposits and receivables from real estate taxes (IPTU)	(1,898)	269	(1,629)
Taxes recoverable	14,584	567	15,151
Increase (decrease) in liabilities	123,061	(4,355)	118,706
Suppliers	439	717	1,156
Collectable taxes and contributions	98,027	3,713	101,740
Other obligations	26,191	(8,379)	17,812
Deferred income	(1,596)	(406)	(2,002)
Taxes paid - IRPJ e CSLL	(45,985)	(4,025)	(50,010)
Taxes paid - PIS, COFINS e ISS	(34,297)	(639)	(34,936)
Net Cash Used in Operating Activities	600,245	4,974	605,219
Investment Activities			
Acquisition of fixed assets	(3,839)	2	(3,837)
Acquisition of properties for investment	(431,853)	(27,791)	(459,644)
Sale of property for investment	-	(577)	(577)
Decrease (increase) in investments	125,000	5,551	130,551
Capital increase in controlled companies	(9,161)	9,161	-
Reduction (increase) in securities	54,059	623	54,682
Obligations from asset acquisitions	(25,058)	25,058	-
Increase in intangible assets	(64,359)	(255)	(64,614)
Dividend and interest on capital received	45,992	(45,992)	-
Net Cash Used in Investment Activities	(309,219)	(34,220)	(343,439)
Financing Activities			
Capital increase	246	-	246
FII Parque Dom Pedro and non-controlling shareholders capital increase	8,192	(8,192)	-
Dividends paid	(59,999)	-	(59,999)
Interest payment - loans, financings and real estate credit notes	(50,136)	-	(50,136)
Principal payment loans and financing and real estate credit notes	(62,652)	-	(62,652)
Payment of structuring cost - loans, financings and real estate credit notes	(297)	-	(297)
Issuance of debentures	415,000	-	415,000
Interest payment - debentures	(68,213)	-	(68,213)
Pre-Payment of interest- debentures	(36,975)	-	(36,975)
Principal payment - debentures	(175,529)	-	(175,529)
Pre -Principal payment - debentures	(125,000)	-	(125,000)
Payment of structuring cost - debentures	(11,297)	-	(11,297)
Distributed income from real estate funds Parque D. Pedro I e II	(42,216)	42,216	-
Leasing - Payment of interest	(3,659)	(2,836)	(6,495)
Leasing - Payment of principal	(8,844)	1,348	(7,496)
Repurchase payment - debentures	(67,898)	-	(67,898)
Net Cash Used in Financing Activities	(289,277)	32,536	(256,741)
Net cash and cash equivalent increase (reduction)	1,749	3,290	5,039
Cash and Cash Equivalents at the end of the period	14,862	3,726	18,588
Cash and Cash Equivalents at the beginning of the period	13,113	436	13,549
Net change in Cash and Cash Equivalents	1,749	3,290	5,039

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2021

Conciliation between managerial financial information vs financial statements Year ended on December 31, 2021	Aliansce Sonae Consolidated 2021 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2021 - Managerial
<i>(amounts in thousands of reais)</i>			
Gross revenue from rental and services	991,920	(25,591)	966,328
Taxes and contributions and other deductions	(54,243)	3,690	(50,553)
Net revenues	937,677	(21,901)	915,776
Cost of rentals and services	(300,792)	(28,686)	(329,478)
Gross income	636,884	(50,587)	586,297
Operating income/expenses	(146,826)	5,242	(141,584)
Sales, general and administrative expenses	(153,709)	54,197	(99,512)
Long-term incentive plan	(16,727)	-	(16,727)
Equity Income	44,849	(44,849)	-
Depreciation and Amortization	(24,741)	(409)	(25,149)
Other net operating income (expenses)	3,502	(3,697)	(195)
Financial income/(expenses)	(150,168)	(2,398)	(152,566)
Net income before taxes and social contributions	339,891	(47,743)	292,148
Income and social contribution taxes	(21,485)	4,206	(17,280)
Net income in the period	318,405	(43,537)	274,868
Income attributable to:			
Controlling shareholders	274,868	(0)	274,868
Minority shareholders	43,537	(43,537)	-
Net income in the period	318,405	(43,537)	274,868

Conciliation between EBITDA / Adjusted EBITDA Year ended on December 31, 2021	Aliansce Sonae Consolidated 2021 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2021 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	318,405	(43,537)	274,868
(+) Depreciation and amortization	190,585	(9,803)	180,782
(+/-) Financial expenses / (income)	150,168	2,398	152,566
(+) Income and social contribution taxes	21,485	(4,206)	17,280
EBITDA	680,643	(55,148)	625,495
EBITDA margin %	72.6%	0.0%	68.3%
(+/-) Non-recurring (expenses)/income	9,064	945	10,010
(+) Long-term incentive plan	16,727	-	16,727
Adjusted EBITDA	706,435	(54,203)	652,232
Adjusted EBITDA margin %	75.3%	0.0%	71.2%

Conciliation between FFO / Adjusted FFO Year ended on December 31, 2021	Aliansce Sonae Consolidated 2021 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2021 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	318,405	(43,537)	274,868
(+) Depreciation and amortization	190,585	(9,803)	180,782
(=) FFO *	508,990	(53,340)	455,650
FFO margin %	56.7%		52.0%
(+/-) Non-recurring expenses	9,064	945	10,010
(-) Straight line rent adjustments - CPC 06	(39,719)	2,903	(36,816)
(+) Stock Options	16,727	-	16,727
(+/-) Non-cash taxes	(39,894)	(9,787)	(49,681)
(+/-) SWAP	5,807	-	5,807
(+/-) Other non-recurring financial expenses	6,217	-	6,217
(=) Adjusted FFO *	467,193	(59,279)	407,914
AFFO margin %	52.0%		46.5%

* Non-accounting indicators

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS – 2020

Conciliation between managerial financial information vs. financial statements Year ended on December 31, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais)</i>			
Gross revenue from rental and services	842,741	(29,865)	812,876
Taxes and contributions and other deductions	(45,156)	2,960	(42,196)
Net revenues	797,585	(26,905)	770,680
Cost of rentals and services	(269,549)	(39,093)	(308,642)
Gross income	528,036	(65,998)	462,038
Operating income/expenses	(207,802)	35,759	(172,043)
General and administrative expenses	(154,267)	63,945	(90,322)
Long-term incentive plan	(13,841)	-	(13,841)
Equity Income	27,260	(27,260)	-
Depreciation and Amortization	(19,187)	(405)	(19,592)
Other operating (expenses)/revenues	(47,766)	(521)	(48,287)
Financial income/(expenses)	(53,972)	(1,651)	(55,622)
Net income before taxes and minority interest	266,263	(31,890)	234,373
Income and social contribution taxes	(63,790)	(1,512)	(65,302)
Net income/(loss) in the period	202,473	(33,402)	169,071
Income attributable to:			
Controlling shareholders	169,071	(0)	169,071
Minority shareholders	33,402	(33,402)	-
Net income in the period	202,473	(33,403)	169,071

Conciliation between EBITDA / Adjusted EBITDA Year ended on December 31, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income	202,473	(33,402)	169,071
(+) Depreciation and amortization	185,470	(9,896)	175,574
(+/-) Financial expenses / (income)	53,972	1,651	55,622
(+) Income and social contribution taxes	63,790	1,512	65,302
EBITDA*	505,704	(40,135)	465,569
EBITDA margin %	63.4%	0.0%	60.4%
(+/-) Non-recurring (expenses)/income	42,595	919	43,515
(+) Long-term incentive plan	13,841	-	13,841
Adjusted EBITDA*	562,141	(39,216)	522,925
Adjusted EBITDA margin %	70.5%	0.0%	67.9%

Conciliation between FFO / Adjusted FFO Year ended on December 31, 2020	Aliansce Sonae Consolidated 2020 - Financial Statements	Adjustments	Aliansce Sonae Consolidated 2020 - Managerial
<i>(amounts in thousands of reais, except percentages)</i>			
Net income for the period	202,473	(33,402)	169,071
(+) Depreciation and amortization	185,470	(9,896)	175,574
(=) FFO *	387,943	(43,298)	344,645
FFO margin %	48.6%	0.0%	44.7%
(+/-) Non-recurring expenses	42,595	919	43,515
(-) Straight line rent adjustments - CPC 06	(165,856)	16,448	(149,408)
(+) Stock Options	13,841	-	13,841
(+/-) Non-cash taxes	33,536	789	34,325
(+/-) SWAP	(1,508)	-	(1,508)
(+/-) Other non-recurring financial expenses	(44,147)	-	(44,147)
(+) Pre-operating expenses	-	-	-
(=) Adjusted FFO *	266,405	(25,142)	241,264
AFFO margin %	42.2%	0.0%	39.3%

* Non-accounting indicators

RECONCILIATION BETWEEN CONSOLIDATED AND MANAGERIAL FINANCIAL STATEMENTS

The table below shows the reconciliation between consolidated net debt and managerial net debt in 4Q21.

Debt Breakdown Consolidated	Financial Statements 4Q21	Effects of CPC 18/19	Managerial 4Q21
<i>(amounts in thousands of reais)</i>			
Banks	301,122	-	301,122
CCI/CRI	158,984	-	158,984
Obligation for purchase of assets	110	-	110
Debentures	1,558,870	-	1,558,870
Total debt	2,019,087	-	2,019,087
Cash and Cash Equivalents	(1,341,768)	2,759	(1,339,009)
Total cash available	(1,341,768)	2,759	(1,339,009)
Net debt	677,319	2,759	680,078

In compliance with article 25, paragraph 1, items V and VI, of CVM Normative Instruction 480/09, the Company's Chief Executive Officer and Investor Relations Officer declare that they have reviewed, discussed, and agreed with the financial statements and the opinions expressed by the independent auditors.

FISCAL COMMITTEE OPINION

The Fiscal Committee of ALIANSCE SONAE SHOPPING CENTERS S.A., in the exercise of its legal and statutory duties, concluded the examination of the Financial Statements of the Company for the year ended December 31, 2021, comprising the Balance Sheet, Statements of Income, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and Statements of Value Added, as well as their related Notes. This examination was followed by the analysis of documents and, substantially, by information and clarifications provided to the members of this Committee by the external auditors and the Company's management, including the analysis of the Annual Management's Report.

Therefore, based on the examinations performed and on Ernest & Young auditor's report, issued at March 25, 2022, not qualified, the Fiscal Committee concluded unanimously that the documents mentioned above are in compliance, opining favorably to its referral to the deliberation of Annual Shareholders' Meeting.

São Paulo, March 28, 2022

Marcos de Bem Guazzelli

Eduardo Christovam Galdi Mestieri

Marcelo Silveira Ferreira

Company and Consolidated Financial Statements

Aliansce Sonae Shopping Centers S.A.

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

Aliansce Sonae Shopping Centers S.A.

Company and consolidated financial statements

December 31, 2021 and 2020

Contents

Independent auditor's report on company and consolidated financial statements 1

Company and consolidated financial statements

Balance sheets	7
Statements of income	9
Statements of comprehensive income	10
Statement of changes in equity	11
Statements of cash flows	12
Statements of value added	14
Notes to company and consolidated financial statements	15



Centro Empresarial PB 370
Praia de Botafogo, 370
6º ao 10º andar - Botafogo
22250-040 - Rio de Janeiro - RJ - Brasil
Tel: +55 21 3263-7000
ey.com.br

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

Independent auditor's report on individual and consolidated financial statements

To the Shareholders, Board of Directors and Officers of
Aliansce Sonae Shopping Centers S.A.
Rio de Janeiro - Rio de Janeiro State

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the individual and consolidated financial position of the Company as at December 31, 2021, and its individual and consolidated financial performance and its individual and consolidated cash flows for the year then ended, in accordance with accounting practices adopted in Brazil and with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

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, 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 obtained is sufficient and appropriate to provide a basis for our audit opinion.



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 misstatements 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 individual and consolidated financial statements.

Recoverable amount of investment properties and goodwill based on future profitability

As mentioned in Notes 11 and 12, at December 31, 2021, investment properties which are measured by the cost method, and of goodwill totaled R\$8,321,206 thousand and R\$225,795 thousand, respectively, in the consolidated financial statements. The Company and its subsidiaries support the realization of these assets through estimates of their future profitability and cash generation, prepared by management, based on its judgment and supported by the business plan and budget, approved by the corporate governance bodies. These estimates are prepared and reviewed internally in accordance with the Company’s governance structure and involve a high degree of judgment. Every year, the Company assesses the assumptions and estimates of future profitability and cash generation by Cash-Generating Units (CGUs) to which the properties and respective goodwill are allocated, as well as growth rates, discount rates, cash flow projections, among other indicators, since there may be changes in the operation markets, whether economic or regulatory.

Due to the relevance of the balances and subjective nature of these estimates, which may materially impact the recoverable amount of these assets, this issue was considered a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others: (a) involvement of valuation model experts to assist us in testing the assumptions and methodologies used by management in preparing the cash flow projections, through comparisons with methodologies used in valuations of similar assets, and crosschecking of assumptions (such as gross revenue, operating expenses, net operating income, net, vacancy, default, discount rate and perpetuity growth rate, among others) against internal and external sources, segment information and historical data; (b) validation of information used as well as of mathematical calculations presented in the model; (c) performance of a retrospective review of prior projections and crosschecking of information against other estimates prepared by management to identify any potential inconsistencies in the development of future estimates; (d) realization of independent calculation sensitizing key assumptions used; and (e) review of the adequacy of the disclosures included in the financial statements.



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

Revenue recognition of leases and assignment of use of right agreements

As described in Note 2.23, the Company and its subsidiaries recognize their lease and assignment of use of right income by the straight-line method over the lease term, included under revenue in the statement of income due to their operational nature. These transactions are classified as operating leases, since the Group does not transfer substantially all the risks and rewards of ownership of the asset.

For lease income, lease agreements generally establish that lessors should pay the highest value between a minimum amount contractually established and a variable, calculated through a percentage on the sales of each establishment. Minimum lease payments are adjusted by regular fixed increases over the term of the agreements, double lease in December and by inflation. Pursuant to CPC 06 (R1)/IAS 17 - Leases, the minimum lease income, considering any effects of deficiencies, discounts, etc. and excluding inflation effects, should be recognized on a straight-line basis over the term of the agreement, and any variable lease excess is recognized when incurred. Revenues from assignment of use of right are also recognized on a straight-line basis over the term of the agreements, from the beginning of the lease term. The volume of contracts in force and the peculiarity of the contractual terms, as well as the potential risks involved in relation to the accrual period for revenue recognition led us to identify this issue as a key audit matter.

How our audit addressed this matter

Our audit procedures included, among others, (a) documental test on a sample basis, including the examination of the respective agreements; (b) recalculation of the straight-line related amounts recognized throughout the year; (c) analytical procedures on the monthly changes in lease income and assignment of use of rights, using disaggregated data by shopping mall, to identify changes inconsistent with our expectations obtained from our prior knowledge of the Company and the industry, which may indicate potential accrual period problems; (d) understanding and assessing the impacts of concessions made to storeowners due to the COVID-19 pandemic on the rental income calculation on a straight-line basis, through document testing of a selected sample; and (e) review of the adequacy of disclosures made in the financial statements.

Based on the results of the audit procedures performed on the recognition of lease income and assignment of use of rights, which is consistent with management's assessment, we consider that the criteria for recognition of these revenues adopted by management, as well as the respective disclosures in notes, are appropriate, in the context of the overall financial statements.



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 financial statements. To form our opinion, we evaluated if these statements are reconciled to the financial statements and accounting records, as applicable, and if their form and content comply with the criteria defined by 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 abovementioned accounting pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

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

Management is responsible for such other information, which comprise the Management Report.

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

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Management Report, we are required to report that fact. We have nothing to report in this regard.

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

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

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



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

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

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

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

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve the override of internal control, collusion, forgery, intentional omissions or misrepresentation.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

Rio de Janeiro, March 25, 2022.

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

A handwritten signature in blue ink, appearing to read 'Roberto Martorelli', is written over a faint, light blue grid background.

Roberto Martorelli
Accountant CRC-1 RJ106103/O-0

Aliansce Sonae Shopping Centers S.A.

Balance sheets

December 31, 2021 and 2020

(All amounts in thousands of reais)

	Note	Company		Consolidated	
		2021	2020	2021	2020
Assets					
Current assets					
Cash and cash equivalents		3,006	3,386	14,862	13,113
Short-term investments	7	943,800	1,076,688	1,231,460	1,371,587
Trade receivables	8	46,929	40,849	400,545	327,525
Recoverable taxes	9	17,558	23,084	52,969	56,120
Prepaid expenses		845	2,320	1,109	2,529
Others		16,758	25,319	35,864	41,487
		1,028,896	1,171,646	1,736,809	1,812,361
Noncurrent assets held for sale					
	11	21,610	21,610	38,565	38,565
		21,610	21,610	38,565	38,565
Non-current assets					
Short-term investments	7	90,687	-	95,447	-
Deferred income tax and social contribution	18	45,076	29,109	54,723	66,177
Recoverable taxes	9	-	7,502	1,927	10,835
Judicial deposits	16	1,591	611	33,567	31,925
Loans and other receivables	25	-	-	7,889	8,046
Derivative financial instruments	5	4,736	10,543	4,736	10,543
Prepaid expenses		3,125	6,475	3,544	6,888
Others		18,790	22,238	25,863	25,562
		164,005	76,478	227,696	159,976
Investments					
Investment properties	10	6,622,653	6,289,898	420,541	463,195
Property and equipment	11	623,973	628,021	8,321,206	8,063,390
Intangible assets	13	7,691	9,538	24,495	26,540
	12	79,597	58,040	345,401	323,548
		7,333,914	6,985,497	9,111,643	8,876,673
Total assets					
		8,548,425	8,255,231	11,114,713	10,887,575

	Note	Company		Consolidated	
		2021	2020	2021	2020
Liabilities					
Current liabilities					
Trade payables		13,245	14,232	34,175	30,300
Borrowings and financings	14	387,858	176,120	463,503	240,621
Taxes and contributions payable	9	6,954	5,780	56,069	36,247
Dividends payable	19	65,282	40,154	70,162	44,475
Deferred revenues	15	919	-	5,412	1,672
Lease liabilities	13	7,856	6,919	9,440	8,995
Other obligations	17	33,689	29,113	88,720	61,415
		515,803	272,318	727,481	423,725
Non-current liabilities					
Borrowings and financings	14	1,241,247	1,383,739	1,560,089	1,766,314
Taxes and contributions payable	9	360	360	7,663	5,987
Deferred revenues	15	2,694	4,455	9,183	14,743
Deferred income tax and social contribution	18	-	-	932,436	984,257
Lease liabilities	13	24,896	31,839	33,547	40,931
Provision for contingencies	16	1,431	1,712	12,390	13,518
Other obligations	17	15,065	15,958	21,938	21,018
		1,285,693	1,438,063	2,577,246	2,846,768
Equity					
Share capital	19	4,156,722	4,156,476	4,156,722	4,156,476
Expenditure on issuance of shares		(72,332)	(72,332)	(72,332)	(72,332)
Treasury shares		(19,123)	(24,696)	(19,123)	(24,696)
Capital reserves		882,328	875,808	882,328	875,808
Revenue reserves		318,657	128,917	318,657	128,917
Carrying value adjustments		1,480,677	1,480,677	1,480,677	1,480,677
Equity attributable to stockholders of the Company		6,746,929	6,544,850	6,746,929	6,544,850
Non-controlling interest	19	-	-	1,063,057	1,072,232
Total equity		6,746,929	6,544,850	7,809,986	7,617,082
Total liabilities and equity		8,548,425	8,255,231	11,114,713	10,887,575

The accompanying notes are an integral part of these company and consolidated financial statements.

Aliansce Sonae Shopping Centers S.A.

Statements of income

Years ended December 31, 2021 and 2020

(All amounts in thousands of reais, except for net result per share)

	Note	Company		Consolidated	
		2021	2020	2021	2020
Net revenue from rental and services	20	160,629	132,780	937,677	797,585
Cost of rentals and services	21	(87,936)	(85,298)	(300,793)	(269,549)
Gross profit		72,693	47,482	636,884	528,036
Operating expenses					
Selling, general and administrative expenses	22	(127,463)	(111,239)	(195,177)	(187,295)
Result of equity in subsidiaries	10	413,913	289,346	44,849	27,260
Other costs, net	24	9,637	(28,099)	3,502	(47,766)
		296,087	150,008	(146,826)	(207,801)
Finance income (costs)	23				
Finance costs		(161,684)	(90,028)	(216,729)	(154,062)
Finance income		51,805	55,395	66,561	100,090
		(109,879)	(34,633)	(150,168)	(53,972)
Income before income tax and social contribution		258,901	162,857	339,890	266,263
Income tax and social contribution	18	15,967	6,214	(21,485)	(63,790)
Net income for the year		274,868	169,071	318,405	202,473
Net income attributable to stockholders of the Company	19	274,868	169,071	274,868	169,071
Non-controlling interest		-	-	43,537	33,402
		274,868	169,071	318,405	202,473
Result per share attributable to stockholders of the Company during the year (expressed in R\$ per share)					
Result per share - basic	19	1.0364	0.6386		
Result per share - diluted	19	1.0364	0.6386		

The accompanying notes are an integral part of these company and consolidated financial statements.

Aliansce Sonae Shopping Centers S.A.

Statements of comprehensive income
Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Company		Consolidated	
	2021	2020	2021	2020
Net income for the year	274,868	169,071	318,405	202,473
Other comprehensive income	-	-	-	-
Total comprehensive income	274,868	169,071	318,405	202,473
Attributable to:				
Stockholders of the Company	274,868	169,071	274,868	169,071
Non-controlling interest	-	-	43,537	33,402

The accompanying notes are an integral part of these company and consolidated financial statements.

Aliansce Sonae Shopping Centers S.A.

Statements of changes in equity
Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Share capital	Expenditure on issuance of shares	Treasury shares	Revenue reserve			Carrying value adjustments	Retained earnings/ (accumulated losses)	Total	Non-controlling interest	Total
				Capital reserve	Legal reserve	Profit retention					
At December 31, 2019	4,155,362	(71,599)	-	963,501	-	-	1,480,677	(84,310)	6,443,631	1,072,452	7,516,083
Net income for the year	-	-	-	-	-	-	-	169,071	169,071	33,402	202,473
Absorption of accumulated losses with capital reserve	-	-	-	(84,310)	-	-	-	84,310	-	-	-
Constitution of legal reserve	-	-	-	-	8,454	-	-	(8,454)	-	-	-
Constitution of profit retention reserve	-	-	-	-	-	120,463	-	(120,463)	-	-	-
Minimum mandatory dividends	-	-	-	-	-	-	-	(40,154)	(40,154)	-	(40,154)
Share-based compensation program	-	-	-	(3,383)	-	-	-	-	(3,383)	-	(3,383)
Capital contribution related to the share-based compensation program	1,114	-	-	-	-	-	-	-	1,114	-	1,114
Repurchase of shares	-	-	(36,918)	-	-	-	-	-	(36,918)	-	(36,918)
Treasury shares granted under the share-based compensation program	-	-	12,222	-	-	-	-	-	12,222	-	12,222
Expenditure on issuance of shares	-	(733)	-	-	-	-	-	-	(733)	-	(733)
Dividends paid to non-controlling stockholders	-	-	-	-	-	-	-	-	-	(33,622)	(33,622)
At 12/31/2020	4,156,476	(72,332)	(24,696)	875,808	8,454	120,463	1,480,677	-	6,544,850	1,072,232	7,617,082
Net income for the year	-	-	-	-	-	-	-	274,868	274,868	43,537	318,405
Constitution of legal reserve	-	-	-	-	13,743	-	-	(13,743)	-	-	-
Constitution of profit retention reserve	-	-	-	-	-	195,843	-	(195,843)	-	-	-
Minimum mandatory dividends	-	-	-	-	-	-	-	(65,282)	(65,282)	-	(65,282)
Share-based compensation program (Note 27)	-	-	5,573	6,520	-	-	-	-	12,093	-	12,093
Additional dividends (Note 19)	-	-	-	-	-	(19,846)	-	-	(19,846)	-	(19,846)
Capital contribution related to the share-based compensation program (Note 19)	246	-	-	-	-	-	-	-	246	-	246
Dividends paid to non-controlling stockholders	-	-	-	-	-	-	-	-	-	(53,116)	(53,116)
Other corporate events involving non-controlling stockholders	-	-	-	-	-	-	-	-	-	404	404
At December 31, 2021	4,156,722	(72,332)	(19,123)	882,328	22,197	296,460	1,480,677	-	6,746,929	1,063,057	7,809,986

The accompanying notes are an integral part of these company and consolidated financial statements.

Aliansce Sonae Shopping Centers S.A.

Statements of cash flows

Years ended December 31, 2021 and 2020

(All amounts in thousands of reais)

	Company		Consolidated	
	2021	2020	2021	2020
Operating activities				
Net income for the year	274,868	169,071	318,405	202,473
Adjustments to profit arising from				
Straight-line rent	(4,094)	(18,490)	(39,720)	(165,856)
Depreciation and amortization	100,038	96,017	191,140	185,473
Result of equity in subsidiaries	(413,913)	(289,346)	(44,849)	(27,260)
Constitution of provision for expected credit loss	10,712	12,267	52,121	63,726
Share-based compensation	12,231	2,648	12,542	2,648
Interest and indexation charges on financial transactions	128,482	82,828	186,732	136,971
Fair value of the derivative financial instruments	5,807	(1,508)	5,807	(1,508)
Deferred income tax and social contribution	(15,967)	(6,214)	(39,894)	33,536
Provision for impairment of assets	-	65,774	-	80,302
Capital gain on the sale of investment	(14,178)	(45,412)	(14,178)	(45,412)
Gain on debt renegotiation	-	(14,693)	-	(48,212)
Provision for contingencies	(282)	-	(201)	69
Others	-	-	114	46
	83,704	52,942	628,019	416,996
Decrease (increase) in assets				
Trade receivables	(8,596)	(12,944)	(92,641)	(61,964)
Judicial deposits	(981)	1,042	(1,898)	54
Recoverable taxes	13,142	20,259	14,584	3,449
Others	17,707	(14,997)	9,403	(10,420)
	21,272	(6,640)	(70,552)	(68,881)
Increase (decrease) in liabilities				
Trade payables	(988)	(3,247)	439	(3,571)
Taxes and contributions payable	2,709	2,426	98,027	67,478
Other obligations	4,549	(30,150)	26,191	(37,051)
Deferred revenues	(840)	(1,126)	(1,596)	(2,945)
	5,430	(32,097)	123,061	23,911
Taxes paid - IRPJ and CSLL	-	-	(45,985)	(37,724)
Taxes paid - PIS, COFINS and ISS	(1,648)	(807)	(34,298)	(30,389)
Net cash provided by operating activities	108,758	13,398	600,245	303,913

Aliance Sonae Shopping Centers S.A.

Statements of cash flows (Continued)
Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Company		Consolidated	
	2021	2020	2021	2020
Investing activities				
Acquisition of property and equipment	(936)	(1,087)	(3,839)	(6,505)
Acquisition of intangible assets	(39,320)	(18,883)	(64,359)	(22,832)
Acquisition of investment property – shopping malls	(10,490)	(5,177)	(431,853)	(37,247)
Acquisition of equity interests	-	-	(25,058)	-
Capital increase in subsidiaries/associates	(363,287)	(57,659)	(9,161)	-
Sale of investment property	-	-	-	168,560
Sale of investments	125,000	85,211	125,000	79,972
Capital decrease in subsidiaries/associates/amortization of quotas	-	52,200	-	-
Decrease (increase) in short-term investments	57,465	(58,563)	54,059	(237,506)
Interest on capital and received dividends	268,110	151,863	45,992	16,630
Net cash provided by (used in) investing activities	36,542	147,905	(309,219)	(38,928)
Financing activities				
Capital increase	246	1,114	246	1,114
Capital increase of FII Parque Dom Pedro and non-controlling interest	-	-	8,192	-
Expenditure on issuance of shares	-	(733)	-	(733)
Payment of interest - borrowings and financings and real estate credit notes	(4,974)	(5,389)	(50,136)	(47,781)
Payment of principal - borrowings and financings and real estate credit notes	(2,033)	(1,225)	(62,652)	(31,881)
Pre-payment of principal - borrowings and financings and real estate credit notes	-	-	-	(17,133)
Payment of structuring cost of borrowings and financings	-	(482)	(297)	(3,807)
Payment of interest on debentures	(68,213)	(62,689)	(68,213)	(62,689)
Pre-payment of interest of debentures	(36,975)	-	(36,975)	-
Payment of principal of debentures	(175,529)	(8,778)	(175,529)	(8,778)
Pre-payment of principal of debentures	(125,000)	-	(125,000)	-
Issuance of debentures	415,000	-	415,000	-
Payment of structuring cost of debentures	(11,297)	-	(11,297)	-
Payment of interest - Lease (right of use)	(3,001)	(3,195)	(3,658)	(3,328)
Payment of principal - Lease (right of use)	(6,006)	(4,814)	(8,844)	(4,991)
Repurchase of shares	-	(36,918)	-	(36,918)
Proceeds from share-based compensation program	-	5,788	-	5,788
Repurchase of debentures	(67,898)	(47,097)	(67,898)	(47,097)
Dividends paid to stockholders	(60,000)	-	(60,000)	-
Dividends paid to non-controlling stockholders	-	-	(42,216)	(26,320)
Net cash used in financing activities	(145,680)	(164,418)	(289,277)	(284,554)
Increase (decrease) in cash and cash equivalents	(380)	(3,115)	1,749	(19,569)
Cash and cash equivalents at the end of the year	3,006	3,386	14,862	13,113
Cash and cash equivalents at the beginning of the year	3,386	6,501	13,113	32,682
Increase (decrease) in cash and cash equivalents	(380)	(3,115)	1,749	(19,569)

The accompanying notes are an integral part of these company and consolidated financial statements.

Aliansce Sonae Shopping Centers S.A.

Statements of value added
Years ended December 31, 2021 and 2020
(All amounts in thousands of reais)

	Company		Consolidated	
	2021	2020	2021	2020
Revenue				
Gross revenue from rental and services	174,577	143,431	989,899	840,414
Provision for expected credit loss	(10,712)	(12,267)	(52,121)	(63,726)
Other revenue	18,195	51,558	105,064	87,407
	182,060	182,722	1,042,842	864,095
Inputs acquired from third parties				
Cost of rentals and services	(8,445)	(5,922)	(119,118)	(77,537)
Materials, energy, outsourced services and other operating expenses	(29,570)	(99,871)	(130,950)	(164,458)
Gross value added provided by the Company	144,045	76,929	792,219	622,100
Retentions				
Depreciation and amortization	(100,038)	(96,017)	(190,585)	(185,471)
Net value added provided by the Company	44,007	(19,087)	601,634	436,629
Value added received in transfer				
Result of equity in subsidiaries	413,913	289,346	44,864	27,260
Finance income	51,805	55,395	66,561	100,090
	465,718	344,741	111,425	127,350
Total value added distributed	509,725	325,654	713,059	563,979
Distribution of value added				
Employees	75,031	61,991	97,350	91,162
Taxes	(1,858)	4,565	79,623	114,705
Federal	(4,194)	2,764	68,961	107,121
Municipal	2,336	1,801	10,662	7,584
Financiers	161,684	90,027	217,681	155,639
Interest and other finance costs	161,684	90,027	216,735	154,061
Rentals	-	-	946	1,578
Remuneration of own capital	274,868	169,071	318,405	202,473
Retained earnings	274,868	169,071	274,868	169,071
Non-controlling interest in retained earnings	-	-	43,537	33,402
	509,725	325,654	713,059	563,979

The accompanying notes are an integral part of these company and consolidated financial statements.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements
December 31, 2021 and 2020
(All amounts in thousands of reais unless otherwise stated)

1. Operations

Aliansce Sonae Shopping Centers S.A. ("Aliansce Sonae", "Aliansce Group" or "Company"), headquartered at Rua Dias Ferreira, 190 - 3º andar, Leblon, Rio de Janeiro, is controlled by a group of stockholders who jointly control the shares. As a result of the Stockholders' Agreement signed on June 6, 2019, Canada Pension Plan Investment Board ("Canada Pension Plan Investment Board"), CPPIB Flamengo US LLC ("CPPIB Flamengo" and, jointly with Canada Pension Plan Investment Board, "CPPIB"), Renato Feitosa Rique ("Renato"), Rique Empreendimentos e Participações Ltda. ("Rique Empreendimentos"), RFR Empreendimentos e Participações S.A. ("RFR"), Fundo de Investimentos em Participações Bali Multiestratégia ("FIP Bali" and, jointly with Renato, Rique Empreendimentos, RFR and FIP Bali, "Rique") and Sierra Brazil 1 S.À R.L ("SB 1") and Cura Brazil S.À R.L ("Cura") together share the control of the Company, with shares representing 48.8% of total and voting share capital linked to this agreement, as at December 31, 2021.

The Company's principal activity is investing, directly or indirectly in commercial centers, shopping malls and similar ventures, and in other companies as a partner or stockholder, as well as rendering commercial advisory services, management of shopping malls and condominiums in general. The Company and its subsidiaries, joint ventures and associates are hereinafter collectively referred to as the "Group".

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

The issuance of these financial statements was authorized by the Board on March 25, 2022.

2. Presentation of financial statements and accounting policies

2.1. Compliance statement

The Company and consolidated financial statements were prepared according to the accounting policies adopted in Brazil including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) and the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and contain all material information specific to the financial statements, which is consistent with that used by management.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.1. Compliance statement (Continued)

Furthermore, the Company considered the guidance arising from the Technical Guidance OCPC 07, issued by CPC in November 2014, in the preparation of its financial statements. Accordingly, the relevant information of the financial statements is being pointed out and corresponds to that used by Management in its management.

2.2. Basis of preparation and measurement

The company and consolidated financial statements have been prepared on the historical cost convention, except for the financial instruments measured at fair value as described in Note 5.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.3. New or revised pronouncements first adopted in 2021

The Company applied for the first time certain amendments to accounting standards, effective for annual reporting periods beginning on or after January 1, 2020. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.3. New or revised pronouncements first adopted in 2021 (Continued)

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

The amendments to CPC 38 and 48 provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced as an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the company and consolidated financial statements.

Amendments to CPC 06 (R2): Covid-19-Related Rent Concessions beyond June 30, 2021

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

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.3. New or revised pronouncements first adopted in 2021 (Continued)

Amendments to CPC 06 (R2): Covid-19-Related Rent Concessions beyond June 30, 2021 (Continued)

These amendments had no impact on the company and consolidated financial statements.

2.4. Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the company and consolidated financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IAS 1: Classification of liabilities as current or non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1, equivalent to CPC 26, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;

That only in the case an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.4. Standards issued but not yet effective (Continued)

Amendments to IAS 8: Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 (equivalent to CPC 23), in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the company and consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1 (equivalent to CPC 26 (R1) and IFRS Practice Statement 2 Making Materiality Judgments, in which it provides guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Company is currently assessing the impact of the amendments to determine the impact they will have on the Company's accounting policy disclosures.

2.5. Basis of consolidation

The consolidated financial statements are comprised of the Company's and its subsidiaries' financial statements at December 31, 2021 and 2020, as disclosed in Note 10. The control is obtained when the Company is exposed to or has the right to variable returns based on its involvement with the investee and is able to affect these returns through the power exercised over the investee.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.5. Basis of consolidation (Continued)

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

In general, it is assumed that the majority of voting rights results in control. To support this assumption and when the Company has less than the majority of the voting right of an investee, the Company considers all the relevant facts and circumstances when assessing whether it has power over an investee, including: (a) the agreement between the investor and other voting rights holders; (b) rights arising from other agreements; and (c) the voting rights and the potential voting rights of the Group (investor).

The Company assesses whether it exercises control in an investee or not if facts and circumstances indicate that there are changes in one or more of the three control elements previously mentioned. The consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when the Company no more exercises the mentioned control. Assets, liabilities and result of a subsidiary acquired or sold during the year are included in the consolidated financial statements as from the date when the Company obtains the control up to the date it no more exercises the control on the subsidiary.

The result and each component of other comprehensive income are attributable to the Company's controlling stockholders and to the non-controlling stockholders, even if it results in loss to the non-controlling stockholders. The subsidiaries' financial statements are prepared for the same disclosing period of the parent's, using consistent accounting policies. When necessary, adjustments are made in the subsidiaries' financial statements to align their accounting policies with those of the Company. All the assets, liabilities, results, income, expenses and cash flows of the same group, related to transactions between members of the Company, are totally eliminated in the consolidation.

The variation in the subsidiary's equity interest, with no loss of control, is accounted for as equity transaction.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.5. Basis of consolidation (Continued)

If the Company loses the control it exercises on a subsidiary, the correspondent assets (including any goodwill) and the subsidiary's liabilities are written off by their carrying amount at the date the control was lost and the carrying amount of any non-controlling interests is written off at the date the control was lost (including any components of other comprehensive income attributable to them). Any difference arising from it, as gains or loss, is accounted for as result. Any retained investment is recognized at its fair value at the date the control is lost.

2.6. Investment in associates and joint venture

Associate is an entity on which the Company exercises material influence. Material influence is the power to take part in the decisions about financial and operating policies of an investee, but with no individual or joint control of these policies.

Joint venture is a joint business according to which the integral parties that hold the business joint control have rights on the assets and have obligation on the liabilities related to the business. These parties are called joint operators. Joint control is the sharing, contractually agreed, of the business control, which exists only when decisions about the material activities require the unanimous agreement of the parties that share the control.

The considerations carried out in the establishment of significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The Company's investment in its associate and joint ventures are accounted for based on the equity accounting method.

Based on the equity accounting method, the investment in associate or joint venture is initially recognized at cost. The investment's carrying amount is adjusted for the purpose of recognition of the variations in the Company's interest in the net equity of the associate or joint venture as from the acquisition date. The goodwill related to the associate or joint venture is included in the investment carrying amount, but it is not amortized nor separately tested for impairment of assets purpose.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.6. Investment in associates and joint ventures (Continued)

The statement of income reflects the Company's interest in the operating results of the associate or joint venture. Likely variation in other comprehensive income of these investees is presented as part of the Company's other comprehensive income. Furthermore, whenever there is variation directly recognized in the equity of the associate or joint venture, the Company will recognize its interest in any variations, whenever applicable, in the statement of changes in equity. Unrealized gains and losses arising from transactions between the Company and the associate or joint venture are eliminated in the proportion to the interest in the associate or joint venture.

The sum of the Company's interest in the results of an associate or joint venture is presented in the statement of income, representing the result after the taxes and the non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same disclosure period of the Company's. Whenever necessary, adjustments are made in order that the accounting policies are aligned with the Company's.

After the equity accounting method is used, the Company determines whether it is necessary to recognize additional loss on the recoverable value of the Company's investment in its associate or joint venture. The Company determines, at each reporting date, whether there is objective evidence that the investment in the associate or joint venture was impaired. . If so, the Company calculates the impairment amount as the difference between the recoverable amount of the associate or joint venture and the carrying amount and recognizes the loss as "Profit share of associate and joint venture", in the statement of income.

When the Company loses significant influence over the associate or joint control over the joint venture, it measures and recognizes any investment retained at fair value. Likely difference between the carrying amount of the associate or joint venture, at the moment of the loss of significant influence, and the fair value of the retained investment and the results of the disposal are recognized in the result.

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.7. Current versus noncurrent classification

The Company presents assets and liabilities in the balance sheet based on their classification as current or non-current. An asset is classified as current when:

- It is expected that it is realized, or it is intended that it is sold or consumed during the normal course of the entity's operating cycle.
- It is essentially maintained for trade purposes.
- It is expected that it is realized in up to 12 months from the balance date.
- It is cash or cash equivalent (as defined in the Technical Pronouncement CPC 03 - Statements of cash flows), unless its exchange or use for settlement of liability is forbidden within 12 months from the balance date.

All the other assets are classified as non-current. A liability is classified as current when:

- It is expected it is settled during the entity's normal operating cycle.
- It should be settled within 12 months from the balance date.
- The entity has no unconditional right to differ the settlement of the liability within at least 12 months from the balance date.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.8. Functional and presentation currency

The functional currency of the Company and its subsidiaries in Brazil and abroad is Real, same currency of preparation and presentation of the company and consolidated financial statements. All the financial information presented in Real were rounded to the nearest thousand, except when otherwise indicated.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.9. Segment reporting

An operating segment is a Company's component that develops business activities from which it is possible to obtain revenue and incur in expenses, including revenues and expenses related to transactions with Company's other components. Management often reviews all the operating results of the operating segments for the purpose of decision making about the resources to be allocated to the segment and for assessment of its performance, and to which individual financial information is available.

The segments' results that are reported to Management include items directly attributable to the segment, as well as those that may be allocated on a reasonable basis. The non-allocated items mainly comprise expenses of the headquarter and assets and liabilities of income tax and social contribution.

2.10. Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks. The balances of this account are subject to immaterial risk of change in value. Therefore, an investment normally qualifies as a cash equivalent when it matures within short term, such as, for instance, within three months or less from the investment date.

2.11. Financial instruments

A financial instrument is an agreement that gives rise to a financial asset of an entity and to a financial liability or equity instrument of other entity.

Financial assets

Initial recognition and measurement

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

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.11. Financial instruments (Continued)

Financial assets (Continued)

Initial recognition and measurement (Continued)

The classification of the financial assets in the initial recognition depends on the characteristics of the contractual cash flows of the financial asset and of the Company's business model for the management of these financial assets. Except for the trade receivables that do not contain a significant financing component or to which the Company has used a practical expedient, the Company initially measures a financial asset at fair value plus the transaction costs, in the case of a financial asset not measured at fair value through profit or loss. Trade receivables that do not contain a significant financing component or to which the Company has used a practical expedient are measured at the transaction price determined according to CPC 47. See accounting policies in Note 2.23 - Revenue recognition.

In order that a financial asset is classified and measured at amortized cost or at fair value through other comprehensive income, it needs to generate cash flows that are "exclusively payments of principal and interest" (also called "SPPI" test) on the amount of the outstanding principal. This evaluation is carried out at instrument level.

The Company's business model to manage financial assets refers to the way it manages its financial assets to generate cash flows. The business model determines whether cash flows will result in the charge of contractual cash flows, in the sale of financial assets or both.

The purchases or sales of financial assets that require the delivery of assets within a term established by market regulation or agreement (regular negotiations) are recognized at the negotiation date, i.e., the date the Company commits to purchase or sell the asset.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.11. Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement

Financial assets at amortized cost (debt instruments)

The Company measures the financial assets at amortized cost if both of the following conditions are met: (a) the financial asset is maintained within the business model whose objective is to maintain financial assets in order to receive contractual cash flows; and (b) the contractual terms of the financial asset give rise, at specified dates, to cash flows that exclusively constitute payment of principal and interest on the amount of the outstanding principal.

The financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized when the asset is written off, modified or impaired.

The Company's financial assets at amortized cost include trade receivables, loans and other receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, and financial assets to be mandatorily measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchase within short term. Derivatives, including separate embedded derivatives, are also classified as held for trading, unless they are designated as effective hedging instruments. Financial assets with cash flows other than exclusive payments of principal and interest are classified and measured at fair value through profit or loss, regardless of the business model adopted. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through other comprehensive income, as described above, debt instruments can be designated at fair value through profit or loss on initial recognition if this eliminates, or significantly reduces accounting mismatch.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.11. Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement (Continued)

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

Financial assets at fair value through profit or loss are presented in the balance sheet at fair value, with the net changes in fair value recognized in the statement of income.

This category includes derivative instruments and listed equity investments, which the Company has not irrevocably classified as at fair value through other comprehensive income. Dividends on listed equity investments are recognized as other income in the statement of income when the right to payment has been vested.

An embedded derivative in a hybrid contract with a financial liability is bifurcated from the liability and accounted for as a separate derivative if: a) the economic characteristics and risks are not strictly related to the economic characteristics and risks of the main contract; b) the separate instrument, with the same terms as those of the embedded derivative, meets the definition of derivative; and c) the hybrid contract is not measured at fair value, with changes recognized in the statement of income. Embedded derivatives are measured at fair value, with changes in fair value recognized in profit or loss. A revaluation only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset not within the category of fair value through profit or loss category.

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

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.11. Financial instruments (Continued)

Financial assets (Continued)

Derecognition

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

- The rights to receive cash flows expire.
- The Company transferred its rights to receive cash flows of the asset or assumed an obligation to fully pay, with no significant delay, the cash flows received to a third-party in the terms of an onlending agreement and (a) the Company substantially transferred all the risks and benefits of the asset, or (b) the Company did not transfer nor substantially retain all the risks and benefits of the asset, but transferred the asset control.

When the Company transfers its rights to receive cash flows of an asset or enters into an onlending agreement, it assesses whether it retained the risks and benefits of the property and to what extent. When the Company did not transfer nor substantially retain all the risks and benefits of the asset, and it did not even transfer the asset control, it continues recognizing the transferred asset to the extent of its continued involvement. In this case, the Company also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations retained by the Company.

The continuous involvement in the form of guarantee on a transferred asset is measured at the lower between (i) the asset value and (ii) the maximum value of the consideration received that the entity may be obliged to reimburse (guarantee value).

Impairment of financial assets

The Company recognizes a provision for expected credit losses for all the debt instruments not held at fair value through profit or loss. The expected credit losses are based on the difference between the contractual cash flows due according to the agreement and all the cash flows that the Company expects to receive, discounted at an effective interest rate that is near the transaction original rate. The expected cash flows will include cash flows from the sale of related guarantees or other credit improvements that are an integral part of the contractual terms.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.11. Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The expected losses of credit are recognized in two steps. For the credit exposures to which there has been no significant increase in the credit risk since the initial recognition, the expected credit losses are provided for credit losses resulting from possible default events in the next 12 months (expected credit loss of 12 months). For the credit exposures to which there has been significant increase in the credit risk since the initial recognition, it is necessary a provision for expected credit loss during the exposure remaining life, regardless the default moment (lifetime expected credit loss).

For trade receivables, the Company uses a simplified approach in the calculation of the expected credit losses. Therefore, the Company does not monitor the changes in the credit risk, but recognizes a provision for losses based on the lifetime expected credit losses at each base date.

The Company established a provisions matrix based on its historical experience of credit losses, adjusted for specific prospective factors for the debtors and for the economic environment.

For debt instruments at fair value through other comprehensive income, the Company uses a simplification of the low credit risk allowed. At each reporting date, the Company evaluates whether the debt instrument is considered as low risk credit using all the reasonable information available that is subject to grounding. When assessing, the Company reevaluates the internal classification of credit risk of the debt instruments.

Financial liabilities

Initial recognition and measurement

At initial recognition, the financial liabilities are classified as financial liabilities at fair value through profit or loss, borrowings and financings, payables, or as derivatives designated as hedge instruments in an effective hedge, as appropriate.

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.11. Financial instruments (Continued)

Financial liabilities (Continued)

Initial recognition and measurement (Continued)

All the financial liabilities are initially measured at their fair value, more or less, in the case of financial liability that is not measured at fair value through profit or loss, the transaction costs that are directly attributable the issuance of the financial liability.

The Company's financial liabilities include trade and other payables, borrowings and financings, CRIs and debentures.

Subsequent measurement

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

i) Financial liabilities at fair value through profit and loss

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

Financial liabilities are classified as held for trading if they are acquired with the objective of sale or repurchase in the short term. This category also includes derivative financial instruments contracted by the Company that are not designated as hedge instruments in the hedge relationship defined by CPC 48. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedge instruments.

Gains or losses on liabilities for trading are recognized in the statement of income.

The financial liabilities designated at initial recognition at fair value through profit or loss are designated at the recognition initial date, and only if the criteria provided by CPC 48 are met.

The Company did not designate any financial liability at fair value through profit or loss, except for the derivative financial instrument.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.11. Financial instruments (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

ii) Amortized cost

This is the most relevant category for the Company. After the initial recognition, loans contracted are subject to interest that are subsequently measured at amortized cost, using the effective interest rate method. Gains and losses are recognized in the result when the liabilities are written off by the amortization process of the effective interest rate.

The amortized cost is calculated considering any negative goodwill or goodwill in the acquisition and rates or costs that are an integral part of the effective interest rate method. The amortization using the effective interest rate method is included as finance costs in the statement of income.

This category is usually used for borrowings and financings, CRIs and debentures contracted, subject to interest. See Note 14 for more information.

Derecognition

A financial liability is written off when the obligation on the liability is extinct, i.e., when the obligation specified in the agreement is settled, cancelled or expires. When an existing financial liability is substituted for other from the same lender in substantially different terms or the terms of an existing liability are substantially changed, this exchange or amendment is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognized in the statement of income.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is presented in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, realize the asset and settle the liability simultaneously.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.12. Present value adjustment of assets and liabilities

The long term monetary assets and liabilities are monetarily updated and, therefore, they are adjusted at present value. The present value adjustment of short term monetary assets and liabilities is calculated, and just registered, if it is considered relevant in relation to the financial statements taken as whole. For the purpose of registration and determination of relevance, the present value adjustment is calculated considering the contractual cash flows and the explicit interest rate, and in some cases the implicit one, of the respective assets and liabilities.

2.13. Derivative financial instruments

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, in the case of adoption of hedge accounting, and if so, the nature of the item being hedged.

The fair value of the derivative instrument used for hedge purposes is disclosed in Note 5. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

The Company does not have derivative contracts designated as hedge accounting.

2.14. Intangible assets

Intangible assets separately acquired are measured upon initial recognition at acquisition cost and later the accumulated amortization and the impairment are deducted, when applicable.

The intangible assets with finite useful life are amortized according to their estimated economic useful life and, when indications of impairment are identified, submitted to impairment testing. The intangible assets with indefinite useful life are not amortized, but they are submitted to annual impairment testing.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.14. Intangible assets (Continued)

The goodwill arising from the acquisition of subsidiaries and grounded on future profitability is recorded as intangible assets.

2.15. Investments

Investments in subsidiaries, joint ventures and associates where the Company has significant influence are accounted for using the equity method, plus goodwill or less gain on bargain purchase on the value added of the assets, when applicable.

2.16. Property and equipment

Property and equipment are stated at historical cost of acquisition or construction less accumulated depreciation and accumulated impairment loss, when applicable.

Subsequent costs are capitalized to the extent that it is probable that future benefits associated with these costs will flow to the Company. Recurring repairs and maintenance are charged to the statement of income.

Depreciation of property and equipment is calculated using the straight-line method over their estimated economic useful lives, which are 10 years for machinery and equipment, 10 years for furniture and fittings, and 5 years for other components.

The asset depreciation methods, useful lives and residual values may be reviewed at the end of each reporting period and any resulting adjustments are recognized as changes in accounting estimates.

2.17. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or use in the provision of services or for administrative purposes. Investment properties are initially measured at cost and is depreciated over their useful life, which varies between 21 and 54 years.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.17. Investment properties (Continued)

Goodwill arising from the fair value of assets recorded in subsidiaries are recorded as investment property in the consolidated financial statements and depreciated using the straight-line method. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes capitalized borrowing costs, the cost of materials and direct labor, and other costs directly attributable to bringing the investment property to a working condition for its intended use.

The Company and its subsidiaries record shopping malls in operation and under development as investment property, given that these commercial properties are held for purposes of operating lease.

The costs related to the repurchase of retail location are aggregated to the values of the respective investment properties. The appropriation of the repurchases are carried out according to the lease term of the leased asset.

2.18. Impairment of non-financial assets

Management annually reviews the net carrying amount of the assets, with the objective of assessing events or changes in the economic, operating or technological circumstances that may indicate deterioration or impairment. If these evidences were identified and the net carrying amount exceeds the recoverable amount, a provision for impairment is constituted, adjusting the net carrying amount to the recoverable value.

The recoverable amount of an asset or of certain cash generating unit is defined as the higher of the value in use and the fair value less selling expenses.

In the estimate of the asset's value in use, the estimated future cash flows are discounted at 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 unit operates. The net amount is determined, whenever possible, based on firm sale contract a cumulative basis transaction, between knowledgeable and interested parties, adjusted by expenses attributable to the sale of the asset or, when there is no firm sale contract, based on the market price of an active market, or on the price of the latest transaction with similar assets.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.18. Impairment of non-financial assets (Continued)

In the case of the goodwill paid in the acquisition of investments, the recoverable amount is estimated every year. An impairment is recognized if the carrying amount of the goodwill allocated to Cash Generating Unit (CGU) exceeds its recoverable amount. The recoverable amount of the goodwill is calculated through its comparison with the fair value of the investment properties that gave rise to the goodwill. The assumptions used for the determination of the fair value of the investment properties are detailed in Note 11.

Impairments are recognized in the result. Recognized losses related to CGUs are initially allocated in the decrease of any goodwill allocated to this CGU and, subsequently, in the decrease of other assets of this CGU.

An impairment related to goodwill is not reversed. Regarding other assets, the impairments are reversed only if the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if the impairment had not been recognized.

2.19. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due in one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest rate method.

2.20. Provisions

Provisions are recognized for present obligations (legal or presumed) resulting from past events, in which it is possible to reliably estimate the accounts and whose settlement is probable. The amount recognized as provision is the best estimate of the considerations required to settle the obligation at the end of each reporting period, considering the risks and the uncertainties related to the obligation.

When the provision is measured based on the cash flows estimated to settle the obligation, its carrying amount corresponds to the present value of these cash flows (in which the effect of the time value of the money is material).

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.20. Provisions (Continued)

The Company is a party to many lawsuits and administrative proceedings. Provisions are constituted for all the lawsuits to which there will probably be an outflow to settle the contingency/obligation and a reasonable estimate can be made. The evaluation of the loss probability includes the evaluation of the available evidences, the hierarchy of the laws, the available jurisprudence, the most recent decisions in the courtrooms and their relevance in the legal framework. The provisions are reviewed and adjusted to consider changes in the circumstances, such as limitation period applicable, conclusions of tax inspections or additional exposures identified based on new matters or courtrooms decisions.

2.21. Share capital

Additional costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax effects, when applicable.

2.22. Employee benefits

Employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for an amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

a) Share-based payment

The Company has a number of equity-settled, share-based compensation plans, under which it receives services from employees as consideration for equity instruments (options) of the Company.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.22. Employee benefits (Continued)

a) Share-based payment (Continued)

The fair value of share-based payment awards is recognized on the grant date as personnel expenses, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of shares for which the related service and non-market vesting conditions are expected to be satisfied, such that the amount ultimately recognized as an expense is based on the number of shares that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no adjustment for differences between expected and actual outcomes.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium, if applicable, when the options are exercised.

Any social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

b) Profit sharing

The Company recognizes a liability and an expense for profit-sharing based on a methodology that takes into consideration the profit attributed to the Company's stockholders after certain adjustments. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.23. Taxation

The income from sales and services is subject to the following taxes and contributions, at the basic rates below:

Tax name	Acronym	Rates company and subsidiaries	
		Taxable income	Presumed profit
Contribution for the Social Integration Program	PIS	1.65%	0.65%
Contribution for the Social Security Financing	COFINS	7.6%	3.0%
Tax on Service	ISS	2% to 5%	2% to 5%

These burdens are presented as deductions of sales in the statement of income. The credits arising from non-cumulative PIS/COFINS are presented in the lines related to taxes and contributions on sales and services in the statement of income.

Tax on income comprises the income tax and the social contribution. The income tax is calculated based on the 25% rate and social contribution on the 9% rate, recognized on an accrual basis.

As the tax law allows, some companies of Grupo Aliansce Sonae, which had annual income lower than R\$ 78,000 in the immediately previous year, opted for the presumed profit system. In these cases, the calculation basis of the income tax considered the rates of 8%, 32% and 100%, depending on the nature of the income, as provided by tax law. The calculation basis of the social contribution, in this scenario, was based on the following rates, 12%, 32% and 100%, also depending on the nature of the income.

Income tax and social contribution represent the taxes payable. The deferred income tax and social contribution are recognized on temporary differences and tax losses/negative basis of social contribution. We highlight that the deferred tax credits are recognized at the extent of the existence of consistent prospects of future positive bases.

The income tax and social contribution expense is divided into the current and the deferred effects.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.23. Taxation (Continued)

The current taxes are stated in assets/liabilities by their net amounts when the taxes payable and to offset have the same nature.

Similarly, the deferred income tax and social contribution are also stated by their net effects in assets/liabilities, as required by CPC 32.

2.24. Revenue recognition

Services

This refers to the rendering of services of brokerage and advisory for promotions and publicity, for lease and/or trade of commercial spaces (merchandise) and revenue with the shopping malls management. These revenues are recognized at the moment (or at the extent) it meets a performance obligation when transferring the control of a service to a customer.

Rental revenue and assignment of right to use

The Company and its subsidiaries recognize its rental revenue and assignment of right to use on a straight-line basis during the lease period, included as revenue in the statement of income due to its operating nature. These operations are classified as operating leases, once the Company does not substantially transfer all the risks and benefits of the ownership of the asset.

The lease agreements usually establish that the lessee must pay the higher amount between a minimum stipulated in contract and a variable, calculated through a percentage on the sales of each establishment. The minimum rentals are adjusted by regular fixed increases during the agreement term, double rental in December and by the inflation. According to CPC 06 (R2) / IFRS 16 – Leases, the minimum rental revenues, considering eventual effects of grace periods, discounts etc., less the inflation effects, should be recognized on a straight-line basis during the agreement term, and any excess of the variable rental is recognized when incurred, regardless the form it was received.

Similarly, the revenues from assignment of right to use are also recognized on a straight-line basis during the agreement term, as from the beginning of the lease term.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.24. Revenue recognition (Continued)

Parking lot revenue

This refers to the revenue with the exploration of the parking lot of the shopping malls appropriated to the result on an accrual basis.

Finance income

Interest income comprises income on financial investments, changes in the fair value of financial assets carried at fair value through profit or loss (including derivatives) and gains on derivative financial instruments. Interest income is recognized in the statement of income, using the effective interest method.

2.25. Dividends

The mandatory dividends to be distributed to the Company's stockholders are recognized as a liability in the financial statements at year-end based on the Company's bylaws. Any amount that exceeds the minimum required is only provided on the date it is approved at the General Meeting.

2.26. Repurchase of shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes any costs directly attributable, is recognized as a deduction of equity. The repurchased shares are classified as treasury shares and stated as deduction of equity. When treasury shares are sold or reissued, subsequently, the amount received is recognized as increase in equity, and the gain or loss arising from the transaction is stated as capital reserve.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

2.27. Result per share

Basic result per share is calculated by dividing the profit attributable to the controlling stockholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding for the effects of dilutive potential common shares, as set out in CPC 41/IAS 33.

2.28. Statement of value added

The objective of this statement is to evidence the wealth created by the Company and its distribution during certain period and the Company presents it as part of its company and consolidated financial statements, whose presentation is required by Brazilian Corporation Law for publicly listed company and as complementary information by IFRS that does not require the presentation of statement of value added.

2.29. Statement of cash flow

The Company classifies in the statement of cash flows the interest paid as financing activity and the dividends received as investing activity because it understands that the interest represents costs for obtaining financial funds and dividends represent return of its investments.

3. Significant accounting judgments, estimates and assumptions

Judgments

The preparation of the Company's consolidated financial statements requires that the Management makes judgments, estimates and adopts assumptions that affect the amounts presented as revenues, expenses, assets and liabilities and the respective disclosures, as well as the disclosure of contingent liabilities.

The consolidated financial statements were prepared with support in many evaluation bases used in the accounting estimates. The accounting estimates involved in the preparation of the financial statements were supported on objective and subjective factors, based on the management judgment for the determination of the appropriate amount to be recorded in the financial statements.

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

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

Judgements (Continued)

We describe below the Company's main estimates:

Measurement at fair value of investment properties

The Company discloses the fair value of its investment properties according to requirements of IAS 40 and / CPC 28. For investment properties, an evaluation methodology based on one discounted cash flow model was used, considering the absence of comparable market data due to the nature of the properties. The Company internally prepares the mentioned calculations. The main assumptions used to determine the fair value of the properties for disclosure purposes are detailed in Note 11.

Impairment of non-financial assets

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its recoverable amount, which is the higher of the net fair value of the selling expenses and the value in use. The calculation of the net fair value of the selling expenses is based on available information of transactions of sales of similar assets or market prices less the selling expenses. The calculation of the value in use is based on the discounted cash flow model. The cash flows arise from the Company's budget and do not include reorganization activities to which the Company had not committed yet or significant future investments that will improve the assets base of the cash generating unit that is object of the test. The recoverable amount is sensitive to the discount rate used in the discounted cash flow method, as well as to expected future cash receipts and to the growth rate used for extrapolation purposes. The main assumptions used to determine the recoverable amount of the many cash generating units, including the sensibility analysis, are detailed in Notes 11 and 12.

Provision for expected credit losses for receivables and contract assets

The Company uses a provision matrix to calculate the expected credit loss for receivables from rentals and assignment of right of use. The provision rates used are based on days of delay for grouping of many segments of customers that present similar loss patterns.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

Judgements (Continued)

Provision for expected credit losses and contract assets (Continued)

The provision matrix is initially based on the historic loss rates observed by the Company. The Company prospectively reviews the matrix in order to adjust it according to the historic experience of credit loss. For example, if the economic conditions are expected to deteriorate in the following year (e.g., the gross domestic product), which may give rise to an increase in the default in the sector, the historic loss rates are adjusted. At all the reporting dates, the observed historic loss rates are updated and the changes in the prospective estimates are analyzed.

The evaluation of the correlation between the observed historic loss rates, the foreseen economic conditions and the expected credit losses are a significant estimate. The number of expected credit loss is sensitive to changes in the circumstances and in the foreseen economic conditions. The Company's credit loss historic experience and the foreseen economic conditions may also not represent the real pattern of the future customer. The information about the expected credit losses on the Company's receivables are disclosed in Note 8.

Realization of deferred tax credits

Deferred tax asset is recognized for all the tax losses not used to the extent that it is probable that there will be available taxable income to allow the use of the mentioned losses. Significant judgment by management is required to determine the amount of deferred tax assets that can be recognized, based on the probable term and level of future taxable income, together with strategies of future tax planning. These losses do not prescribe and cannot be used for the purpose of offset of taxable income in distinct entities. The offset of accumulated tax losses is restricted to a limit of 30% of the taxable income generated in certain fiscal year. For more details about deferred taxes, see note 18.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

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

Judgments (Continued)

Provisions for tax, civil and labor contingencies

The Company recognizes provision for tax, civil and labor lawsuits. The evaluation of the loss probability includes the evaluation of the available evidences, the hierarchy of the laws, the available jurisprudences, the most recent decisions in the courtrooms and their relevance in the legal framework, as well the evaluation of the internal and external lawyers. The provisions are reviewed and adjusted to consider changes in the circumstances, such as limitation period applicable, conclusions of tax inspections or additional exposures identified based on new matters or courtrooms decisions. The legal obligations are provided for, regardless of the loss estimate of the lawsuits related to it. For more details about provision for contingencies, see note 16.

4. Significant events occurred during the year

In January 2021, Tarsila Empreendimentos e Participações Ltda., a subsidiary of the Company, acquired 100% interest in Hannover Consultoria e Negócios Ltda., a company that holds as its only asset a 2% interest in Shopping da Bahia, for the amount of R\$28,683, paid at the time of the transaction. Of the total amount paid, R\$26,466 was allocated as investment property, R\$960 was allocated as lease receivable and R\$1,257 as other assets.

On April 23, 2021, Altar Empreendimentos e Participações Ltda. (“Altar”), a subsidiary of the Company, acquired a 60% interest in Luanda Empreendimentos e Participações S.A. (“Luanda”), a company that holds as its only asset a 35% interest in Shopping Leblon, for the amount of R\$275,054, paid at the time of the transaction.

The Shareholders’ Agreement also provides for a spin-off of Luanda for the separation of the interests held by each stockholder in the mall; the Company expects that in the final structure its ideal acquired fraction of 21% of Shopping Leblon will be directly allocated to the subsidiary Altar. Therefore, considering the essence of the transaction, the Company reflected in its financial statements the acquisition of asset and not of equity interest.

Of the total amount paid, R\$272,342 was allocated as investment properties, R\$7,660 as trade receivables, R\$3,096 as provision for contingencies and R\$1,852 as other liabilities, net.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

4. Significant events during the year (Continued)

In October 2021, the spin-off took occurred definitively, formalizing the structure for the acquisition of an ideal fraction of 21% of Shopping Leblon by the subsidiary Altar.

On August 6, 2021, Alsotech, a subsidiary of the Company, acquired a 23.95% interest in Box Delivery Desenvolvedora de Software S.A. ("Box Delivery"), a company whose principal activity is the development and licensing of non-customizable computer programs, in the amount of R\$22,140, paid at the time of the transaction. This acquisition was recognized as an investment in an associate in accordance with CPC 18 (R2) - Long-term Interests in Associates and Joint Ventures and the price allocation, as well as the calculation of the preliminary goodwill identified in the respective transaction are shown below:

Investment amount	1,164
Investment surplus	8,793
Cash consideration	22,140
Preliminary goodwill	<u>12,183</u>

The goodwill amount calculated on this transaction was recognized as an investment. See Note 10.

On September 3, 2021, Alsotech, a subsidiary of the Company, acquired a 100% interest in Hubsell Desenvolvimento de Soluções S.A. ("Hubsell"), a company whose purpose is to provide computer program (software) development services to order, for the amount of R\$12,000, R\$3,000 of which paid at the time of the transaction, R\$600 paid in November and December 2021, and R\$8,400 to be paid until 2023. This acquisition was recognized by the Company in accordance with CPC 15 - Business Combinations and the price allocation, as well as the calculation of the preliminary goodwill identified in the respective transaction are shown as follows:

Consideration paid	3,600
Consideration payable	8,400
Total	<u>12,000</u>

Hubsell assets and liabilities at fair value (preliminary):

Cash and cash equivalents	1,282
Trade receivables	70
Intangible assets	1,112
Customers portfolio	447
Trade payables	(32)
Labor obligations	(20)
Tax obligations	(2,020)
Provision for contingencies	(541)
Net assets	<u>298</u>
Preliminary goodwill	11,702

The goodwill amount calculated on this transaction was recorded as an intangible asset in the consolidated financial statements. See Note 12.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

4. Significant events during the year (Continued)

The purchase and sale agreement grants the primary option to repurchase 30% of the shares of Hubsell to the former owners, which have an exercise period from March 3 and April 3, 2024, as well as a secondary option to repurchase these same 30% of the shares of Hubsell to Alsotech for R\$3,600, which has an exercise period between 36 and 42 months after the date of signature of the contract and which can be added after the measurement of performance indicators of the income of Hubsell to be determined within a period of up to 36 months after the transaction. As at December 31, 2021, the amount of R\$3,600 is part of the R\$8,400 payable mentioned above and was recorded in non-current liabilities under other obligations.

On December 28, 2021, the Company sold 776,398 units of interest of Fundo de Investimento Imobiliário Via Parque Shopping, which represents 27.73% of the Company's interest in the Fund, for R\$125,000. The Company wrote off R\$106,971 under Investments – book value and R\$3,851 under asset surplus, totaling a write-off of R\$110,822. The gain on this sale was R\$ 14,178 recorded under Other income (expenses), net (Note 25).

5. Financial risk management

5.1. Financial risk factors

The Company may be exposed to the following risks according to its activity:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operating risk.

This Note presents information on the Company's exposure to the above-mentioned risks, the Company's goals, risk management policies, and the Company's capital management. Additional quantitative disclosures are included throughout these financial statements.

l) Credit risk

The Company's credit risk is characterized by the non-performance by a customer or counterparty in a financial instrument of their contractual obligations. The Company's operations consist of leasing of commercial spaces and management of shopping malls.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

l) Credit risk (Continued)

The lease contracts are regulated by the Lease Law. The customer portfolio is diversified and is constantly monitored with the objective of reducing losses due to default. Leases may feature a guarantor, which mitigates the Company's credit risk.

Accounts receivable from rent and other receivables are related mainly to the storeowners of the shopping malls in which the Company has an interest. The Company establishes a provision for impairment that represents its estimate of losses incurred in relation to trade receivables and other receivables and investments.

The Company monitors its receivables portfolio periodically. Its lease activity has specific rules in relation to default, the department of operations and the legal department are active in the negotiations with debtors. The retail location of the shopping malls when taken back or returned is immediately renegotiated with another storeowner.

The measure adopted to mitigate the credit risk is always to maintain a good quality of storeowners in the shopping malls and an active commercial area for an immediate filling of any potential vacancy in the venture.

Part of the Company's revenues, such as revenues from parking lot and services provision, have a very low credit risk.

Management considers that maximum exposure to credit risk of its financial assets is represented by the accounts receivable recorded in the balance sheet of the Company. Credit risk of its customers is estimated and disclosed in Note 8. All cash and cash equivalents are invested in financial institutions that meet the minimum rating threshold assigned by the largest global rating firms (Moody's, Austin, S&P's, Fitch) and therefore the Company does not consider such instruments as having significant credit risk.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

II) Liquidity risk

Investment decisions are made in light of their impact on the long-term cash flow (60/120 months). The Company's guideline is to work with assumptions of minimum cash balances, which vary according to the schedule of investments, and of financial coverage of our obligations, where the projected cash generation has to surpass the contracted obligations (financing, construction works, acquisitions), thus mitigating the refinancing risk of debts and obligations. To finance buildings under construction, the Company seeks to structure long-term operations in the financial market, with a grace period to align them with expected cash generation.

We include below the nominal cash flow of the main financial liabilities as at December 31, 2021 and December 31, 2020.

December 31, 2021	Company						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings and financings	65,499	109,638	4,939	5,013	10,766	35,469	53,451
Trade payables	13,245	13,245	13,245	-	-	-	-
Debentures	1,563,606	2,182,512	248,730	264,618	626,566	338,901	703,697
Derivative financial instruments							
Swap (debentures)	(4,736)	(58,598)	13,764	16,399	21,312	19,862	(129,935)
	1,637,614	2,246,797	280,678	286,030	658,644	394,232	627,213

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

II) Liquidity risk (Continued)

December 31, 2020	Company						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings and financings	65,733	110,030	3,121	3,115	8,176	30,987	64,631
Trade payables	14,232	14,232	14,232	-	-	-	-
Debentures	1,494,126	1,763,861	25,489	197,120	435,752	936,921	168,579
Derivative financial instruments							
Swap (debentures)	(10,543)	(8,835)	(1,204)	(1,257)	(2,139)	(4,235)	-
	1,563,548	1,879,288	41,638	198,978	441,789	963,673	233,210
December 31, 2021	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings and financings	301,000	405,705	37,990	38,206	77,450	180,074	71,985
Trade payables	34,175	34,175	34,175	-	-	-	-
Obligations for purchase of assets	110	110	110	-	-	-	-
Debentures	1,563,606	2,182,512	248,730	264,618	626,566	338,901	703,697
Real estate credit note (CCIs)	158,985	210,580	22,717	21,527	44,911	92,648	28,777
Derivative financial instruments							
Swap (debentures)	(4,736)	(58,598)	13,764	16,399	21,312	19,862	(129,935)
	2,053,140	2,774,484	357,486	340,750	770,239	631,485	674,524

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

II) Liquidity risk (Continued)

December 31, 2020	Consolidated						
	Carrying amount	Contractual cash flow	6 months or less	6-12 months	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities							
Borrowings and financings	344,971	466,212	36,128	36,120	74,186	209,693	110,085
Trade payables	30,300	30,300	30,300	-	-	-	-
Obligations for purchase of assets	107	107	107	-	-	-	-
Debentures	1,494,126	1,763,861	25,489	197,120	435,752	936,921	168,579
Real estate credit note (CCIs)	167,838	230,843	19,089	17,761	38,252	109,788	45,953
Derivative financial instruments							
Swap (debentures)	(10,543)	(8,835)	(1,204)	(1,257)	(2,139)	(4,235)	-
	<u>2,026,799</u>	<u>2,482,488</u>	<u>109,909</u>	<u>249,744</u>	<u>546,051</u>	<u>1,252,167</u>	<u>324,617</u>

III) Market risk

In common with other retail businesses, the Company is exposed to inflation risk, since this applies pressure on disposable income, which may consequently reduce the consumption in the retail market. Different levels of inflation are used in the projection models used for determination of strategies, in order to establish scenarios for the Company's development.

Another risk to which the Company is exposed is the risk of increase of interest rates and of price indices, as the Company raises funds indexed to them. However, in order to mitigate this effect over the medium and long term, whenever possible, the Company opts for low volatility indices to be able to estimate its future outlays more accurately.

The market risk is divided into: foreign currency, interest rate and fair value risks.

a) *Foreign exchange rate risk*

The Company is not subject to foreign exchange risks as all of its collection and payment transactions are carried out in Brazilian currency. Furthermore, the Company does not have assets and liabilities subject to foreign currency fluctuations.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

III) Market risk (Continued)

b) *Interest rate risk*

The analysis of the Company's net exposure to the interest rate risk is as follows:

	Carrying amount			
	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Interest rate financial instruments				
Financial assets	1,034,487	1,076,688	1,326,906	1,371,587
Financial liabilities	(1,707,632)	(1,614,245)	(2,127,929)	(2,081,817)
	(673,145)	(537,557)	(801,023)	(710,230)
Derivative financial instruments				
Financial assets	4,736	10,543	4,736	10,543
	4,736	10,543	4,736	10,543

Sensitivity analysis of interest rates

In accordance with CPC 40 (R1) Financial Instruments: Disclosures, the Company shall disclose a sensitivity analysis for any market risks deemed as significant by management, arising from financial instruments, to which the Company is exposed at the end of each year, including all the transactions with derivative financial instruments.

Financial assets

The financial assets are concentrated in floating-rate investments with the above-mentioned characteristic.

Financial liabilities (type of risk exposure)

For calculation of the sensitivity analysis, the annual projection of the risk variables was carried out based on the market rate projection, which the Brazilian Central Bank makes available. The probable scenario is that scenario worked by Management and can be understood as the estimated balance of the borrowings and financings CIs and Debentures at the end of the current year. An adverse change of 25% and 50% in the respective risk variables were considered in Scenarios II and III. Management does not apply a sensitivity analysis to the TR risk variation since it understands that this variable is neither volatile nor significantly sensitive to changing interest rates and any potential changes of 25% and 50% in this rate do not have a material impact on the fair value of the Company's debts tied to TR.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

III) Market risk (Continued)

b) *Interest rate risk* (Continued)

Financial liabilities (type of risk exposure) (Continued)

The tables below show the sensitivity analysis of the Company's Management and the cash effect of transactions outstanding at December 31, 2021, as well as the amounts of indexes used in the forecasts.

		Company			
Operation	Risk variable	Carrying amount	Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,107,215)	(1,122,230)	(1,131,196)	(1,140,227)
IPCA	Increase of IPCA	(583,540)	(603,709)	(611,220)	(618,816)
Swap (debentures)	Increase of CDI	7,627	4,736	(38,165)	(81,066)
		Consolidated			
Operation	Risk variable	Carrying amount	Scenario I (probable)	Scenario II (+25%)	Scenario III (+50%)
CDI	Increase of CDI	(1,107,215)	(1,122,230)	(1,131,196)	(1,140,227)
IPCA	Increase of IPCA	(583,540)	(603,709)	(611,220)	(618,816)
IGP-DI	Increase of IGP-DI	(77,908)	(59,388)	(60,182)	(60,985)
Swap (debentures)	Increase of CDI	7,627	4,736	(38,165)	(81,066)
		December 31, 2021			
		Scenario I Probable	Scenario II (+25%)	Scenario III (+50%)	
Index					
IPCA		5.23%	6.54%	7.85%	
CDI		12.10%	15.13%	18.16%	
IGP-DI		4.70%	5.88%	7.05%	

For each scenario, a gross finance cost was calculated, not taking into account the levy of taxes and the maturity flow of each agreement programmed to 2021.

There are no material changes in the equity position of the financial liabilities in the different scenarios shown above, because a great part of the interest is provided for and paid within the same year. However, the Company understands that an increase in the interest rate, in the indexes or in both may give rise to a material increase in the finance costs, causing a negative impact on the Company's finance result.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

III) Market risk (Continued)

c) *Determination of fair value*

Management's understanding is that financial assets and liabilities not presented in this Note are stated at carrying amount, which approximates their fair value.

The fair values of the financial liabilities, together with the carrying amounts presented in the balance sheet, are as follows:

Instruments	Company			
	December 31, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings and financings	73,945	68,757	75,882	77,364
Debentures	1,690,756	1,644,712	1,549,798	1,553,800
Total borrowings	1,764,701	1,713,469	1,625,680	1,631,164
Total borrowing cost	(22,851)		(19,163)	
Total fair value of debts assumed in business combinations	12,143		16,558	
Total fair value on debt renegotiation	(7,266)		(10,913)	
Total partial repurchase of company-issued debentures	(114,227)		(49,686)	
Total gain on debenture repurchase transaction	(3,395)		(2,617)	
Total net borrowings	1,629,105		1,559,859	

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

III) Market risk (Continued)

Instruments	Consolidated			
	December 31, 2021		December 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Borrowings and financings	322,515	296,198	371,929	389,663
CRIs	165,954	162,676	177,813	189,160
Debentures	1,690,756	1,644,712	1,549,798	1,553,800
Total borrowings	2,179,225	2,103,586	2,099,540	2,132,623
Total borrowing cost	(30,243)		(27,549)	
Total fair value of debts assumed in business combinations	16,844		22,602	
Total fair value on debt renegotiation	(24,612)		(35,355)	
Total partial repurchase of company-issued debentures	(114,227)		(49,686)	
Total gain on debenture repurchase transaction	(3,395)		(2,617)	
Total net borrowings	2,023,592		2,006,935	

Fair value hierarchy

The table below classifies financial instruments carried at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

III) Market risk (Continued)

c) *Determination of fair value* (Continued)

Fair value hierarchy (Continued)

- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 - inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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

Criteria, assumptions and limitations used in the calculation of fair value

The estimated fair values of the financial instruments assets and liabilities of the Company and its subsidiaries were calculated as described below.

Cash and cash equivalents and short-term investments

Bank accounts have their fair values identical to the carrying amounts.

Bank Certificates of Deposit (CDB), debentures and repurchase agreements - stated at fair value based on the probable realizable value.

For other short-term investments, the fair value was calculated based on the market quotations of these securities; when there were no quotations, they were based on the future cash flows discounted at the average interest rates available.

Trade receivables

The balances of trade receivables have fair values similar to the accounting balances.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

III) Market risk (Continued)

c) *Determination of fair value* (Continued)

Derivative financial instruments

In May 2017, the Company entered into a Swap agreement with Goldman Sachs for the 2nd Series of the 4th private issuance of simple debentures, non-convertible into shares, up to two series, of unsecured type to be converted in real guarantee, in the amount of R\$ 72,111. The term of the derivative financial instrument is the same as the original operation, being the last installment in October 2024.

The fair values of swap instruments were obtained through the difference between the future payment flows of rates in each position and then the resulting flow was discounted at the forecast annual rate of SELIC, release by the Central Bank of Brazil. In the CDI x IPCA swap, the Company has, on one side, CDI + 1.25% and, on the other, IPCA + 6.5727%, the projection of the FOCUS report had been used which is made available by the Brazilian Central Bank.

In July 2021, the Company entered into a Swap agreement with XP Investimentos for the 4th private issuance of simple debentures, non-convertible into shares, single series, of unsecured type in the amount of R\$ 415,798. The debentures are backing the 347th series of the 1st issuance of real estate receivables certificates ("CRI") by RB Sec Companhia de Securitização ("Securitizer"). The derivative financial instrument has the same original term of operation, with the last installment in July 2028. In the CDI x IPCA swap, the Company has, on one side, CDI + 1.23% and, on the other, IPCA + 4.6197%.

The fair values of swap instruments were obtained through the difference between the future payment flows of rates in each position and then the resulting flow was discounted at the forecast annual rate of SELIC, released by the Central Bank of Brazil, using the projection of the FOCUS report also released by the Central Bank of Brazil.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

III) Market risk (Continued)

c) *Determination of fair value* (Continued)

Limitations

The fair values were estimated at the balance sheet date, based on “market material information”. The changes in the assumptions may significantly affect the presented estimates.

The estimated fair value for the derivative financial instrument contracted by the Company was determined by use of information available in the market and specific valuation methodologies.

IV) Operating risk

As the Company's revenue is directly related to the Company's ability to lease the retail spaces of its real estate ventures, Management periodically monitors its operating conditions in order to anticipate possible impacts. For this purpose, in the maintenance of its ventures and in new developments and expansions, specialized companies with widely known operational qualification are engaged to keep track of the physical and financial schedule and performance of construction works and improvements in order to ensure the fulfillment of the approved budget.

Nevertheless, the sale of the retail spaces is made by a team from the Company in order to ensure negotiations with storeowners that are aligned with the marketing and mix strategy of the shopping malls.

Risks are reviewed monthly by the operations and financial management areas that generate monitoring reports. If situations of deviation are identified, reviews of the Company's strategies are submitted for approval by the Executive Board for deployment.

The Executive Board keeps track of the performance of the shopping malls in operation and under development, based on a budget approved annually. This system allows the monitoring and prior validation of outlays in relation to the budget as well as the financial and operating performance of investments, in the same way as the growth of liquidity is monitored with a focus on the short and long terms.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

5. Financial risk management (Continued)

5.1. Financial risk factors (Continued)

IV) Operating risk (Continued)

Capital management

Financial Management, as well as the other areas, seeks a balance between profitability in relation to the risk incurred, so as not to expose its assets or suffer with sudden price or market fluctuations. In order to obtain a healthy capital management, the Company has the policy of preserving liquidity, monitoring the short and long term cash flow.

There has been no alteration in the Company's capital management policy in relation to previous years and the Company and its subsidiaries and joint ventures are not subject to external capital requirements imposed.

The net debt and equity ratio is as follows:

	Consolidated	
	December 31, 2021	December 31, 2020
Borrowings and financings	2,023,591	2,006,935
Obligations for purchase of assets	110	107
Total	2,023,701	2,007,042
(-) Cash and cash equivalents	(14,862)	(13,113)
(-) Short-term investments	(1,326,907)	(1,371,587)
(-) Derivative financial instruments	(4,736)	(10,543)
Net debt (A)	677,196	611,799
Total equity (B)	7,809,986	7,617,082
Net debt /equity ratio (A/B)	8.67%	8.03%

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

6. Segment reporting

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

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

- Rent: refers to the operating leases of the shopping malls classified as investment property by the Company. It is important to note that the segment includes rent, assignment of right of use and transfer fee revenue;
- Parking lot: refers to the operation of the parking lot of the shopping mall;
- Rendering of services: involves the trading, rental and condominium management and development/planning services carried out in shopping malls owned by the Company and third parties.

The Company's management monitors the operating results of its business units in a segregated manner in order to make decisions on the allocation of resources and better use of their sources. The performance of each segment is measured based on the gross result of its consolidated financial statements. Some income and expenses (finance income, finance cost, general and administrative expenses, income tax and social contribution), as well as assets and liabilities, are not subject to analysis by operating segment, since Management believes that the items not considered in the analysis are indivisible, with corporate and less relevant characteristics for decision making, as regards the operating segments defined here. Revenues and costs among subsidiaries are eliminated upon consolidation.

Item	Consolidated							
	December 31, 2021				December 31, 2020			
	Rent	Parking lot	Services	Total	Rent	Parking lot	Services	Total
Net revenue (1)	712,949	125,255	99,473	937,677	647,347	92,756	57,482	797,585
Cost	(230,561)	(22,338)	(47,894)	(300,793)	(214,574)	(16,659)	(38,316)	(269,549)
Gross result	482,388	102,917	51,579	636,884	432,773	76,097	19,166	528,036

(1) Net of taxes on revenue (Social Integration Program (PIS), Social Contribution on Revenue (COFINS) and Service Tax (ISS)), discounts and cancellations.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

7. Short-term investments

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Bank Certificate of Deposits (CDB)	638,843	759,681	803,271	1,001,663
Fund Gaia (i)	-	-	4,760	5,347
Fixed-income fund	186,655	192,785	304,999	230,481
Financial bill	109,381	116,511	109,381	116,511
Government Bonds NTN-C	90,687	-	90,687	-
Other short-term investments	99,608	7,711	104,496	17,585
	1,034,487	1,076,688	1,326,907	1,371,587
Current assets	943,800	1,076,688	1,231,460	1,371,587
Non-current assets (i)	90,687	-	95,447	-

(i) Balance of investments held in a Separate Reserve Fund of Gaia Securitizadora S.A. as provided for in the assignment contract of the real estate credit notes (CCIs) issued by Tarsila (Note 14).

In accordance with the Company's investing policy, the financial assets are measured at fair value through profit or loss. These investments have interest rates between 90% and 120% of the Interbank Deposit Certificate (CDI) as at December 31, 2021 with original maturity until 2031 (90% to 120% with original maturity until 2021 as at December 31, 2020). The interest rate of the government bonds NTN-C is IGPM + 3.3%.

8. Trade receivables

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Rentals	40,019	32,714	273,815	234,730
Parking lot	1,228	761	9,867	5,644
Services provision	10,413	8,661	18,221	12,638
Assignment of right of use	934	1,023	8,873	7,132
Condominium fees	17,609	13,255	88,500	58,980
Others	1,320	1,590	6,512	7,437
	71,523	58,004	405,788	326,561
Straight-line rent	28,734	24,640	243,027	201,105
Provision for expected credit losses ("ECL")	(53,328)	(41,795)	(248,270)	(200,141)
	46,929	40,849	400,545	327,525

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

8. Trade receivables (Continued)

The aging of receivables is as follows:

Company	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	>360 days	
Rentals	14,749	2,655	2,555	4,062	15,998	40,019
Parking lot	1,228	-	-	-	-	1,228
Services provision	1,706	645	617	619	6,826	10,413
Assignment of right of use	592	64	21	-	257	934
Condominium fees	-	-	1,025	3,335	13,249	17,609
Others	-	16	-	3	1,301	1,320
Total at December 31, 2021	18,275	3,380	4,218	8,019	37,631	71,523

Straight-line rental (a) 28,734

Provision for expected credit losses
("ECL") (53,328)

Net balance at December 31, 2021 46,929

Company	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	>360 days	
Rentals	14,069	2,961	985	1,496	13,203	32,714
Parking lot	761	-	-	-	-	761
Services provision	1,397	629	976	472	5,187	8,661
Assignment of right of use	744	-	-	13	266	1,023
Condominium fees	-	-	1,236	1,797	10,222	13,255
Others	-	196	499	56	839	1,590
Total at December 31, 2020	16,971	3,786	3,696	3,834	29,717	58,004

Straight-line rental (a) 24,640

Provision for expected credit losses
("ECL") (41,795)

Net balance at December 31, 2020 40,849

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

8. Trade receivables (Continued)

Consolidated	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	>360 days	
Rentals	116,566	16,192	10,848	22,978	107,231	273,815
Parking lot	9,867	-	-	-	-	9,867
Services provision	5,701	1,177	755	811	9,777	18,221
Assignment of right of use	5,647	623	609	117	1,877	8,873
Condominium fees	-	-	6,451	21,017	61,032	88,500
Others	95	267	2	42	6,106	6,512
Total at December 31, 2021	137,876	18,259	18,665	44,965	186,023	405,788
Straight-line rental (a)						243,027
Provision for expected credit losses ("ECL")						(248,270)
Net balance at December 31, 2021						400,545

Consolidated	Balance falling due	Overdue balance				Total
		< 90 days	91-180 days	181-360 days	>360 days	
Rentals	113,591	21,313	10,099	13,855	75,872	234,730
Parking lot	5,644	-	-	-	-	5,644
Services provision	2,490	801	1,028	1,286	7,033	12,638
Assignment of right of use	4,828	81	11	325	1,887	7,132
Condominium fees	-	32	6,254	12,874	39,820	58,980
Others	143	1,108	1,784	272	4,130	7,437
Total at December 31, 2020	126,696	23,335	19,176	28,612	128,742	326,561
Straight-line rental (a)						201,105
Provision for expected credit losses ("ECL")						(200,141)
Net balance at December 31, 2020						327,525

(a) Since March 2020, due to COVID-19 pandemic that had direct impacts on the Company's operations, Management introduced occasional reductions in the amount of rental owed by storeowners, under the condition that they make the payments due on the respective maturities dates (this condition applies to most tenants of the Company's portfolio, but considers as exceptions establishments that did not have their operations interrupted with the closing of the malls). These reductions will not be offset against the remaining installments of the lease agreements. Accordingly, this condition was treated as a change in the flow of the lease agreements and, therefore, the Company revised the linearization of its minimum rentals according to the remaining term of each agreement, as provided for in CPC 06 (R2)/IFRS 16.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

8. Trade receivables (Continued)

Rentals, assignment of right of use receivable and condominium fees receivable

The Company uses the simplified approach to estimate the expected loss on its receivables, using the expected loss matrix, prepared based on the loss history, adjusted by Management's expectation, on the aspects that may influence the default of the storeowners in the future.

The information about exposure to credit risk in the Company's rentals, assignment of right of use and condominium fees receivable, using a provision matrix by shopping mall is presented on a weighted average basis, as follows:

Risk	%	
	12/31/2021	12/31/2020
Falling due	2.57%	3.97%
Overdue up to 90 days	49.60%	54.16%
Overdue between 91 and 180 days	84.00%	75.49%
Overdue between 181 and 360 days	94.96%	91.10%
Overdue for more than 360 days	99.60%	98.53%

Parking lot

Trade receivables of parking lot comprises the amounts received through payment means whose financial settlement occurs within 30 days. The Company understands that the credit risk for the parking lot receivables is very low, with no history of default. Accordingly, the Company identified no need for provision for expected credit loss on the respective balance as at December 31, 2021 and 2020.

Services provision and others

As at December 31, 2021, receivables balance in the consolidated related to "Services provision" and "Others" have provision for expected credit loss of R\$8,362 and R\$5,832, respectively (R\$6,406 and R\$5,914 in 2020, respectively). The Company calculates provision for expected credit loss through an individual analysis of the expected losses of trade receivables from services provision and others.

The changes in the provision for impairment of trade receivables during the year were as follows:

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

8. Trade receivables (Continued)

Services provision and others (Continued)

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
At January 1	(41,795)	(29,661)	(200,141)	(147,266)
Effect of corporate events	-	-	-	9,967
Permanent write-off (reversal) of receivables	(821)	133	3,992	884
Constitution of ECL (Note 22)	(10,712)	(12,267)	(52,121)	(63,726)
	(53,328)	(41,795)	(248,270)	(200,141)

Amounts receivable from related parties arising from the rendering of management and/or selling services are described in Note 25.

8.1. Leases

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

As at December 31, 2021 and 2020, leases have the following renewal schedule:

	Consolidated	
	December 31, 2021	December 31, 2020
2021	-	15.65%
2022	20.71%	17.00%
2023	16.04%	16.00%
2024	14.72%	14.51%
After 2024	27.20%	19.31%
Indefinite period (*)	21.33%	17.53%
	100.00%	100.00%

(*) Non-renewed and expired agreements in which the parties may request termination upon prior legal notice (30 days). Percentages determined on the basis of revenues generated from lease agreements entered into by the Group.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

9. Recoverable taxes and taxes payable

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Recoverable taxes				
IR, IRRF and CS	14,950	27,979	49,599	60,044
COFINS and PIS	2,498	2,498	4,333	6,550
Other taxes	110	109	964	361
Total	17,558	30,586	54,896	66,955
Taxes and contributions payable				
PIS/COFINS	4,403	3,526	13,950	14,409
ISS	208	199	1,810	1,624
Income tax and social contribution	-	-	29,335	15,045
ITBI	-	-	8,708	7,382
Others	2,703	2,415	9,929	3,774
Total	7,314	6,140	63,732	42,234
Current assets	17,558	23,084	52,969	56,120
Non-current assets	-	7,502	1,927	10,835
Current liabilities	6,954	5,780	56,069	36,247
Non-current liabilities	360	360	7,663	5,987

Recoverable taxes comprise basically prepaid taxes or amounts that the Company and its subsidiaries are eligible to offset.

10. Investments

a) Subsidiaries/associates

Equity interests in subsidiaries and associates as at December 31, 2021 and 2020 are the following:

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

a) Subsidiaries/associates (Continued)

Subsidiaries and associates, with respective interest	Shareholding - %	
	December 31, 2021	December 31, 2020
Subsidiaries		
Acapurana Participações S.A.	52.37	52.37
Santana Parque Shopping	70.00	70.00
Administradora Carioca de Shopping Centers Ltda. (3)	-	100.00
Administradora do Estacionamento Carioca Shopping	-	100.00
Aliansce Assessoria Comercial Ltda. (4)	99.99	99.99
Aliansce Estacionamentos Ltda.	99.99	99.99
Aliansce Mall e Mídia Inter. Loc. e Merchandising Ltda. (4)	-	99.99
Aliansce Services - Serv de Adm. em Geral Ltda. (4)	-	99.99
Alsotech Ltda.	100.00	100.00
Hubsell Desenv. de Soluções S.A. (8)	100.00	-
Box Delivery Desenv Software S.A. (7)	27.2	-
América Latina Malls Empreend. E Partic. (3)	-	100.00
SCGR Empreend. e Particip. S.A.	-	44.99
Atalaya Imóveis e Participações Ltda. (3)	-	77.56
C&A store – Shopping da Bahia	-	42.46
Altar Empreendimentos e Participações S.A. (6)	100.00	100.00
Shopping Leblon	46.10	24.62
Bazille Empreendimentos e Participações Ltda.	99.00	99.99
Shopping Parangaba	40.00	40.00
Beethoven Empreendimentos e Participações Ltda. (2)	-	69.04
Boulevard Belém S.A.	99.99	99.99
Boulevard Shopping Belém	79.99	79.99
CDG Centro Comercial Ltda.	100.00	100.00
Boulevard Shopping Campos	75.00	75.00
Cezanne Empreendimentos e Participações Ltda. (3)	99.99	99.99
Carioca Shopping	100.00	100.00
Administradora Carioca	100.00	100.00
C&A store - Carioca Shopping	100.00	100.00
Chopin Empreendimentos Imobiliários Ltda.	99.99	99.99
Land attached to the Shopping Mall Via Parque	99.99	99.99
CTBH Fundo de Invest. Imob. - FII	99.99	99.99
Dali Empreendimentos e Participações S.A.	99.99	99.99
SDT3 Centro Comercial Ltda.	40.00	40.00
Shopping Taboão	40.00	40.00
Degas Empreendimentos e Participações S.A. (3)	-	99.99
Hannover Consultoria e Negócios Ltda. Note 4	100.00	-
Land - Shopping da Bahia (spin-off Beethoven) (2)	2.00	-
Shopping da Bahia - Riguat Condominium	2.00	-
Shopping da Bahia - Naciguat Condominium	2.00	-
Land - Bahia Sul	2.00	-
Malfatti Empreendimentos e Participações Ltda.	99.99	99.99
Shopping da Bahia - Naciguat Condominium	22.36	22.36
Shopping da Bahia - Riguat Condominium	22.36	-
Land - Bahia Sul	22.36	25.73
Land - Shopping da Bahia (spin-off Beethoven) (2)	22.36	-
Nibal Participações S.A. (1) (3)	99.99	99.99
Shopping da Bahia - Naciguat Condominium	46.68	42.03
Shopping da Bahia - Riguat Condominium	46.68	-
Land - Bahia Sul	46.68	39.94
C&A store – Shopping da Bahia	77.50	44.57
Shopping Taboão (5)	-	38.00
Land - Shopping da Bahia (spin-off Beethoven) (2)	46.68	-
Norte Shopping Belém S.A.	100.00	100.00
Parque Shopping Belém	51.00	51.00
Sierra Investimentos Brasil Ltda.	100.00	100.00
Fundo de Investimento Imobiliário Shopping Parque Dom Pedro	48.26	48.26
Shopping Parque Dom Pedro	74.47	74.47

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

a) Subsidiaries/associates (Continued)

Subsidiaries and associates, with respective interest	Shareholding - %	
	December 31, 2021	December 31, 2020
Fundo de Investimento Imobiliário Parque Dom Pedro Shopping Center	50.10	50.10
Shopping Parque Dom Pedro	15.00	15.00
Pátio Boavista Shopping Ltda.	100.00	100.00
Shopping Metrópole	100.00	100.00
Pátio Londrina Empreendimentos e Participações Ltda.	100.00	100.00
Boulevard Londrina	88.64	88.64
Shopping Plaza Sul	30.00	30.00
Shopping Taboão	14.00	14.00
Pátio São Bernardo Shopping Ltda.	100.00	100.00
Shopping Plaza Sul	30.00	30.00
Pátio Sertório Shopping Ltda.	100.00	100.00
Shopping Manauara	100.00	100.00
Pátio Uberlândia Shopping Ltda.	100.00	100.00
Uberlândia Shopping	100.00	100.00
RRSPE Empreendimentos e Participações Ltda. (1)	-	99.99
Shopping da Bahia - Riguat Condominium	-	69.04
Shopping da Bahia - Naciguat Condominium	-	4.65
Land - Bahia Sul	-	3.37
SCGR Empreend. e Particip. S.A. (3)	100.00	55.01
Shopping Grande Rio	50.00	50.00
GR Parking Estacionamentos Ltda. - Parking lot manager	50.00	50.00
SDT3 Centro Comercial Ltda.	38.00	38.00
Tarsila Empreendimentos e Participações Ltda. (1)	99.99	99.99
Shopping Taboão (5)	38.00	-
Tissiano Empreendimentos e Participações S.A. (3)	99.99	99.99
Caxias Shopping	65.00	65.00
Expoente 1000 Empreend. e Participações S.A.	-	100.00
Unishopping Consultoria Imobiliária Ltda. (4)	-	100.00
Vértico Bauru Empreend. Imob. S.A.	99.99	99.99
Boulevard Shopping Bauru	99.99	99.99
Vivaldi Empreendimentos e Participações S.A. (6)	-	99.99
Shopping Leblon	-	0.48
Associated and joint ventures		
2008 Empreendimentos Comerciais S.A.	50.00	50.00
Boulevard Shopping Brasília	100.00	100.00
BG Malls Fazendas Urbanas em Shopping Centers S.A.	50.00	50.00
Campo Limpo Empreendimentos e Participações Ltda.	20.00	20.00
Shopping Campo Limpo	100.00	100.00
Fundo de Investimento Imobiliário Via Parque Shopping(9)	11.50	39.23
Via Parque Shopping	100.00	100.00
Gaudi Empreendimentos e Participações Ltda.	50.00	50.00
Boulevard Shopping Vila Velha	50.00	50.00
GDR 2012 Participações S.A.	16.33	16.33
Shopping Leblon	4.90	4.90
Parque Shopping Maceió S.A.	50.00	50.00
Parque Shopping Maceió	100.00	100.00
Colina Shopping Center Ltda.	50.00	50.00

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

a) Subsidiaries/associates (Continued)

- (1) In January 2021, the total spin-off of RRSPE occurred, in which Nibal merged assets referring to 4.65% of Naciguat, 3.37% of Bahia Sul and 46.68% of Riguat, and Tarsila merged 22.36% of Riguat's assets. Still in January 2021, Tarsila was partially spun-off, which resulted in the merger of 3.37% of Bahia Sul into Nibal. Since these are intercompany transactions, they were carried out at book values, without any impact on equity or profit or loss.
- (2) In January 2021, the Company increased the capital of the subsidiaries Nibal and Tarsila with the contribution of Beethoven's equity interest of 46.68% and 22.36%, respectively. Additionally, in April 2021 Beethoven was dissolved through a spin-off process with the return of its net assets to the respective stockholders. Within these net assets the main asset is the land adjacent to Shopping da Bahia. Since this is an intercompany transaction, it was carried out at book values, without any impact on equity or profit or loss.
- (3) In February 2021, the following corporate reorganizations took place: merger of Expoente 1000 into Tissiano, merger of América Latina Malls into SCGR, merger of Atalaya into Nibal, merger of Degas into Nibal and merger of Administradora Carioca into Cezzane. Since these are intercompany transactions, they were carried out at book values, without any impact on equity or profit or loss.
- (4) In April 2021, Aliansce Assessoria Comercial merged Aliansce Mall & Mídia and Aliansce Services. In addition, in May 2021, Aliansce Assessoria Comercial merged Unishopping Consultoria Imobiliária. Since these are intercompany transactions, they were carried out at book values, without any impact on equity or profit or loss.
- (5) In April 2021, Tarsila merged part of the assets of Nibal, which include 38% of Shopping Taboão. Since this is an intercompany transaction, it was carried out at book values, without any impact on equity or profit or loss.
- (6) In April 2021, Altar merged Vivaldi, which includes 0.48% of Shopping Leblon. Since this is an intercompany transaction, it was carried out at book values, without any impact on equity or profit or loss. In addition, Altar acquired the additional interest of 21% in Shopping Leblon, as described in Note 4.
- (7) Acquired in August 2021, as disclosed in note 4.
- (8) Acquired in September 2021, as disclosed in note 4.
- (9) In December 2021, the Company sold part of its interest in Fundo de Investimento Imobiliário Via Parque Shopping, equivalent to 27.73% of the quotas of the respective fund, as disclosed in Note 4.

b) Breakdown of investment balance

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Investments - book value	4,947,041	4,545,782	280,650	379,299
Assets' added value	1,603,182	1,672,546	96,848	83,896
Goodwill	72,430	71,570	43,043	-
	6,622,653	6,289,898	420,541	463,195

Added value shown in this Note arises substantially from the added value of the investment properties acquired and is amortized over the useful lives of the ventures.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

c) Changes in investments (Company's direct interest)

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Balance at the beginning of the year	4,545,782	4,526,440	379,299	449,694
Capital increase in subsidiaries (1)	359,126	57,659	-	-
Capital increase in associate - "BG Malls", 2008 Empreendimentos and "Box Delivery"	4,161	-	9,161	-
Equity in the results of subsidiaries/associates	413,913	289,346	44,849	27,260
Dividends and accrued interest on capital (provisioned and / or received)	(268,110)	(145,641)	(45,992)	(10,049)
Acquisition of interest in associate - "Box Delivery" - Note 4	-	-	1,164	-
Sale of 27.73% of the quotas in the Fundo de Investimento Imobiliário Via Parque Shopping – Note 4	(106,971)	-	(106,971)	-
Allocation of goodwill on acquisition of investments	(860)	-	(860)	-
Amortization of quotas of the CTBH Fund	-	(43,053)	-	-
Corporate restructuring - (spin-off of the associate DBGZIBEN with transfer of net assets - equivalent to 14% of Shopping Taboão - in the subsidiary Pátio Londrina)	-	-	-	(81,079)
Write-off of investment due to sale of equity interest	-	(141,969)	-	(32,564)
Addition due to loss of control for sale of interest in Gaudi Empreendimentos e Participações Ltda.	-	-	-	23,037
Acquisition of equity interest in associate - "BG Malls"	-	3,000	-	3,000
Balance at the end of the year	4,947,041	4,545,782	280,650	379,299

(1) The main capital investments of the Company in 2021 are: R\$1,930 in Cezanne and R\$ 34,258 in Tarsila (this capital investment was used substantially to acquire the indirect subsidiary Hannover – see further details in Note 4) and R\$276,000 in Altar (this capital investment was used substantially to acquire interest in Shopping Leblon - see further details in Note 4). The main capital investments of the Company in 2020 are: R\$15,234 in Cezanne, R\$16,953 in Tarsila, R\$1,250 in Dali, R\$9,825 in Vivaldi and R\$10,177 in Aliansce Assessoria Comercial.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

d) Data on the interest

Company	Interest	Equity	Company		
			Total investment	Profit or (loss)	Result of equity in subsidiaries
December 31, 2021					
Subsidiaries and associates					
Aliansce Assessoria Comercial Ltda.	99.99%	13,863	13,863	(3,217)	(3,217)
Acapurana Participações S.A.	52.37%	214,043	112,094	7,303	3,824
América Latina Malls Empreend. e Part. (1)	-	-	-	1,000	1,000
Aliansce Estacionamentos Ltda.	99.99%	4,093	4,093	2,205	2,205
Aliansce Mall e Mídia Ltda. (1)	-	-	-	354	354
Aliansce Services - Serv. Adm. em Geral Ltda. (1)	-	-	-	(151)	(151)
Altar Empr. e Partic. SA.	100%	501,598	501,598	12,142	12,142
Atalaya Imóveis e Participações Ltda. (1)	-	-	-	258	258
Bazille Empreend. e Partic. Ltda.	99.99%	123,337	123,337	15,493	15,493
Boulevard Shopping Belém S.A.	79.99%	251,995	201,570	47,986	38,384
CDG Centro Comercial Ltda.	100%	129,214	129,214	20,334	20,334
Cezanne Empreendimentos e Participações Ltda.	99.99%	182,927	182,927	34,066	34,066
Chopin Empreend. Imob. Ltda.	99.99%	112,603	112,603	(99)	(99)
CTBH Fundo de Invest. Imob. - FII	99.99%	4,237	4,237	(5,798)	(5,798)
Dali Empreend. e Participações S.A.	99.99%	215,559	215,559	11,583	11,583
Degas Empreend. e Participações. S.A. (1)	-	-	-	1	1
Gaudi Empreendimentos e Participações Ltda.	50%	44,346	22,173	(700)	(350)
Nibal Participações S.A.	99.99%	319,668	319,668	35,807	35,807
Norte Shopping Belém S.A.	100%	107,743	107,743	13,345	13,345
RRSPE Empreend. e Partic. Ltda. (1)	-	-	-	362	362
SDT 3 Centro Comercial Ltda.	38%	2,647	1,006	1,989	756
Sierra Investimentos Brasil Ltda.	99.99%	1,949,173	1,949,173	166,603	166,603
Tarsila Empreend. e Part. Ltda.	99.99%	262,251	262,251	(942)	(942)
Tissiano Empreend. e Participações S.A.	99.99%	134,213	134,213	12,845	12,845
Unishopping Consultoria Imobiliária Ltda. (1)	-	-	-	(970)	(970)
Vértico Bauru Empreend. Imobiliário S.A.	99.99%	238,051	238,051	4,214	4,214
Vivaldi Empreend. e Partic. S.A. (1)	-	-	-	(9,075)	(9,075)
2008 Empreendimentos Comerciais S.A.	50%	55,910	27,955	2,044	1,022
BG Malls Fazendas Urbanas em Shopp. Centers S.A.	50%	3,280	1,640	-	-
Colina Shopping Center Ltda.	50%	108	54	1,230	615
Fundo de Investimento Imobiliário Via Parque	11.50%	384,375	44,565	9,796	3,843
GDR 2012 Participações S.A.	16.33%	66,215	10,813	21,600	3,527
Parque Shopping Maceió S.A.	50%	275,448	146,673	48,034	32,966
SCGR Empreendimentos e Participações S.A.	100%	79,968	79,968	18,966	18,966
Total subsidiaries and associates			4,947,041		413,913

(1) As described above, these companies were merged in February and April 2021 into other companies in the same economic group.

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

d) Data on the interest (Continued)

Company	Consolidated				
	December 31, 2021				
	Interest	Equity	Total investment	Profit or (loss)	Result of equity in subsidiaries
Associates and joint ventures					
2008 Empreendimentos Comerciais S.A.	50%	55,910	27,955	2,044	1,022
BG Malls Fazendas Urbanas em Shopp. Centers S.A.	50%	3,280	1,640	-	-
Campo Limpo Empreendimentos e Part. Ltda.	20%	102,505	20,501	15,575	3,115
Gaudi Empreendimentos e Participações Ltda.	50%	44,346	22,173	(700)	(350)
Colina Shopping Center Ltda.	50%	108	54	1,230	615
Fundo de Investimento Imobiliário Via Parque	11.50%	387,521	44,565	9,796	3,843
GDR 2012 Participações S.A.	16.33%	66,215	10,813	21,600	3,527
GR Parking Estacionamentos Ltda.	50.00%	224	112	222	111
Parque Shopping Maceió S.A.	50%	275,448	146,673	48,034	32,966
Box Delivery Desenv Software S.A.	27.2%	22,415	6,164	-	-
Total associates and joint ventures			280,650		44,849

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

d) Data on the interest (Continued)

Company	Company				
	December 31, 2020				
	Interest	Equity	Total investment	Profit or (loss)	Result of equity in subsidiaries
Subsidiaries and associates					
Aliansce Assessoria Comercial Ltda.	99.99%	1,430	1,430	(9,831)	(9,831)
Acapurana Participações S.A.	52.37%	209,828	109,887	4,942	2,588
América Latina Malls Empreend. e Part.	100%	40,659	40,659	7,093	7,093
Aliansce Estacionamentos Ltda.	99.99%	1,888	1,888	654	654
Aliansce Mall e Mídia Ltda.	99.99%	1,638	1,638	(1,241)	(1,241)
Aliansce Services - Serv. Adm. em Geral Ltda.	99.99%	5,767	5,767	345	345
Atalaya Imóveis e Participações Ltda.	100%	5,609	5,609	895	895
Bazille Empreend. e Partic. Ltda.	99.99%	121,844	121,844	4,260	4,260
Beethoven Empreendimentos e Participações Ltda.	69.04%	25,859	17,853	(3)	(2)
Boulevard Shopping Belém S.A.	79.99%	245,059	196,023	43,035	34,424
CDG Centro Comercial Ltda.	100%	117,880	117,880	4,303	4,303
Cezanne Empreendimentos e Participações Ltda.	99.99%	174,450	174,450	18,520	18,520
Chopin Empreend. Imob. Ltda.	99.99%	111,573	111,573	(14,454)	(14,454)
CTBH Fundo de Invest. Imob. - FII	99.99%	9,871	9,871	1,317	1,317
Dali Empreend. e Participações S.A.	99.99%	203,976	203,976	11,379	11,379
Degas Empreend. e Participações S.A.	99.99%	619	619	6	6
Gaudi Empreendimentos e Participações Ltda.	50%	45,046	22,523	(2,784)	(1,392)
Mozart Empreendimentos e Partic. S.A. (2)	-	-	-	(1)	(1)
Nibal Participações S.A.	99.99%	290,969	290,969	39,666	39,666
Norte Shopping Belém S.A.	75%	144,531	108,398	11,996	8,997
RRSPE Empreend. e Partic. Ltda.	99.99%	68,518	68,518	7,260	7,260
SDT 3 Centro Comercial Ltda.	38%	661	251	192	73
Sierra Investimentos Brasil Ltda.	99.99%	1,816,135	1,816,135	144,728	144,728
Tarsila Empreend. e Part. Ltda.	99.99%	159,460	159,460	(17,162)	(17,162)
Tissiano Empreend. e Participações S.A.	99.99%	135,372	135,372	8,239	8,239
Unishopping Consultoria Imobiliária Ltda.	99.99%	(4,408)	(4,408)	(2,535)	(2,535)
Vértico Bauru Empreend. Imobiliário S.A.	99.99%	233,837	233,837	2,527	2,527
Vivaldi Empreend. e Partic. S.A.	99.99%	215,662	215,662	4,424	4,424
2008 Empreendimentos Comerciais S.A.	50%	49,344	24,672	3,100	1,550
BG Malls Fazendas Urbanas em Shopp. Centers S.A.	50%	6,000	3,000	-	-
Colina Shopping Center Ltda.	50%	340	170	922	461
DBGZIBEN Participações Ltda. (1)	-	-	-	5,680	2,215
Fundo de Investimento Imobiliário Via Parque	39.23%	393,482	154,363	15,075	5,914
GDR 2012 Participações S.A.	16.33%	43,503	7,104	15,683	2,561
Manati Empreend. e Participações S.A. (2)	-	-	-	(56)	(28)
Parque Shopping Maceió S.A.	50%	293,347	144,653	26,152	13,076
SCGR Empreendimentos e Participações S.A.	55.01%	80,233	44,136	15,483	8,517
Total subsidiaries and associates			4,545,782		289,346

1) Company merged into another company in the same economic group during 2020.

2) Companies sold during 2020.

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

d) Data on the interest (Continued)

Company	Consolidated				
	December 31, 2020				
	Interest	Equity	Total investment	Profit or (loss)	Results of equity in subsidiaries
Associates and joint ventures					
2008 Empreendimentos Comerciais S.A.	50%	49,344	24,672	3,100	1,550
BG Malls Fazendas Urbanas em Shopp. Centers S.A.	50%	6,000	3,000	-	-
Campo Limpo Empreendimentos e Part. Ltda.	20%	113,055	22,611	14,130	2,826
Gaudi Empreendimentos e Participações Ltda.	50%	45,046	22,523	(2,784)	(1,392)
Colina Shopping Center Ltda.	50%	340	170	922	461
DBGZIBEN Participações Ltda.	-	-	-	5,680	2,215
Fundo de Investimento Imobiliário Via Parque	39.23%	393,482	154,363	15,075	5,914
GDR 2012 Participações S.A.	16.33%	43,503	7,104	15,683	2,561
GR Parking Estacionamentos Ltda.	50.00%	406	203	154	77
Manati Empreend. e Participações S.A.	-	-	-	(56)	(28)
Parque Shopping Maceió S.A.	50%	293,347	144,653	26,152	13,076
Total associates and joint ventures			<u>379,299</u>		<u>27,260</u>

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

e) Headquarter and balances of the associates and joint ventures – non-consolidated entities

Headquarter	December 31, 2021					
	Parque Shop. Maceió Rio de Janeiro - RJ	2008 Empreend. Rio de Janeiro - RJ	Gaudi Rio de Janeiro - RJ	Colina São João de Meriti- RJ	FIIVPS São Paulo - SP	Campo Limpo Empreendimentos São Paulo - SP
	Interest in Shopping Mall	Interest in Shopping Mall	Interest in Shopping Mall	Shopping Mall management	Interest in Shopping Mall	Interest in Shopping Mall
Assets						
Current	29,014	21,090	10,976	148	15,988	14,738
Non-current	281,190	96,069	35,254	-	178,316	299,724
	310,204	117,159	46,230	148	194,304	314,462
Liabilities and equity						
Current	(3,510)	(4,648)	(171)	(40)	(5,519)	(1,935)
Non-current	(13,347)	(56,601)	(1,713)	-	(746)	(87,637)
Equity	(293,347)	(55,910)	(44,346)	(108)	(188,039)	(224,890)
	(310,204)	(117,159)	(46,230)	(148)	(194,304)	(314,462)
Result						
Net revenue	43,823	23,558	6,175	1,368	44,200	26,435
Services costs	(12,424)	(12,499)	(7,450)	-	(34,235)	(1,963)
Operating expenses	(245)	(955)	(27)	-	(755)	(8,078)
Net finance result	395	(5,085)	575	2	586	98
Other income (costs)	27,873	-	-	-	-	-
Income tax and social contribution	(11,388)	(2,975)	27	(140)	-	(917)
Profit (loss) for the year	48,034	2,044	(700)	1,230	9,796	15,575

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

e) Headquarter and balances of the associates and joint ventures – non-consolidated entities (Continued)

Headquarter	December 31, 2020					
	Parque Shop. Maceió Rio de Janeiro - RJ	2008 Empreend. Rio de Janeiro - RJ	Gaudi Rio de Janeiro - RJ	Colina São João de Meriti- RJ	FIIVPS São Paulo - SP	Campo Limpo Empreendimentos São Paulo - SP
	Interest in Shopping Mall	Interest in Shopping Mall	Interest in Shopping Mall	Shopping Mall management	Interest in Shopping Mall	Interest in Shopping Mall
Assets						
Current	41,937	6,934	19,394	415	14,294	10,284
Non-current	281,726	39,633	102,612	-	181,764	304,276
	<u>323,663</u>	<u>46,567</u>	<u>122,006</u>	<u>415</u>	<u>196,058</u>	<u>314,560</u>
Liabilities and equity						
Current	(1,861)	(65)	(3,244)	(75)	(872)	(1,589)
Non-current	(32,496)	(1,456)	(69,418)	-	(759)	(89,328)
Equity	<u>(289,306)</u>	<u>(45,046)</u>	<u>(49,344)</u>	<u>(340)</u>	<u>(194,427)</u>	<u>(223,643)</u>
	<u>(323,663)</u>	<u>(46,567)</u>	<u>(122,006)</u>	<u>(415)</u>	<u>(196,058)</u>	<u>(314,560)</u>
Result						
Net revenue	34,873	4,607	20,531	1,020	40,196	23,688
Services costs	(9,929)	(7,153)	(10,008)	-	(26,378)	(1,311)
Operating expenses	(685)	(9)	(996)	-	(5)	(8,137)
Net finance result	420	146	(4,493)	-	889	210
Other income (costs)	6,922	-	-	-	373	-
Income tax and social contribution	(5,449)	(375)	(1,934)	(98)	-	(320)
Profit (loss) for the year	<u>26,152</u>	<u>(2,784)</u>	<u>3,100</u>	<u>922</u>	<u>15,075</u>	<u>14,130</u>

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

10. Investments (Continued)

f) Dividends and interest on capital receivable

Dividends and interest on capital receivable, recorded under "Others" line item in current assets, are as follows:

	<u>Company</u>	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Fundo de Investimento Imobiliário Via Parque Shopping	885	14
	885	14

11. Investment properties and non-current assets held for sale

	<u>Company</u>		<u>Consolidated</u>	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Land (a)	21,610	21,610	38,565	38,565
Shopping Malls (b)	623,973	628,021	8,321,206	8,063,390
Total investment properties	645,583	649,631	8,359,771	8,101,955

(a) Land - Non-current assets held for sale

The Company has pieces of land on some shopping malls which Management intends to negotiate with potential developers of residential and/or commercial properties that bring synergy and increase the flow of visitors in these shopping malls. At December 31, 2021, all of these properties have a sales contract signed, but are awaiting the conclusion of the preceding clauses of the deal. Management expects the suspensive conditions to be fulfilled until the end of 2022.

These properties, when allocated for sale, were measured at the fair value of the properties and are recorded in the item "Non-current assets held for sale". The assessment of the risk of impairment is carried out annually, at each balance sheet closing. No indicators of impairment of land were identified as at December 31, 2021 and December 31, 2020.

(b) Shopping malls - Investment properties

These refer to the commercial properties held by the Group companies under an operating lease. The Company's investment properties refer to shopping malls already built and shopping malls under development.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investment properties and non-current assets held for sale (Continued)

The changes in the balances of investment properties in the reported years are as follow:

	Company			Total
	Cost	Accumulated depreciation	Assets' added value	
At December 31, 2019	677,645	(85,671)	44,766	636,740
Additions				
Facilities/buildings	4,537	(9,576)	-	(5,039)
Depreciation/amortization of goodwill added-value	-	-	(1,279)	(1,279)
Lease	-	(1,084)	-	(1,084)
Others	1,099	(2,416)	-	(1,317)
At December 31, 2020	683,281	(98,747)	43,487	628,021
Additions				
Facilities/buildings	9,322	(9,713)	-	(391)
Depreciation/amortization of goodwill added-value	-	-	(1,279)	(1,279)
Lease	-	(1,084)	-	(1,084)
Others	1,169	(2,463)	-	(1,294)
At December 31, 2021	693,772	(112,007)	42,208	623,973
	Consolidated			
	Cost	Accumulated depreciation	Assets' added value	Total
At December 31, 2019	4,411,744	(445,805)	4,340,445	8,306,384
Additions				
Land	17,315	-	-	17,315
Facilities/buildings	16,362	(134,060)	-	(117,698)
Added value	-	-	887	887
Amortization of added value	-	-	(18,554)	(18,554)
Lease	-	(1,084)	-	(1,084)
Provision for impairment	(14,528)	-	(65,774)	(80,302)
Merger of 14% of Shopping Taboão's assets	95,788	-	-	95,788
Others	2,965	(8,353)	-	(5,388)
Write-offs				
Sale of CDG and NSB assets	(101,107)	14,379	-	(86,728)
Goodwill CDG	-	-	(4,613)	(4,613)
Sale of Gaudi	(68,549)	25,932	-	(42,617)
At December 31, 2020	4,359,990	(548,991)	4,252,391	8,063,390
Additions				
Land	17,441	-	-	17,441
Facilities/buildings	105,359	(135,935)	-	(30,576)
Addition of 2% interest in the property of Shopping da Bahia	26,466	-	-	26,466
Addition of 21% interest in the property of Shopping Leblon	272,342	-	-	272,342
Purchase price adjustment Santana Parque Shopping	-	-	(518)	(518)
Corporate restructuring of Beethoven with return of assets to non-controlling interests	(7,489)	-	-	(7,489)
Amortization of added value	-	-	(18,390)	(18,390)
Lease	-	(1,084)	-	(1,084)
Others	7,477	(7,853)	-	(376)
At December 31, 2021	4,781,586	(693,863)	4,233,483	8,321,206

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

11. Investment properties and non-current assets held for sale (Continued)

Fair value of the properties

The fair value of the investment properties was calculated internally by experienced professionals from the shopping malls segment.

The projection methodology was prepared considering the existing contracts in light of the current conditions and projections consistent with the growth capacity of each asset and macroeconomic estimates for a 10-year period, together with a residual value based on the perpetuity of the last year projected with no growth. These forecasts were discounted to the valuation date at a discount rate defined for each mall within a range of 6.75% and 9% of "Discount rate" and a range of 6.5% and 8.75% of "Discount rate" and range of 6.5% and 8.75% of "Exit yield" for the valuation at December 31, 2021 (6.25% and 8.50% of "Discount rate" and range of 6.00% and 8.25% of "Exit yield" for the valuation at December 31, 2020). Additionally, the estimated cash flow of the malls in operation did not consider relevant expansions planned for these ventures.

The projections reflect the best estimate of the Company's management, regarding its current view of the market, as well as regarding the potential revenues and costs of each shopping mall. The profitability rate and the discount rate are defined based on observable indicators prevailing in the local and institutional investment market.

After the review of the assumption adopted according to the economic scenario, the total fair value of the ventures (including the non-controlling interest) is R\$ 13,127,134 at December 31, 2021 (R\$12,783,173 in 2020).

Management reviews at least annually the net carrying amount of its ventures, with the objective of assessing whether there are events or changes in the economic, operating or technological circumstances that may indicate impairment of its properties. The projected future cash flows consider an estimate by the Company of possible impacts of the Coronavirus pandemic (Covid-19).

As at December 31, 2021 and 2020, the Company did not identify the existence of indicators of impairment of its investment properties, other than that presented in the changes above for the land recorded in subsidiary Choppin.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

12. Intangible assets

Company					
December 31, 2021					
Useful life	Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net value
Right to the Transfer Unit of the Right to Build (UTDC)	1,116	-	1,116	-	1,116
Right of use	19,793	-	19,793	(9,967)	9,826
Computer software	74,779	39,320	114,099	(52,640)	61,459
Customers portfolio	7,192	-	7,192	-	7,192
Others	4	-	4	-	4
	102,884	39,320	142,204	(62,607)	79,597
Company					
December 31, 2020					
Useful life	Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net value
Right to the Transfer Unit of the Right to Build (UTDC)	1,116	-	1,116	-	1,116
Right of use	12,149	7,644	19,793	(6,330)	13,463
Computer software	55,896	18,883	74,779	(38,514)	36,265
Customers portfolio	7,192	-	7,192	-	7,192
Others	4	-	4	-	4
	76,357	26,527	102,884	(44,844)	58,040
Consolidated					
December 31, 2021					
Useful life	Initial cost	Additions/ (write-offs)	Cost	Accumulated amortization	Net value
Goodwill on acquisition of non-merged entities					
2008 Empr. Imob. Ltda. (1)	30,000	(30,000)	-	-	-
Aliansce Ass. Com. S.A.	4,160	-	4,160	-	4,160
Norte Shopping Belém S.A.	587	-	587	-	587
Shopping Boulevard Belém S.A.	2,338	-	2,338	-	2,338
Hubsell Desenv. de Soluções S.A.	-	11,702	11,702	-	11,702
Goodwill on acquisition of merged entities					
BSC Shopping Center S.A.	14,416	-	14,416	-	14,416
Boulevard Shopping S.A.	20,068	-	20,068	-	20,068
Barpa Empr. Part. S.A.	36,630	-	36,630	-	36,630
Supra Empr. Part. S.A.	9,708	-	9,708	-	9,708
Ricshopping Emp. Part. Ltda.	107,888	-	107,888	-	107,888
Intangible assets					
Customers portfolio	7,192	-	7,192	-	7,192
Balance of customers portfolio allocated through business combination, as described in Note 4.	-	447	447	-	447
Right of use	19,793	-	19,793	(9,967)	9,826
Right to explore the parking lot	40,828	-	40,828	(8,842)	31,986
Right to the Transfer Unit of the Right to Build (UTDC)	1,913	-	1,913	-	1,913
Balance of software allocated through business combination, as described in Note 4.	-	1,112	1,112	-	1,112
Computer software	82,054	64,359	146,413	(60,985)	85,428
	377,575	47,620	425,195	(79,794)	345,401

(1) Reclassified to goodwill in the investment group.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

12. Intangible assets (Continued)

	Useful life	Consolidated				
		Initial cost	Additions (write-offs)	Cost	Accumulated amortization	Net value
Goodwill on acquisition of non-merged entities						
2008 Empr. Imob. Ltda.	Indefinite	30,000	-	30,000	-	30,000
Aliansce Ass. Com. S.A.	Indefinite	4,160	-	4,160	-	4,160
Norte Shopping Belém S.A.	Indefinite	863	(276)	587	-	587
Shopping Boulevard Belém S.A.	Indefinite	2,338	-	2,338	-	2,338
Goodwill on acquisition of merged entities						
BSC Shopping Center S.A.	Indefinite	14,416	-	14,416	-	14,416
Boulevard Shopping S.A.	Indefinite	20,068	-	20,068	-	20,068
Barpa Empr. Part. S.A.	Indefinite	36,630	-	36,630	-	36,630
Supra Empr. Part. S.A.	Indefinite	9,708	-	9,708	-	9,708
Ricshopping Emp. Part. Ltda.	Indefinite	107,888	-	107,888	-	107,888
Intangible assets						
Customers portfolio	Indefinite	7,192	-	7,192	-	7,192
Right of use	5 years	12,149	7,644	19,793	(6,330)	13,463
Right to explore the parking lot	25 years	40,828	-	40,828	(7,343)	33,485
Right to the Transfer Unit of the Right to Build (UTDC)	Indefinite	1,913	-	1,913	-	1,913
Computer software	5 years	59,208	22,846	82,054	(40,354)	41,700
Intangible assets balance allocated through business combinations	5 years	1,886	(1,886)	-	-	-
		<u>349,247</u>	<u>28,328</u>	<u>377,575</u>	<u>(54,027)</u>	<u>323,548</u>

Goodwill does not have a determinable useful life and hence is not amortized. The Company tests these assets for impairment on an annual basis or when there are any indicators that may represent a need for adjustments in the recovery value of these assets.

The other intangible assets with a finite useful life are amortized on a straight-line basis over the period shown in the table above.

In the years ended December 31, 2021 and 2020, the Company did not identify the need for a provision for impairment of its intangible assets, even considering all the impacts of COVID-19 on the projected cash flows of the shopping malls that present goodwill upon their formation (cash generating unit).

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

13. Property and equipment

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Property and equipment	3,240	3,926	11,435	10,502
Right of use (a)	4,451	5,612	13,060	16,038
	7,691	9,538	24,495	26,540

(a) Changes in right of use/trade payables - lease

	Company
Balance at December 31, 2019 – Right of use	1,037
Amortization of right of use	(1,037)
Addition of office lease contract - administrative	5,612
Balance at December 31, 2020 - Right of use	5,612
Amortization of right of use	(1,161)
Balance in non-current assets at December 31, 2021 - Right of use	4,451
Balance at December 31, 2019 – trade payables - Lease	30,292
(+) Interest recorded in the year	1,407
(+) Addition of contract	13,268
(-) Payments made in the year	(6,209)
Balance at December 31, 2020 - Trade payables - Lease	38,758
Balance in current liabilities - lease liabilities	6,919
Balance in noncurrent liabilities - lease liabilities	31,839
(+) Interest recorded in the year	916
(-) Payments made in the year	(6,922)
Balance at December 31, 2021 - Trade payables - Lease	32,752
Balance in current liabilities - lease liabilities	7,856
Balance in noncurrent liabilities - lease liabilities	24,896
	Consolidated
Balance at December 31, 2019 – Right of use	1,037
Amortization of right of use	(1,226)
Addition of office lease contract - administrative	16,227
Balance at December 31, 2020 - Right of use	16,038
Amortization of right of use	(2,978)
Balance in non-current assets at December 31, 2021 - Right of use	13,060
Balance at December 31, 2019 – trade payables - Lease	30,292
(+) Interest recorded in the year	1,717
(+) Addition of contract	24,126
(-) Payments made in the year	(6,209)
Balance at December 31, 2020 - Trade payables - Lease	49,926
Balance in current liabilities - lease liabilities	8,995
Balance in noncurrent liabilities - lease liabilities	40,931
(+) Interest recorded in the year	1,375
(-) Payments made in the year	(8,314)
Balance at December 31, 2021 - Trade payables - Lease	42,987
Balance in current liabilities - lease liabilities	9,440
Balance in noncurrent liabilities - lease liabilities	33,547

The rental agreements' maturities occur between 2025 and 2039.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

14. Borrowings and financings

Initial date	Company	Instrument	Funding	Rate	Maturity	December 31, 2021	December 31, 2020	Note: Guarantees	Covenants
May/2015	Aliansce Sonae	Financing - Banco Itaú S.A.	R\$ 74,400	TR+5.60% to 9.88%	May/2030	73,945	75,882	(1)(2)(3)	
Sep/2014	Aliansce Sonae	Debentures III - Vinci Partners (holders of the debentures)	R\$ 90,000	IPCA+4%	Jan/2024	109,309	98,893	(2)	(i)
Oct/2016	Aliansce Sonae	Debentures V	R\$ 102,889	CDI	Sep/2021	-	102,908	(1)(2)	(i)
Oct/2016	Aliansce Sonae	Debentures VI	R\$ 72,111	CDI + 1.25%	Oct/2024	37,234	44,480	(1)(2)	(i)
Mar/2017	Aliansce Sonae	Debentures VII	R\$ 180,000	99% of CDI	May/2022	180,103	180,030	(1)(2)	(i)
Jun/2017	Aliansce Sonae	Debentures VIII	R\$100,000	CDI + 1.00%	Jun/2029	100,399	100,123	(2)	(i)
Oct/2017	Aliansce Sonae	Debentures IX	R\$300,000	101% of CDI	Apr/2023	305,180	301,332	(1)(2)	(i)
Sep/2018	Aliansce Sonae	Debentures X	R\$244,830	110% of CDI	Sept/2023	250,292	246,303		(i)
Aug/2021	Aliansce Sonae	Debentures XII	R\$415,000	CDI + 1.23%	Jul/2028	436,997	-	(b)	(i)
Jul/2017	Aliansce Sonae	2017 - 1 st series	R\$125,000	CDI + 0.75%	Jul/2022	64,539	126,555		(ii)
Jul/2017	Aliansce Sonae	2017 - 2 nd series	R\$125,000	IPCA + 6.24%	Jul/2024	-	146,511	(c)	(ii)
Feb/2019	Aliansce Sonae	2019 - 1 st series	R\$90,000	CDI + 0.8%	Jan/2024	92,957	91,141		(ii)
Feb/2019	Aliansce Sonae	2019 - 2 nd series	R\$110,000	CDI + 1.05%	Jan/2027	113,746	111,522		(ii)
(=) Subtotal						1,764,701	1,625,680		
(-) Structuring cost – Company						(22,851)	(19,163)		
(+) Effect of fair value of debts assumed in business combinations						12,143	16,558		
(-) Effect of fair value on debt renegotiation						(7,266)	(10,913)		
(-) Effect of partial repurchase of company-issued debentures						(114,227)	(49,686)	(a)	
(-) Gain on debenture repurchase transaction						(3,395)	(2,617)	(a)	
Total Company						1,629,105	1,559,859		
Current liabilities						387,858	176,120		
Non-current liabilities						1,241,247	1,383,739		
Initial date	Company	Instrument	Funding	Rate	Maturity	December 31, 2021	December 31, 2020	Note: Guarantees	Covenants
Oct/2012	Cezanne	Financing - Banco Bradesco S.A.	R\$193,140	TR + 7.15%	Aug/2027	127,811	145,669	(2)	
Jan/13	Tarsila	CRI - Gaia Sec.	R\$87,321	IGP-DI + 7.95%	May/2025	77,908	81,309	(2)	
Oct/2016	Altair	CCI RB Capital	R\$130,131	TR + 5.60% to 11.25%	Jun/2027	88,046	96,504	(2)	
Jun/2011	Sierra Investimentos	Banco Santander S.A.	R\$200,000	TR + 6.8%	Jun/2025	120,759	150,378	(3)	
(-) Subtotal						414,524	473,860		
(-) Structuring cost – subsidiaries						(7,392)	(8,386)		
(-) Effect of fair value on debt renegotiation						(17,346)	(24,442)		
(+) Effect at fair value of debts assumed in business combinations						4,701	6,044		
Total Consolidated						2,023,592	2,006,935		
Current liabilities						463,503	240,621		
Non-current liabilities						1,560,089	1,766,314		

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

14. Borrowings and financings (Continued)

- (a) In May 2021, the Company repurchased its own debentures (53,464 debentures 2019 - 1st series and 4,100 debentures 2019 - 2nd series), in September 2021 (995 debentures 2019 - 2nd series) and in November 2021 (7,588 debentures 2019 - 2nd series and 33,659 debentures 2017 - 2nd series). These transactions generated gains of R\$590, R\$3 and R\$385, respectively, and are recorded in finance income (costs). The Company presents this transaction at its net amount in liabilities and the accumulated balance of repurchase of debentures of R\$114,227 is presented as R\$13,291 in current liabilities and R\$100,936 in non-current liabilities. Finance income is also presented net of interest expense on debentures.
- (b) On July 15, 2021, the Company issued 415,000 debentures, not convertible into shares, unsecured, single series for private placement, amounting to R\$415,000, with IPCA interest + 4.6197% p.a. and maturity in July 2028 for principal and monthly interest payment. These debentures were settled on August 4, 2021 and are backed by the 347th series of the 1st issuance of real estate receivables certificates (CRI) of RB Sec Companhia de Securitização ("Securizadora"). The Company also contracted a swap transaction to exchange the cost of IPCA +4.6197% p.a. for a CDI rate + 1.23% p.a., which generated a loss of R\$5,807 in the period referring to the assessment of this derivative financial instrument at fair value. This loss was recorded as finance cost. This debt has covenants associated to cash, net debt and Adjusted EBITDA ratio.
- (c) Debt prepaid in December 2021.

Guarantees

- (1) Fiduciary assignment of the Shopping Mall's receivables;
- (2) Chattel mortgage of shares and quotas of the Shopping Mall;
- (3) Mortgage of the Shopping Mall; and
- (4) Company's guarantee.

Financial covenants

- (i) For this issue of debentures, the Company has covenants that determine the maximum levels of debt and leverage based on the consolidated annual financial information:
- Ratio between Net Debt and Managerial Consolidated Adjusted EBITDA equal to or lower than 3.5 times.
 - Ratio between: (1) the index obtained by dividing cash and cash equivalents plus short-term investments and managerial consolidated adjusted EBITDA determined in the fourth quarter of each year, duly annualized, by borrowings and debt instruments stated in the managerial current liabilities, equal to or higher than 1.3 times; and (2) the rate obtained by dividing managerial consolidated adjusted EBITDA determined in the fourth quarter of each year, duly annualized, by payments of interest on borrowings, CCI's and debentures, included in managerial cash flow, less managerial financial revenue, equal to or higher than 1.5 times.
- (ii) For this issue of debentures, the Company has covenants that determine the maintenance of financial indicators as shown below:
- Net debt/EBITDA maximum of 3.5
 - EBIDTA/Net financial expenses Minimum 1.75

At December 31, 2021 and 2020, the Company is compliant with all covenants.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

14. Borrowings and financings (Continued)

Disbursement schedule

The repayment schedule for borrowings and financings is as follows:

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
2021	-	189,915	-	262,780
2022	402,956	379,542	484,761	456,724
2023	538,646	603,490	625,773	686,645
2024	117,030	181,850	210,914	271,455
2025	63,546	63,547	130,123	129,442
From 2026 to 2030	642,523	207,336	727,654	292,494
	1,764,701	1,625,680	2,179,225	2,099,540

Financial changes in borrowings and financings are as follows:

	Company	Consolidated
Balances of the debts as at December 31, 2019	1,629,908	2,145,539
(+) Appropriation of interest and structuring cost of borrowings and financings	5,650	16,851
(+) Appropriation of interest and structuring cost of CCI/CRIs	-	29,851
(+) Appropriation of interest and structuring cost of debentures	72,326	72,326
(-) Payment of principal of borrowings and financings	(1,225)	(17,484)
(-) Payment of principal of CCI/CRIs	-	(14,397)
(-) Payment of principal of debentures	(8,778)	(8,778)
(-) Payment of interest on borrowings and financings	(5,389)	(29,279)
(-) Payment of interest on CCI/CRIs	-	(18,502)
(-) Payment of interest on debentures	(62,689)	(62,689)
(-) Payment of structuring cost	(482)	(3,807)
(+) Effect of business combination - debentures	(6,246)	(6,246)
(+) Effect of business combination - borrowings and financings	-	(8,792)
(-) Effect of repurchase of debentures	(49,686)	(49,686)
(-) Effect of gain on repurchase of debentures	(2,617)	(2,617)
(-) Gain on debt renegotiation	(14,693)	(48,212)
(+) Effective interest resulting from debt renegotiation	3,780	12,857
Balances of the debts as at December 31, 2020	1,559,859	2,006,935
(+) Appropriation of interest and structuring cost of borrowings and financings	5,585	26,098
(+) Appropriation of interest and structuring cost of CCI/CRIs	-	27,223
(+) Appropriation of interest and structuring cost of debentures	138,769	138,769
(-) Payment of principal of borrowings and financings	(2,033)	(46,874)
(-) Payment of principal of CCI/CRIs	-	(15,778)
(-) Payment of principal of debentures	(300,529)	(300,529)
(-) Payment of interest on borrowings and financings	(4,974)	(27,332)
(-) Payment of interest on CCI/CRIs	-	(22,804)
(-) Payment of interest on debentures	(105,188)	(105,188)
(+) Issuance of debentures	415,000	415,000
(-) Payment of structuring cost	(11,297)	(11,594)
(+) Effect of fair value adjustment of debentures	(4,415)	(4,415)
(+) Effect of fair value adjustment of borrowings and financings	-	(1,343)
(-) Effect of repurchase of debentures	(64,541)	(64,541)
(-) Effect of gain on repurchase of debentures	(778)	(778)
(+) Effective interest resulting from debt renegotiation	3,647	10,743
Balances of the debts as at December 31, 2021	1,629,105	2,023,592

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

15. Deferred revenues

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Assignment of right of use	3,577	4,426	14,423	16,316
Prepaid rentals	36	29	172	99
	3,613	4,455	14,595	16,415
Current liabilities	919	-	5,412	1,672
Non-current liabilities	2,694	4,455	9,183	14,743

Deferred revenues include the recognition of assignment of right of use, which is appropriated to profit or loss over the lease term, as well as prepaid rentals and other pertinent items.

16. Judicial deposits and provision for contingencies

The Company and its subsidiaries are owners unit in condominiums which consist of a number of individually-owned units and common areas owned by more than one party, pursuant to an agreement. If contingencies arise in these shopping malls, the respective condominiums will be responsible for the settlement of such contingencies.

The Company and its subsidiaries may be subject to joint and/or subsidiary liability for any possible labor, social security, tax, civil or other litigation involving outflow of resources or provision of guarantees in the form of assets and rights. In order to mitigate these risks, the Company signs indemnification agreements whereby the former stockholders/quotaholders of the properties acquired undertake to reimburse the Company and its subsidiaries for any losses suffered because of events that occurred prior to the property's acquisition date. Management monitors any risks of this kind and, based on the support of its legal advisors, believes that at the date of these financial statements there are no significant risks that cannot be mitigated through existing legal mechanisms and/or settlement of immaterial amounts.

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

16. Judicial deposits and provision for contingencies (Continued)

The balance of the provision for contingencies is as follows:

	Consolidated					
	December 31, 2021			December 31, 2020		
	Provision	Judicial deposits	Net	Provision	Judicial deposits	Net
Judicial assets freezing	-	1,207	1,207	-	1,139	1,139
Labor	-	1,194	1,194	-	602	602
Civil	-	221	221	-	221	221
Tax (i)	-	30,945	30,945	-	29,963	29,963
Assets	-	33,567	33,567	-	31,925	31,925
Tax	26,453	19,375	7,078	32,263	19,426	12,837
Civil	5,848	1,567	4,281	1,338	786	552
Labor	1,449	418	1,031	1,278	1,149	129
Non-current liabilities	33,750	21,360	12,390	34,879	21,361	13,518
Total	33,750	54,927	21,177	34,879	53,286	18,407

Changes in the provision for contingencies in the year:	Consolidated			
	December 31, 2020	Additions	Write-offs	December 31, 2021
PIS/COFINS tax proceedings on lease income	22,356	-	-	22,356
Other taxes	9,907	218	(6,569)	3,556
Tax contingency allocated through business combination, as described in Note 4.	-	541	-	541
Civil	1,338	4,560	(50)	5,848
Labor	1,278	553	(382)	1,449
	34,879	5,872	(7,001)	33,750

Changes in the provision for contingencies in the year:	Consolidated			
	December 31, 2019	Additions	Write-offs	December 31, 2020
PIS/COFINS proceedings	22,356	-	-	22,356
Other taxes	10,561	22	(676)	9,907
Civil	1,652	220	(534)	1,338
Labor	1,500	473	(695)	1,278
	36,069	715	(1,905)	34,879

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

16. Judicial deposits and provision for contingencies (Continued)

Changes in judicial deposits:	Consolidated			December 31, 2021
	December 31, 2020	Additions	Write-offs	
Judicial assets freezing	1,139	68	-	1,207
PIS/COFINS tax proceedings on lease income	15,061	-	-	15,061
Other taxes (i)	34,328	983	(52)	35,259
Civil	1,007	867	(86)	1,788
Labor	1,751	-	(139)	1,612
	53,286	1,918	(277)	54,927

Changes in judicial deposits:	Consolidated			December 31, 2020
	December 31, 2019	Additions	Write-offs	
Judicial assets freezing	1,221	1	(83)	1,139
PIS/COFINS tax proceedings on lease income	14,392	669	-	15,061
Other taxes (i)	33,664	664	-	34,328
Civil	1,221	109	(323)	1,007
Labor	1,815	6	(70)	1,751
	52,313	1,449	(476)	53,286

- (i) This mainly refers to the proceeding that discusses the mandatory withholding of income tax on the income of the quotaholder of Fundo de Investimento Imobiliário FII - Shopping Parque D. Pedro, which is structured as a real estate investment fund. The aforementioned judicial discussion is sponsored by the Fund's administrator and has the quotaholder Parque D. Pedro 1 BV as the financial responsible party. In view of an agreement between Parque D. Pedro 1 BV SARL and Sierra Investimentos, the amounts used to make the deposit to cover any required tax were retained from Sierra Investimentos and, therefore, Parque D. Pedro 1 BV SARL undertook to compensate Sierra Investimentos for any and all risks associated with the lawsuit, which is still in progress. The balance of this deposit at December 31, 2021 is R\$ 30,945. See Note 25.

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

16. Judicial deposits and provision for contingencies (Continued)

Contingent liabilities with a risk of possible loss - Consolidated

	December 31, 2021	December 31, 2020
Tax	133,442	107,791
Civil	41,268	31,175
Labor	3,358	6,768
Total	178,068	145,734

Tax

Main tax lawsuit: The main tax lawsuit with possible risk of loss is related to the Brazilian Federal Revenue Assessment notice charging Income Tax (IRPJ), Social Contribution on Net Income (CSLL), Social Integration Program (PIS) and Social Security Financing Contribution (COFINS) for supposed omission of revenue in 2014 in the subsidiary Matisse Participações S.A., merged into Boulevard Belém S.A., in the amount of R\$ 50,777.

Civil

The Company's subsidiaries are defendants in several lawsuits arising from their regular business activities, especially involving compensation, contract termination and shopping mall rental renewal and revision lawsuits. The Company's subsidiaries are plaintiffs in lawsuits mostly related to evictions (due to default and contractual breaches), executions and collections, in general.

17. Other obligations

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Labor obligations	22,808	11,643	41,895	22,283
Obligations with shopping mall	-	2,559	7,073	8,875
Obligation for the power cogeneration equipment	10,190	12,632	10,190	12,632
Related parties transactions (see Note 25)	2,400	2,400	7,120	7,120
Bangu assets certified as a historic structure	9,664	11,332	9,664	11,332
Amounts to be passed on - condominium fees	-	5	4,925	4,911
Rents to be passed on to partners	-	-	4,084	1,852
Payables for company acquisition	-	-	8,400	-
Others	3,692	4,500	17,307	13,428
	48,754	45,071	110,658	82,433
Current	33,689	29,113	88,720	61,415
Non-current	15,065	15,958	21,938	21,018

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

18. Income tax and social contribution

i) Deferred tax assets and liabilities

The Company, based on its financial forecast studies for the next 10 years, recognized tax credits related to the tax losses for previous years and also on temporary differences.

The Company has been adopting measures that believes are sufficient to lead to the use of the balances of tax losses with consequent realization of the deferred tax asset on tax losses, such as: (i) corporate reorganizations; (ii) operating improvements; (iii) renegotiation of debts, with decrease in the interest rates, among others.

The Company revised its taxable profit projections as at December 31, 2021, mainly due to the impacts of the COVID-19 crisis and concluded that there is no need for a provision for impairment on the recorded balance.

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

18. Income tax and social contribution (Continued)

i) Deferred tax assets and liabilities (Continued)

Deferred income tax and social contribution breakdown is as follows:

	Company			
	Assets		Liabilities	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Difference of depreciation for the useful life of assets	-	-	(4,072)	-
Receivables – adjustment to straight-line rent	-	-	(6,969)	(5,705)
Swap carried at fair value	-	-	(3,349)	(5,323)
Capitalization of interest	-	-	(2,989)	(3,199)
Provision for expected credit losses ("ECL")	4,892	3,629	-	-
Amortization of the goodwill based on future profitability	-	-	(9,380)	(7,035)
Tax losses	59,681	59,681	-	-
Benefits program	9,826	6,151	-	-
Fair value gain Via Parque and Acapurana	-	-	(9,810)	(27,860)
Debentures carried at fair value	4,130	5,629	-	-
Gain on debt renegotiation	-	-	(2,470)	(3,711)
Others	5,586	6,905	-	(53)
	84,115	81,995	(39,039)	(52,886)

Net balance of R\$45,076 stated as non-current assets as at December 31, 2021 (R\$29,109 as at December 31, 2020 as non-current assets).

	Consolidated			
	Assets		Liabilities	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Difference of depreciation for the useful life of assets	-	-	(55,684)	(112,394)
Fair value of investment property	-	-	(817,608)	(830,181)
Receivables – adjustment to straight-line rent	-	-	(34,662)	(29,195)
Capitalization of interest	-	-	(18,758)	(16,635)
Swap carried at fair value	-	-	(3,349)	(5,323)
Amortization of the goodwill based on future profitability	-	-	(60,193)	(57,848)
Provision for expected credit losses ("ECL")	11,892	12,455	-	-
Fair value gain Via Parque and Acapurana	-	-	(9,810)	(27,860)
Tax losses	106,707	149,674	-	-
Fair value of debentures and borrowings	7,850	7,753	-	-
Benefits program	10,088	6,279	-	-
Gain on debt renegotiation	-	-	(10,491)	(12,021)
Others	7,933	11,001	(11,629)	(13,785)
	144,470	187,162	(1,022,184)	(1,105,242)

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

18. Income tax and social contribution (Continued)

i) Deferred tax assets and liabilities (Continued)

The balance is presented on a net basis in the Consolidated, of which R\$54,723 is presented in non-current assets and R\$932,436 in non-current liabilities as at December 31, 2021 (R\$66,177 in non-current assets and R\$984,257 in non-current liabilities as at December 31, 2020).

These balances were classified by nature. For disclosure purposes, the balances stated in the Balance Sheets were adjusted to reflect the net position between deferred tax assets and liabilities by company in the consolidated.

Below is the schedule for expected realization of deferred tax assets:

<u>Year</u>	<u>Company</u>		<u>Consolidated</u>	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
2021	-	-	-	674
2022	-	-	3,577	1,522
2023	-	3,121	4,872	5,527
2024	265	4,855	5,859	8,069
2025	2,088	5,913	8,826	10,216
2026-2031	81,762	68,106	121,336	161,154
	84,115	81,995	144,470	187,162

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

18. Income tax and social contribution (Continued)

ii) Reconciliation of effective rate

Reconciliation of income tax and social contribution expense calculated at the rates established by tax legislation with the amounts recorded in the statement of income for the years ended December 31, 2021 and 2020 is shown below:

Determination of effective tax rate	Company	
	December 31, 2021	December 31, 2020
Profit before income tax and social contribution	258,901	162,857
Combined statutory tax rate - companies under the taxable income method	34%	34%
Income tax and social contribution at the combined statutory tax rate	(88,026)	(55,371)
Additions		
Non-deductible expenses	(3,352)	(2,759)
Effects of taxation on the real estate investment funds	(2,020)	(2,121)
Effect of tax losses for which no deferred tax credits were recognized	(11,800)	(10,763)
Amortization of investments surplus	(20,973)	(20,973)
Effect on provision for investment loss	-	(22,363)
Exclusions		
Equity in the results of investees	140,730	98,377
Effect of write-off of goodwill – CTBH	-	8,383
Other exclusions	1,408	13,804
Income tax and social contribution as per the statement of income for the year	15,967	6,214
Income tax and social contribution		
Current income tax and social contribution	-	-
Deferred income tax and social contribution	15,967	6,214
Income tax and social contribution expense as per the statement of income	15,967	6,214
Total effective tax rate	6.17%	3.82%

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

18. Income tax and social contribution (Continued)

ii) Reconciliation of effective rate (Continued)

Determination of effective tax rate	Consolidated	
	December 31, 2021	December 31, 2020
Profit before income tax and social contribution	339,890	266,263
Combined statutory tax rate - companies under the taxable income method	34%	34%
Income tax and social contribution at the combined statutory tax rate	(115,563)	(90,530)
Additions		
Non-deductible expenses	(3,722)	(8,113)
Effect of tax losses for which no deferred tax credits were recognized	(21,122)	(15,059)
Effect on provision for investment and investment properties losses	-	(22,363)
Exclusions		
Equity in the results of investees	15,249	9,268
Effects of taxation on the real estate investment funds	14,447	1,621
Tax effect of the companies opting for presumed profit system	66,912	37,274
Effect of write-off of goodwill – CTBH	-	8,383
Write-off of deferred tax assets and net liabilities, due to a change from the taxable profit to the deemed profit method	16,034	-
Other exclusions	6,280	15,729
Income tax and social contribution as per the statement of income for the year	(21,485)	(63,790)
Income tax and social contribution		
Current income tax and social contribution	(61,379)	(30,254)
Deferred income tax and social contribution	39,894	(33,536)
Income tax and social contribution expense as per statement of income	(21,485)	(63,790)
Total effective tax rate	6.32%	23.96%

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

19. Equity

Share capital

As at December 31, 2021 the Company's capital is R\$4,156,722 (R\$4,156,476 as at December 31, 2020), represented by 265,772,778 registered common shares with no par value (265,772,778 as at December 31, 2020).

The Company is authorized to increase its share capital through the issuance of new registered common shares, book-entry and with no par value, by resolution of the Board of Directors and irrespective of amendment to the bylaws, in the amount of up to R\$4,000,000, in addition to the Company's capital.

Reserves

Capital reserve

Share subscription premium reserve

The premium reserve represents the premium paid by stockholders on the issuance of shares. The amount will remain recorded in "capital reserve" until its capitalization and will be capitalized proportionately to the interest held by each stockholder.

Expenditure on issuance of shares

Refers to expenditure on issuance of shares, which was classified as a capital reserve reduction. The balance refers mainly to expenditures incurred in the IPO transaction on December 5, 2019, which totaled R\$56,729, among others.

Treasury shares

Until December 31, 2021, the Company acquired 1,314,000 common shares. The balance of treasury shares as at December 31, 2021 is 664,669 shares.

Treasury shares were acquired at a weighted average cost of R\$28.11 (amount in reais), at a minimum cost of R\$27.02 (amount in reais), and at a maximum cost of R\$29.10 (amount in reais). The closing price of the shares calculated based on the last quote prior to the end of the period was R\$21.66 (amount in reais).

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

19. Equity (Continued)

Carrying value adjustments

As at December 31, 2021, the carrying value adjustments balance corresponds to fair value, net of tax impacts, allocated as the price of the business combination transaction occurred in 2019.

Non-controlling interest

i) *Breakdown of equity and result of non-controlling interest*

Equity	12/31/2021	12/31/2020
Fundo de Investimento Imobiliário Shopping Parque D. Pedro	537,759	539,351
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center	341,892	347,513
Added value attributed to non-controlling interest in the business combinations	51,892	51,892
Others	131,514	133,476
	1,063,057	1,072,232
Profit (loss) for the year	12/31/2021	12/31/2020
Fundo de Investimento Imobiliário Shopping Parque D. Pedro	24,952	18,081
Fundo de Investimento Imobiliário Parque D. Pedro Shopping Center	5,067	3,474
Others	13,518	11,847
	43,537	33,402

ii) *Main balances of non-controlling interest at December 31, 2021*

Balance sheet	FII Shopping Parque D. Pedro (31.52%)	FII Parque S. Pedro Shopping Center (49.9%)
Current assets	61,357	16,161
Non-current assets	1,658,321	680,854
Current liabilities	5,998	2,838
Non-current liabilities	6,384	6,105
Equity	1,707,297	688,073
Equity attributable to non-controlling interest	537,759	341,892
Profit or loss and dividends paid	12/31/2021	12/31/2021
Net operating revenue from rentals and others	110,838	22,325
Profit and comprehensive income for the year	59,970	13,495
Profit for the year from non-controlling interest	24,952	5,067
Dividends paid	25,229	13,924

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

19. Equity (Continued)

b) Result per share

i) *Basic profit per share*

Basic result per share is calculated by dividing the result attributable to stockholders of the Company by the weighted average number of common shares outstanding during the year.

	December 31, 2021	December 31, 2020
	Common	Common
Basic result per share		
Net income attributable to controlling stockholders	274,868	169,071
Weighted average number of common shares (thousands)	265,773	265,773
Weighted average number of treasury shares (thousands)	(554)	(1,040)
Basic profit per share	1.0364	0.6386

ii) *Diluted result per share*

Diluted result per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common shares with dilutive effects under the stock option program.

	December 31, 2021	December 31, 2020
	Common	Common
Diluted result per share		
Net income attributable to controlling stockholders	274,868	169,071
Weighted average number of common shares (thousands)	265,773	265,773
Weighted average number of treasury shares (thousands)	(554)	(1,040)
Weighted average stock options (thousands)	-	-
Weighted average number of outstanding common shares (thousands)	265,219	264,733
Diluted result per share	1.0364	0.6386

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

19. Equity (Continued)

c) Dividends

	2021		2020	
	Total	Amount per share (R\$)	Total	Amount per share (R\$)
Net income for the year	274,868	1.0342	169,071	0.6414
(-) Legal reserve	(13,743)		(8,454)	
Basic earnings for calculation of dividends	261,125		160,617	
Minimum mandatory dividends - 25%	(65,282)	0.2456	(40,154)	0.1523
Allocation to profit retention reserve	195,843		120,463	

Distributed dividends

On April 30, 2021, the Company approved the distribution of dividends for 2020 in the amount of R\$60,000, of which R\$40,154 were recorded as minimum mandatory dividends and R\$19,846 were allocated to the profit retention reserve. These additional dividends were paid on May 17, 2021.

20. Net revenue from rentals and services

Revenue by nature	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenue from rentals	101,594	84,994	756,233	661,075
Revenue from services	70,553	56,511	85,279	67,498
Assignment of right of use	1,160	1,707	9,956	11,536
Parking lot	8,443	5,757	138,350	100,026
Others	23	11	2,102	2,606
Taxes and contributions and other deductions	(21,144)	(16,200)	(54,243)	(45,156)
	160,629	132,780	937,677	797,585

Operating revenue from rentals and parking lot at December 31, 2021 and 2020 were impacted by the COVID-19 crisis. This impact was due to the reduction in the flow of vehicles and people and, consequently, decrease in store sales, with the closing of the Company's shopping malls in an intermittent period between March 2020 and December 2021. In addition, the effects of the discounts and the linearization of these discounts are described in Note 8.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

21. Cost of rentals and services

Cost by nature	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Depreciation and amortization of properties	(12,176)	(11,992)	(153,311)	(150,854)
Depreciation of the right of use of the assets	(1,084)	(1,084)	(1,084)	(1,084)
Amortization of added value of goodwill of assets	(66,232)	(66,301)	(11,450)	(14,346)
Cost of services rendered	(1,227)	(945)	(47,894)	(38,316)
Expenditures on rented properties	(2,933)	(1,766)	(51,017)	(36,626)
Cost of parking lot	(2,326)	(1,773)	(22,338)	(16,659)
Operating costs of shopping malls	(1,958)	(1,437)	(9,164)	(7,930)
Others	-	-	(4,535)	(3,734)
	(87,936)	(85,298)	(300,793)	(269,549)

22. Selling, general and administrative expenses

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Personnel expenses	(75,031)	(61,990)	(86,950)	(72,741)
Professional services	(16,631)	(17,031)	(21,425)	(19,882)
Occupancy expenses	(630)	(760)	(961)	(797)
Depreciation and amortization	(19,385)	(15,604)	(22,317)	(17,456)
Depreciation of the right of use of the assets	(1,161)	(1,036)	(2,978)	(1,733)
Utility and service expenses	(639)	(443)	(876)	(443)
Legal and tax expenses	(644)	(528)	(1,404)	(1,329)
Provision for expected credit loss (Note 8)	(10,712)	(12,267)	(52,121)	(63,726)
Other administrative expenses	(2,630)	(1,580)	(6,145)	(9,188)
	(127,463)	(111,239)	(195,177)	(187,295)

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

23. Finance income (costs)

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Finance costs				
Interest on borrowings, CCI and debentures	(60,841)	(42,724)	(102,654)	(85,645)
Liability monetary variations	(76,619)	(34,715)	(92,121)	(52,112)
Result from derivative financial instruments (1)	(7,110)	-	(7,110)	-
Structuring cost on indebtedness	(6,511)	(6,260)	(7,823)	(7,415)
Others	(10,603)	(6,329)	(7,021)	(8,890)
	(161,684)	(90,028)	(216,729)	(154,062)
Finance income				
Interest - short-term investments	46,978	41,585	56,835	80,436
Result from derivative financial instruments (1)	-	3,932	-	3,932
Asset monetary variations	4,031	3,246	6,436	4,207
Update, fine and interest on trade receivables	634	214	3,162	1,554
Others	162	6,418	128	9,961
	51,805	55,395	66,561	100,090
Finance income (costs)	(109,879)	(34,633)	(150,168)	(53,972)

(1) These refer to the gains (losses) arising from swap financial instruments.

24. Other income (costs), net

	Company		Consolidated	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Notices and publications	(263)	(312)	(292)	(312)
Publicity and advertising	(1,471)	(822)	(1,474)	(822)
Earn-out (1)	-	10,960	-	10,960
Expenses with indemnities	(548)	(2,419)	(1,869)	(3,128)
Disposal of investment properties (2)	-	33,076	-	35,099
Sale of quotas of Fundo de Investimento Imobiliário Via Parque – see Note 4	14,178	-	14,178	-
Provision for investments and investment properties losses (3)	-	(65,774)	-	(80,302)
Others	(2,259)	(2,808)	(7,041)	(9,261)
	9,637	(28,099)	3,502	(47,766)

(1) In March 2020, R\$ 9,211 was recognized as revenue related to the earn-out set out in the purchase and sale agreement of Norte Shopping signed in December 2018. In November 2020, R\$ 1,749 was recognized as revenue related to the earn-out set out in the purchase and sale agreement of Shopping Boulevard Campos signed in March 2020.

(2) Refers mainly to gains recorded on the disposal of interest in the properties of Boulevard Shopping Campos, in the amount of R\$10,000 and Parque Shopping Belém in the amount of R\$27,109, as well as the net result of other transactions.

(3) As at December 31, 2020, the Company recognized a provision for loss of added value on investment in the Company in the amount of R\$65,774. Additionally, it constituted a provision for investment properties loss of R\$14,528, see Note 11.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

25. Related-party transactions

In the course of their business, the Company and its subsidiaries, joint ventures, associates and other related parties carry out commercial and financial transactions with each other. These commercial transactions mainly include the shopping mall management service, in addition to loan operations and other amounts receivable due to asset purchase and sale agreements. The main balances of assets and liabilities at December 31, 2021 and December 31, 2020 arise from transactions as follows:

	Company			
	December 31, 2021		December 31, 2020	
	Non-current Assets	Non-current liabilities	Non-current assets	Non-current liabilities
Subsidiaries				
Boulevard Belém S.A. (1)	-	2,400	-	2,400
	-	2,400	-	2,400

(1) Refers to a loan agreement entered into between Boulevard Belém and the Company in April 2014, in the amount of R\$2,400, maturing in December 2023, without interest and monetary adjustment.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

25. Related-party transactions (Continued)

	Consolidated					
	December 31, 2021			December 31, 2020		
References	Non-current assets	Non-current liabilities	Transaction/result (rendering of shopping mall management services)	Non-current assets	Non-current liabilities	Transaction/result (rendering of shopping mall management services)
Subsidiaries						
Aliansce Sonae Shopping Centers S.A.	-	-	9,457	-	-	7,299
Aliansce Ass. Comercial Ltda.	-	-	8,645	-	-	2,279
Aliansce Mall e Mídia Int. Loc. e Merch. Ltda.	-	-	-	-	-	3,049
Shopping Taboão	-	-	(2,287)	-	-	(2,023)
Santana Parque Shopping	-	-	(443)	-	-	(451)
Norte Shopping Belém	-	-	(248)	-	-	(174)
Boulevard Shopping Belo Horizonte	-	-	(1,790)	-	-	(1,333)
Boulevard Shopping Belém	-	-	(3,423)	-	-	(2,090)
Boulevard Shopping Campos	-	-	(235)	-	-	(76)
Shopping Grande Rio	-	-	(1,321)	-	-	(953)
Parque Shopping Maceió	-	-	(1,566)	-	-	(1,043)
Shopping Parangaba	-	-	(775)	-	-	(720)
Boulevard Shopping Brasília	-	-	(691)	-	-	(551)
Caxias Shopping	-	-	(363)	-	-	(254)
Boulevard Vila Velha	-	-	(136)	-	-	(148)
Shopping Leblon	-	-	(2,355)	-	-	(951)
Shopping da Bahia	-	-	(1,697)	-	-	(1,046)
Via Parque	-	-	(772)	-	-	(814)
Other related parties						
Luciana Rique (1)	-	87	-	-	87	-
Reinaldo Rique (2)	3,855	-	-	4,013	-	-
FIP Bali (3)	4,033	7,120	-	4,033	7,120	-
CPPIB Salvador Participações Ltda. (4)	44	-	1,032	33	-	1,277
CPPIB US RE-A, INC. (5)	-	-	458	-	-	216
	-	7,932	1,490	8,079	7,207	1,493

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

25. Related-party transactions (Continued)

- (1) Tarsila has recorded the amount payable for the acquisition of a 22.36% interest in Naciguat Condominium, which integrates Shopping da Bahia, occurred in January 2013. The financial settlement still depends on some contractual obligations.
- (2) Receivables due to tax obligations from the former owner of the interest acquired in Shopping da Bahia, which are paid in installments through the Program of Payment in Installments or Refinancing of Federal Tax Debts ("REFIS") by Nibal.
- (3) Altar records in non-current assets the amount receivable from the former owners of the interest acquired in Shopping Leblon (purchase of 25.1% of Shopping Leblon by Vivaldi (company merged into Altar) in August 2016 from sellers FIP BALI and RLB Empreendimentos e Participações), which will be carried out through the reimbursement of amounts that can be paid by Altar in legal proceedings related to IPTU tax of Shopping Leblon and are in progress. The contingent liability of the respective IPTU is recorded under "Provision for Contingencies". Also in connection with this transaction of purchase of Shopping Leblon, Altar maintains recorded in non-current liabilities the amount payable to FIP Bali and RLB Empreendimentos e Participações, which aims to reimburse such companies for the use of tax credits by Altar then received upon the purchase of said Shopping.
- (4) Refers to the provision of administration and asset management services for Shopping da Bahia, in which CPPIB Salvador Participações Ltda., a wholly-owned subsidiary of CPPIB Salvador Holding Inc. (a related party of the Company's controlling shareholder, Canada Pension Plan Investment Board) holds 18.1%.
- (5) Refers to the provision of asset management services for Shopping Leblon, in which CPPIB Leblon Brazil Ltda. (a related party of the Company's controlling shareholder, Canada Pension Plan Investment Board) holds 14%.

Contract signed between Sierra Investimentos and Parque D. Pedro 1 BV

The investee Sierra Investimentos has an agreement signed with Parque D. Pedro 1 BV under which Parque D. Pedro 1 BV undertakes to compensate Sierra Investimentos for all and any risks associated with the proceeding in progress that discusses the taxation of income of Fundo de Investimento Imobiliário Shopping Parque D. Pedro belonging to a stockholder that is not part of the group. Under this agreement, Sierra Investimentos had part of its income retained and used for purposes of judicial deposits, totaling R\$30,945 at December 31, 2021 (R\$29,963 at December 31, 2020).

Key management compensation

The compensation paid to key management, which includes directors and officers, amounted to R\$31,776 in the year ended December 31, 2021 (R\$28,929 at December 31, 2020). This amount encompasses short-term compensation, corresponding to: (i) fee paid to the directors and members of the Board of Directors and its supporting Committees; (ii) bonus paid to the members of the Executive Board; and (iii) other benefits, such as health care plan, in addition to long-term incentives such as share-based compensation.

The Company has not made payments for post-employment benefits, other long-term benefits and termination benefits.

The Company has a share-based compensation program (Note 27).

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

26. Collaterals and guarantees

The Company and/or its stockholders, in the capacity of guarantors of borrowings assumed by the Company and by some of its subsidiaries, provided surety bonds in amounts proportional to their interest in the subsidiaries, in the amount of R\$1,220,695.

27. Share-based compensation

a) Restricted shares program

In June 2019, as a result of the corporate restructuring process for the merger of Aliansce Shopping Centers S.A. into Sonae Sierra Brasil S.A. (see note 1), and considering that the Stock Option and Incentives Linked to the Company's Shares Plan ("Plan" and/or "Program") issued by Aliansce Shopping Center S.A. ("Aliansce") granted powers to the Board of Directors to perform the appropriate adjustments to the respective stock option and incentives linked to the share programs to protect the interests of the beneficiaries, the Aliansce's Board of Directors approved the granting to each beneficiary of the programs of the possibility of subscribing all the common shares that were subject to the stock options granted to such beneficiary under the programs.

The payment by the respective beneficiary followed the same terms originally provided for in the programs and in the respective adhesion contracts for each exercise of the stock options granted, except for the 10% portion of the issuance price of each common share, which was paid up in cash by each beneficiary.

2,496,421 common shares were issued by Aliansce Shopping Centers S.A., which, after the business combination with Sonae Sierra Brasil S.A., were converted into 1,966,662 nominative and with no par value shares of the Company, allocated for subscription and payment by the beneficiaries of the restricted shares plan of the Company.

The amount of restricted shares to be paid up should correspond to the strike price (which correspond to a value between R\$15.00 to R\$18.55 according to each contract) and will be adjusted monthly by reference to the IPCA variation, deducting the value of dividends distributed by the Company between the date established in each adhesion agreement and the payment date.

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

27. Share-based compensation (Continued)

a) Restricted shares program (Continued)

The shares granted to the beneficiaries of the programs will be free to be exercised after two or three years (according to the adhesion agreement) as of the date of grant and at the ratio of 33.33% per each year. The annual lots may be fully or partially paid up until the end of the extinguishing term of 12 months, counted from the end of the Grace Period of the respective Annual Lot. After the expiration of this extinguishing term, the beneficiary will lose the right to the payment of the shares underlying the respective Annual Lot or the portion of shares not exercised in the Annual Lot by the beneficiary, without any right to indemnification.

As required by technical pronouncement CPC 10 (R1) - Share-based Payment, the Company started the recognition in the statement of income, as services were provided, in share-based payment transactions; the effect in the statement of income for the year ended December 31, 2021 amounted to R\$ 5,823 (December 31, 2020: R\$10,988).

The premiums corresponding to the flexibilities of restricted shares were calculated based on the fair value as of the grant date of the agreement, based on their respective market price. Based on valuation techniques using the Binomial Model and financial models, the Company estimated the accounting effects with a reasonable degree of accuracy, as follows:

Programs	Group 1	Group 2	Group 3	Group 4
Exercise term	11/10/2022	04/09/2023	12/31/2022	04/09/2024
Number of shares of the program (i)	1,346,431	208,863	111,289	300,079
Strike price in R\$	15.00	17.50	15.14	18.55
Market price as of the grant date in R\$	17.79	17.80	15.77	19.47
Fair value of flexibilities in R\$	5.04	3.78	3.59	4.07
Volatility of share price - %	29.93	31.58	32.28	32.02
Risk-free rate of return - %	4.74	4.60	4.69	4.20

(i) These numbers of shares correspond to the Company's shares, after the application of a conversion factor upon the merger of Aliansce Shopping Centers S.A. into Sonae Sierra Brasil S.A.

Pursuant to item 45 of CPC 10 (R1), the number and weighted average price for payment of shares are set out for the following share groups:

Changes in restricted shares	Number	Weighted average price
Outstanding at the beginning of the year	1,676,051	16.26
Paid up in the year	(12,004)	16.26
Outstanding at the end of the year	1,664,047	16.26
Exercisable at the end of the year	832,024	16.26

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

27. Share-based compensation (Continued)

b) Hybrid stock option program

- (i) *1st Grant of the Hybrid Stock Option and Share-based Incentive Program:* On July 8, 2020, the Company granted its beneficiaries the right to purchase 218,656 shares, receiving the amount of R\$5,788. In addition, it granted additional 218,656 shares due to the estimated match in the program without any cost to the beneficiary. The 437,312 shares granted to beneficiaries were derived from treasury shares at an average cost of R\$ 27.95, totaling R\$ 12,222. The fair value of these shares is R\$ 7,111 (R\$ 16.26 per share).

Moreover, the aforementioned hybrid stock option program provides for the granting of performance shares after the end of the three-year lock-up period of the shares granted as matching, which are comprised as follows:

	Number of shares	Total fair value attributed to shares
Performance shares based on market conditions	109,328	840
Performance shares based on non-market conditions	109,328	3,225
Total	218,656	4,065

No performance-related shares have been granted so far, which should occur at the end of the three-year period, when the goals established in the program are determined.

In the year ended December 31, 2021, R\$ 6,243 (already considering charges) was recognized related to the allocation of personnel expenses linked to such program, under the line item "Selling, general and administrative expenses".

- (ii) *2nd Grant of the Hybrid Stock Option and Share-based Incentive Program:* On April 14, 2021, the Company granted its beneficiaries the right to purchase 82,568 shares, receiving the amount of R\$1,649 and maintaining at December 31, 2021 the amount receivable of R\$178. In addition, it granted additional 82,568 shares due to the estimated match in the program without any cost to the beneficiary. The 165,136 shares granted to beneficiaries were derived from treasury shares at an average cost of R\$28.11, totaling R\$4,642. The fair value of these shares is R\$2,263 (R\$13.71 per share).

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

27. Share-based compensation (Continued)

b) Hybrid stock option program (Continued)

Moreover, the aforementioned hybrid stock option program provides for the granting of performance shares after the end of the three-year lock-up period of the shares granted as matching, which are comprised as follows:

	<u>Number of shares</u>	<u>Total fair value attributed to shares</u>
Performance shares based on market conditions	41,284	476
Performance shares based on non-market conditions	41,284	1,090
Total	82,568	1,566

No performance-related shares have been granted so far, which should occur at the end of the three-year period, when the goals established in the program are determined.

In the year ended December 31, 2021, R\$ 2,108 (already considering charges) was recognized related to the allocation of personnel expenses linked to such program, under the line item "Selling, general and administrative expenses".

c) Share-based compensation program (Phantom)

1st program: The Company signed a compensation agreement that establishes the terms and conditions for the payment of a premium in cash to certain officers, based on the appreciation of Company shares, after meeting the restrictive condition that is remaining at the Company for a minimum period of three years counted from July 8, 2020.

For this program, an economic benefit in the amount of 21,327 shares was granted to executives. At December 31, 2021, the fair value of this program is R\$324. The amount was recorded under "Other liabilities" in the balance sheet and under "Selling, general and administrative expenses" in the statement of income.

The amount in cash to be disbursed is based on the weighted average quote of the share in the last thirty (30) sessions prior to the payment date.

Moreover, the aforementioned program provides for the granting of a performance premium after the end of the three-year period, which are comprised as follows:

Aliansce Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

27. Share-based compensation (Continued)

c) Share-based compensation program (Phantom) (Continued)

1st program (Continued)

	Number of shares	Total fair value attributed to the premium
Performance premium based on market conditions	10,664	92
Performance premium based on non-market conditions	10,663	314
Total	21,327	406

2nd program: The Company signed a compensation agreement that establishes the terms and conditions for the payment of a premium in cash to certain officers, based on the appreciation of Company shares, after meeting the restrictive condition that is remaining at the Company for a minimum period of three years counted from April 14, 2020.

For this program, an economic benefit in the amount of 5,550 shares was granted to executives. At December 31, 2021, the fair value of this program is R\$84. The amount was recorded under "Other liabilities" in the balance sheet and under "Selling, general and administrative expenses" in the statement of income.

The amount in cash to be disbursed is based on the weighted average quote of the share in the last thirty (30) sessions prior to the payment date.

Moreover, the aforementioned program provides for the granting of a performance premium after the end of the three-year period, which are comprised as follows:

	Number of shares	Total fair value attributed to the premium
Performance premium based on market conditions	2,775	32
Performance premium based on non-market conditions	2,775	73
Total	5,550	105

Aliance Sonae Shopping Centers S.A.

Notes to company and consolidated financial statements (Continued)

December 31, 2021 and 2020

(All amounts in thousands of reais unless otherwise stated)

27. Share-based compensation (Continued)

d) 1st Restricted shares program of the Company's Board of Directors

On March 31, 2021, the Company granted 56,668 shares as compensation to the members of the Company's Board of Directors. The shares granted to beneficiaries were derived from treasury shares, already net of taxes, amounting to 41,084 shares at an average cost of R\$28.11, totaling R\$1,155. The fair value of these shares is R\$1,593 and has a lock-up period of one year.

28. Insurance

The Company and its subsidiaries adopt the policy of contracting insurance coverage for assets subject to risks. The insurance amounts are considered sufficient by Management to cover possible losses, taking into consideration the nature of the activities.

At December 31, 2021, the Company's shopping malls in operation were insured as follows:

- **General civil liability** - The shopping malls of the Company have a general civil liability insurance policy which the Company believes to cover the risks involved in their activities. The policies refer to civil claim amounts for which the Company may be held liable by a final court decision or by express agreement by the insurance company, with reference to compensation for damages caused to third parties. Moral damages covered in this policy for the operations of the shopping malls of the Company's portfolio is R\$50,000.
- **Specific Risks and Operating Insurance** – The Company's shopping malls have Specific Risks and Operating Insurance encompassing what the Company understands that are the main risks involved in its operations. The insured amount for each asset represents the Company's estimate for their total reconstruction plus lost profit. The deductible varies according to the insured events. The lost profits are also guaranteed in each one of the assets at an amount the Company understands as representing the earnings for 12 consecutive months.

29. Event after the reporting period

On March 15, 2022, 500,000 registered book-entry shares were issued, without the issuance of certificates, with unit nominal value of R\$1,000.00 (one thousand of Reais), totaling R\$500,000, in accordance with the contract entered into between the Company and the trustee on March 3, 2022. These debentures comprise two series, the 1st series in the amount of R\$234,500, yielding CDI + 1.43% per year and maturing in five years, and the 2nd series in the amount of R\$265,500, yielding CDI + 1.55% per year and maturing in seven years.